

Vocabulary

Key Vocabulary

Read this paragraph about company structure and check your understanding of the words in bold.

Often a company is a business owned by only one owner or **proprietor**. The owner receives the **profit** from the business, but also takes on the risks. When two or more people own the business it is called a **partnership**. Some companies **merge** with others or **expand** and **restructure** to become **corporations** that **raise capital** by offering **shares to stockholders**. The company can use the amount of money from the shares to invest in its **products** or services and **make a profit**. The **management** of corporations is performed by **directors** who do not own the company but follow the instructions of the stockholders. Sometimes a company expands by making a successful **takeover bid** for another company through purchasing a majority of the shares. When a company does business, the earnings received are used to pay **overhead** (the cost of running the business) and the stockholders receive the remaining amount of money in the form of **dividends**.

Vocabulary Note

The word *produce* has two different pronunciations.
Produce is the noun and *produce* is the verb.

The nouns *produce* and *product* have different, but related meanings.

Produce refers to the food that farmers grow.
*I can buy fresh **produce** at the farmer's market.*

Produce can be used as an adjective.
*We have fresh mangoes in the **produce** section.*

Product refers to goods that have been manufactured.
*Many **products** are made in China.*

Read the extract from a business podcast and fill in the blanks with a word from the box.

corporation directors partnership proprietor stockholders produce expansion

One of the most interesting news stories this week was that the 1 proprietor of WBC, Toby Anderson, has decided to enter into a 2 _____ with another well-known business person, Fabian Enriquez, to set up a new IT company. It is understood that the partners will continue as 3 _____ of the new company, which will be called WTech. The plan is to become a major 4 _____ in the high tech sector. 5 _____ are eagerly awaiting a new share offering which will raise much needed capital for the 6 _____ plans. It is thought that WTech will 7 _____ a range of new high definition mobile communication devices.

Choose the correct word to complete the sentences.

1 If this partnership is going to be a success, communication between the partners must be given a priority.

partners / partnership

2 There has been a lot of talk recently about a _____ between the Creative Cakes company and the Fancy Pastry

company. If these companies _____, they will be able to put cake products on the market at a much lower price.

merge / merger

3 Candice Floyd is on the new _____ team. She used to _____ TopScotch Bakeries. *management / manage*

4 The company would like to _____ but the costs of the _____ may be a little too high. *expansion / expand*

5 According to _____ law, the individual stockholders are not responsible for the _____'s liabilities.

corporation / corporate

6 They are presently undergoing a complete _____. Once they have fully _____, they will be much more competitive. *restructured / restructuring*

Some of the words in this email are in the wrong place. Find the wrong words and put them in the correct place.

