



ЧЕРНІГІВСЬКИЙ ЦЕНТР ПЕРЕПІДГОТОВКИ ТА ПІДВИЩЕННЯ
КВАЛІФІКАЦІЇ ПРАЦІВНИКІВ ОРГАНІВ ДЕРЖАВНОЇ ВЛАДИ,
ОРГАНІВ МІСЦЕВОГО САМОВРЯДУВАННЯ, ДЕРЖАВНИХ
ПІДПРИЄМСТВ, УСТАНОВ І ОРГАНІЗАЦІЙ

**МЕТОДИЧНІ ВКАЗІВКИ
до практичних занять з
англійської мови для
формування та вдосконалення
мовленнєвих вмінь у сфері
маркетингу**

ЧЕРНІГІВ
2010

Методичні вказівки до практичних занять з англійської мови для формування та вдосконалення мовленнєвих вмінь у сфері маркетингу: Навч.-метод. збірник. / Черніг. центр перепідготовки та підвищення кваліфікації працівників органів держ. влади, органів місц. самоврядування, держ. п-в, установ і орг.; Упор.: Гагіна Н.В. – Чернігів: ЦППК, 2010. – 37 с.

Рекомендовано до видання навчально-методичною радою Чернігівського Центру перепідготовки та підвищення кваліфікації працівників органів державної влади, органів місцевого самоврядування, державних підприємств, установ і організацій, протокол № 1 від 4 лютого 2010 р.

Навчально-методичний збірник призначений для працівників органів державної влади, органів місцевого самоврядування – фахівців з питань європейської та євроатлантичної інтеграції, які навчаються за програмою підвищення кваліфікації з англійської мови, викладачів Центру.

© Чернігівський центр перепідготовки та підвищення кваліфікації працівників органів державної влади, органів місцевого самоврядування, державних підприємств, установ і організацій, 2010

ЗМІСТ

№	Назва теми	Стор.
1.	UNIT 1. MARKETING	4
2.	UNIT .2 SUPPLY AND DEMAND	11
3.	UNIT 3. ADVERTISING.	14
4.	UNIT 4. PROMOTIONAL STRATEGIES	18
5.	UNIT 5. MARKETS AND MONOPOLIES.	22
6.	UNIT 6. MARKET STRUCTURE AND COMPETITION	25
7.	UNIT 7. INTERNATIONAL TRADE.	30
8.	ADDITIONAL ACTIVITIES. NOTES FOR THE TEACHERS.	34
9.	РЕКОМЕНДОВАНА ЛІТЕРАТУРА	37

Передмова

Навчальний посібник призначений для формування та вдосконалення мовленнєвих вмінь у сфері маркетингу. Посібник складається з 7 уроків, кожен з яких включає оригінальний текст з фаху, поурочний словник і різноманітні вправи для роботи з текстом і лексичним матеріалом, вправи для формування і розвитку навичок читання, говоріння і письма.

Тлумачення термінів дає змогу легко сприймати текст і працювати з ним. Тематика текстів: основи маркетингу, попит і пропозиція, рекламування, промоушн і його види, ринки і монополії, протекціонізм і міжнародна торгівля. Пропонуються творчі завдання для виконання у групах.

Методичний посібник розрахований на слухачів, які вже оволоділи базовою граматикою англійської мови.

UNIT 1 *Marketing*

1. Can you answer these questions?

What is marketing?

What is the aim of marketing?

2. Read the text and decide which paragraphs are about these subjects:

..... - company-to-company marketing

..... - identifying market opportunities

..... - the marketing mix

..... - the selling and marketing concepts

..... - the importance of market research

THE CENTRALITY OF MARKETING

1. Most management and marketing writers now distinguish between selling and marketing. The 'selling concept' assumes that resisting consumers have to be persuaded by vigorous hard-selling techniques to buy non-essential goods or services. Products are sold rather than bought. The 'marketing concept', on the contrary, assumes that the producer's task is to find wants and fill them. In other words, you don't sell what you make, you make what will be bought. As well as satisfying existing needs, marketers can also anticipate and create new ones. The markets for the Walkman, video games, personal computers, and genetic engineering, to choose some recent examples, were largely created rather than identified.

2. Marketers are consequently always looking for market opportunities – profitable possibilities of filling unsatisfied needs or creating new ones in areas in which the company is likely to enjoy a differential advantage, due to its distinctive competencies (the things it does particularly well). Market opportunities are generally isolated by market segmentation. Once a target market has been

identified, a company has to decide what goods or service to offer. This means that much of the work of marketing has been done before the final product or service comes into existence. It also means that the marketing concept has to be understood throughout the company, e.g. in the production department of a manufacturing company as much as in the marketing department itself. The company must also take account of the existence of competitors, who always have to be identified, monitored and defeated in the search for loyal customers.

3. Rather than risk launching a product or service solely on the basis of intuition or guesswork, most companies undertake market research (GB) or marketing research (US). They collect and analyze information about the size of a potential market, about consumers reactions to particular product or service features, and so on. Sales representatives, who also talk to customers, are another important source of information.

4. Once the basic offer, e.g. a product concept, has been established, the company has to think about the marketing mix¹, i.e. all the various elements of a marketing program, their integration, and the amount of effort that a company can expend on them in order to influence the target market. The best-known classification of these elements is the '4 Ps': product, place, promotion and price. Aspects to be considered in marketing products include quality, features (standard and optional), style, brand name, size, packaging, services and guarantee. Place in a marketing mix includes such factors as distribution channels, locations of points of sale, transport, inventory size, etc. Promotion groups together advertising, publicity, sales promotion, and personal selling, while price includes the basic list price, discounts, the length of the payment period, possible credit terms, and so on. It is the job of a product manager or a brand manager to look for ways to increase sales by changing the marketing mix.

5. It must be remembered that quite apart from consumer markets (in which people buy products for direct consumption) there exists an enormous producer or industrial or business market, consisting of all the individuals and organizations that acquire goods and services that are used in the production of other goods, or in the supply of services to others. Few consumers realize that the producer market is actually larger than the consumer market, since it contains all the raw materials, manufactured parts and components that go into consumer goods, plus capital equipment such as buildings and machines, supplies such as energy and pens and paper, and services ranging from cleaning to management consulting, all of which have to be marketed. There is consequently more industrial than consumer marketing, even though ordinary consumers are seldom exposed to it.

¹ **Marketing mix** – the mix of marketing actions, usually product, price, place and promotion. A company should find the right combination of products for each market it is in, price them correctly in relation to each other and to competitors' products, use the best ways to deliver them, and support this with suitable communication with customers.

VOCABULARY

distinguish – розрізняти

to assume – припускати

resisting consumer – споживач, що не зацікавлений у новому товарі або послугі

persuade – переконувати

hard-selling techniques – прийоми нав'язування товарів продажу споживачу

satisfy – задовольняти

profitable – прибутковий

advantage – перевага

differential advantage – характерна перевага

target market – ринок, зорієнтований на певну групу споживачів (цільовий ринок)

to take account of smth / take smth into account – брати до відома

competitor – конкурент

loyal customer – постійний споживач

launch a product – запускати товар у продаж

market research – вивчення кон'юнктури ринку

feature – особливість, характерна риса

distribution channels – канали розповсюдження товарів

sales promotion – засоби стимулювання збуту

discount – знижка

to acquire – придбавати

raw materials – сировина

to expose to – звертатись до чогось

3. Answer the questions.

1. What's the difference between the selling concept and the marketing concept?
2. What are all marketers always looking for?
3. Why do companies undertake market research?
4. What does marketing mix include?
5. What does the '4 Ps' stand for?
6. What aspects have to be considered in marketing products?
7. What factors do 'Place', 'Promotion' and 'Price' include?
8. What is a producer market?
9. What does a producer market contain?

4. Match the words in A with the words in B to make up word combinations and translate them into Ukrainian.

A

market

sales

target

distribution

B

consumption

channels

segmentation

competence

direct	market
marketing	equipment
capital	representatives
market	term
distinctive	research
hard-selling	mix
loyal	period
credit	techniques
payment	customers

5. Match up the words or expressions on the left with the definitions on the right?

- | | |
|-------------------------|--|
| 1) distribution channel | A all the companies or individuals involved in moving a particular good or service from the producer to the consumer. |
| 2) to launch a product | B an idea for a new product, which is tested with target consumers before the actual product is developed. |
| 3) market opportunities | C attributes or characteristics of a product: quality, price, reliability, etc. |
| 4) market research | D dividing a market into distinct groups of buyers who have different requirements or buying habits. |
| 5) market segmentation | E places where goods are sold to the public – shops, stores, kiosks, market stalls, etc. |
| 6) packaging | F possibilities of filling unsatisfied needs in sectors in which a company can profitably produce goods or services. |
| 7) points of sale | G someone who contacts existing and potential customers, and tries to persuade them to buy goods or services. |
| 8 product concept | H collecting, analyzing and reporting data relevant to a specific marketing situation (such as a proposed new product). |
| 9 product features | I to introduce a new product onto the market. |
| 10 sales representative | J wrappers and containers in which products are sold. |

6. Translate the following words and phrases into English:

постійний споживач; незацікавлений споживач; прийоми нав'язування товарів; ринок, зорієнтований на певну групу споживачів; виробничий відділ; конкуренти; задовольняти існуючі потреби; необхідні товари; запускати товар у продаж; знижка; вивчення кон'юнктури ринку; канали

розповсюдження товарів; торгова точка; збільшувати продаж; споживацький ринок; виробничий (індустріальний) ринок.

7. Complete the following definition of marketing using the given verbs below: *design, develop, identify, influence, modify, persuade*

Marketers have to: (1) or anticipate a consumer need; (2) a product or service that meets that need better than any competing products or services; (3) target customers to try the product or service; and, in the long term, (4) it to satisfy changes in consumer needs or market conditions. Marketers can (5) particular features, attractive packaging, and effective advertising, that will (6) consumers' wants. Marketing thus combines market research, new product development, distribution, advertising, promotion, product improvement, and so on.

8. Explain the meaning of the following phrases in English:

“marketing concept”, “selling concept”, distinctive competencies, market opportunities, loyal customer, market research, marketing mix, consumer market, producer market.

9. Fill in the missing words in this description of the marketing mix.

The traditional marketing mix was described in terms of four Ps:

1. P _____, the goods or services.
2. P _____, the cost of the product.
3. P _____, often called distribution.
4. P _____, which aim's to make people aware of the product.

In recent years three more Ps have been added to a marketing mix.

5. P _____, or everyone involved from producer to consumer.
6. P _____, which means the wrapper or the box the product comes in, but also all added – value and intangible assets.
7. P _____, or everything to do with time.

10. Find 9 common words connected with marketing in the word square. You can read the words vertically (3 words), horizontally (5 words) or diagonally (1 word). See example.

R	Q	A	I	J	K	L	M	P	L	A	N
C	U	S	T	O	M	E	R	N	P	O	Q
S	A	A	M	A	R	K	E	T	I	N	G
H	L	B	L	F	G	H	J	T	S	T	O
O	I	F	E	F	W	R	U	U	C	V	O
J	T	G	A	G	Y	B	B	C	E	A	D
L	Y	H	T	H	I	R	U	B	D	U	S
N	Q	R	P	R	O	D	U	C	T	Q	P

O S I T T R V G H J W R
O M S E R V I C E S X E
D I K I R E S E A R C H
D X X A P Q U A N A F H

11. Marketing game.

Notes for the teacher are at the end of the book.

UNIT 2 *Supply and Demand*

1. Read the text.

Bananas are a typical example of perishable goods. By ‘perishable’ we mean goods which cannot be stored for any length of time without going bad. Most foodstuffs are in the perishable category. Such goods are offered for sale as quickly as possible, and so the supply of perishables and the stock of perishables available at any time are usually the same in quantity.

This is not true in the case of non-perishable goods like coal, steel and cars, which do not deteriorate easily. The supply of cars on the market may not be the same as the actual stock of cars in the factories. Economists talk about the Law of Supply, in which a rise in prices tends to increase supply, while a fall in prices tends to reduce it. If prices rise for a particular commodity, the rise will of course encourage producers to make more. On the other hand, if prices fall either locally or throughout the world, producers will reduce production. This can result in serious difficulties for many producers, and may cause them to go out of business completely. Over-production of any commodity can also create difficulties, because it can lead to a glut on the market, which may cause prices to fall sharply.

Supplies of many commodities can generally be adjusted to suit market conditions. This means that changes in prices lead to changes in the quantity of a particular commodity which is made available to consumers. Household goods and furniture belong to this category. In such instances supply is said to be “elastic”, because it can be increased or decreased rapidly in response to market prices.

Elasticity of supply, as a response to changes in price, is related to demand. Economists define “demand” as a consumer’s desire or want, together with his willingness to pay for what he wants. We can say that demand is indicated by our willingness to offer money for particular goods or services.

Elasticity of demand is a measure of the change in the quantity of a good, in response to demand. The change in demand results from a change in price. Demand is inelastic when a good is regarded as a basic necessity, but particularly elastic for non-essential commodities. Accordingly, we buy basic necessities even if the prices rise steeply, but we buy other things only when they are relatively cheap.

VOCABULARY

perishable goods- товари, що швидко псуються

to store- зберігати
available – наявний
to deteriorate- псуватися
supply – пропозиція; постачання; (PL) запаси
stock – запас
glut- надлишок
to adjust – пристосувати, регулювати
in such instance- у такому випадку
in response to- відповідно з; у відповідь на
to relate to- мати відношення до
demand – попит
willingness – готовність
to indicate – означати, вказувати
to regard – вважати, розглядати
essential commodities – необхідні товари

2. Answer the questions

1. What happens when the Law of Supply operates?
2. What does a rise in prices encourage?
3. What does a fall in prices cause?
4. What can over production lead to?
5. What happens when the supply of a commodity is adjusted to suit market conditions?
6. What is meant by “elastic” supply?
7. What is elasticity of supply a response to?
8. What is the definition of “demand”?
9. How is demand indicated?
10. What is elasticity of demand?
11. When is demand inelastic?

3. According to the text are the following statements TRUE or FALSE? Correct the false statements.

1. The actual stock of cars in a factory is usually the same as the supply of cars available on the market.
2. According to the Law of Supply a rise in prices tends to reduce supply.
3. If prices fall locally production will be reduced throughout the world.
4. When there is a glut on the market, demand decreases and prices fall.
5. Changes in prices lead to a change in the quality of a commodity.
6. Supply is “elastic” because market prices rise and fall.
7. “Demand” is a consumer’s willingness to pay for particular goods or services.
8. Demand for essential commodities is always elastic.

4. Match up the words or expressions on the left with the definitions on the right.

- | | |
|---------------------|---|
| 1) glut | A) an amount of something that is available to be sold, bought, used etc. |
| 2) supply | B) when a change in the price of something leads to a larger change in the amount of it that is sold or that could be sold if it was available. |
| 3) commodity | C) store of goods available for sale, distribution or use. |
| 4) elastic demand | D) a supply of something that is more than is needed, caused by producing too much of it. |
| 5) stock | E) when a large change in the price of something results in only a small change in the supply of it. |
| 6) demand | F) an article of trade. |
| 7) inelastic supply | G) people's need or desire to buy or use particular goods or services. |

5. Give opposites for these words:

perishable, possible, rise, reduce, elastic, rapidly, encourage, producer, income, essential, important, cheap, necessary.

6. Translate the following words and phrases into English:

зберігати товари; товари, що швидко псуються; збільшувати запас; зменшувати виробництво; надвиробництво; створювати труднощі; надлишок; різко падати (про ціни); пристосувати до ринкових умов; падіння цін; пропозиція і попит; споживач; у відповідь на; мати відношення до; необхідні товари; дешевий; дорогий.

7. Below are pairs of sentences. In the first sentence there is a verb in italics. In the second sentence there is a blank. Make the italicized verb into a noun in order to fill the blank.

EXAMPLE: agree + ment = agreement

a) It is sometimes necessary to *adjust* the quantity of goods flowing on to the market. This _____ is made according to market conditions.

b) He *arranged* the committee meeting. His _____ were very efficient.

c) The government *encourages* private enterprise. Their _____ sometimes takes the form of financial help.

d) Some economists are interested in *measuring* changes in the price of essential commodities. This _____ extends over a period of years.

e) The management tried to *assess* the amount of money needed for the plan. The _____ was to be made by a special committee.

f) He decided to *invest* his capital in the new enterprise. His _____ might be very profitable.

8. Complete the following sentences, using the appropriate prepositions or adverbs from the box.

on	for	ont	awa	on
		o	y	
wit	to	off	for	of
h				

- Perishable goods go _____ in a short time.
- Unsold perishable goods usually have to be thrown _____.
- Non – perishable goods can be stored _____ considerable periods _____ time without loss of value.
- “Demand” is a consumer’s desire or want, together _____ his willingness to pay _____ what he wants.
- Thousand of new products are put _____ the market every day, but only a few are successful.
- Success or failure depends _____ many factors, but the most important is the quality of the marketing.
- Over production can lead _____ a glut _____ the market.

9. Fill the missing words in the table.

	Verb	Personal noun	General noun
1.		marketer	
2.	distribute		
3.			competition
4.			advertising
5.		supplier	
6.		sponsor	
7.	consume		
8.	produce		
9.		research	
10	import		

UNIT 3.
Advertising.

1. Can you answer these questions?

Can you name different ways of advertising?

What is the cheapest way?

What is the most expensive way?

Which way would you use to advertise your product; company?

2. Read the text.

HOW COMPANIES ADVERTISE

Advertising informs consumers about the existence and benefits of products and services, and attempts to persuade them to buy them. The best form of advertising is probably word-of-mouth advertising, which occurs when people tell their friends about the benefits of products or services that they have purchased. Yet virtually no providers of goods or services rely on this alone, but use paid advertising instead. Indeed, many organizations also use institutional or prestige advertising, which is designed to build up their reputation rather than to sell particular products.

Although large companies could easily set up their own advertising departments, write their own advertisements, and buy media space themselves, they tend to use the services of large advertising agencies. These are likely to have more resources, and more knowledge about all aspects of advertising and advertising media than a single company. The most talented advertising people generally prefer to work for agencies rather than individual companies as this gives them the chance to work on a variety of advertising accounts (contracts to advertise products or services). It is also easier for a dissatisfied company to give its account to another agency than it would be to fire its own advertising staff.

The client company generally gives the advertising agency an agreed budget: a statement of the objectives of the advertising campaign, known as a brief; and an overall advertising strategy concerning the message to be communicated to the target customers. The agency creates advertisements (the word is often abbreviated to adverts or ads), and develops a media plan specifying which media – newspapers, magazines, radio, television, cinema, posters, mail, etc. - will be used and in which proportions. (On television and radio, ads are often known as commercials.) Agencies often produce alternative ads or commercials that are pre-tested in newspapers, television stations, etc. in different parts of a country before a final choice is made prior to a national campaign.

The agency's media planners have to decide what percentage of the target market they want to reach (how many people will be exposed to the ads) and the number of times they are likely to see them. Advertising people talk about frequency or «OTS» (opportunities to see) and the threshold effect – the point at which advertising becomes effective. The choice of advertising media is generally strongly influenced by the comparative cost of reaching 1,000 members of the target audience, the cost per thousand (often abbreviated to CPM, using the Roman numeral for 1,000). The timing of advertising campaigns depends on factors such as purchasing frequency and buyer turnover (new buyers entering the market).

How much to spend on advertising is always problematic. Some companies use the comparative-parity method - they simply match their competitors' spending, thereby avoiding advertising wars. Others set their ad budget at a certain percentage of current sales revenue. But both these methods disregard the fact that increased ad spending or counter-cyclical advertising¹ - can increase current sales. On the other hand, excessive advertising is counter-productive because after too many exposures people tend to stop noticing ads, or begin to find them irritating. And once the most promising prospective customers have been reached, there are

diminishing returns², i.e. an ever-smaller increase in sales in relation to increased advertising spending.

¹ **Counter-cyclical advertising** – advertising during periods or seasons when sales are normally relatively poor.

² **Diminishing returns** – the idea that a point can be reached where the advantage or profit you are getting stops increasing in relation to the effort you are making.

VOCABULARY

existence – існування

benefit – користь, вигода

attempt – спроба

persuade – переконувати

purchase – купувати

word-of-mouth advertising – реклама з вуст в уста

to set up – засновувати

rely on – покладатися на

to fire – звільнити з роботи

objective – ціль

advertising campaign – рекламна кампанія

to communicate (to) – повідомляти когось

commercial – реклама на телебаченні чи радіо

target customer – потенційний покупець

prior to – раніше, перед

frequency – частота

threshold – поріг (свідомості)

comparative-parity method – порівняльно-відповідний метод

sales revenue – прибуток від продажу

disregard – ігнорувати, не брати до відома

excessive – надмірний

counter (pref.) – проти

prospective customer – майбутній, можливий споживач

3. Answer the question.

1. What is the aim of advertising?
2. What is the best kind of advertising?
3. Why do most companies use advertising agencies?
4. When a company hires an advertising agency, what are the roles of both parties?
5. What is a media plan?
6. What is a threshold effect?
7. How do companies decide how much to spend on advertising?
8. Why does advertising become ineffective after a certain point?

4. Find the terms in the texts which mean the following.

1) free advertising, when satisfied customers recommend products to their friends;

- 2) advertising that mentions a company's name but not specific products;
- 3) companies that handle advertising for clients;
- 4) a contract with a company to produce its advertising;
- 5) the amount of money a company plans to spend in developing its advertising and buying media time or space;
- 6) the statement of objectives of an advertising campaign that a client works out with an advertising agency;
- 7) the advertising of a particular product or service during a particular period of time;
- 8) a defined set of customers whose needs a company plans to satisfy;
- 9) the people who choose where to advertise, in order to reach the right customers;
- 10) the fact that a certain amount of advertising is necessary to attract a prospective customer's attention;
- 11) choosing to spend the same amount on advertising as one's competitors;
- 12) advertising during periods or seasons when sales are normally relatively poor.

5. Translate the following phrases into English:

переконувати споживача купити товар; користуватися послугами рекламних агентств; засновувати рекламні відділи; звільняти з роботи; рекламні контракти; рекламна кампанія; розробляти медіа-план; реклама на телебаченні або радіо; створювати рекламу; стратегія рекламування; надмірне рекламування; витрати на рекламу; рекламні війни; потенційний споживач; прибуток від продажу.

6. Which of the following statements do you agree with?

1. Advertising is essential for business, especially for launching new consumer products.
2. A large reduction of advertising would decrease sales.
3. Advertising often persuades people to buy things they don't need.
4. Advertising often persuades people to buy things they don't want.
5. Advertising lowers the public's taste.
6. Advertising raises prices.
7. Advertising does not present a true picture of products.
8. Advertising has a bad influence on children.

7. Explain the meaning of the following words or phrases in English:

a word-of-mouth advertising; prestige advertising; an advertising account; an advertising budget; a brief; a media plan; a commercial; the threshold effect; buyer turnover; the comparative-parity method; counter-cyclical advertising; diminishing returns.

8. Discussion.

1. How many advertisements do you think you see or hear every day?

2. How many times do you have to see an advertisement before it begins to annoy you?
3. Are you able to ignore advertisements?
4. What makes an advertisement memorable? Humor? The use of famous actors? Endless repetition? Other elements?
5. Do you find the advertisements on television generally amusing? Annoying? Informative? Persuasive? Well-made?
6. Give examples of advertisements that you have enjoyed.
7. Give examples of advertisements that have persuaded you to buy the product.

9. Writing

In small groups write a script for a 30 second broad commercial to be played on a popular English-language radio station, advertising a well-known product exported by your country. You are free to invent the name of the company, the details of its service, the name of the product, and so on.

10. Advertising game.

Notes for the teacher are at the end of the book.

UNIT 4. ***Promotional strategies***

1. Can you answer the questions?

What is promotion?

What promotional tools do you know?

2. Read the text and name the four major promotional tools.

PROMOTIONAL TOOLS

The basic idea behind the “marketing concept” – that you make what you can sell rather than sell what you make -does not mean that your product will sell all by itself. Even a good, attractively-priced product that clearly satisfies a need has to be made known to its target customers. During the introduction and growth stages of the standard product life cycle¹, the producer (or importer, and so on) has to develop product or brand awareness, i.e. inform potential customers (and distributors, dealers and retailers) about the product’s existence, its features, its advantages, and so on.

According to the well-known “Four Ps” formulation of the marketing mix (product, place, promotion and price), this is clearly a matter of promotion. Since budgets are always limited, marketers usually have to decide which tools – advertising, public relations, sales promotion, or personal selling – to use, and in what proportion.

Public relations (often abbreviated to PR) is concerned with maintaining, improving or protecting the image of a company or product. The most important element of PR is publicity which (as opposed to advertising) is any mention of a

company's products that is not paid for, in any medium read, viewed or heard by a company's customers or potential customers, aimed at assisting sales. Many companies attempt to place stories or information in news media to attract attention to a product or service. Publicity can have a huge impact on public awareness that could not be achieved by advertising, or at least not without an enormous cost. A lot of research has shown that people are more likely to read and believe publicity than advertising.

Sales promotions such as free samples, coupons², price reductions, competitions, and so on, are temporary tactics designed to stimulate either earlier or stronger sales of a product. Free samples, for example, (combined with extensive advertising), may generate the initial trial of a new product. But the majority of products available at any given time are of course in the maturity stage of the life cycle. This may last many years, until the product begins to be replaced by new ones and enters the decline stage. During this time, marketers can try out a number of promotional strategies and tactics.

Reduced-price packs in supermarkets, for example, can be used to attract price conscious brand-switchers and also to counter a promotion by a competitor. Stores also often reduce prices of specific items as loss leaders which bring customers into the shop where they will also buy other goods.

Sales promotions can also be aimed at distributors, dealers and retailers, to encourage them to stock new items or larger quantities, or to encourage off-season buying, or the stocking of items related to an existing product. They might equally be designed to strengthen brand loyalty³ among retailers, or to gain entry to new markets. Sales promotions can also be aimed at the sales force, encouraging them to increase their activities in selling a particular product.

Personal selling is the most expensive promotional tool, and is generally only used sparingly, e.g. as a complement to advertising. As well as prospecting for customers, spreading information about a company's products and services, selling these products and services, and assisting customers with possible technical problems, salespeople have another important function. Since they are often the only person from a company that customers see, they are an extremely important channel of information. It has been calculated that the majority of new product ideas come from customers via sales representatives.

¹ **Life cycle** – the length of time that people continue to buy a particular type of product.

² **Coupon** -a printed piece of paper given to customers by the seller of a product, allowing the customer to pay less than usual for the product when they next buy it, or to get a free gift.

³ **Brand loyalty** -the degree to which people regularly buy a particular brand of product and refuse to change to other brands.

VOCABULARY

brand name – торгівельна марка

awareness – поінформованість

advantage – перевага
to concern – стосуватися, мати відношення
public relations – зв'язки з громадськістю
maintain – підтримувати
to improve – вдосконалювати
attract attention – привертати увагу
impact – діяння, вплив
to protect – захищати
achieve – досягти
enormous – величезний
free sample – безкоштовний зразок продукції
temporary – тимчасовий
maturity stage – стадія завершення
decline stage – стадія спаду
to counter – протистояти
to prospect (for) – шукати
complement – доповнення
via (лат.) – через

3. Answer the questions.

1. What does a producer have to develop during the introduction and growth stages of the standard product life cycle?
2. What is PR (public relations) concerned with?
3. What is the most important element of PR? Why?
4. What do companies use sales promotions for?
5. Who can sales promotions be aimed at?
6. What is the most expensive promotional tool?
7. What functions do salespeople have?

4. Complete the following sentences to summarize the text.

1. When a new product is launched, the producer has to...
2. Promotion is one of the four...; sales promotions are one of four different...
3. The advantages of publicity include...
4. The four stages of the standard product life cycle are...
5. Reasons to offer temporary price reductions include...
6. Sales promotions need not only be aimed at customers;...
7. Apart from selling a company's products, sales representatives...

5. Translate the following words and phrases into English:

торгівельна марка; поінформованість; підтримувати, удосконалювати і захищати імідж компанії; зв'язки з громадськістю; сприяти продажу; привертати увагу до продукції; переваги продукції; стимулювати продаж товару; знижувати ціну; конкурент; перша проба продукції; безкоштовний зразок продукції; розповсюдження інформації; здобувати вихід на нові ринки; покупець, який охоче пробує нові товари.

6. Match the words in A with the words in B to make up word combinations and explain their meaning in English.

A	B
public	selling
brand	buying
personal	relations
off-season	promotion
potential	loyalty
sales	customer

7. Classify the following aspects of marketing according to which “P” (product, price, promotion, place) they belong to.

Advertising, brand name, credit terms, characteristics, discounts, distribution channel, guarantee, inventory, packaging, payment period, personal selling, points of sale, publicity, quality, sales promotion, style, transportation.

8. There is a logical connection among three of the four words in each of the following groups. Which is the odd one out, and why?

- 1) advertising – competitors – publicity – sales promotion;
- 2) advertising agency – advertising campaign – media plan – word-of-mouth advertising;
- 3) advertising manager – brand-switcher – marketing manager – sales representative;
- 4) after – sales service – guarantee – optional features – points of sale;
- 5) brand awareness – brand loyalty – brand name – brand preference;
- 6) competitions – coupons – free samples – line – stretching;
- 7) credit terms – discount – price list – packaging;
- 8) decline – growth – introduction – product improvement;
- 9) focus group interviews – internal research – media plan – questionnaire;
- 10) packaging – place – product – promotion.

9. Discussion.

What kind of sales promotions are you receptive to?

- coupons giving a price reduction?
- free samples?
- discounts for buying a large quantity?
- prices reductions in shops?
- packets offering “20% Extra”?
- competitions?

10. Speaking

Imagine that you, in a team of three or four people, are responsible for promoting one of the following:

- a new taxi company in your town

- a new, up-market health and fitness club
- a new brand of jeans, manufactured by a new (and therefore unknown) company
- a new, fashionable but inexpensive range of quartz watches
- potatoes, to be sold in supermarkets

Decide exactly what your product is, what is special about it, and which tools you would use to promote it. Imagine that you have a generous budget, and are thus able to employ several different tactics.

11. Write a composition. Possible composition titles:

1. What makes an effective advertisement?
2. In what ways can producers try to persuade customers to try new products?
3. Advertising and publicity. What's the difference?
4. Advertising campaign and how to organize it.

UNIT 5.
Markets and monopolies.

1. Can you answer these questions?

What is a free market?

What is a monopoly?

What kinds of monopoly do you know? Give examples.

2. Read the text and check your ideas.

The term 'market', as used by economists, is an extension of the ancient idea of a market as a place where people gather to buy and sell goods. In former days part of a town was kept as the market or marketplace, and people would travel many kilometers on special market-days in order to buy and sell various commodities. Today, however, markets such as the world sugar market, the gold market and the cotton market do not need to have any fixed geographical location. Such a market is simply a set of conditions permitting buyers and sellers to work together.

In a free market, competition takes place among sellers of the same commodity, and among those who wish to buy that commodity. Such competition influences the prices prevailing in the market. Prices inevitably fluctuate, and such fluctuations are also affected by current supply and demand.

When ever people who are willing to sell a commodity contact people who are willing to buy it, a market for that commodity is created. Buyers and sellers may meet in person, or they may communicate in some other way: by letter, by telephone or through their agents. In a perfect market, communications are easy, buyers and sellers are numerous and competition is completely free. In a perfect market there can be only one price for any given commodity: the lowest price which sellers will accept and the highest which consumers will pay. There are, however, no really perfect markets, and each commodity market is subject to

special conditions. It can be said however that the price ruling in a market indicates the point where supply and demand meet.

Although in a perfect market competition is unrestricted and sellers are numerous, free competition and large numbers of sellers are not always available in the real world. In some markets there may only be one seller or a very limited number of sellers. Such a situation is called a 'monopoly', and may arise from a variety of different causes. It is possible to distinguish in practice four kinds of monopoly.

State planning and central control of the economy often mean that a state government has the monopoly of important goods and services. Some countries have state monopolies in basic commodities like steel and transport, while other countries have monopolies in such comparatively unimportant commodities as matches. Most national authorities monopolize the postal services within their borders.

A different kind of monopoly arises when a country, through geographical and geological circumstances, has control over major natural resources or important services, as for example with Canadian nickel and the Egyptian ownership of the Suez Canal. Such monopolies can be called natural monopolies.

They are very different from legal monopolies, where the law of a country permits certain producers, authors and inventors a full monopoly over the sale of their own products.

These three types of monopoly are distinct from the sole trading opportunities which take place because certain companies have obtained complete control over particular commodities.

This action is often called 'cornering the market' and is illegal in many countries. In the USA anti-trust laws operate to restrict such activities, while in Britain the Monopolies Commission examines all special arrangements and mergers which might lead to undesirable monopolies.

VOCABULARY

extension – продовження, розвиток

to permit – дозволяти

prevailing prices – пануючі ціни (на ринку)

inevitably – неминучий

to fluctuate – коливатися (про ціни)

to affect – впливати

to accept – приймати, погоджуватися

consumer – споживач

to indicate – показувати, позначати

to distinguish – розрізняти

circumstances – обставини

to permit – дозволяти

inventor – винахідник

to corner the market – оволодівати ринком, скуповуючи товари

anti-trust laws – антимонопольні закони

to restrict – обмежувати
merger – злиття, поглинання.

3. Look through the text and divide it into parts. Write a short heading for each part.

4. Answer the questions.

1. What was a market originally?
2. What is a modern market?
3. Among whom does competition take place?
4. What does competition influence?
5. What things cause prices to fluctuate?
6. When is a market created?
7. What means are mentioned by which buyers and sellers can communicate?
8. What price operates in a perfect market?
9. What does the ruling price indicate?
10. What is a monopoly?
11. What are the four kinds of monopoly?
12. What examples of monopolies are given?
13. What is 'cornering the market'?
14. How do anti-monopoly laws operate in different countries?

5. According to the text, are the following statements TRUE or FALSE? Correct the false statements.

1. The competition between buyers of a commodity influences the prevailing prices.
2. Supply and demand inevitably affect prevailing prices.
3. Competition in a perfect market is conducted in a completely free way.
4. The lowest price which buyers will offer is the only price in a perfect market.
5. Each commodity market is imperfect in some special way.
6. Monopoly is a situation in the market in which there is only one seller or a very limited number of sellers.
7. States always monopolize important basic commodities.
8. Cornering the market is quite legal in the USA.
9. The Monopolies Commission considers that it is undesirable to restrict business mergers.

6. Match the words in A with the words in B to make up word combinations and translate them into Ukrainian.

A

various
free
current
special

B

conditions
monopolies
opportunities
location

state	competition
price	law
natural	supply and demand
trading	commodities
legal	resources
anti-trust	ruling
geographical	monopolies

7. Translate the following words and phrases into English:

купувати і продавати різноманітні товари; пануючі ціни на ринку; коливатися (про ціни); створювати ринок; вільна конкуренція; досконалий ринок; необмежена конкуренція; державна монополія; природна монополія; легальна монополія; антимонопольні заходи, оволодівати ринком (скуповуючи товари); отримувати повний контроль над виробництвом певних товарів.

8. Arrange these sentences in their proper sequence in order to obtain a paragraph on durable goods.

A) Finally, it is interesting to note that many buyers and sellers on important markets, never see the commodities which they buy and sell.

B) Commodities like these can be bought and sold and stored without difficulty by people who live at great distances from each other and from the sources of supply.

C) Certain commodities have a wider market than others.

D) In addition, commodities which are easy to transport, safe to handle and simple to grade are generally in universal demand.

E) Durable goods, for example, have a far wider market than perishable goods.

F) For this reason such goods are a good commercial proposition simply because the risk of investing in them is relatively low.

UNIT 6.

Market structure and competition.

1. Think of some durable consumer goods that your family possesses – perhaps a car, a television, a personal computer, a cooker, a fridge and so on. In each case, do you know whether the company that makes them is one of the following?

- the market leader (with the biggest market share).
- the market challenger (the second-biggest company in the industry).
- one of many smaller market followers.

If you have bought products that are not produced by the market leader or a well-know market challenger, what is the reason?

2. Read the text, divide it into parts and write a short heading for each part.

MARKET LEADERS, CHALLENGERS AND FOLLOWERS

In most markets there is a definite market leader: the firm with the largest market share.¹ This is often the first company to have entered the field, or at least the first to have succeeded in it. The market leader is frequently able to lead other firms in the introduction of new products, in price changes, in the level or intensity of promotions, and so on. Market leaders usually want to increase their market share even further, or at least to protect their current market share. One way to do this is to try to find ways to increase the size of the entire market. Contrary to a common belief, wholly dominating a market, or having a monopoly, is seldom an advantage: competitors expand markets and find new uses and users for products, which enriches everyone in the field, but the market leader more than its competitors. A market can also be expanded by stimulating more usage: for example, many households no longer have only one radio or cassette player, but perhaps one in each room, one in the car, plus a Walkman or two. In many markets, there is often also a distinct market challenger, with the second-largest market share. In the car hire business, the challenger actually advertises this fact: for many years Avis used the slogan. We're number two. We try harder. Market challengers can either attempt to attack the leader, or to increase their market share by attacking various market followers. The majority of companies in any industry are merely market followers, which present no threat to the leader. Many market followers concentrate on market segmentation: finding a profitable niche in the market that is not satisfied by other goods or services, and that offers growth potential or gives the company a differential advantage because of its specific competencies. A market follower which does not establish its own niche is in a vulnerable position: if its product does not have a "unique selling proposition" there is no reason for anyone to buy it. In fact, in most established industries, there is only room for two or three major companies: think of soft drinks, soap and washing powders, jeans, sports shoes, and so on. Although small companies are generally flexible, and can quickly respond to market conditions, their narrow range of customers causes problematic fluctuations in turnover and profit. Furthermore, they are vulnerable in a recession when, largely for psychological reasons, distributors, retailers and customers all prefer to buy from big, well-known suppliers.

¹ **market share** – the percentage of sales in a market that a company or product has.

VOCABULARY

to succeed (in) – бути успішним
expand – розширювати, збільшувати
household – родина, домашнє господарство
threat – загроза
niche – ніша
vulnerable position – уразливе становище
flexible – гнучкі, швидко реагуючі на зміни

to respond – реагувати

to cause – спричиняти

turnover – обіг

profit – прибуток

recession – спад, зниження цін, попиту на товар

to prefer – віддавати перевагу

homogeneous – однорідний

marginal production costs – найбільші витрати виробництва

economies of scale – економічність завдяки великому обсягу операцій

3. Which of the following three paragraphs most accurately summarizes the text, and what is wrong with the others?

First summary:

In most markets there is a definite market leader, with the largest market share, which frequently helps other firms to introduce new products. In many cases, there is also a market challenger, which wants to replace the leader, and various market followers, which seek out particular niches that do not interest the leader. Other followers merely imitate the products of larger companies, but this is a dangerous strategy during recessions.

Second summary:

In most markets there is a leader that strongly influences other firms in the introduction of new products, price changes, promotions, and so on. There is frequently also a market challenger, with the second-largest market share, which can attempt to increase its market share by attacking either the leader or some market followers. Market followers often concentrate on profitable niche products that are in some way differentiated from the products of larger companies.

Third summary:

The first company in a particular market nearly always becomes the market leader, a position it will try to keep by regularly attacking distinct market challengers and followers. Most followers can either concentrate on small market segments or niches, or follow the safer strategy of imitating the leader's products.

4. Find words in the text which mean the following.

- 1) a company's sales expressed as a percentage of the total market
- 2) short-term tactics designed to stimulate stronger sales of a product
- 3) the situation in which there is only one seller of a product
- 4) companies offering similar goods or services to the same set of customers
- 5) a short and easily memorized phrase used in advertising
- 6) the division of a market into submarkets according to the needs or buying habits of different groups of potential customers
- 7) a small and specific market segment
- 8) a factor which makes you superior to competitors in a certain respect
- 9) a business's total sales revenue
- 10) a period during which an economy is working below its potential

5 Translate the following words and phrases into English:

лідер на ринку; бути успішним на ринку; виходити на ринок; розширювати ринок; стимулювати вживання товарів; прибуткова ніша; характерна перевага; вразливе становище; швидко реагувати на ринкові умови; обіг; прибуток; зниження попиту на товар; конкурент; економічність завдяки великому обсягу виробництва.

6. Match up these words with the definitions below.

<i>barriers to entry</i>	<i>cartel</i>	<i>economies of scale</i>
<i>monopsony</i>	<i>monopoly</i>	<i>oligopoly</i>
<i>monopolistic competition</i>	<i>perfect competition</i>	<i>natural monopoly</i>
<i>dominant-firm oligopoly</i>		

1. exists when products are homogeneous, and there are many firms too small to have any influence on the market price, and firms can easily enter and exit the industry.

2. A is a market in a particular product in which a single producer can fix an artificial price.

3. is the situation in which there is only one buyer.

4. A is an industry in which the efficient existence of more than one producer is impossible; examples include public utilities such as water, gas and electricity, where it would be inefficient to have several competing companies laying their own networks of pipes or cables.

5. exists when many producers of slightly differentiated products are able to sell them at well above their marginal cost.

6. An is a concentrated market dominated by a few large suppliers. This is very frequent in manufacturing because of economies of scale and the cost barriers of entering an industry.

7. are factors which cause the average cost of producing something to fall as output increases.

8. are economic or technical factors that make it difficult or impossible for firms to enter a market or compete with existing suppliers.

9. A is one in which a market leader can indicate its preferred price to smaller competitors.

10. A is a group of producers or sellers who fix prices and quantities in order to avoid competition and increase profits. This is illegal in many countries, most notably the USA.

7. Classify the given markets according to whether you think they are examples of the following.

a dominant-firm oligopoly	monopolistic competition	a monopoly
perfect competition	a monopsony	an oligopoly

1. Arms and weapons system market.
2. Cars (automobile) market.
3. Wheat market.
4. Confectionery (chocolate bars) market.
5. Mainframe computers market
6. Rail transport market.

8. Explain the meaning of the following words and phrases in English:

market leader, market challenger, market share, flexible, recession, monopoly, market segmentation, competitor.

9. Rearrange the following sentences and part-sentences to make up a short text about market concentration like this:

- Begin with a paragraph containing arguments both against and in favour of monopoly.
- Continue with a paragraph defending or justifying market concentration.
- End with a paragraph arguing that monopolies are always short-lived, and so not a problem.

A. According to this position, the government only needs to ensure that there is no monopoly over important inputs, because there will never be a monopoly of scientific or artistic genius or business ideas.

B. According to this view, market concentration arises naturally from a few successful firms growing larger as a result of increased efficiency, innovation, and economies of scale in production, distribution, R&D, capital financing, and so on.

C. a counter argument is that erecting barriers - for example, by process innovation, product differentiation, persuasive advertising, or pricing policy - in order to be successful and to make competitors less successful, is a normal part of rivalry and competition.

D. Although some people argue that any barrier to competition will inevitably lead to inefficiency.

E. An example here would be telecommunications.

F. and businesses facing no competition have no incentive to find ways to reduce costs.

G. Even the profits made by a natural monopoly will be temporary, because they are an incentive for entrepreneurs to discover and implement new low-cost technologies.

H. For example, although entrepreneurs introduce new products and techniques and open up new markets, their profits are soon competed away by rivals.

I. it is right that inventors should be granted a temporary monopoly as a reward for innovation or discovery.

J. monopolists are always able to make excessive profits.

K. Some people even argue that monopolies are always temporary and consequently not a problem.

L. The arguments against market concentration, or at least against monopoly, are obvious.

M. The only common argument in favour of monopoly concerns patents.

UNIT 7

International trade.

1. Discussion.

Consider the clothes and shoes you are wearing, and those you wore last weekend. Where were they made? Try to recall the meals you've eaten in the last 24 hours. How much of the food came from abroad? If you have them, where do your car, television, stereo, camera, watch, and so on come from? Where was the last cassette or CD you bought manufactured?

Can you even imagine living in a country that did not import anything, where only locally produced food and textiles and products were available?

2. Read the text.

PROTECTIONISM AND FREE TRADE

The majority of economists believe in the comparative cost principle, which proposes that all nations will raise their living standards and real income if they specialize in the production of those goods and services in which they have the highest relative productivity. Nations may have an absolute or a comparative advantage in producing goods or services because of factors of production (notably raw materials), climate, division of labor, economies of scale, and so forth.

This theory explains why there is international trade between North and South, e.g. semiconductors going from the USA to Brazil, and coffee going in the opposite direction. But it does not explain the fact that over 75% of the exports of the advanced industrial countries go to other similar advanced nations, with similar resources, wage rates, and levels of technology, education, and capital. It is more a historical accident than a result of natural resources that the US leads in building aircrafts, semiconductors, computers and software, while Germany makes luxury automobiles, machine tools and cameras.

However the economists who recommend free trade do not face elections every four or five years. Democratic governments do, which often encourages them to impose tariffs and quotas in order to protect what they see as strategic industries - notably agriculture - without which the country would be in danger if there was a war, as well as other jobs. Abandoning all sectors in which a country does not have a comparative advantage is likely to lead to structural unemployment¹ in the short (and sometimes medium and long) term.

Other reasons for imposing tariffs include the following:

- to make imports more expensive than home-produced substitutes, and thereby reduce a balance of payments deficit²;
- as a protection against dumping (the selling of goods abroad at below cost

price in order to destroy or weaken competitors or to earn foreign currency to pay for necessary imports);

- to retaliate against restrictions imposed by other countries;
- to protect “infant industries” until they are large enough to achieve economies of scale and strong enough to compete internationally.

With tariffs, it is impossible to know the quantity that will be imported, because prices might be elastic. With quotas, governments can set a limit to imports. Yet unlike tariffs, quotas provide no revenue for the government. Other non-tariff barriers that some countries use include so-called safety norms, and the deliberate creation of customs difficulties and delays.

The General Agreement of Tariffs and Trade (GATT), an international organization set up in 1947, had the objectives of encouraging international trade, of making tariffs the only form of protectionism, and of reducing these as much as possible. The most favoured nation clause of the GATT agreement specified that countries could not have favored trading partners, but had to grant equally favorable conditions to all trading partners. The final GATT agreement – including services, copyright, and investment, as well as trade in goods – was signed in Marrakech in 1994, and the organization was superseded by the World Trade Organization.

It took nearly 50 years to arrive at the final GATT agreement because until the 1980s, most developing countries opposed free trade. They wanted to industrialize in order to counteract what they rightly saw as an inevitable fall in commodity prices. They practiced import substitution (producing and protecting goods that cost more than those made abroad), and imposed high tariff barriers to protect their infant industries.

Nowadays, however, many developing countries have huge debts with Western commercial banks on which they are unable to pay the interest, let alone repay the principal. Thus they need to rollover (or renew) the loans, to reschedule (or postpone) repayments, or to borrow further money from the International Monetary Fund, often just to pay the interest on existing loans. Under these circumstances, the IMF imposes severe conditions, usually including the obligation to export as much as possible.

Quite apart from IMF pressure. Third World governments are aware of the export successes of the East Asian ‘Tiger’ economies (Hong Kong, Singapore, South Korea and Taiwan), and of the collapse of the Soviet economic model. They were afraid of being excluded from the world trading system by the development of trading blocks such as the European Union, finalized by the Maastricht Treaty, and the North American Free Trade Agreement (NAFTA), both signed in the early 1990s. So they tended to liberalize their economies, lowering trade barriers and opening up to international trade.

¹ **Structural unemployment** – when people are unemployed because the industry they work in is getting smaller or disappearing.

² **Balance of payments deficit** – the amount by which money going out of a country is more than the amount coming in.

VOCABULARY

comparative cost principle – принцип порівняльної вартості

relative productivity – відносна продуктивність

raw materials – сировина

economies of scale – економічність завдяки великому обсягу операцій
(виробництва)

wage rate – ставка заробітної плати

elections – вибори

to impose tariffs and quotas – встановлювати тарифи і квоти

balance of payments – платіжний баланс

balance of trade – активний баланс

to retaliate – відплатити

revenue – доход (держави)

clause – пункт договору

supersede – замінювати, займати чиєсь місце

to oppose – чинити опір

inevitable fall in prices – неминуче падіння цін

debt – борг

to play the interest – виплачувати проценти

to repay the principal – повторно сплачувати суму на яку нараховуються
відсотки

loan – позика

to borrow money – позичати гроші

IMF – Міжнародний Валютний Фонд

GATT – Генеральна Угода з Тарифів та Торгівлі

3. Answer the questions.

1. Why do most economists oppose protectionism?
2. Why do most governments impose import tariffs and quotas?
3. Why were many developing countries for a long time opposed to GATT?
4. Why have many developing countries recently reduced protectionism and increased their international trade?

4. Write questions, relating to the text, to which these could be the answers.

1. Factors of production, most importantly raw materials, but also labor and capital, climate, economies of scale, and so on.
2. Because it doesn't explain why the majority of the exports of advanced industrialized countries go to other very similar countries.
3. A recently developed one, that has not yet grown to the point where it benefits from economies of scale, and can be internationally competitive.
4. Unlike quotas, they produce revenue.
5. Unlike tariffs, you know the maximum quantity of goods that will be imported.

5. Match up these words and expressions with the definitions below:

autarky	balance of payments	balance of trade	tariffs
deficit	dumping	protectionism	
surplus	quotas	invisible imports and exports	
visible trade (GB) or merchandise trade (US)		barter or counter-trade	

- 1) trade in goods;
- 2) trade in services (banking, insurance, tourism, and so on);
- 3) direct exchanges of goods, without the use of money;
- 4) the difference between what a country receives and pays for its exports and imports of goods;
- 5) the difference between a country's total earnings from exports and its total expenditure on imports;
- 6) the (impossible) situation in which a country is completely self-sufficient and has no foreign trade;
- 7) a positive balance of trade or payments;
- 8) a negative balance of trade or payments;
- 9) selling goods abroad at (or below) cost price;
- 10) imposing trade barriers in order to restrict imports;
- 11) taxes charged on imports;
- 12) quantitative limits on the import of particular products or commodities.

6. Translate the following words phrases into English:

міжнародна торгівля; вільна торгівля; встановлювати квоти і тарифи; демпінг; платіжний баланс; структурне безробіття; захищати молоді галузі; досягати економічності завдяки великому обсягу виробництва; сприяти міжнародній торгівлі; встановлювати ліміт на імпорт; безтарифні бар'єри; чинити опір свободній торгівлі; знижувати тарифи; підписувати угоду; пункт договору; борг; позика; позичати гроші; виплачувати проценти; поновлювати позики.

7 Explain the meaning of the following words and phrases in English:

protectionism, dumping, tariffs, infant industry, structural unemployment, quotas.

8. Discussion.

1. What does your country import?
2. What are your country's major exports?
3. Would total free trade result in the creation of jobs, or in unemployment, in Ukraine?

Additional activities.
Notes for the teachers.

UNIT 1.

Marketing game.

The teacher splits the class into groups and gives each group the name of a consumer product e.g.

a stereo music centre

a camera

a car

a television

The task of each group is to design the product for a particular market.

This entails:

- 1) defining the market (what sort of people will buy it);
- 2) defining what qualities the product must have;
- 3) setting a price.

For example, if the students are marketing a stereo music centre, they must decide:

- 1) whether it is for up-market or down-market buyers;
- 2) whether it should have a cassette deck and a tuner or not, how powerful it should be, what sort of design and so on;
- 3) whether it should cost 900 UAH, 1800 UAH or 2500 UAH.

These details are then reported back to the class as a sales pitch and other students can ask questions about the product. Each group deals with the same type of product and at the end, the whole class decide which version of the product they would buy. This group is then the winner.

UNIT 3.

Advertising game.

Students are given a consumer product, preferably a ridiculous one, and they are then asked, in groups to prepare and act out a television advertisement for the product. If it is a humorous product, e.g., a paper hammer, frozen beer, a bicycle seat warmer, the students should prepare logical reasons why other students should purchase this article. After each group's performance a vote can be taken on the best product.

Answers

UNIT 1

Ex. 5 Match

1.A 2.I 3.F 4.H 5.D 6.J 7.E 8.B 9.C 10.G

Ex. 7

1) identify; 2) develop; 3) persuade; 4) modify; 5) design; 6) influence.

Ex. 9

1. Product; 2. Price; 3. Place; 4. Promotion; 5. People; 6. Packaging; 7. Phasing.

Ex. 10

Quality, customer, marketing, goods, product, distribution, mix, services, research.

UNIT 2

Ex. 4 Match

1.D 2.A 3.F 4.B 5.C 6.G 7.E

Ex. 8 Preposition

- | | |
|--------------|-----------|
| 1) off | 5) onto |
| 2) away | 6) on |
| 3) for, of | 7) to, on |
| 4) with, for | |

UNIT 3

Ex.4

1) word-of-mouth advertising, 2) institutional or prestige advertising, 3) advertising agencies, 4) an account, 5) an advertising budget, 6) a brief, 7) advertising campaign, 8) target customers or target market, 9) media planners, 10) the threshold effect, 11) the comparative- parity method, 12) counter - cyclical advertising.

UNIT 4

Ex. 6

product	price	promotion	place
brand name	credit terms	advertising	distribution channel
characteristic	discounts	personal selling	Inventory
guarantee	payment period	publicity	points of sale
packaging		sales promotions	transportation
quality style			

Ex. 7

- | | |
|----------------------------------|------------------------|
| 1) competitors | 6) line - stretching |
| 2) word - of - mouth advertising | 7) packaging |
| 3) brand - switchers | 8) product improvement |
| 4) points of sale | 9) media plan |
| 5) brand name | 10) packaging |

UNIT 5

Ex. 8

C E D B F A

UNIT 6

Ex. 4

1) market share, 2) promotions, 3) monopoly, 4) competitors, 5) slogan, 6) market segmentation, 7) niche, 8) differential advantage, 9) turnover, 10) recession.

Ex. 5

1) perfect competition, 2) monopoly, 3) monopsony, 4) natural monopoly, 5) monopolistic competition, 6) oligopoly, 7) economies of scale, 8) barriers to entry, 9) dominant- firm oligopoly, 10) cartel.

Ex. 7

- | | |
|------------------------|------------------------------|
| 1) a monopsony | 4) monopolistic competition |
| 2) an oligopoly | 5) a dominant-firm oligopoly |
| 3) perfect competition | 6) a monopoly |

Ex. 8

First paragraph: L, J, F, M, I

Second paragraph: D, C, B

Third paragraph: K, H, G, E, A

UNIT 7

Ex.4

- | | |
|----------------------------------|-------------------|
| 1) visible trade | 7) surplus |
| 2) invisible imports and exports | 8) deficit |
| 3) barter or counter trade | 9) dumping |
| 4) balance of trade | 10) protectionism |
| 5) balance of payments | 11) tariffs |
| 6) autarky | 12) quotas |

РЕКОМЕНДОВАНА ЛІТЕРАТУРА:

1. **Богацький І.С.** Бізнес курс з англійської мови / **І.С. Богацький, Н.М. Дюканова.** – Київ: “Логос”, 1997. – 203 с.
2. **4. Карпусь І. А.** Английский деловой язык / **И. А. Карпусь.** – К.: МАУП., 1997 – 203 с.
3. **Adrian Pilbeam.** Market Leader International Management. – Longman. – 96 p.
4. **Angela Lloyd.** Business communication games / **Angela Lloyd, Anne Preier.** – Oxford: Oxford University Press, 1996. – 128 p.
5. **10. Business English Pair Work 1 / Steve Flinders, Simon Sweeney.** – Penguin Books, 2003. – 184 p.
6. **Ian MacKenzie.** English for Business Studies / **Ian MacKenzie.** – Cambridge : Cambridge University Press, 1997. – 176 p.
7. **Ian Mackenzie.** Management and Marketing / **Ian Mackenzie.** – Thomson ELT, 1997. - 144 p.