



# UNIT 8

# ENGLISH FOR BUSINESS

WITH THE INSPIRE ACADEMY

# FINANCE

# FINANCIAL VOCABULARY

## Profit

The money made by a company  
(revenue minus expenses)



## Loss

When a company has not made a  
profit - they have lost money.

## Revenue

the money made by a business from  
the sale of products / services

## Cash Outflow

the total amount of money that  
a business spends

## Gross

A total before deduction of tax

## Net

A total after deduction of tax

## Investment



The money that a person / business  
put into another business in order  
to make a profit

## Shares

If you invest in a business, you own a part  
of the business - this part is called a share.

## Dividend

The money paid annually to people who  
own shares, from the company's profits.

## Average

A number that  
is the typical  
value for a set of  
data.

## Assets

Anything you  
own that has a  
value (e.g.  
property)

## External Capital

The money  
received from  
outside sources.

# FINANCIAL VOCABULARY

## MATCH THE PHRASES WITH THEIR DEFINITIONS

Interest rate

When you owe money that you do not have.

Loan

Spending more money than is in your bank account

Debt

Money that you borrow usually from a bank.

In overdraft

The money that a company owes.

Liabilities

The % of loan that you pay back, on top of the loan.

Credit rating

A loan for a house / other property.

Mortgage

An assessment of someone's ability to repay a loan.



# FINANCIAL VOCABULARY

## READ THE TEXT AND ANSWER THE QUESTIONS

"Hi Paul, we have a problem. The value of our shares is decreasing, so our shareholders will receive a much smaller dividend than they may be expecting. Our investment manager, John, is taking steps to inform the shareholders, but in the mean time we need to focus on increasing our profits. The turnover this quarter was the worst we have ever had - and we will potentially make a loss in the next quarter according to our forecasts. Our sales team are working hard to attract new customers, in order to increase revenue, but I need you to look at how we can reduce expenses, and our overall cash outflow. Could you write up an assessment of the possibilities for this and have it to me by end of play on Wednesday? Thanks"

**1. What has happened to the shares?**

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**2. What is John going to do?**

.....

**3. What might happen in the next quarter?**

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**4. What does Paul need to do by Wednesday evening ?**

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