

I You We They	have	finished	The work
He She It	has		

Interrogative

Have	I You We They	finished	The work?	Yes, I have. No, I haven't
Has	He She It			Yes, he has. No, he hasn't

Negative

I You We They	Have not(haven't)	finished	The work
He She It	Has not(hasn't)		

UNIT 6. SMALL-SIZED BUSINESS.

Exercise 1. Answer the following questions.

1. Would you like to be a small fish in a big pond or big fish in a small pond? Prove your choice.
2. Would you like to do a small-sized business?
3. What line of small-sized business would you like to do: to provide services or produce goods?

Exercise 2. Read the text.

Small-sized business

Since 1971, there is a dramatic **increase** in the number of small-sized firms in the UK. Why is this so? What advantages do small-sized firms have over larger firms? $\frac{2}{3}$ of private sector employment in the sector in the UK are small-sized and medium-sized enterprises. Small-sized companies stimulate economic **growth**. They do not face the same problems the larger companies. As they are closer to the market, they **are** also more **in touch** with market trends. They are more flexible. They can quickly respond to changing market demand. Small-sized business can **meet** specialized local **needs**. They can provide individualized products for customers who do not like mass-produced goods. They are more innovative. 55% of American technical innovation comes from small-and-medium-sized business. Their managers can make quick decisions. Besides small size, there are various economic, social and political factors, with **encourage** people to set up small-sized companies.

As the service sector is increasing there are more opportunities for small-sized business. People can set up a service company with very little capital. The textile, footwear, car repairs, window cleaning, printing and publishing industries provide opportunities for small firms. The furniture and clothing industries and manufacture of various domestic items are all consumer goods industries, which offer market niches for new businesses.

How small is small? Definitions are different. In the UK a small firm has 50 employees, total **assets** of £0.7 million and its turnover is £ 1.4 million. According to the legislation small enterprises in Uzbekistan must conform the following criteria: in transport, communications, **public catering**, trade and other service spheres they **must** have not more than 25 employees, in light and **food-processing** industries, **metal working**, furniture industry, and building materials manufacture they must have not more than 100 employees; in mechanical engineering, chemical industry, farming produce processing sector, construction and other industrial spheres they must have not more than 50 employees.

Most entrepreneurs **have to** struggle hard to find the start-up capital they need to purchase equipment and premises. They generally have some of their capital to invest from **savings** or **mortgage** on their property. Banks are the most important source of initial finance.

Small firms play an important role in the economy by **creating** jobs and stimulating competition and innovation.

Exercise 3. Answer the questions.

1. In what spheres do small-sized companies operate?
2. What are the advantages of small-sized enterprises over big enterprises?
3. What economic, social and political factors encourage people to set up small-sized companies?
4. In what spheres are small-sized companies operating in Uzbekistan?
5. What criteria must small-sized companies operating in Uzbekistan?
6. How does the Uzbek government encourage the development of small-sized business?
7. What loans do banks give to small-sized entrepreneurs in Uzbekistan?
8. What role do small-sized businesses play in economy?

Exercise 4. Match the words to their definition.

Words	Definitions
1.innovation	a) a costs which cannot be directly related to a product: electricity, heating, etc.
2.assets	b) a piece of property as security for the payment of a loan
3.trial order	c) the items of value which the business owns, e.g. land, buildings, equipment and vehicles
4.overheads	e) a test or experimental order
5.incentive	f) something newly introduced
Municipal fee	g) something that stimulates to work harder

Exercise 5. It is important to business to be able to talk about things, which go up and down. Mark with an arrow which verbs mean going up and which ones going down.

Example: to go up**to go down**

to rise	to expand
to increase	to reduce
to decrease	to loose
to develop	to rocket
to grow	to raise
to improve	to minimize
to fall	to cut

Exercise 6. Which company is each sentence describing? Write the name in the gap.

Levi's, GM, Coca-Cola, DHL, ECCO, Bic, McDonald's, Vitec, Cterpillar, L'OREAL, AT&T, Shell

1. began business in California. And now they sell jeans worldwide.
2. is a company which has a reputation for providing high quality fast-food.
3. is a company which is famous for producing cars.
4. is a company which firs sold disposable pens.
5. is a cosmetics company. Everybody knows its slogan " Because I am worth it".
6. is a company which delivers thing worldwide.
7. is a company which produces home appliances.
8. is a company which sells soft drinks around the world.
9. is well-known oil company.
10. is the US manufacturer of earth moving equipment.
11. is American Telephone and Telegraph Co., the world's largest telecommunications network.
12. is a European manufacturer of shoes.

Exercise 7. Change these sentences according to the given model.

**Model: My secretary translates a lot of business letters every day.
A lot of business letters are translated by my secretary every day.**

1. They often send him on business abroad.
.....
2. He will finish his work in time.

-
3. I paid him the money yesterday.
 -
 4. They will discuss the offer tomorrow.
 -
 - 5 They solved the price problem last week.
 -
 6. They usually discuss contract terms during the talks.
 -

Exercise 8. Put questions to the words given in bold type.

1. The appointment was made **for Thursday**.
-
2. **Delivery dates** will be discussed during the talks on Wednesday.
-
3. The offer was not accepted **because the price was too high**.
-
4. The mail is usually delivered **at 9.30**.
5. The luggage was taken up to my room **by the bellboy**.
6. Our customers are always given **the necessary information** on the goods they are interested in.
-
7. Johnson & Johnson Consumer Products was set up **in 1885**.
-
8. A large chemical exhibition will be held **in Tashkent** next week.
-

Exercise 9. Complete these sentences with the words and phrases from the box in the correct form.

flexible, to respond, to encourage, to meet the needs, an incentive, growth, to create, to conform to, to increase, overheads, to be in touch

1. The company's, including rent, electricity and heating, have doubled this year.
2. To reduce the number of lost working hours the management decided to introduceworking hours.
3.productivity we have installed up-to-date equipment.
4. Our company produce innovative goods, which of our customers.
5. The government of Uzbekistan Small-sized enterprises.

Job		Activity	goods	Preposition	Place
1	A producer				
2					
3					
4					

6. If companies want to survive, they must quickly to the changing needs of their customers.

7. We do our best to make high-quality products, which international standards.

8. We with the world market and know well the prices for this type of equipment.

9. Small-sized enterprises play an important role in the economy of our country as they new jobs.

10. The company gives its employees -a free trip on holydays.

11. The government is interested in the rapid of small-sized firms.

Exercise 10. Read the text about Richer Sounds and find the answers to the following questions.

1. What makes the company successful?
2. What do Wal-Mart and Richer Sounds, about which you have already read, have in common?
3. What do they do to attract customers?
4. What, does the management do to stimulate their employees to work hard?

Richer Sounds

This is a story about Richer Sounds, a little known, privately-owned, cut price retailer of *hi-fi equipment. It has 19 shops in the UK. In 1994, the company entered Guinness Book of Records for the highest sales per square foot of any retailer in the UK.

Julian Richer set up the company. It sells **discounted** hi-fi equipment in small shops with low **overheads**. The company's small size gives it **flexibility**. Suppliers are interested in doing business with this small-sized company. With a small management team, they can make decisions quickly. Marketing is a key weapon. Richer Sounds advertises regularly in national newspapers. They sell their goods at low prices. Low prices are possible because fixed costs are kept, to a minimum 27% of turnover. The shops are small and they are located far from the center, so the rents are low. The interior of the shops is very simple.

Good service is another priority. The staff are trained to be friendly. One of the staff calls a first-time hi-fi buyer to check that he or she is happy with the equipment they have bought. Customers get a free phone number; they can call if they have a problem. They also get Richer's office number. The staff try to make fun. If it is raining, they give to customers a free umbrella. In summer they get an ice lolly (a piece of hard candy on a stick), at Christmas and Easter they get some gifts. Richer treats his employees like colleagues. 15 % of profits are distributed to the staff. 1 % goes to a staff hardship (problem) fund for use in case of crisis. 4% goes to **charity**. The company also gives their employees an unusual **incentive**: the best 2 performing branches each month get free use of a Bentley for 4 weeks.

With good profits and a good reputation, Richer is going to expand his niche. But he is not in a hurry. He says: "Things that are built slowly last longer"

*hi-fi - high fidelity (accuracy in reproducing sound)

Exercise 11. The sentences in the chart below show the way goods go through from

the plant to consumers. Complete them with the words and prepositions from the box.

a distributor a producer in sells, transports, a consumer, stores, a wholesaler, a plant, makes, by, a warehouse, a retail outlet, at, refrigerators, rail or air, a retailer, buys

Exercise 12. Listen to interview 1 and tick the correct boxes.

1. What is Mikaela's line of business?

- Manufacturing
- Service
- Wholesale
- Retail
- Other

2. Why has she set up her business?

- Redundancy
- a good business idea
- independence
- other

3. Who has helped her in the past year?

- a bank
- her family or friends
- an accountant
- a lawyer or legal adviser
- a government agency
- other

4. What was the biggest problem?

- Financing
- Marketing
- Premises
- distribution of products
- other

5. What was the largest source of financing

- her own money
- a bank loan
- loans from her family
- other

Exercise 13. Listen to interview 2 and tick the correct boxes.

1. What is Andre's line of business?

- manufacturing
- service
- wholesale
- retail
- other

2. Why has he set up his business?

- redundancy
- a good business idea
- independence
- other

3. Who has helped him in the past year?

- bank
- him family or friends
- an accountant
- a lawyer or legal adviser
- a government agency
- other

4. What was the biggest problem?

- Financing
- Marketing
- Premises
- distribution of products
- other

5. What was the largest source of financing?

- his own money
- a bank loan
- loans from his family
- other

Exercise 14. Listen to interview 3 and tick the correct boxes.

1. What is Stephanie's line of business?

- manufacturing
- service
- wholesale
- retail
- other

2. Why has she set up her business?

Redundancy
a good business idea
independence
other

3. Who has helped her in the past year?

a bank
her family or friends
an accountant
a lawyer or legal adviser
a government agency
other

4. What was the biggest problem?

Financing
Marketing
Premises
distribution of products

5. What is the largest source of financing

her own money
a bank loan
loans from her family

Exercise 15. Listen and write down what Roger likes and dislikes about working in business.

Roger likes...	Roger dislikes...

Exercise 16. Study the language notes and complete these sentences with the correct prepositions.

1. I'm going on a business trip 3 days.
2. the holidays he read many funny stories.
3. We must send the faxan hour.
4. I'm going outa few minutes.
5. Our Japanese partners stayed at the Uzbekistan Hotel a week.
6. My parents worked for Nissan 20 years.

7. My friend has just come back from Italy He stayed there 2 weeks his holiday he had a lot of fun.
8. We hope to get all the necessary information a week.
9. Our manager went to Paris on business 10 days. his visit he signed a lot of contracts
10. The company will make payments 10 days.

Exercise 17. Look at this data sheet ask your partner questions and let him answer them.

Name: Moore Corporation Limited

Headquarters: Toronto, Canada

Sales: 2 6 billion

Competitors: Pitney Bowers, United Stationers. and American Business Information

Products: Computer- based information systems

Employees: 20,000

Subsidiaries: In 47 countries

Exercise 18. Complete these sentences with the model verbs 'must' or 'have to' in the correct form.

1. I cannot have talks today because I go on business.
2. You submit some documents if you want to have your business registered.
3. The goods have some defects, so we pay for them.
4. My friend lives not far from his office. so he get up early.
5. The system is dangerous. We use it. I think we buy another system.
6. Interest rate will rise by 5% next year, so wetake out a loan now.
7. I look through these documents, my secretary after it.
8. We have found the money, so we borrow it.
9. You Keep our know-how a secret.
10. You forget to send this fax.

Exercise 19. Complete these Sentences with the correct forms of the verbs brackets.

- 1 It normally about three weeks to register the company, but this one Longer than usual. (**to take**)
- 2 They always firm control over expenses, but in the present climate they even firmer than they usually do (**to keep**)

- 3 Usually we prices once a year, but last year we them twice. (**to increase**)
- 4 We usually a London firm, but we our local agent this time. (**to use**)
- 5 We usually everything by fax, but this time we tis package by courier. (**to send**)
- 6 They usually\$2 million on advertising, but last year they \$25 mln. (**to spend**)

Exercise 20. Work in pairs.

(a) Student A looks at the data sheet about G&A Software, Student B asks him questions about this company and fills in the data sheet given below (for Student B)

For Student A

Name:	GA Software Oxford
Location:	Oxford
Main activity:	designing and selling software
Main markets:	Great Britain, the USA
Employees:	87
Turnover:	\$ 11,640,000
Pre-tax profits:	\$ 1,652,000
Value of the company:	\$ 21,000,000

For Student A

Name:	.....
Type of company:	.....
Date of setting-up:	.....
Headquarters:	.....
President:	.....
Annual earnings:	.....
Employees:	.....
Subsidiaries:	.....

(b) Now Student B looks at the data sheet about Johnson & Johnson Consumer Products, Inc., Student A asks him questions about this company and fills in the data sheet given below

Main activity	.....
Main market	.....
Employees:	.....
Turnover:	.....
Pre-tax profits:	.....

Value of company:	.....
For Student B	
Name:	Johnson & Johnson Consumer Products, Inc.,
Type of company:	international
Date of setting-up:	1885
Headquarters:	New Brunswick, New Jersey, the USA
President:	David Clare
Annual earnings:	\$ 618 million
Employees:	80,000
Subsidiaries:	170 in 55 countries

Exercise 21. Discussing the guarantee period.

Potter: Good morning, Mr. Fazilov. I'm glad to see you again.

Fazilov: Good morning, Mr. Potter. I'm glad to see you too.

Potter: Please take a seat.

Fazilov: Thank you. Sunny morning, isn't it?

Potter: Yes. Good weather is a good way to start business, isn't'!

Fazilov: That's true. Let's get down to business. We have studied all technical data we got from you. We are interested in machine Model GH-44. It has good working characteristics. It is just what we need.

Potter: I'm pleased to hear that. We've sold a lot of machines and all our customers are satisfied with them.

Fazilov: The machine is certainly good. Now there are some points I'd like to discuss. Can you deliver them in April or May?

Potter: Yes, in how many lots would you like to receive the machines?

Fazilov: In 2 lots of 5 machines each.

Potter: We could deliver the first lot at the beginning of April and the second in the middle of May. Is that all right?

Fazilov: Yes, that suits us very well. What's your guarantee period?

Potter: 12 months from the date of putting the machines into operation and not more than 15 months from the date of delivery.

Fazilov: We think it's rather short. We hoped to get as least 18 and 24 months respectively.

Potter: I'm afraid that goes against our usual practice.

Fazilov: Please try and see our point of view. This is our trial order and we'd like to have a longer guarantee period.

Potter: Well, we could extend it. We guarantee the good running of the machines within 15 months from the date of putting them into operation but not more than 18

months from the date of delivery. Moreover, of course, we hope you will observe our operation instruction.

Fazilov: No doubt, we shall. Within what period will you correct the defects if we find any?

Potter: If you find any defects during the guarantee period and we are responsible for them, we will correct them within the shortest time at our expense.

Fazilov: Could you be more exact on the point?

Potter: Well, within 2 months' time. Will it be all right?

Fazilov: That suits us.

Potter: We can also deliver spare parts.

Fazilov: That's nice.

Answer the following questions.

1. What machine is Mr. Fazilov going to buy?
2. What are the delivery terms?
3. What guarantee period can the Seller give?
4. Does this guarantee period suit the Buyer?
5. What agreement did they come to?

Exercise 22. Complete these sentences with the correct prepositions.

1. The company offered the guarantee period 12 months the date putting the computers operation.
2. As the Seller was responsible the defects, they had to correct them ... their expense.
3. The machine-tools are high quality and meet the requirements customers.
4. Could you deliver the goods three lots 50 units each?
5. Our suppliers deliver the first lot the beginning September and the second lot the middle November.
6. You must open a Letter Credit two weeks.
7. If you want to place an order our company, please get touch our local agent.
8. Consumers always respond new goods.
9. According the U.S. Small Business Administration a small-sized company employs fewer than 100 employees.
10. The goods our company produce are high quality and conform the world standards.

Exercise 23. Think and say.

1. Explain two reasons why some businesses remain small.
2. The owner of a small business is planning to expand the business. He/she asks for your advice.
 - a) Make a list of steps he/she should take.
 - b) Make a list of all possible advantages and disadvantages of this decision.

Exercise 24. Work in groups.

Discuss the development of small-sized business in Uzbekistan? While discussing answer the following questions:

- 1 What problems do they face?
- 2 What does the government do to help them?
- 3 What areas of industry are they operating in?

Share the results of discussion with the whole group. Are they similar or different?

Exercise 25. Role-play.

Student A is going to set up a small-sized company. Student B has already set up his business. Student B should share his experience with student A.

You would like to start up a small-sized business. Discuss this problem with Khokimiyat official. Ask him/her what documents you must submit for consideration, and how long it will take to register your firm.

Language notes

1. Modal verbs 'must' and 'have to'

Must means that something is very necessary. It is a 'strong' word.

Positive

I You He She We They	must	work hard
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Interrogative

Must	I you he she we they	work hard?	Yes, you must. No, you mustn't.
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Negative

I You He She We They	must not (mustn't)	do it
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Have to means it is necessary to do something because of some circumstances.
Eg. : I have a very important test tomorrow. I have **to study** tonight.

Positive

I You We They	have to	study tonight.
He She	has to	

I You We	had to	study yesterday.
They He she		

Interrogative

Do	I you we they	have to	study tonight?
Does	he she		