

# *Unit* **1**



# *Business*

## Word Form Chart

Noun	Verb	Adjective	Adverb
<b>acquisition</b>	acquire		
<b>asset</b>			
briefing brief	<b>brief</b>		
<b>capital</b> capitalism	capitalize		
compensation	<b>compensate</b> <b>compensate for</b>		
<b>compromise</b>	compromise		
conduct	<b>conduct</b>		
deduction	<b>deduct</b>		
export	<b>export</b>		
founding	<b>found</b>	founded well-founded	
<b>incentive</b>	incentivize		
investment	<b>invest</b>		
relevance		<b>irrelevant</b> relevant	irrelevantly
mutual		<b>mutual</b>	mutually
optimism optimist	optimize	<b>optimistic</b>	optimistically
<b>personnel</b>		personnel	
specification	<b>specify</b>	specific	specifically
violation violator	<b>violate</b>		

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## Definitions and Examples of Word Forms

1. **acquisition**, n., something that you get; buying or taking over a company

When your business grows, acquisition of your competitor is one way to improve your share of the market.

Companies try to make sure they are successful by buying new equipment. For example, a moving company might acquire (v.t.) new trucks every three years.

2. **asset**, n., something valuable that is owned by an individual, group, or corporation

A company's assets include offices, factories, and also investments and personnel.

At the meeting, the directors of the Tenex Corporation decided to sell off some of its assets in order to raise some cash.

3. **brief**, v.t., to give a summary or short report to someone

At the yearly meeting, the finance director briefs company shareholders on income and costs.

The chief executive officer will hold a briefing (n.) for the other directors so they can set goals for the future.

4. **capital**, n., the money used to begin and support a business

Companies can create capital by selling property or stock.

A good businessperson tries to capitalize (v.i.) on the opportunities that arise.

**5a. compensate**, v.t., to pay a person or organization for work

Managers are usually compensated more than manual workers because they are responsible for many parts of the business.

A company provides different levels of compensation (n.), depending on the roles of people in the organization and their responsibilities.

**5b. compensate for**, v., to balance something negative with something positive

Five more vacation days do not compensate employees for all the money lost on benefits.

In compensation (n.) for the benefits that were cut, workers were allowed five more vacation days a year.

**6. compromise**, n., an agreement that requires each party to give up something

Group members often have to make compromises to reach a decision.

During negotiations, managers and workers usually compromise (v.t.) on issues such as wages and benefits.

**7a. conduct**, v.t., to behave in a certain way

When college graduates start to work for a company, they must conduct themselves in a more serious way than they did during college.

**7b. conduct**, v.t., to carry out a formal process

The company conducted a search for a new branch manager.

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**8. deduct**, v.t., to take away from, subtract

In order to calculate how much profit a company makes, you must deduct costs from income.

The salary that a person takes home is the money left after deductions (n.) for health care, retirement, and taxes.

**9. export**, v.t., to send products or services to another country

Countries in the Middle East have exported oil all over the world.

Financial services are an important export (n.) for developed countries.

**10. found**, v.t., to create a company or other organization

Sam Watson founded the MicroPro Company in Houston.

A lot of time is spent carefully planning a newly founded (adj.) enterprise.

**11. incentive**, n., a reward to encourage someone to do something

A big incentive for employees who work harder than others is an increased level of pay.

People need incentives such as promotion to a higher position if they are expected to take on more responsibility.

**12. invest**, v.t., to buy assets in the hope that their value will increase

Many people invest in the stock market to save for retirement.

There are many kinds of investments (n.), including the buying of gold and real estate, as well as placing money in interest-bearing accounts in banks.

**13. irrelevant**, adj., not related to, or having nothing to do with, a subject

The skill of managers is irrelevant when the demand for a product disappears.

National borders are not relevant when talking about the global economy because many large companies have factories all over the world.

**14. mutual**, adj., something that is shared or done together

A mutual fund is an investment tool that shares risk over different stocks, bonds, and cash.

A contract to buy a house is signed when the buyer and the seller mutually (adv.) agree on the price.

**15. optimistic**, adj., having a good or positive attitude about the future

After many months of decline in value, some economists are optimistic about the future of the dollar.

Jake is an optimist (n.) because he believes that new technologies will solve the climate change problem.

**16. personnel**, n., the people who work for a company or organization (usually takes a plural verb)

Personnel, sometimes called “human capital,” are a valuable asset of any company.

The personnel (adj.) department is responsible for processing paychecks, administering insurance plans, and hiring employees.

- 17. specify**, v.t., to give detailed information about something; to be exact or precise

The Holiday Toy Company specified that the new doll had to be introduced two months before the holiday season.

Computer parts must be made according to exact specifications (n.) in order to function correctly.

- 18. violate**, v.t., to break a rule or a law

In the future, car manufacturers will not be able to violate strict limits on pollution.

If a U.S. company sold advanced military technology to a foreign country, it would be a violation (n.) of U.S. export controls.

## Vocabulary Practice

### A. Match Point

Write the letter of the best definition next to each word. The first one has been done as an example.

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|----------------------|---|
| 1. <u>d</u> violate  | a. the people who work in a company                     |
| 2. _____ specify     | b. to begin a new business or organization              |
| 3. _____ personnel   | c. to gain by either buying, trading, or learning       |
| 4. _____ optimism    | <del>X</del> to not follow a rule or law                |
| 5. _____ mutual      | e. to say exactly what a procedure or product should be |
| 6. _____ invest      | f. opposite of add                                      |
| 7. _____ incentive   | g. when both sides have something in common             |
| 8. _____ found       | h. agreement made when each side is flexible            |
| 9. _____ deduct      | i. to use your money to earn a profit                   |
| 10. _____ compromise | j. anything of value that you have                      |
| 11. _____ asset      | k. a person's positive outlook                          |
| 12. _____ acquire    | l. prize for doing something better than before         |



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## B. Branching Out

Write the correct form of the word. Refer to the Word Form Chart if necessary. You may have to change the verb form. The first one has been done as an example.

### 1. **acquire**

- a. By acquiring new technology, businesses can improve efficiency.
- b. The management team of Big Business Corporation decided to \_\_\_\_\_ a new computer and software.
- c. It is clear that the \_\_\_\_\_ of technology is important to Big Business Corporation.

### 2. **found**

- a. Jim Evans \_\_\_\_\_ his company, General Business, in Mexico in the late 1970s.
- b. Other business people collect money from investors before they can \_\_\_\_\_ a company.
- c. The \_\_\_\_\_ of a business or a company takes time, money, and hard work.

3. **invest**

- a. Mary always \_\_\_\_\_ in a variety of companies to reduce her risk of losing money.
- b. Another \_\_\_\_\_ that some people choose is government bonds.
- c. How to \_\_\_\_\_ for early retirement interests many people.

4. **compromise**

- a. The managers and the workers \_\_\_\_\_ on work conditions for a special project last week.
- b. The managers reached a \_\_\_\_\_ with the workers on the pay level for overtime.
- c. In a negotiation, everyone has to \_\_\_\_\_ on something.

5. **deduction**

- a. When paying federal taxes in the United States, you can make several \_\_\_\_\_ from your income to reduce your taxes.
- b. It is possible to \_\_\_\_\_ some business expenses if your company has not paid you for them.
- c. Don't forget that you can \_\_\_\_\_ donations that you make to charities from you taxes.

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6. **brief**

- a. A good \_\_\_\_\_ should be short, but it should contain specific and useful information.
- b. One responsibility of an executive is to \_\_\_\_\_ managers and workers about business conditions.
- c. On the other hand, senior workers should provide some type of \_\_\_\_\_ to managers on the difficulties they found in manufacturing.

### C. In the Wrong Place

In each paragraph, the underlined vocabulary words are in the wrong place. Cross out the inappropriate word and replace it with the underlined word that makes sense. The first one has been done as an example.

1. Globalization is an important force in the world economy. Leaders in the car industry, the food industry, and the credit card industry have ~~exported~~ acquired companies from several countries. As a result, jobs are being ~~acquired~~ exported from industrialized countries to developing countries.
2. Several conditions must be met before a company can compromise \_\_\_\_\_ international business. One condition is having enough start-up money. Investors can provide violate \_\_\_\_\_ for companies to enter new markets. In addition, international trade may require countries to capital \_\_\_\_\_ on taxes in order to attract new businesses. However, companies should not conduct \_\_\_\_\_ trade agreements if they want to have successful relationships with a country.

3. In any business, the amount of irrelevant \_\_\_\_\_ is an important question. Decisions have to be made about basic pay and additional personnel \_\_\_\_\_ for excellent work. Pay raises may depend on incentives \_\_\_\_\_ performance, but should not be based on compensation \_\_\_\_\_ factors such as age, gender, or race.
  
4. Jamesco is a small business run by an individual in a small town. The owner, Jim Banes, needs to give his employees a conduct \_\_\_\_\_ on the state of the business occasionally. Jim tells them about the company's capitalize \_\_\_\_\_ and how their assets \_\_\_\_\_ affects the company's bottom line. Finally, Jim coaches them about how to briefing \_\_\_\_\_ on client meetings in order to increase profits.
  
5. Having an export business is not easy, as Xin is finding out. First of all, in order to violation \_\_\_\_\_ his business, he needs to find ways to increase sales. When he increases the amount of product he sells, he wants to be sure his specifications \_\_\_\_\_ is safe. He has to make sure the optimize \_\_\_\_\_ are acceptable to the overseas shippers so he doesn't waste any money. The final step is to be sure there is no investment \_\_\_\_\_ of international trade laws so that he doesn't receive any sanctions or fines.

## D. What's the Word?

With your partner, fill in each box on the grid. Student A will use Grid A. Student B will use Grid B in Appendix 1 on page 165. Each grid is missing different words. Describe the words on your grid so your partner can fill in his or her blank spaces. When all of the blanks are full, compare your grids to see if you have the correct answers.

**Example:** For Box 1, Student A might give Student B these clues: *It's a verb. It's when you learn a new skill. It means to make a large purchase in a formal way.*

### Grid A

1 acquire	5	9 optimist	13
2	6 brief	10	14 found
3 irrelevant	7	11 asset	15 personnel
4	8 capitalism	12	16

## Frequent Collocations: Business

**Collocations** are fixed expressions that are frequently used by native speakers. Knowing which words are frequently used together is important because your sentence may sound awkward if the wrong words are used together.

**Correct:** *crystal clear, middle management, nuclear family, cosmetic surgery*

**Incorrect:** *diamond clear, middle supervisor, restricted family, cosmetic operation*

Some common business collocations are listed. What others can you think of?

1. **acquisition**—acquisition of knowledge or skills, mergers and acquisitions, a million dollar acquisition
2. **asset**—asset management, a financial asset, a valuable asset
3. **capital**—capital gains, a capital investment, venture capital
4. **compensate**—executive compensation, worker’s compensation, to compensate for
5. **conduct**—to conduct business, criminal conduct, professional conduct
6. **found**—to found a company, to found a group, to go on to found [a company]
7. **incentive**—financial incentive, little/much incentive, to provide incentive
8. **invest**—foreign investment, investment firm, to invest in companies
9. **optimistic**—to be cautiously optimistic, to be optimistic about, a sense of optimism
10. **violate**—to violate a law, to violate someone’s rights, to violate someone’s privacy

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## E. Complete the Thought

Complete each sentence by filling in the blank with a missing part of a collocation from the unit. (The given part of the collocation is underlined.)  
The first one has been done as an example.

1. Canco Company wishes to buy an overseas factory that will be a million dollar acquisition.
2. After a year of good sales in the auto industry, large car manufacturing companies are fairly \_\_\_\_\_ about next year.
3. One method that managers use to improve productivity is to provide workers with \_\_\_\_\_ such as extra time off to get workers to work faster.
4. When a company has been in business for a long time, the buildings and equipment get old and worn out. It is then necessary to make a capital \_\_\_\_\_ in new infrastructure.
5. Ravi needs help investing his money since he has a very successful new business, so he found an \_\_\_\_\_ management firm to help him.
6. Companies with foreign investments must be careful not to \_\_\_\_\_ a law overseas.
7. Jerszy Luckowitz \_\_\_\_\_ an internet company when he was only 12 years old.
8. The head of Boston Oil Company was found guilty of criminal \_\_\_\_\_ and fined 2.5 billion dollars.

## F. Get It Together

Unscramble the words and phrases to write sentences containing the collocations. The first one has been done as an example.

1. Sexual harassment / a person's rights / violates

*Sexual harassment violates a person's rights.*

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2. often go on / new companies / Successful / to found / businesswomen

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3. to maintain / It is important / with customers / professional conduct / and co-workers

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4. extra hours / are unhappy / compensate fairly for / Workers / because / the company does not

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5. an online jewelry store / to start / capital / venture / Sharon needed

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6. thought that / Joe / there was / incentive / to work / little / extra hours / for him

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7. violates / If a manager / a subordinate's rights, / he or she / will be fired

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8. cautiously / that the economy / Businesses are / is improving / optimistic

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## Practice Quiz

### G. The Choice Is Yours

Circle the best answer.

1. A violation of international trading laws would \_\_\_\_\_.
  - a. produce a profit for the company
  - b. be considered good luck
  - c. cause the company to lose business
  - d. be punished by a fine or a jail sentence
  
2. An import-export business is an example of \_\_\_\_\_.
  - a. a management plan
  - b. a government policy
  - c. an international trading company
  - d. the length/width/cost of a product
  
3. An overly optimistic person is someone who \_\_\_\_\_.
  - a. frequently makes business decisions
  - b. always thinks the best result will occur
  - c. always receives mutual benefits
  - d. can see the dangers in founding a new business

4. Capital is \_\_\_\_\_.
  - a. the amount of money a business earns
  - b. the buildings and personnel in a company
  - c. the most important city in the state of Venture
  - d. money from investors to support a new business
  
5. If management and the work force agree to a compromise, then \_\_\_\_\_.
  - a. both sides agree to give up some demands
  - b. the management gives in to the workers
  - c. the workers give in to the management
  - d. they do not reach an agreement
  
6. It is illegal for a stock broker to \_\_\_\_\_.
  - a. invest in another company
  - b. carry out import-export trade
  - c. exchange hours with another employee
  - d. use insider information to buy or sell stocks and shares
  
7. When two companies both gain an advantage through their cooperation, then the arrangement is \_\_\_\_\_.
  - a. overly optimistic
  - b. seemingly irrelevant
  - c. mutually beneficial
  - d. confidentially brief

8. Adequate compensation is \_\_\_\_.
- a. enough money for the job
  - b. not enough money for the job
  - c. too much money for the job
  - d. an unfair amount of money for the job
9. A confidential briefing should \_\_\_\_.
- a. not be discussed with people outside the meeting
  - b. be announced publicly on television
  - c. not be kept a secret from the whole company
  - d. be punished with a ten-year jail sentence
10. If clients provide precise specifications on a product, then \_\_\_\_.
- a. they give the manufacturer a wide range of choices
  - b. they give the manufacturer exact details about it
  - c. they have no preferences about it
  - d. they dislike the manufacturer's proposals

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## H. Sense or Nonsense?

Using your knowledge of the unit's target vocabulary, write Y (yes) for statements that make sense or N (no) for statements that do not make sense.

1. \_\_\_\_ Department heads may use extra pay as an incentive for the sales staff.
2. \_\_\_\_ It is impossible for one company to acquire another.
3. \_\_\_\_ The Microsoft Corporation was founded in 1900.
4. \_\_\_\_ Asset management involves careful supervision of workers' safety.
5. \_\_\_\_ A company will usually deduct taxes before a worker receives his or her salary.
6. \_\_\_\_ The company expects honest conduct from its chief financial officer.
7. \_\_\_\_ Laborers frequently brief the executives in a company.
8. \_\_\_\_ The government is irrelevant to the economy and business profits.
9. \_\_\_\_ An optimistic sales team is beneficial to the company.
10. \_\_\_\_ Individuals can invest their money to make a profit.

Academic Vocabulary Building in English, Low-Intermediate, Volume 1  
Betsy Davis, et al  
[http://www.press.umich.edu/331852/academic\\_vocabulary\\_building\\_in\\_english\\_low\\_intermediate](http://www.press.umich.edu/331852/academic_vocabulary_building_in_english_low_intermediate)  
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