

# 8 Money

## Unit Focus



Banking



Budgets



Investment

## Snapshot

**A** Look at the pictures. Where are the people? What are they doing?



2



4



**B** Listen to the statements (A–D) and choose the one that describes each picture.

**C** Listen again and identify the verbs in the statements. Can you find a synonym for each verb?

Verb

Synonym

1

2

3

4

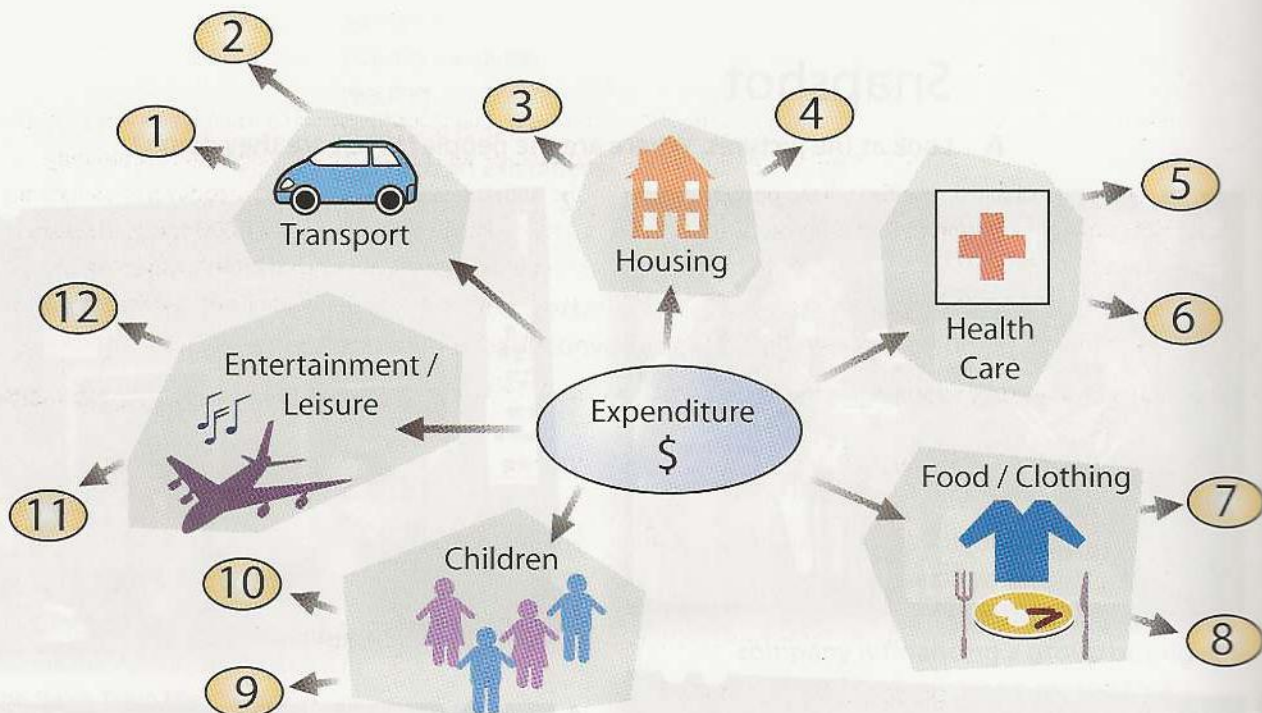
## DISCUSSION

What bank services do you use? How often do you go to your bank?



## Listening 1

- A** Look at the chart showing the main sources of household expenditure. Place the items in the list below in the correct categories (1–12) in the chart. Write your answers in the blanks.



footwear	.....	utility bills	.....	allowance	.....
vehicle insurance	.....	tolls	.....	club membership	.....
school tuition	.....	medical coverage	.....	prescription medicine	.....
mortgage	.....	groceries	.....	concert tickets	.....



3

B

- Listen to four short conversations (1–4) in which the speakers are discussing expenditure. Which of the six main spending categories in the chart are they talking about?

1 transport      2 .....      3 .....      4 .....

C

- Now listen again and write down the vocabulary related to personal finance.



### TOEIC® Tip

Being familiar with common abbreviations will help you to identify the context of a question. *ATM*, for example, is an abbreviation of *Automated Teller Machine*.

CEO	Chief Executive Officer	MBA	Master of Business Administration
IT	Information Technology	R&D	research and development
mph/kph	miles / kilometers per hour	asap	as soon as possible
PC	personal computer	Inc.	Incorporated
PR	public relations	i.e.	*id est – that is
HR	Human Resources	e.g.	*exempli gratia – for example

\* The full forms of these Latin abbreviations are not normally used.



# Grammar Check 1

## Talking about trends

- A** Read the short text and list five verbs in the text that refer to upward movement and downward movement.

## Microfinance

According to the United Nations, one way to lower poverty levels is by supporting the development of microfinance. Microfinance enables village people in developing countries to borrow small amounts of money from Microfinance Institutions (MFI's) in order to set up small community businesses. In theory, microenterprises of this type allow their founders to

increase their income, which in turn raises consumption and the general standard of living in the community. The number of MFI's has grown steadily from a handful twenty years ago to more than 7,000 today. They are now contributing actively to the UN's objective of reducing the number of people living on less than \$2 a day by 50% before 2015.

upward ↑

- 1 *increase*
- 2 .....
- 3 .....

downward ↓

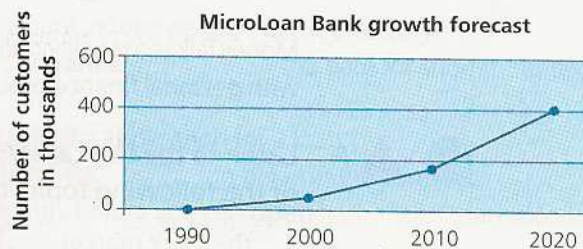
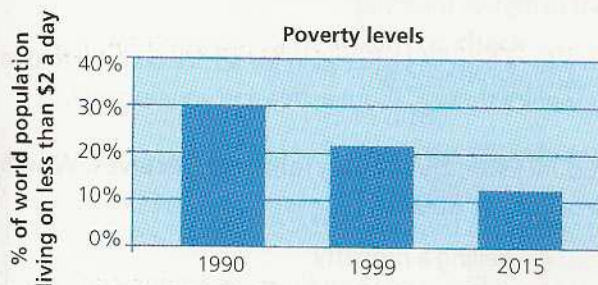
- 1 .....
- 2 .....

In which list would you include the following verbs?

go up ..... fall ..... rise ..... go down .....  
decrease ..... drop ..... decline .....

- B** The words *increase* and *decrease* can be used as nouns or verbs. Which of the other verbs in the two lists have noun forms and what are they?
- C** Find the prepositions in the text that:
- 1 situate the beginning and the end of a trend or period .....
  - 2 give precise information about the extent of a change .....
- D** Look at the following bar chart and graph. What trends do they illustrate?

see page 134 in the Grammar Reference section



## ACTIVE PRACTICE

Draw a simple chart / graph using the models in exercise D. Decide what your graph will represent (consumption – prices – employment – sales). Dictate the information in your chart / graph to another student.





**E** Complete the following letter from the president of the MicroLoan Bank with the appropriate words.

<sup>1</sup> Reducing global poverty is undoubtedly one of the greatest challenges that we face today. Although the proportion of those living in poverty <sup>2</sup> ..... by as much as 5% <sup>3</sup> ..... 1987 ..... 2000, the number of people who still live on less than two dollars a day continues to <sup>4</sup> ..... in many parts of the world. By <sup>5</sup> ..... international trade and investment we can certainly alleviate some of this suffering. However, at the MicroLoan Bank we have always believed that it is only by empowering people, by enabling them to <sup>6</sup> ..... their own standards of living, that we will ultimately prevail over poverty. Over the last ten years our bank's network <sup>7</sup> ..... significantly and today serves more than 100,000 clients in developing countries around the globe. The United Nations

millennium development target is to cut the number of people living in absolute poverty <sup>8</sup> ..... 50% between now and the year 2015 – in simple terms that will mean achieving a <sup>9</sup> ..... of one billion in the number of poor people over the next few years. However daunting that challenge may seem, it is my belief, and that of all the staff and volunteers here at the MicroLoan Bank, that we can and will succeed. The condition for that success is quite simple: individuals and businesses must <sup>10</sup> ..... their commitment and support for this most fundamental cause.

Louise Bremner

PRESIDENT MICROLOAN BANK



### TOEIC® Tip

Watch out for the different words that can refer to numbers or amounts!

a dozen = 12

half a dozen = 6

a score = 20

zero = 0

“oh” = 0

double = x 2

Fractions/percentages

one half = 50%, one third = 33%, one quarter = 25%, one fifth = 20%, etc.

Decimals

one point five = 1.5

Multiple units

a pair, a couple, a trio, a quartet, duplicate, triplicate

Periods of time

a quarter = three months, a decade = ten years

a century = 100 years

Frequency

once twice

## Listening 2

MoneyTalk is a weekly radio program where listeners can call in for advice on how to deal with personal finance problems. This week's show is about increasing your income.



**A** Listen to the five calls (A–E) that Ed Jackson, the MoneyTalk host, receives. Which of the following topics does each caller ask about?

1 the stock market

D

4 selling a property

2 inheritance

5 pay

3 retirement

**B** Listen again and note down the words related to income.



## Vocabulary Builder

### Phrasal verbs: two-part

Adding a preposition or adverb to a verb can change its meaning. Verbs of this type are called "phrasal verbs".

### HAS YOUR CAR **'BROKEN DOWN'**? DO YOU NEED TO **<sup>2</sup>CARRY OUT** EMERGENCY REPAIRS TO YOUR HOME?

<sup>3</sup>Take out insurance coverage under our new Home Protection policy and our professional services will be on hand 24 hours a day to <sup>4</sup>deal with those difficult moments.

Just call your local branch and an advisor will <sup>5</sup>go through the benefits and give you a quote.

- A** Look at the advertisement. Which of the verbs (1–5) could be replaced by the following synonyms or definitions?

make    purchase    handle    discuss / explain    had mechanical problems

- 5 B** Combine the verbs in box 1 with an adverb or preposition from box 2 to form phrasal verbs. Then replace the verbs in bold in the sentences below.

1	bring	look	take
	turn	set	work
2	after	down	forward
	out	up	

- I'd like to **withdraw** *take out* \$500 please.
- So, how many people **responded to** ..... our offer of free checking?
- I still can't **understand** ..... why my bank has charged me extra on my overdraft.
- Mr. Lu is the person who **handles** ..... loan applications.
- Mailmart has announced that it will be **introducing** ..... a new online payment system in the fall.
- Can you **check** ..... the bank reference code in the directory?
- The government has decided to **advance** ..... the date for submitting tax returns.
- The bank has **refused** ..... my application for a loan.
- The exact conditions are **explained** ..... in detail in the contract.
- You need to provide proof of identity before you can **open** ..... an account.

- C** Choose two of the verbs from the list below. How many phrasal verbs can you make by combining them with the prepositions or adverbs from box 2? Use a dictionary to help you.

check    come    cut    fall    get    go  
look    make    pay    put    run    settle



## Viewpoint

- A** What do you think is the best way for people to learn how to handle their finances? Read the following article and answer the questions.



## Cashflow 101

By Amy Wu  
The New York Times

**EVERY FRIDAY NIGHT, John T. Carr III arrives at Wendy's restaurant in Midtown Manhattan – not for a burger, but for a board game.**

After a quick dinner, Mr. Carr and the other regulars play a game called Cashflow, spending at least three hours rolling dice, moving colored figurines of rats across a multi-colored board, and becoming pseudo-millionaires.

Mr. Carr is among a growing number of Cashflow enthusiasts around the world. They are followers of the game and its creator, Robert T. Kiyosaki, known for his best-selling book *Rich Dad Poor Dad*.

Many players say the game gives them tools to gain wealth, helping them figure out ways to pursue their dreams by earning income beyond their nine-to-five jobs. Although many players have yet to match their game results with real life, there are Cashflow success stories.

One is Jay Feitlinger, 29, a Cashflow regular who quit his sales job last March. He and his wife, Rachel, bought a franchise of Aussie Pet Mobile, a pet-grooming business. Their

goal is to net \$100,000 this year. The Feitlingers regularly play host to Cashflow gatherings, and Mr. Feitlinger now is an occasional consultant to Mr. Kiyosaki's company.

Mr. Kiyosaki said he introduced the game in 1996 to help people better understand their finances. Up to six people can play the game. The first goal is to leave the rat race and move to the fast track, where players make money through investments rather than paychecks. Along the way, they acquire real estate, buy start-up companies, pay for children's education, and deal with problems like parking tickets and leaky water heaters. The first player to reach his or her financial dream is the winner.

"I think what he's done is very, very smart; he has recognized the consumer need to know how wealth creation works, and how people get rich," Eric A. Greenleaf, a marketing professor at New York University, said of Mr. Kiyosaki.

Critics of the game say that while it helps teach some basic financial skills, it may be more successful at creating illusions for people.



- B** Match each question with a set of multiple-choice answers. Then circle the correct answer (a, b, c, or d) to the question.

- Which of the following things has Mr. Kiyosaki not yet done?
- What do the players have to do to win the game?
- What job did Jay Feitlinger use to have?
- What happened to Mr. Feitlinger last March?

.....?

- a buy a franchise
- b invest in mutual funds
- c leave the rat race
- d increase their paychecks

.....?

- a He got married.
- b He became a full-time consultant.
- c He left his job.
- d He invested in a business.

.....?

- a written a book
- b invented a game
- c started a business
- d opened a restaurant

.....?

- a salesman
- b consultant
- c marketing professor/academic
- d investment banker

## DISCUSSION

Do you think playing games like Cashflow can really help people to become richer?



## Grammar Check 2

### Modals of possibility

- A** The modals *can*, *could*, *might*, *may*, *should*, *will*, and *shall* are used to express different degrees of likelihood. Look at their use in the sentences below. In which of the three categories (a, b, or c) would you include them?

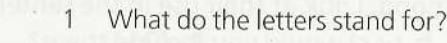
a Possible      b Impossible      c Certain

- 1 Customers **can't** withdraw more than \$300 a day in cash. b
- 2 It **can** take at least a month before a home loan is approved. .....
- 3 The insurance company **will** charge you for the whole year even if you decide to cancel after the first month. .....
- 4 To cash a check for more than \$200, clients **may** be asked to provide ID. .....
- 5 It **could** be difficult to get your associates to agree to those conditions. .....
- 6 We **shall** need written confirmation of the transfer request. .....
- 7 You **might** find it more convenient to do your banking by phone. .....
- 8 The bank **won't** cover overdrafts beyond the specified limit. .....



- 5 B** Read the sentences and choose the correct answer (a or b).

- 1 It ..... take longer than two days to process your application.  
a couldn't      b shouldn't
- 2 We ..... lend you an additional \$1,000 if you maintain your credit record.  
a can      b won't
- 3 They've promised that all the paperwork ..... be ready before next week.  
a will      b may
- 4 It ..... be better to ask if you can repay the money in installments.  
a might      b shall
- 5 I'm afraid that we ..... accept payment in cash.  
a can't      b mightn't
- 6 The local bank closes at six so I ..... be able to get there in time.  
a can      b should



- LETS

Your class is considering becoming a LETS group. Before you make the decision you have decided to organize an experimental session to see how it would work.

- Each member of the class has been given a starting credit of 100 units of currency.
- Each member of the class takes a piece of paper and writes a brief description of one item or service that he or she would be prepared to sell. (Example: CD collection – website design lesson – redecorating – chauffeur driving, etc.)
- Form small groups. Discuss what things the members of your groups have to offer for sale and fix the prices that they will be sold for. Prepare a sheet of paper for your group with two columns. One column is for the purchases and the other for sales. Make sure that you leave enough space to write in the names of the group you will sell to or buy from. You will also need to write in the prices for each of the transactions that you make.
- A representative of each group writes the list of items that their group is selling on the board.
- Once all the goods and services have been presented, each group decides what they want to buy from other groups. Representatives from the group can then visit other groups to negotiate their purchases.
- After a period of 30 minutes, each group prepares the final accounts for the trading that it has carried out.

Could this system work in real life? What would the advantages and disadvantages be? Would you like to participate in a LETS group?