

VOCABULARY FOR BANKING & FINANCE

CHECK YOUR VOCABULARY FOR BANKING & FINANCE

a workbook for users



Adjectives

Complete the sentences using the adjectives in the box. Use each adjective once only. The first one has been done for you as an example.

principal	cost-effective	high	equal	private	bad
present	basic	financial	leading	pretax	optional

1. Male and female workers have equal pay.
2. _____ interest rates are killing small businesses.
3. The _____ shareholders asked for a meeting.
4. The company has written off £30,000 in _____ debts.
5. We find advertising in the Sunday Times very _____.
6. The accounts department has prepared a _____ statement for the shareholders.
7. The dividend paid is equivalent to one quarter of the _____ profit.
8. The insurance cover is _____.
9. Our _____ discount is 20%, but we offer 5% extra for rapid settlement.
10. The project is funded by _____ enterprise.
11. The shares are too expensive at their _____ price.
12. _____ shares rose on the Stock Exchange.

Anagrams 1

Solve the anagrams by reading the clues and putting the letters in order to form words. Write your answers in the grid to find the mystery word spelled by their initial letters. The first one has been done for you as an example.

1. Investments in stocks and shares..... ICEESURIST
2. Business of buying and selling..... GRINTAD
3. To sell more than you can produce LERVELSO
4. Financial collapse; sudden fall in prices on a stock market SACHR
5. Currency used in Denmark and Norway NREKO
6. Plan of expected spending and income DEGTUB
7. Paper showing that money has been paid or that something has been received ... TEECRIP
8. Not yet paid or completed UNGDOTSITAN
9. Payment in _____, made by giving goods or food, but not money..... DNKI
10. Giving of one thing for another..... CEGHAXEN
11. Profit or income from money invested..... TENURR

1	S	E	C	U	R	I	T	I	E	S
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11										

Mystery word clue: person who buys or sells shares for clients.

Anagrams 2

Read the definitions and put the letters in order to make ten words connected with banking and finance. Write the words in the grid to find the mystery phrase. The first one has been done for you.

1. Highest point, such as the highest interest rate..... LENIGIC
2. Making a profit by buying a large number of shares in a company, threatening to take the company over, and then selling the shares back to the company at a higher price..... ENARGILME
3. Note asking for payment of goods or services supplied..... CONIVIE
4. Rapid fall..... MUPSL
5. Money paid to a customer when a shipment is delayed at a port or by customs... REGARMUDE
6. Buying of shares in order to force up the price ARPM
7. Which is not earning any interest..... NREARB
8. Change VOCRINOSEN
9. Referring to money or currency OYENTRAM
10. To have a contract with a company where, if regular small payments are made, the company will pay compensation for loss, damage, injury or death RISEUN

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Mystery word clue: pay, salary or fees, or the earnings of directors who are not employees

Conversations

Find the words in these two conversations which fit the definitions in the box below. The first one has been done for you as an example.

Conversation 1

- ◇ Good afternoon. I would like to ~~withdraw~~ £500 from my current account and change it for pesetas.
- ◆ Certainly.
- ◇ What is the exchange rate at the moment?
- ◆ It's 197 to the pound.
- ◇ And do you charge commission?
- ◆ Yes, we charge 1.5%.
- ◇ That's fine.

Conversation 2

- ◆ How do the annual accounts look?
- ◇ Excellent. We're going to make a healthy profit this year.
- ◆ That should please the shareholders. Will you raise the dividend?
- ◇ Yes, we will. We want the shareholders to have a good rate of return.

Definitions

1. price at which one currency is exchanged for another	.....
2. accounts prepared at the end of a financial year	.....
3. to take (money) out of an account	..... <i>withdraw</i>
4. to pay out a higher dividend than in the previous year	.....
5. account in a bank from which the customer can withdraw money when he wants	.....
6. quite a large profit	.....
7. amount of interest or dividend which comes from an investment, shown as a percentage of the money invested	.....
8. money paid to a salesman or agent or stockbroker, usually a percentage of the sales made or business done	.....
9. people who own shares in a company	.....

Extension. Practise the conversations with a partner.

Verbs

Exercise 1.

All the verbs in the box below relate to banking and financial matters. Use them to complete the sentences. The first one has been done for you as an example.

tax	save	clear	levy	change	insure	pay	speculate
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- The cheque took ten days to*clear*..... .
- She wants to on the Stock Exchange.
- The government has decided to a tax on imported cars.
- He is trying to money by walking to work.
- We had to in advance to have the new telephone system installed.
- The government is proposing to businesses at 50%.
- He decided to against loss of earnings.
- We want to some traveller's cheques.

Exercise 2.

All the verbs in the box below relate to banking and financial matters. Use them to complete the sentences below. You may have to change the forms of the verbs to fit the grammar of the sentences. [Remember the five forms of English verbs. For example: take, takes, took, taken, taking.] The first one has been done for you as an example.

refund	transfer	fall	spend	balance	earn	value	budget	retain
		bank	audit	raise	buy	deduct		

- The books have not yet been*audited*..... .
- What level of dividend do these shares ?
- The price of gold for the second day running.
- All money will be if the goods are not satisfactory.
- The company thousands of pound on research.
- The company has been by its leading supplier.
- I have finished the accounts for March.
- We are for £10,000 of sales next year.
- Expenses are still to be
- He the cheque as soon as he received it.
- The government more money by indirect taxation than by direct.
- They called in an expert to the jewellery.
- She her money to a deposit account.
- Out of the profits the company has £50,000 as provision against bad debts.

Phrasal verbs

Phrasal verbs are verbs made up of two words: a verb and a preposition. Complete the sentences below with the phrasal verbs in the box. You will have to change the forms of some of the verbs to make the grammar of the sentence correct. The first one has been done for you as an example.

1. These prices have been ... (v) *marked up*.... by 10%.
2. The shares a small amount.
3. The chairman his old Rolls-Royce for a new model.
4. The car is in the company's books.
5. The reps have to all their expenses to the sales manager.
6. How do the sales this year last year's?
7. She the discount on her calculator.
8. He quickly a bill for £250.
9. The family's holdings have been by the creation of the new shares.
10. He with his mortgage repayments.

Verbs

- (i) 'account for' = to explain and record a money deal
- (ii) 'bring in' = to earn (interest)
- (iii) 'compare with' = to put two things together to see how they differ
- (iv) 'fall behind' = to be late in doing something
- (v) 'mark up' = to increase
- (vi) 'run up' = to make costs go up quickly
- (vii) 'trade in' = to give in an old item as part of the payment for a new one
- (viii) 'water down' = to make less strong
- (ix) 'write down' = to note an asset at a lower value than previously
- (x) 'work out' = to calculate

Nouns and verbs

A fast way to expand your vocabulary is to make sure that you know the different forms of words.

Exercise 1. The words in this list are all verbs. What are the noun forms? Write them in the second columns. The first one has been done for you as an example.

1	accrue	.....<i>accrual</i>	2	amortize	.....
3	announce	.....	4	compensate	.....
5	consolidate	.....	6	depreciate	.....
7	embezzle	.....	8	estimate	.....
9	maximize	.....	10	omit	.....
11	reinvest	.....	12	repay	.....
13	subscribe	.....	14	withdraw	.....

Exercise 2. First, check your answers to Exercise 1 in the Key. Then rewrite the sentences below using nouns instead of verbs. Do not change the meanings of the sentences. The first one has been done for you as an example.

1. Interest accrues from the beginning of the month.
The accrual of interest occurs from the beginning of the month.....
2. The capital cost is amortized over five years.
The.....
3. The director announced a significant increase in sales for the first quarter.
The director made.....
4. The salesman was compensated for loss of commission.
The salesman received.....
5. The goods from the five companies were consolidated into a single shipment.
The shipment involved the.....
6. Our shares have depreciated by 10% over the year.
Our shares have shown a.....
7. He was sent to prison for six months for embezzling his clients' money.
He was sent to prison for six months for the.....
8. I estimate that it will cost £1m.
My.....
9. Their goal is to maximize profits.
Their goal is the.....
10. The director was annoyed that the sales executive had omitted to include the most recent sales figures.
The sales executive's.....
11. She should reinvest the money in government stocks.
Her.....
12. We are due to repay the loan next year.
The loan is due for.....
13. I told him that I am subscribing to a new share issue.
I told him about my.....
14. You can withdraw up to £50 per day from any bank on presentation of a bank card.
A.....

Quiz

How many of these questions can you answer?

1. When Smith writes out a cheque for £150 and sends it to White, then Smith is known as the:
A creditor
B drawer
C payee?
2. What is seed money?
3. When banking money in to your current account you should use a:
A cheque book
B cash book
C paying-in book
4. What is the difference between hard and soft currencies?
5. What is a dawn raid?
6. Dollars are to rupees as cents are to _____ ?
7. What name is given to the chief finance minister in the British government?
8. How does a speculator hope to make profits?
9. Which of the following assets are intangible?
A buildings
B machinery
C trademarks
10. If a company is floated, what does this mean?
11. To work out the yield on an investment, take the gross dividend per annum, multiply it by 1000 and divide by the price you paid for it. True or false?
12. Does a person who is described as a loan shark lend money at a very high or at a very low interest rate?
13. In which country is the Federal Reserve System the central bank?
14. Which of the following does *not* exist?
 Alberta Stock Exchange
 Montreal Stock Exchange
 Boston Stock Exchange
 Manchester Stock Exchange
 Tokyo Stock Exchange

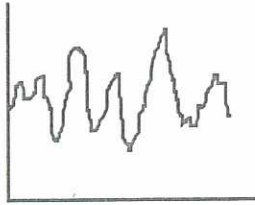
Extension. Work with a partner and write a banking and finance knowledge quiz. Make sure you know the answers. Then ask the questions to another pair of students.

Graphs

Match the nine verbs to the nine graphs. Then complete each sentence relating to a graph with the past tense form of the verb. The first one has been done for you as an example.

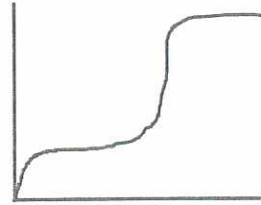
dip fall fluctuate level off plunge recover rise shoot up steady

1.



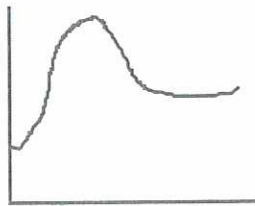
Sales *fluctuated* during July this year.

6.



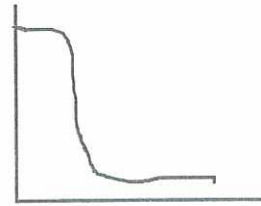
Prices have during the strike.

2.



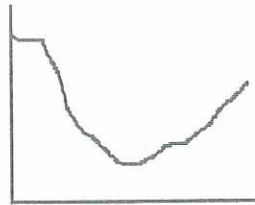
Profits have over the last few years.

7.



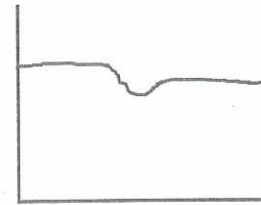
Share prices on the news of the devaluation.

3.



The stock market fell in the morning, but during the afternoon.

8.



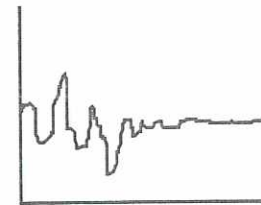
Shares in yesterday's trading.

4.



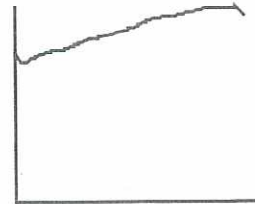
The price of gold for a second day running.

9.



Prices on the commodity markets.

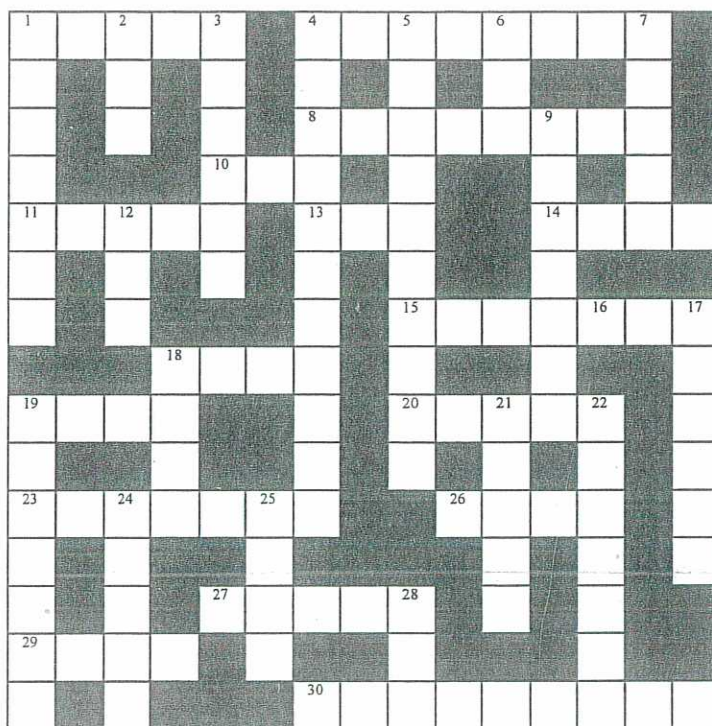
5.



Interest rates during last month.

Banking & finance crossword

Complete the following crossword using the clues listed below. Each clue describes one answer running across or down.



Across

1. To make something increase
4. Practice employed by stockbrokers, where they buy and sell on a client's discretionary account in order to earn their commission
8. To bring together, especially to fight an enemy
11. Special place in a market, occupied by one company
13. Valuable metal
14. Not difficult
15. Restricted or not open
18. Quiet period
19. Charge made for changing money of one currency into another, or for changing banknotes into cash
20. Without any hedge (to protect a position)
23. To pass illegal profits, money from crime or drugs, or money which has not been taxed, etc. into the normal banking system in such a way that it is not possible to find out where it came from
26. _____ fide - trustworthy
27. Mistake
29. To link or connect with - "Bank rates are _____ ed to American interest rates"
30. Group of people or companies working together to make money

Down

1. Great wealth - "The oil well was a _____ for the company"
2. Away from a price - "We give 10% _____ our normal prices"
3. Person who does business by buying and selling
4. Financial controller
5. Process of separating companies from a conglomerate
6. Zero
7. Calculation made without any real information
9. To make a detailed list of things
12. Upper limit placed on an interest rate
17. To _____ oneself of something = to get rid of something
18. Money which has been lent
19. Piece of paper attached to a bill of exchange, so that endorsements can be written on it
21. Currency used in Sweden and Iceland
22. Currency used in Greece
24. Normal or ordinary
25. To be paid money for working
28. To be in force or to amount to or to work on a machine

Adjectives 2

Complete the sentences using the adjectives in the box. Use each adjective once only. The first one has been done for you as an example.

pecuniary	amortizable	comparable	fiscal
conservative	active	unlimited	gradual
sensitive	undervalued	present	special

- 1 The dollar is ...*undervalued*..... on the foreign exchange.
- 2 The two sets of figures are not
- 3 The car is being offered at a price.
- 4 Their turnover has risen by at least 20% in the last year, and that is probably a estimate.
- 5 He gained no advantage.
- 6 The market is very to the result of the elections.
- 7 Oil shares are currently very
- 8 The shares are too expensive at their price.
- 9 The government's policies were reviewed.
- 10 The capital cost is over a period of ten years.
- 11 The bank offered him credit.
- 12 1990 saw a return to profits.