

Financial English

In recent years, with an increased participation of foreign banks in the Croatian market and considering Croatia's efforts to comply with international banking and accounting standards, good knowledge of business English, or even more importantly financial English, has become an essential skill and a requirement for many jobs in those sectors. In the business world in general, it is not uncommon to hear in the Croatian language English words such as *cash flow*, *turnover*, *hedge fund*, etc. If you are a student of English looking for employment in the financial sector, or if you have already found it, the examples given below might help you to understand better the meaning of some financial vocabulary.

A In the left-hand column you will find some financial terms. Match them with their definitions in the right hand column.

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|-----------------------------|--|
| 1. goodwill | a. a person qualified to examine accounts |
| 2. inventory | b. an intangible asset taken into account in assessing the value of a company and reflecting its commercial reputation, customer connections, etc. |
| 3. ledger | c. a method of recording income and expenses in which each item is entered as received or paid |
| 4. auditor | d. to gain an amount equal to that invested, as in a commercial venture |
| 5. excise | e. a tax upon manufacture or sale, as distinguished from a tax on real property, income or estates |
| 6. gilt-edged stocks | f. a book in which the monetary transactions of a company are posted in the form of debits and credits |
| 7. retail price index (RPI) | g. the amount or value of a company's current assets that consist of raw materials, work in progress and finished goods |
| 8. to break even | h. stocks that are safe to invest in and certain to produce interest |
| 9. gross domestic product | i. a list that shows the extent of change in the prices of a range of goods selected as being essential items in the budget of a normal household |
| 10. cash basis | j. the value of a country's overall output of goods and services during a given period of time |

Key: 1b, 2g, 3f, 4a, 5e, 6h, 7i, 8d, 9j, 10c

B Complete the sentences with one of the words from the list above.

1. Our consolidated financial statements have already been reviewed by an external _____.
2. Collections from the _____ on cigarettes dropped by 34% in the first four months.
3. Excess and obsolete _____ is a very good barometer of the overall effectiveness of a company's operations.
4. It is thought that they do not coordinate their spending plans to allow such a finely balanced _____.

5. Despite the massive initial _____, the company's reputation was significantly damaged when the CEO resigned.

Key: 1. auditor, 2. excise tax, 3. inventory, 4. ledger, 5. goodwill

C Choose the word which best completes each sentence.

1. A document showing all withdrawals and deposits during one month is called a bank _____.
 - a. report
 - b. statement
 - c. bill
2. The opposite of a steady market is a _____ market.
 - a. volatile
 - b. valuable
 - c. violated
3. When a company misses a _____, it means that it did not make as much money as it thought it would.
 - a. forecast
 - b. warning
 - c. statement
4. When companies lose a lot of money, we say that they _____ a beating.
 - a. make
 - b. place
 - c. take
5. If you draw on a bank account in excess of the credit balance, you _____ your account.
 - a. overrate
 - b. overdraw
 - c. under draw

Key: 1b, 2a, 3a, 4c, 5b