

MONEY MATTERS.- Communicative activities.

Caso práctico

It is very difficult to manage any type of business, but there are some tips that can be applied to avoid it. When you work in the world of banking, merges, etc, you need to learn some basic facts about your sector.



There are 4 basic aspects that a business person needs to take into account about their job:

- ✓ Potential upside (A).
- ✓ Likelihood of success (B).
- ✓ Effort involved (C).
- ✓ Strategic value (D).

The suitable combination of those aspects will give us the best results. Look at the following formula:

$$[(A \times B) / C] \times D$$

This formula is logical if you read it carefully. In a business, you should put your efforts in something you know is going to provide the highest benefits. There will be important improvements in the company after using the majority of resources in your company. However, you have to be careful if decisions involve actions that are not likely to bring benefits or that require too much effort on your part.

A company should focus on what's already working and try to conquer new fields. Don't work on items with no strategic value, focus on those with the largest potential upside. All your efforts must be directed to make you achieve something: money, recognition or even strategic value in the market.

There are very common mistakes you should avoid to make your business successful. Don't get involved in business if it requires complicated efforts on your part, make sure you understand every condition before accepting a business. Don't keep on working on items that have proved to have a low likelihood of success.

Think about it

Think about your ideal company and try to imagine realistic ways to avoid failure. What could you do to improve your business and expand it?



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1.- Reading exercise. Different types of payment.

One of the most frequent transactions in banking is payments. Payments can be made in many different ways: by giving cash, using telegraphic transfer or mail transfer, via money order or postal order, bill of exchange, promissory note, cheque, bank draft, etc. Let's learn some more about types of payment.



- ✓ **Cash Payment.** This is one of the oldest modes of payment. In this case, the buyer pays money in the form of notes and coins to the seller. The seller on receipt of cash gives the buyer a cash memo or a cash receipt. This mode of payment is suitable only for small transactions.
- ✓ **Telegraphic Transfer or Mail Transfer.** In this system, the payer deposits the money along with other charges in a bank which has a branch office at the payee's place. On receipt of cash and other charges, the bank telegraphically informs the branch office to credit the amount to the payee's A/C. The payee is informed and can withdraw the money. The money can also be remitted by mail transfers. This method is quite fast but it is not a popular one.
- ✓ **Money Order or Postal Order.** Payment can also be sent through money orders and postal orders. Businessmen prefer postal orders because a large number of them can be collected and encashed at a time. Postal order is safer than a money order. Postal orders can be crossed for safety purpose. However, traders normally do not use this method.
- ✓ **Bill of Exchange.** A bill of exchange is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of, a certain person to the bearer of the instrument. Some advantages of bill of exchange are that the holder can receive the money even before the due date of bill; the bill can be transferred to another person; and finally, it allows the buyer to purchase the goods without making actual payment. He accepts the bill and makes the payment later.
- ✓ **Promissory Note.** A promissory note is an instrument in writing containing an undertaking signed by the maker, to pay a certain sum of money only to a specific person, or to the order of a certain person, or to its bearer.
- ✓ **Cheque.** Every businessperson has a bank account to facilitate his business transactions. When the bank account is opened, the bank gives a cheque book for making payments. Cheque payment is a convenient and safer mode of payment. To ensure safety the cheque may be crossed generally or specially, so that only the right person can cash it.
- ✓ **Bank Draft.** A Bank Draft is defined as "An order to pay money, drawn by one office of a bank upon another office of the same bank for a sum of money payable to order on demand." Bank drafts are used to transfer funds from one place to another. A bank draft is an order given by one bank upon another of its branch bank situated elsewhere to pay a certain sum of money. The content of bank draft is more or less that of a cheque, but it is signed not by the payer but by the banker.

1. What type of payment is signed by the banker and you can use to transfer money internationally?
2. Is it telegraphic transfer a popular mode of payment?
3. What type of payment do you use for a small transaction?
4. What kind of document allows its bearer as well as its receiver to get the money?
5. What payment allows you to get the money before the money is even transferred?
6. What should you do when giving a cheque to someone to ensure that only the right person can cash it?
7. What is usually the payment method chosen by businessmen?

Enviar

1. Bank Draft.
2. No, it isn't.
3. Cash Payment.
4. Promissory Note.
5. Bill of Exchange.
6. Cross it.
7. Money Order or Postal Order.

Autoevaluación

2.- Listening exercise.

The following section contains a listening task containing lots of information. One of your duties as businessperson, would be to speak on the phone with people about your company. There is a lot of information you need to know to make sure you control your business completely. Imagine you are working for an important company and you need data about the Chinese economical situation. What type of data do you really need? Try the following task.

Autoevaluación

Listen to this report on the Chinese economical situation by an American newspaper. Match the figures and the concepts:

Script



Matching exercise

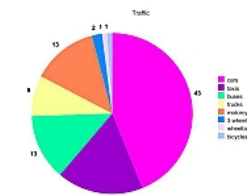
Figures	Numbers	Concepts
15.	<input type="checkbox"/>	1. The annual growth in China for the past 9 years.
9.	<input type="checkbox"/>	2. The number of new branches the Hong Kong City bank wants to open.
10,00%.	<input type="checkbox"/>	3. BofA's profit in the latest period.
\$20 billion.	<input type="checkbox"/>	4. The amount of capital that BofA wants to raise.
\$ 1.1 billion.	<input type="checkbox"/>	4. The number of years the growth rates in China have picked up.

Enviar

Not difficult, was it?

3.- Speaking exercise. Tables, graphs and diagrams.

All business presentations need data and those can be provided in various ways: tables, graphs and diagrams for examples. All those instruments are used to organize, summarize and display all types of data.



In order to make a meaningful presentation you need to organize your data first of all. Then, you have to choose the most appropriate presentation according to the type of data you are going to present. For example, in an end of term presentation, you may need some graphs to bring out the progress that has been made. Finally, there are some simple rules of presentation for tables and graphs that you need to follow carefully.

Tables, graphs and diagrams need to be functional, and for that reason they should be: self-explanatory, simple, they should include answers to what, who, where and when, they should include definitions for abbreviations and symbols, data exclusions and references to the sources.

Here are some "don'ts" in tables:

- ✔ Don't leave rows and columns unlabelled.
- ✔ Don't miss units of measurement.
- ✔ Don't include more than 5 variables.
- ✔ Don't use vertical lines.

As for graphs, there are two main types: line graphs and histograms. Line graphs are used to time series and show changes in magnitude. Remember that you should always include legends or keys to explain confusing data. You need to use the appropriate scale for your information. Don't use 3D, it can be misleading.

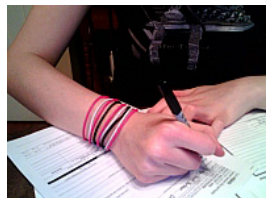
Finally, charts are also an useful tool in presentations. If your presentation is based on length, the right type of chart is the bar chart. On the contrary, if the information you present is related to proportion, you should use pie charts instead.

Whichever element you choose to include in your presentation, remember that design is up to you, you can make it simple, funny, colorful, etc. You should bear in mind the type of work your making and make it fit your presentation.

Think about the benefits that your company may provide you annually and prepare an oral presentation including tables, graphs or diagrams. Make it simple and direct.

4.- Writing exercise.

Documents are essential in business. Sometimes you have to read them and some others you have to send them but more often than not, you have to write them yourself. In this section, we will teach you how to write a business report.








Planning and writing a proper business report that reaches its audience and motivates its readers takes planning and research. Following these simple instructions will help you to write the perfect business report.

- ✔ Define the purpose of the report. Do this as early as possible so that you do not waste time. Gather all the information needed to make a complete report. Sometimes this can mean talking to the people involved, or conducting a research project.
- ✔ Organize all relevant information. Be sure to limit your information to the purpose of the business report. Don't let the report expand unnecessarily. If the purpose of the report is to identify potential new markets for your product, stay focused on that.
- ✔ Write to your audience. You need to understand who you are writing to and determine how to address this audience. Define the tone, attitude and emphasis.
- ✔ Write your business report using strong words that will motivate your audience. Create effective, well arranged sentences. Some of your audience may only scan the report, so write the business report with plenty of white space, good headlines and subtitles and short paragraphs.
- ✔ Edit, revise and distribute the report. Having a second set of eyes read over the report is an excellent way to make sure your message is clear. Leave yourself plenty of time to edit and revise the report. When you give out the report, ensure that all documents and attachments are included and that everyone gets them.

Taking into account all the tips of this section, try to write a brief report on a business of your choice. Remember to include all the necessary information so that your clients or your employees understand it correctly. Try to make the document valuable and interesting.

Appendix.- Licenses of resources.

Licenses of resources used in Communicative activities.

Resource (1)	Resource information (1)	Resource (2)	Resource information (2)
	By: Grumbler%-l. License: CC by-nc-sa. From: http://www.flickr.com/photos/grumbler/571106054/		By: Bruce A Stockwell. License: CC by-nc-sa. From: http://www.flickr.com/photos/bas68/4899870952/in/photostream
	By: Cliph. License: CC by-nc-sa. From: http://www.flickr.com/photos/cliph/463513911/		By: jimmiehomeschoolmom. License: CC by. From: http://www.flickr.com/photos/jimmiehomeschoolmom/3305542857/
	By: visibleducts. License: CC by-nc. From: http://www.flickr.com/photos/visibleducts/3254593834/		