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**ТЕКСТЫ ДЛЯ ЧТЕНИЯ ДЛЯ СТУДЕНТОВ
ЭКОНОМИЧЕСКИХ СПЕЦИАЛЬНОСТЕЙ**

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1 Trade

Trade is the voluntary exchange of goods, services, or both. Trade is also called commerce or transaction. A mechanism that allows trade is called a market. The original form of trade was barter, the direct exchange of goods and services. Later one side of the barter was the metals, precious metals (gold, silver, coins), bill, and paper money. Modern traders instead generally negotiate through a medium of exchange, such as money. As a result, buying can be separated from selling, or earning. The invention of money (and later credit, paper money and non-physical money) greatly simplified and promoted trade. Trade between two traders is called bilateral trade, while trade between more than two traders is called multilateral trade.

Trade exists for man due to specialization and division of labour, most people concentrate on a small aspect of production, trading for other products. Trade exists between regions because different regions have a comparative advantage in the production of some tradable commodity, or because different regions' size allows for the benefits of mass production. As such, trade at market prices between locations benefits both locations.

2 History of Trade (part I)

Trade originated with the start of communication in prehistoric times. Trading was the main facility of prehistoric people, who bartered goods and services from each other before the innovation of the modern day currency. Peter Watson dates the history of long-distance commerce from circa 150,000 years ago.

Trade is believed to have taken place throughout much of recorded human history. There is evidence of the exchange of obsidian and flint during the Stone Age. Materials used for creating jewellery were traded with Egypt since 3000 BC. Long-range trade routes first appeared in the 3rd millennium BC, when Sumerians in Mesopotamia traded with the Harappan civilization of the Indus Valley. The Phoenicians were noted sea traders, travelling across the Mediterranean Sea, and as far north as Britain for sources of tin to manufacture bronze. For this purpose they established trade colonies the Greeks called emporia. From the beginning of Greek civilization until the fall of the Roman Empire in the 5th century, a financially lucrative trade brought valuable spice to Europe from the far east, including China. Roman commerce allowed its empire to flourish and endure. The Roman Empire produced a stable and secure transportation network that enabled the shipment of trade goods without fear of significant piracy.

The fall of the Roman Empire, and the succeeding Dark Ages brought instability to Western Europe and a near collapse of the trade network. Nevertheless some trade did occur. For instance, Radhanites were a medieval guild or group (the precise meaning of the word is lost to history) of Jewish merchants who traded between the Christians in Europe and the Muslims of the Near East. The Sogdians dominated the East-West trade route known as the Silk Road after the 4th century AD up to the 8th century AD, with Suyab and Talas ranking among their main centres in the north. They were the main caravan merchants of Central Asia.

Пояснения к тексту

obsidian – обсидиан, вулканическое стекло;

flint – кремьнь;

Sumerian – шумер;

Harappan civilization – Индская или Хараппская цивилизация – одна из трёх наиболее древних цивилизаций человечества, наряду с древнеегипетской и шумерской;

Phoenician – финикиянин;

Radhanites – радхониты или раданиты – странствующие еврейские купцы, которые на протяжении раннего Средневековья контролировали торговлю между исламским Востоком и христианской Европой по Шёлковому пути и другим торговым маршрутам, создав первую в истории постоянную торговую сеть, простиравшуюся от Китая и Индии до Западной Европы;

Sogdians – согдийцы (согды) – древняя восточноиранская народность Средней Азии и Казахстана, с середины 1-го тыс. до н. э. населявшая Согд. Согдийцы – одни из предков современных таджиков и узбеков

3 History of Trade (part II)

From the 8th to the 11th century, the Vikings and Varangians traded as they sailed from and to Scandinavia. Vikings sailed to Western Europe, while Varangians to Russia. The Hanseatic League was an alliance of trading cities that maintained a trade monopoly over most of Northern Europe and the Baltic, between the 13th and 17th centuries.

Vasco da Gama restarted the European Spice trade in 1498. Prior to his sailing around Africa, the flow of spice into Europe was controlled by Islamic powers, especially Egypt. The spice trade was of major economic importance and helped spur the Age of Exploration. Spices brought to Europe from distant lands were some of the most valuable commodities for their weight, sometimes rivalling gold.

In the 16th century, Holland was the centre of free trade, imposing no exchange controls, and advocating the free movement of goods. Trade in the East Indies was dominated by Portugal in the 16th century, the Netherlands in the 17th century, and the British in the 18th century. The Spanish Empire developed regular trade links across both the Atlantic and the Pacific Oceans.

In 1776, Adam Smith published the paper *An Inquiry into the Nature and Causes of the Wealth of Nations*. It criticized Mercantilism, and argued that economic specialisation could benefit nations just as much as firms. Since the division of labour was restricted by the size of the market, he said that countries having access to larger markets would be able to divide labour more efficiently and thereby become more productive. Smith said that he considered all rationalisations of import and export controls "dupery", which hurt the trading nation at the expense of specific industries.

Пояснения к тексту

Hanseatic League – Ганзейский союз, Ганза – союз немецких свободных городов в XIII-XVII веках в Северной Европе – для защиты торговли и купечества от власти феодалов и от пиратства;

dupery – мошенничество, надувательство, обман

4 History of Trade (part III)

In 1799, the Dutch East India Company, formerly the world's largest company, became bankrupt, partly due to the rise of competitive free trade.

In 1817, David Ricardo, James Mill and Robert Torrens showed that free trade would benefit the industrially weak as well as the strong, in the famous theory of comparative advantage. In "Principles of Political Economy and Taxation" Ricardo advanced the doctrine still considered the most counterintuitive in economics:

When an inefficient producer sends the merchandise it produces best to a country able to produce it more efficiently, both countries benefit.

John Stuart Mill proved that a country with monopoly pricing power on the international market could manipulate the terms of trade through maintaining tariffs, and that the response to this might be reciprocity in trade policy. Ricardo and others had suggested this earlier. This was taken as evidence against the universal doctrine of free trade, as it was believed that more of the economic surplus of trade would accrue to a country following reciprocal, rather than completely free, trade policies. This was followed within a few years by the infant industry scenario developed by Mill promoting the theory that government had the "duty" to protect young industries, although only for a time necessary for them to develop full capacity. This became the policy in many countries attempting to industrialise and out-compete English exporters. Milton Friedman later continued this vein of thought, showing that in a few circumstances tariffs might be beneficial to the host country; but never for the world at large.

The Great Depression was a major economic recession that ran from 1929 to the late 1930s. During this period, there was a great drop in trade and other economic indicators.

The lack of free trade was considered by many as a principal cause of the depression. Only during the World War II the recession ended in the United States. Also during the war, in 1944, 44 countries signed the Bretton Woods Agreement, intended to prevent national trade barriers, to avoid depressions. It set up rules and institutions to regulate the international political economy: the International Monetary Fund and the International Bank for Reconstruction and Development (later divided into the World Bank and Bank for International Settlements). These organisations became operational in 1946 after enough countries ratified the agreement. In 1947, 23 countries agreed to the General Agreement on Tariffs and Trade to promote free trade.

Free trade advanced further in the late 20th century and early 2000s:

1992 European Union lifted barriers to internal trade in goods and labour.

January 1, 1994 the North American Free Trade Agreement (NAFTA) took effect.

1994 The GATT Marrakech Agreement specified formation of the WTO.

January 1, 1995 World Trade Organization was created to facilitate free trade,

by mandating mutual most favoured nation trading status between all signatories.

EC was transformed into the European Union, which accomplished the Economic and Monetary Union (EMU) in 2002, through introducing the Euro, and creating this way a real single market between 13 member states as of January 1, 2007.

2005, the Central American Free Trade Agreement was signed; It includes the United States and the Dominican Republic.

Пояснения к тексту

counterintuitive – зд. смелый;

accrue – выпадать на долю, доставаться;

Bretton Woods Agreement – Бреттон-Вудское соглашение (подписано странами-членами ООН в 1944 году. В соответствии с данным соглашением образовывался Международный валютный фонд и Международный банк реконструкции и развития, доллар закреплялся в качестве мировой резервной валюты и устанавливалась привязка других валют к доллару по фиксированному курсу);

GATT (General Agreement on Tariffs and Trade) – Генеральное соглашение по таможенным тарифам и торговле (стран Атлантического союза);

Marrakech Agreement – Марракешское соглашение (было подписано в г. Марракеше, Марокко)

5 The Hudson's Bay Company

The Hudson's Bay Company, abbreviated HBC, is the oldest commercial corporation in North America and one of the oldest in the world. The company was incorporated by British royal charter in 1670 as The Governor and Company of Adventurers of England trading into Hudson's Bay; it is now domiciled in Canada and has adopted the more common shorter name as its legal moniker.

It was once de facto government in parts of North America before European based colonies and states. It was at one time the largest landowner in the world. From its long-time headquarters on Hudson Bay, it controlled the fur trade throughout much of British-controlled North America for several centuries. Its traders and trappers forged early relationships with many groups of First Nations/Native Americans and its network of trading posts formed the nucleus for later official authority in many areas of Western Canada and the United States.

In the late 19th century, its vast territory became the largest component in the newly formed Dominion of Canada, in which the company was the largest private landowner. With the decline of the fur trade, the company evolved into a mercantile business selling vital goods to settlers in the Canadian West. Today the company is best known for its department stores throughout Canada. The Hudson's Bay Company Archives are located in Winnipeg, Manitoba, Canada.

The company is owned by Hudson's Bay Trading Company, which also owns a high-end department store chain in the U.S.

Today's modern HBC has diversified into joint ventures and other types of business products. HBC has credit card, mortgage, and personal insurance branches. These other products and services are joint partnerships with other corporations.

Пояснения к тексту

incorporate – регистрировать, оформлять;

royal charter – королевская грамота;

adventurer – делец, ведущий рискованное предприятие;

domicile – сделать основным местопребыванием;

moniker – имя;

de facto – на деле, фактически;

trapper – охотник, ставящий капканы;

mercantile business – торговое предприятие;

high-end – высококачественный;

diversify into – вкладывать капитал (средства) в различные предприятия (сферы);

mortgage – заклад, ипотека

6 The Company of Adventurers of London

The Company of Adventurers of London trading to the ports of Africa, or more commonly known as “The Guinea Company” was the first private company to colonize Africa for profit. They were a trading company primarily exporting redwood (used for dyes) from the western parts of Africa: mostly through Guinea and Sierra Leone. At their height, the Guinea Company owned and operated 15 cargo ships. The King of England, James I, granted the company a 31 year monopoly on the exportation of goods from West Africa to be imported into England.

Guinea Company had touched on many different trades, one of which was gold, which in the beginning was its primary objective. Yet, the Guinea Company was not to succeed through this trade. From the years 1618 to 1621, 3 expeditions were made up the Gambia River to collect gold, as it was thought that there was much gold to be found. No profits were made, and after the third trip the company accumulated a loss of £5,600, which was a great deal of money during this era as Nicholas Crispe, the primary stock holder, had purchased the majority of the company’s shares for less than £800. After the Nicholas Crisp had failed in leading the company in finding gold along the Gambia River, they resorted to the collection of redwood from Sierra Leone as their main export.

In 1631 a new charter was formed and granted to the “Company of Merchants Trading to Guinea”. Like the first charter in 1618, this too was for 31 years, but it was from Cape Blanco to the Cape of Good Hope. While it may seem to outsiders as a completely new trading company, it was not. Much of the members were in fact associated with The Guinea Company, including Nicholas Crisp. By creating a new name for themselves, it gave them more opportunities in expanding their industry, particularly in the Eastern part of Sierra Leone as a means for gathering gold. In 1632 gold factories were made in Komenda, Kormantin, and Winneba. Up until the year 1650, 3 additional factories soon followed: Anomabu, Takoradi, and Cabo Corso. Along with gold as the main source of income, ships were sent east to Benin to retrieve cloth where it would be brought back and sold for gold. It is estimated that Nicholas Crispe and his company made a profit of over £500,000 through the gold they had collected within the 11-12 years after 1632.

The achievements of the Guinea trade company have for the most part been unappreciated and gone unacknowledged. They played a significant role in the history of trade and development all along the west coast of Africa. As well as bringing in England into the gold trade through the Gold Coast. According to British parliamentary records, the company also appears to have been involved in the trade of enslaved Africans.

Пояснения к тексту

Guinea – Гвинея;

stock holder – акционер, держатель пакета акций;

Benin – Бенин (государство в Западной Африке)

7 East India Company

East India Company, British, 1600-1874, company chartered by Queen Elizabeth I for trade with Asia. The original object of the group of merchants involved was to break the Dutch monopoly of the spice trade with the East Indies. However, after 1623, when the English traders at Amboina were massacred by the Dutch, the company admitted defeat in that endeavour and concentrated its activities in India. It had established its first factory at Machilipatnam in 1611, and it gradually acquired unequalled trade privileges from the Mughal emperors. Although the company was soon reaping large profits from its Indian exports (chiefly textiles), it had to deal with serious difficulties both in England and in India.

During the 17th century its monopoly of Indian trade was constantly challenged by independent English traders called "interlopers." In 1698 a rival company was actually chartered, but the conflict was resolved by a merger of the two companies in 1708. By that time the company had established in India the three presidencies of Madras (now Chennai), Bombay (now Mumbai), and Calcutta (now Kolkata). As Mughal power declined, these settlements became subject to increasing harassment by local princes, and the company began to protect itself by intervening more and more in Indian political affairs. It had, moreover, a serious rival in the French East India Company, which under Joseph François Dupleix launched an aggressive policy of expansion. The victories (1751-60) of Robert Clive over the French made the company dominant in India, and by a treaty of 1765 it assumed control of the administration of Bengal. Revenues from Bengal were used for trade and for personal enrichment.

To check the exploitative practices of the company and to gain a share of revenues, the British government intervened and passed the Regulating Act (1773), by which a governor-general of Bengal (whose appointment was subject to government approval) was given charge of all the company's possessions in India. Warren Hastings, the first governor-general, laid the administrative foundations for subsequent British consolidation. By the East India Act of 1784 the government assumed more direct responsibility for British activities in India, setting up a board of control for India. The company continued to control commercial policy and lesser administration, but the British government became increasingly the effective ruler of India. Parliamentary acts of 1813 and 1833 ended the company's trade monopoly. Finally, after the Indian Mutiny of 1857-58 the government assumed direct control, and the East India Company and the East India Company was dissolved.

Пояснения к тексту

massacre – убивать с особенной жестокостью;

interloper – торговец, не имеющий разрешения на торговлю;

harassment – притеснение;

mutiny – мятеж, восстание

8 Free trade

Free trade is a system of trade policy that allows traders to act and transact without interference from government. According to the law of comparative advantage the policy permits trading partners mutual gains from trade of goods and services. Under a free trade policy, prices are a reflection of true supply and demand, and are the sole determinant of resource allocation. Free trade differs from other forms of trade policy where the allocation of goods and services amongst trading countries are determined by artificial prices that may or may not reflect the true nature of supply and demand. These artificial prices are the result of protectionist trade policies, whereby governments intervene in the market through price adjustments and supply restrictions. Such government interventions can increase as well as decrease the cost of goods and services to both consumers and producers. Interventions include subsidies, taxes and tariffs, non-tariff barriers, such as regulatory legislation and quotas, and even inter-government managed trade agreements such as the North American Free Trade Agreement (NAFTA) and Central America Free Trade Agreement (CAFTA) (contrary to their formal titles) and any governmental market intervention resulting in artificial prices. Most states conduct trade policies that are to a lesser or greater degree protectionist. One ubiquitous protectionist policy employed by states comes in the form of agricultural subsidies whereby countries attempt to protect their agricultural industries from outside competition by creating artificial low prices for their agricultural goods.

Пояснения к тексту

ubiquitous – вездесущий; повсеместный

9 International trade

International trade is exchange of capital, goods, and services across international borders or territories. It refers to exports of goods and services by a firm to a foreign-based buyer (importer). In most countries, it represents a significant share of gross domestic product (GDP). While international trade has been present throughout much of history (see Silk Road, Amber Road), its economic, social, and political importance has been on the rise in recent centuries.

Industrialization, advanced transportation, globalization, multinational corporations, and outsourcing are all having a major impact on the international trade system. Increasing international trade is crucial to the continuance of globalization. International trade is a major source of economic revenue for any nation that is considered a world power. Without international trade, nations would be limited to the goods and services produced within their own borders.

International trade is in principle not different from domestic trade as the motivation and the behaviour of parties involved in a trade do not change fundamentally regardless of whether trade is across a border or not. The main difference is that international trade is typically more costly than domestic trade. The reason is that a border typically imposes additional costs such as tariffs, time costs due to border delays and costs associated with country differences such as language, the legal system or culture.

Another difference between domestic and international trade is that factors of production such as capital and labour are typically more mobile within a country than across countries. Thus international trade is mostly restricted to trade in goods and services, and only to a lesser extent to trade in capital, labour or other factors of production. Then trade in goods and services can serve as a substitute for trade in factors of production. Instead of importing a factor of production, a country can import goods that make intensive use of the factor of production and are thus embodying the respective factor. An example is the import of labour-intensive goods by the United States from China. Instead of importing Chinese labour the United States is importing goods from China that were produced with Chinese labour.

International trade is also a branch of economics, which, together with international finance, forms the larger branch of international economics.

Пояснения к тексту

amber – янтарь;

outsourcing – аутсорсинг (передача стороннему подрядчику некоторых бизнес-функций или частей бизнес-процесса предприятия с целью повысить производительность труда и снизить себестоимость продукции преимущественно за счет более дешёвой рабочей силы у подрядчика);

party – юр. сторона;

impose – налагать;

embody – воплощать, заключать в себе;

respective – соответственный, соответствующий;

labour-intensive – трудоемкий

10 International Trade and Economic Growth

International trade has exerted a profound influence on the economic growth of a country. It has been observed that with the opening up of the economy and liberalisation of trade restrictions, the developing countries, especially India and China, have grown over the years.

International trade has positively influenced the economic growth of a country in the following ways:

International trade injects global competitiveness and hence the domestic business units tend to become very efficient being exposed international competition. Due to the integration with the world economy the entrepreneurs can have easy access to the technological innovations. They can utilize the latest technologies to enhance their productivity.

The developing countries have higher trade protectionism measures as compared to the developed countries. The countries that have adopted such measures are seen to reap the benefits of an open trade regime. The products that are labour intensive like clothing, footwear, textiles, etc. are exported by the developing countries to both developed and underdeveloped countries. Such exports earn heavy tax revenue in countries like Mexico, India, China and many more.

International trade has also brought in a reduction in the poverty level. India was a closed economy in the 1960s and 70s. There was not even 1% decline in the poverty level. The entire scenario changed with globalisation and international trade. The economic growth brought about by international trade can generate financial resources. Such resources can be used to set up anti poverty programs. Better education and health facilities can also be provided to the poor.

The exclusion of all types of trade barriers in the agricultural products of the developed countries will lead to a decline and rise in production and world prices respectively. The developing countries profit by selling or exporting these products at escalated world prices.

Пояснения к тексту

exert a profound influence – оказывать сильное влияние;

inject – добавлять;

business unit – хозяйственная единица;

entrepreneur – предприниматель;

protectionism – протекционизм (экономическая политика государства, направленная на ограждение национальной экономики от иностранной конкуренции);

revenue – доход, выручка;

health facilities – помещения и оборудование медицинских учреждений

11 Global Marketing

The Oxford University Press defines global marketing as “marketing on a worldwide scale reconciling or taking commercial advantage of global operational differences, similarities and opportunities in order to meet global objectives.”

Global marketing is not a revolutionary shift, it is an evolutionary process. While the following does not apply to all companies, it does apply to most companies that begin as domestic-only companies.

When a company becomes a global marketer, it views the world as one market and creates products that will only require weeks to fit into any regional marketplace. Marketing decisions are made by consulting with marketers in all the countries that will be affected. The goal is to sell the same thing the same way everywhere.

Пояснения к тексту

reconcile – согласовывать, приводить в соответствие;

fit into – приспособливать, подходить

12 Elements of the Global Marketing Mix (I)

The “Four P’s” of marketing: product, price, placement, and promotion are all affected as a company moves through the five evolutionary phases to become a global company. Ultimately, at the global marketing level, a company trying to speak with one voice is faced with many challenges when creating a worldwide marketing plan. Unless a company holds the same position against its competition in all markets (market leader, low cost, etc.) it is impossible to launch identical marketing plans worldwide.

Product

A global company is one that can create a single product and only have to tweak elements for different markets. For example, Coca-Cola uses two formulas (one with sugar, one with corn syrup) for all markets. The product packaging in every country incorporates the contour bottle design and the dynamic ribbon in some way, shape, or form. However, the bottle or can also includes the country’s native language and is the same size as other beverage bottles or cans in that country.

Price

Price will always vary from market to market. Price is affected by many variables: cost of product development (produced locally or imported), cost of ingredients, cost of delivery (transportation, tariffs, etc.), and much more. Additionally, the product’s position in relation to the competition influences the ultimate profit margin. Whether this product is considered the high-end, expensive choice, the economical, low-cost choice, or something in-between helps determine the price point.

Пояснения к тексту

ultimately – в конечном счете, в конце концов;

challenge – сложная задача, проблема;

launch – начинать;

tweak – налаживать;

contour – контур;

profit margin – размер прибыли;

high-end – высококачественный

13 Elements of the Global Marketing Mix (II)

Placement

How the product is distributed is also a country-by-country decision influenced by how the competition is being offered to the target market. Using Coca-Cola as an example again, not all cultures use vending machines. In the United States, beverages are sold by the pallet via warehouse stores. In India, this is not an option. Placement decisions must also consider the product's position in the market place. For example, a high-end product would not want to be distributed via a "dollar store" in the United States. Conversely, a product promoted as the low-cost option in France would find limited success in a pricey boutique.

Promotion

After product research, development and creation, promotion (specifically advertising) is generally the largest line item in a global company's marketing budget. At this stage of a company's development, integrated marketing is the goal. The global corporation seeks to reduce costs, minimize redundancies in personnel and work, maximize speed of implementation, and to speak with one voice. If the goal of a global company is to send the same message worldwide, then delivering that message in a relevant, engaging, and cost-effective way is the challenge.

Effective global advertising techniques do exist. The key is testing advertising ideas using a marketing research system proven to provide results that can be compared across countries. The ability to identify which elements or moments of an ad are contributing to that success is how economies of scale are maximized. Market research measures such as Flow of Attention, Flow of Emotion and branding moments provide insights into what is working in an ad in any country because the measures are based on visual, not verbal, elements of the ad.

Пояснения к тексту

target market – целевой рынок (сегменты рынка, на которых фирма сосредоточивает свои основные усилия);

vending machine – торговый автомат;

pallet – переносной поднос;

dollar store – долларовый магазин (магазин, торгующий недорогими товарами, каждый из которых, как правило, стоит один доллар);

line item – элемент строки;

redundancy – сокращение штатов;

engaging – притягательный, обаятельный;

economies of scale – эффект масштаба;

ad – объявление, реклама;

branding – продвижение торговой марки

14 Domestic Marketing

A marketing restricted to the political boundaries of a country, is called “Domestic Marketing”. A company marketing only within its national boundaries only has to consider domestic competition. Even if that competition includes companies from foreign markets, it still only has to focus on the competition that exists in its home market. Products and services are developed for customers in the home market without thought of how the product or service could be used in other markets. All marketing decisions are made at headquarters.

The biggest obstacle these marketers face is being blindsided by emerging global marketers. Because domestic marketers do not generally focus on the changes in the global marketplace, they may not be aware of a potential competitor who is a market leader on three continents until they simultaneously open 20 stores in the North-eastern U.S. These marketers can be considered ethnocentric as they are most concerned with how they are perceived in their home country.

Пояснения к тексту

headquarters – главное управление;

blindsided – бить по слабым местам;

ethnocentric – националистический, этноцентричный;

be concerned – беспокоиться, заботиться о чем-либо

15 Export Marketing

Generally, companies began exporting, reluctantly, to the occasional foreign customer who sought them out. At the beginning of this stage, filling these orders was considered a burden, not an opportunity.

If the exporting departments are becoming successful but the costs of doing business from headquarters plus time differences, language barriers, and cultural ignorance are hindering the company's competitiveness in the foreign market, then offices could be built in the foreign countries. Sometimes companies buy firms in the foreign countries to take advantage of relationships, storefronts, factories, and personnel already in place. These offices still report to headquarters in the home market but most of the marketing mix decisions are made in the individual countries since that staff is the most knowledgeable about the target markets. Local product development is based on the needs of local customers. These marketers are considered polycentric because they acknowledge that each market/country has different needs.

Пояснения к тексту

seek out – разыскивать кого-либо;

storefront – витрина магазина;

polycentric – полицентрический (о стратегии управления транснациональной корпорации, при которой текущее управление отделениями в различных странах осуществляется на местах и, как правило, силами менеджеров из этих стран (чтобы учесть национальные особенности бизнеса, решить проблему кадров и т. п.), но стратегическое управление корпорацией все равно осуществляется в штаб-квартире на родине фирмы)

16 Multinational Marketing

At the multi-national stage, the company is marketing its products and services in many countries around the world and wants to benefit from economies of scale. Consolidation of research, development, production, and marketing on a regional level is the next step. An example of a region is Western Europe with the US. But, at the multi-national stage, consolidation, and thus product planning, does not take place across regions. It should be noted that most companies that self describe their organization as multinational really are not entirely multinational. In fact, the definition of the multinational corporation itself is somewhat suspect. Simply calling a company a multinational corporation is not enough. A company must make adjustments to the ways it perceives its role in the international market place so that it might reap the rewards the multinational environment. Essentially there are three responses or behaviours that the multinational corporation can use in the international market place. These three orientations have been described as ethnocentric, polycentric, and geocentric. In ethnocentric company the culture of the home country pervades the organization. In the polycentric organization the host country begins to play more of a role but the company still treats each individual country unit as a somewhat disparate group with only a very small information flow back to headquarters. In the most mature stage of multinational development, geocentric, the company has truly started to act globally. The company can now begin to reap the benefits of the multinational economy. The somewhat parasitic nature of the previous types of multinational system is now replaced with the give and take of international relationships that involve the all important two way communications flow.

Пояснения к тексту

geocentric – геоцентрический;
pervade – пропитывать

17 Globalization of Markets and Competition (I)

Trade is increasingly global in scope today. There are several reasons for this. One significant reason is technological – because of improved transportation and communication opportunities today, trade is now more practical. Thus, consumers and businesses now have access to the very best products from many different countries. Increasingly rapid technology lifecycles also increases the competition among countries as to who can produce the newest in technology. In part to accommodate these realities, countries in the last several decades have taken increasing steps to promote global trade through agreements such as the General Treaty on Trade and Tariffs, and trade organizations such as the World Trade Organization (WTO), North American Free Trade Agreement (NAFTA), and the European Union (EU).

We discussed several stages through which a firm may go as it becomes increasingly involved across borders. A purely domestic firm focuses only on its home market, has no current ambitions of expanding abroad, and does not perceive any significant competitive threat from abroad. Such a firm may eventually get some orders from abroad, which are seen either as an irritation (for small orders, there may be a great deal of effort and cost involved in obtaining relatively modest revenue) or as “icing on the cake.” As the firm begins to export more, it enters the export stage, where little effort is made to market the product abroad, although an increasing number of foreign orders are filled. In the international stage, as certain country markets begin to appear especially attractive with more foreign orders originating there, the firm may go into countries on an ad hoc basis – that is, each country may be entered sequentially, but with relatively little learning and marketing efforts being shared across countries. In the multi-national stage, some efficiencies are pursued by standardizing across a region (e.g., Central America, West Africa, or Northern Europe). Finally, in the global stage, the focus centres on the entire World market, with decisions made optimize the product’s position across markets – the home country is no longer the centre of the product. An example of a truly global company is Coca Cola.

Пояснения к тексту

as to – в отношении;
accommodate – приспособливаться;
revenue – доход, выручка;
icing – сахарная глазурь;
ad hoc – непродуманный;
sequentially – один за другим;
pursue – искать, добиваться

18 Globalization of Markets and Competition (II)

Note that these stages represent points on a continuum from a purely domestic orientation to a truly global one; companies may fall in between these discrete stages, and different parts of the firm may have characteristics of various stages – for example, the pickup truck division of an auto-manufacturer may be largely domestically focused, while the passenger car division is globally focused. Although a global focus is generally appropriate for most large firms, note that it may not be ideal for all companies to pursue the global stage. For example, manufacturers of ice cubes may do well as domestic, or even locally centred, firms.

Some forces in international trade. Comparative advantage, discussed in more detail in the economics notes, suggests trade between countries is beneficial because these countries differ in their relative economic strengths – some have more advanced technology and some have lower costs. The International Product Life Cycle suggests that countries will differ in their timing of the demand for various products. Products tend to be adopted more quickly in the United States and Japan, for example, so once the demand for a product (say, VCRs) is in the decline in these markets, an increasing market potential might exist in other countries (e.g., Europe and the rest of Asia). Internalization/transaction costs refers to the fact that developing certain very large scale projects, such as an automobile intended for the World market, may entail such large costs that these must be spread over several countries.

Пояснения к тексту

discrete – отдельный, обособленный;

pickup truck – грузовой автомобиль малой грузоподъёмности;

appropriate – подходящий, соответствующий;

comparative advantage – сравнительное преимущество (способность страны или фирмы производить товары с меньшими альтернативными затратами, чем у конкурентов);

timing – распределение во времени, по срокам

19 International Trade and Economic Geography

Patterns of trade and location have always been key issues in the economic debate. What are the effects of free trade and globalization? What are the driving forces behind worldwide urbanization? Paul Krugman has formulated a new theory to answer these questions. He has thereby integrated the previously disparate research fields of international trade and economic geography.

Krugman's approach is based on the premise that many goods and services can be produced more cheaply in long series, a concept generally known as economies of scale. Meanwhile, consumers demand a varied supply of goods. As a result, small-scale production for a local market is replaced by large-scale production for the world market, where firms with similar products compete with one another.

Traditional trade theory assumes that countries are different and explains why some countries export agricultural products whereas others export industrial goods. The new theory clarifies why worldwide trade is in fact dominated by countries which not only have similar conditions, but also trade in similar products – for instance, a country such as Sweden that both exports and imports cars. This kind of trade enables specialization and large-scale production, which result in lower prices and a greater diversity of commodities.

Economies of scale combined with reduced transport costs also help to explain why an increasingly larger share of the world population lives in cities and why similar economic activities are concentrated in the same locations. Lower transport costs can trigger a self-reinforcing process whereby a growing metropolitan population gives rise to increased large-scale production, higher real wages and a more diversified supply of goods. This, in turn, stimulates further migration to cities. Krugman's theories have shown that the outcome of these processes can well be that regions become divided into a high-technology urbanized core and a less developed "periphery".

Пояснения к тексту

disparate – несопоставимый;

premise – предположение;

economies of scale – экономия от масштаба, эффект масштаба;

small-scale – мелкомасштабный;

trigger – инициировать, дать начало

20 Merchandising (I)

In retail commerce, visual display merchandising means maximizing merchandise sales using product design, selection, packaging, pricing, and display which stimulates consumers to spend more. This includes disciplines in pricing and discounting, physical presentation of products and displays, and the decisions about which products should be presented to which customers at what time.

This annual cycle of merchandising differs between countries and even within them, particularly relating to cultural customs like holidays, and seasonal issues like climate and local sporting and recreation.

In the United States for example, the basic retail cycle begins in early January with merchandise for Valentine's Day, which is not until mid-February. Following this, Easter is the major holiday, while springtime clothing and garden-related merchandise is already arriving at stores, often as early as mid-winter. Mother's Day and Father's Day are next, with graduation gifts (typically small consumer electronics like digital cameras. Summer merchandise is next, including patriotic-themed products with the American flag, out by Memorial Day in preparation for Independence Day (with Flag Day in between).

By July, back-to-school is on the shelves and autumn merchandise is already arriving, and at some arts and crafts stores, Christmas decorations. By September, the summer merchandise is on final closeout and overstock of school supplies is marked-down, and Halloween (and often even more of the Christmas) merchandise is appearing. As the Halloween decorations and costumes dwindle in October, Christmas is already being pushed on consumers, and afterward retailers are going full-force with advertising, although the "official" season does not start until the day after Thanksgiving. Christmas clearance sales now begin even before Christmas at most retailers, and continue on to as little as New Year's Day or as long as February.

Merchandising also varies within retail chains, where stores in places like Buffalo might carry snow blowers, while stores in Florida and southern California might instead carry beach clothing and barbecue grills all year. Coastal-area stores might carry water skiing equipment, while ones near mountain ranges would likely have snow skiing and snowboarding gear if there are ski areas nearby.

Top merchandising companies include Brand Momentum of Canada.

Пояснения к тексту

visual merchandising – визуальный мерчандайзинг, оформление торгового места, оформление места продажи (деятельность по оформлению места продажи товара с целью стимулирования сбыта; включает в себя следующие элементы: выбор места торговой точки; оформление наружной рекламы или вывесок; внутренняя компоновка торговой площади; дизайн интерьера; расположение выставляемых товаров; упаковка, маркировка товаров; оформление ценников);

merchandise – товары;

closeout – распродажа;

overstock – излишний запас, избыток;

arts and crafts store – ручная работа;

marked-down – со скидкой, уцененный;

dwindle – сокращаться, уменьшаться;

clearance sale – распродажа;

Buffalo – Буффало (город на северо-востоке США, штат Нью-Йорк);

snow blower – центробежный снегоочиститель;

gear – принадлежности

21 Merchandising (II)

In the supply chain, merchandising is the practice of making products in retail outlets available to consumers, primarily by stocking shelves and displays. While this used to be done exclusively by the stores' employees, many retailers have found substantial savings in requiring it to be done by the manufacturer, vendor, or wholesaler that provides the products to the retail store. In the United Kingdom there are a number of organizations that supply merchandising services to support retail outlets with general stock replenishment and merchandising support in new stores. By doing this, retail stores have been able to substantially reduce the number of employees needed to run the store.

While stocking shelves and building displays is often done when the product is delivered, it is increasingly a separate activity from delivering the product. In grocery stores, for example, almost all products delivered directly to the store from a manufacturer or wholesaler will be stocked by the manufacturer's/wholesaler's employee who is a full time merchandiser. Product categories where this is common are Beverage (all types, alcoholic and non-alcoholic), packaged baked goods (bread and pastries), magazines and books, and health and beauty products. For major food manufacturers in the beverage and baked goods industries, their merchandisers are often the single largest employee group within the company. For nationwide branded goods manufacturers such as The Coca-Cola Company and PepsiCo, their respective merchandiser work forces number in the thousands.

Пояснения к тексту

supply chain – канал поставок;

stock shelves and displays – зд. поставлять товар на полки и витрины;

vendor – поставщик, продавец;

retail outlet – точка розничной торговли;

replenishment – пополнение;

pastries – выпечка, мучные кондитерские изделия;

employee group – рабочая бригада;

branded goods – марочные товары

22 Merchandisers. Job description

Merchandisers are responsible for ensuring that products appear in the right store at the appropriate time and in the correct quantities. This involves working closely with the buying teams to accurately forecast trends, plan stock levels and monitor performance. While the buyer selects the lines, the merchandiser decides how much money should be spent, how many lines should be bought, and in what quantities. In smaller companies, the same person may be responsible for both buying and merchandising.

Merchandisers play a key role within organisations, as profitability can be affected by how successfully they undertake their work. Merchandisers set prices to maximise profits and manage the performance of ranges, planning promotions and markdowns as necessary. They also oversee delivery and distribution of stock and deal with suppliers.

Typical work activities

Work activities vary depending upon the company and the particular retail sector, but will typically include:

1. planning product ranges and preparing sales and stock plans in conjunction with buyers;
2. liaising with buyers, analysts, stores, suppliers and distributors;
3. maintaining a comprehensive library of appropriate data;
4. working closely with visual display staff and department heads to decide how goods should be displayed to maximise customer interest and sales;
5. producing layout plans for stores;
6. forecasting profits and sales, and optimising the sales volume and profitability of designated product areas;
7. planning budgets and presenting sales forecasts and figures for new ranges;
8. controlling stock levels based on forecasts for the season;
9. using specialist computer software, for example to handle sales statistics, produce sales projections and present spreadsheets and graphs;
10. analysing every aspect of bestsellers (for example, the bestselling price points, colours or styles), and ensuring that bestsellers reach their full potential;
11. monitoring slow sellers, and taking action to reduce prices or set promotions as necessary;
12. gathering information on customers' reactions to products;
13. analyzing previous season's sales and reporting on the current season's lines;

14. making financial presentations to senior managers;
15. accompanying buyers on visits to manufacturers to appreciate production processes;
16. meeting with suppliers and managing the distribution of stock, by negotiating cost prices, ordering stock, agreeing timescales and delivery dates, and completing the necessary paperwork;
17. identifying production and supply difficulties and dealing with any problems or delays as they arise;
18. managing, training and supervising junior staff.

Пояснения к тексту

merchandiser – торговец;

range – ассортимент;

markdown – снижение цены, уценка;

liaise – поддерживать связь;

designate – указывать, обозначать;

spreadsheet – крупноформатная таблица

23 Joint Venture

A joint venture (JV, sometimes ‘J-V’) is a legal entity formed between two or more parties to undertake an economic activity together. It is a term more restricted to the US and the “new” countries on the world map such as India and China.

The JV parties agree to create, for a finite time, a new entity and new assets by contributing equity. They then share in the revenues, expenses, and assets and “control” of the enterprise.

The term is not used in the U.K. where “company law” originates. In European law, the term “joint-venture” is an elusive legal concept, better defined under the rules of company law. In France, the term “joint venture” is variously translated as “association d’entreprises”, “entreprise conjointe”, “co-entreprise” and “entreprise commune”. But generally, *société anonyme* covers foreign collaborations. In Germany, “joint venture” is better represented as a “combination of companies” (Konzern).

The venture can be for one specific project only – when the JV is referred more correctly as a consortium (as the building of the Chunnel) – or a continuing business relationship. The consortium JV (also known as a cooperative agreement) is formed where one party seeks technological expertise or technical service arrangements, franchise and brand use agreements, management contracts, rental agreements, for “one-time” contracts. The JV is dissolved when that goal is reached.

Пояснения к тексту

joint venture – совместное предприятие;

legal entity – юридическое лицо;

party – *юр.* сторона;

assets – актив(ы), средства, имущество, фонды, капитал;

equity – собственный капитал, собственные средства;

entreprise conjointe – *фр.* совместное предприятие;

co-entreprise – *фр.* совместное предприятие;

entreprise commune – *фр.* совместное предприятие;

société anonyme – *фр.* акционерное общество;

the Chunnel – “Чаннел” (название тоннеля под Ла-Маншем, соединяет Великобританию с Францией) от the Channel + tunnel;

franchise – франчайзинг (специальный вид лицензирования, когда компания – владелец известной торговой марки – предоставляет другой компании право ставить эту торговую марку на свою продукцию, но при этом получает право контроля за качеством и т. д. продукции компании-пользователя данной торговой марки)

24 The Joint-Venture Concept

A JV on a continuing basis is the normal business undertaking. It is similar to a business partnership with two differences: the first, a partnership generally involves an ongoing, long-term business relationship, whereas an equity-based JV comprises a single business activity. Second, all the partners have to agree to dissolve the partnership whereas a finite time has to lapse before it comes to an end (or is closed by the court due to a dispute).

The term JV refers to the purpose of the entity and not to a type of entity. Therefore, a joint venture may be a corporation, a limited liability enterprise, a partnership or other legal structure, depending on a number of considerations such as tax and tort liability.

JVs are normally formed both inside one's own country and between firms belonging to different countries. Within one, JVs usually combine different strengths in a field or are formed because of legal restrictions within a country; for example an insurance company cannot market its policies through a banking company. Some JVs are also formed because the law of a country allows dispute settlement, should it occur, in a third country. They are also formed to minimize business, tax and political risks. The JV is an alternative to the parent-subsidiary business partnership in emerging countries, discouraged, on account of (a) ignoring national objectives (b) slow-growth (c) parental control of funds and (d) disallowing competition.

JVs can be in the manufacture of goods, services, travel space, banking, insurance, web-hosting business, etc.

Reasons for forming a JV are:

reducing "entry" risks by using the local partner's assets;

inadequate knowledge of local institutional or legal environment;

access to local borrowing powers;

in strategic sectors, the country's laws may not permit foreign nationals to operate alone;

access to local resources through participation of national partner;

influence of local partners on government officials;

access by one partner to foreign technology or expertise, often a key consideration of local parties (or through government incentives for the mechanism);

through government incentives, job and skill growth through foreign investment,

incoming foreign exchange and investment.

Пояснения к тексту

tort – гражданское правонарушение;

liability – обязательства, ответственность;

dispute settlement – урегулирование разногласий;

parent business – материнская компания;

subsidiary business – дочерняя компания;

on account of – вследствие;

disallow – запрещать, не давать, не позволять;

hosting business – услуги по размещению информации (на узлах Web);

borrowing power – кредитная сила (максимальная сумма кредита, которую может получить данное лицо; зависит от доходов заемщика и собственности, которую заемщик может предложить в качестве обеспечения кредита)

25 Money Management

Money management, also referred to as investment management, is one of the most difficult jobs in the present scenario. The task involves supervising the proper utilization of hard earned money of the clients. In simpler term, it means control over the inflow and outflow of money with reference to any business or personal transactions. The process includes budgeting, banking, taxes, study of risk involved, and analyzing costs and income. Money management also includes managing mutual funds, assets, private consulting for individual clients, and pension funds for companies, retirement planning and estate planning for individuals. A money manager has to take decision regarding investment in such a manner that maximizes profit for his/her clients. A good money manager should be a reservoir of knowledge about the market trends. He/she should be a visionary with analytical skills and should be able to make decisions by thinking logically, after having a thorough study of the market. Success comes to those, who are aware of global trends and have done a thorough research work. With the increasing demand for efficient money managers, the scope of a career in this field is also increasing.

The courses in money management, conducted by management colleges, generally impart training and education regarding balancing of finances and learning to save and invest money. It provides detailed knowledge to plan the proper utilization of funds. They teach to maintain a balance in the flow of investment for various needs like housing, transportation, food etc. Even at times, money is invested in such a plan that does not fetch instant results, but are rewarding in long term basis. Every business organization, whether big or small, is always in need of good money managers who can bring good return of their money. In the current scenario, money management is among the most promising career options.

Пояснения к тексту

supervise – контролировать;

inflow – приток;

outflow – отток;

transaction – сделка, транзакция; торговая операция;

budgeting – бюджетирование (процесс составления бюджета и контроля за его исполнением);

mutual fund – взаимный (инвестиционный) фонд, фонд взаимных инвестиций;

assets – актив (баланса), средства, фонды;

estate planning – минимизация налогов на имущество;

visionary – провидец;

impart – давать;

return – доход, прибыль

26 Sales and Marketing Managers

Promotion and selling of their products and services are the main objective of almost all firms. For this every firm small or big require a professional who takes care of sales, marketing, product promotions, advertisement and public relation. This task is done by sales and marketing managers. They direct policy like marketing strategy including market research, sales, pricing, product development and promotion, advertisement and public relation activities. Sale and marketing managers develop detailed marketing strategies for a firm. In doing so, they analyze the demand for the firm's products and services in the market. They also identify competitors and potential markets such as businesses, retailers, wholesalers, government, and the general public. Their main aim is to maximize the firm's market share and profits.

Sales and marketing are mutually dependent functions. Sales involve assessing and fixing sales targets and working out strategies. They appoint distributors and plan sale outlets. Marketing involves planning of strategy to deliver goods and services efficiently and inexpensively to the customer. It involves market research, product development, promotion, pricing, sales and distribution. Sales and marketing managers are employed in nearly all industries. Sales and marketing managers, who hold almost half of the jobs, work mostly in manufacturing, retail and wholesale trade, finance and insurance. Over one-third of marketing managers work in manufacturing or in scientific, professional, and technical services industries. Over one-third of advertising and promotions managers are employed in scientific, professional, and technical services, as well as in publishing, advertising, and other information industries. The majority of public relations managers work in services industry – insurance, educational, scientific, professional, and technical services, or in health care and social assistance services.

Пояснения к тексту

product promotion – продвижение (“раскрутка”) товара (деятельность, направленная на то, чтобы сформировать информированность и благоприятное представление о продукции фирмы у потенциальных покупателей и тем самым добиться максимального спроса);

product development – развитие продукта, разработка и совершенствование продукции (процесс улучшения характеристик существующих видов продукции, а также разработки новых ее видов);

sales target – план продаж (сбыта), контрольный показатель продаж (сбыта) (запланированный объем сбыта (в расчете на продавца или район)

27 Industrial Production Manager

Industrial production management is concerned with the organisation of raw material, machinery and labour to produce the desired goods or services along with taking care of quality and quantity of the products so produced. Industrial production managers are responsible for production schedule and staffing, procurement and maintenance of equipment, quality control and coordination of production activities among different departments. While controlling the overall production process they also take care of economic efficiency and in-time delivery of the goods and services so produced. Besides, they should be aware of the recent market trends and the resultant change in the demand pattern.

Production managers should be well-equipped with technical aspects of the production process along with extra-ordinary management skills. To start a career in production management one should go for a MBA (Production Management) degree. Engineering/Technology graduates have relative advantage over general graduates. Admission into MBA (Production Management) is made through entrance tests conducted by institutes concerned. There are also PG Diploma and short-term certificate courses in production management.

There are numerous job openings for production managers as a result of the rapid growth of manufacturing and services sectors. Production managers can seek employment with a variety of manufacturing industries such as automobiles, engineering goods, heavy machinery, iron-steel and other metal industries, chemical and fertilizer etc. They also can get job opportunities in IT, telecom and energy sectors. Services industries, particularly the IT enabled services companies also need production managers.

Пояснения к тексту

production schedule – производственный календарный план;

staffing – укомплектование персоналом;

procurement – снабжение;

maintenance – содержание и техническое обслуживание;

economic efficiency – рентабельность;

resultant – получающийся в результате;

MBA (Master of Business Administration) – магистр делового администрирования;

PG Diploma – post graduate diploma;

engineering goods – машиностроительные товары

28 Careers in International Business

Nowadays the world has become a global village. This arena along with the traditional export and import industry provides pathway to a multitude of careers. In today's global economy, many businesses are looking to expand into an international market, therefore, careers in international business are expected to grow at a faster than normal rate.

A number of universities also offer Master's Degree in International Business (MIB). Thus the first aim of a student should be to get admitted into a MBA course. MBA is a 2 years' course after graduation. The admission into the MBA course is held on the basis of a written test, group discussion and personal interview. Besides, there are executive MBA (IB) programmes offered by some institutes which require a minimum level of experience.

A MBA postgraduate in International Business can seek employment in public and private sector organizations. There are wide varieties of job opportunities for these people in banks, financial institutions, securities firms, investment companies, export/import companies and international business consultancy. However most of MBA (International Business) postgraduates are absorbed by international marketing departments of companies engaged in exports like multinational manufacturers such as automobile companies, electronics and computer companies and consumer durables manufacturers. As most of the international trade is done through port and aviation, these professionals can work in airlines, cargo and global shipping companies. Foreign direct investment and economic development agencies also require these professionals. Moreover, they can also join travel, tourism and hospitality sector. Other career options available to MBA (International Business) postgraduates include setting up consultancy firm.

Пояснения к тексту

Master's Degree – степень магистра;

securities firm – фирма, ведущая операции с ценными бумагами;

consumer durables – товары длительного пользования;

shipping company – судоходная компания

29 What are Career Stories?

Career Stories are concise, real-world career overviews written by people relating their personal career experiences and wisdom. They provide invaluable insights and mentoring advice to students and career changers.

Most stories include:

a typical day or project

tips and advice

best and worst parts

educational background

previous experience

Job Title: Commercial Real Estate Broker

Type of Company: I work for commercial real estate company.

Education: BA, Political Science, William Smith College

Previous Experience: I worked as a fundraising consultant and the director of Special Events for the District of Columbia Special Olympics. After a career change, I worked in commercial mortgage servicing in D.C. and New York. I have spent the last 7 years as an award-winning residential real estate broker. But I am actively involved in the non-profit community and was president of the Junior League of Portland and am currently the Assistant Crisis Team Manager for the city's Trauma Intervention Program.

Job Tasks: I work with buyers & sellers and landlords & tenants in the sale/lease of commercial real estate in southern Maine. My days are extremely varied. I can be on the road anywhere in southern Maine meeting with town economic development directors identifying possible sites for new businesses. I will take buyers/tenants to look at possible spaces for them to conduct their business. What are they looking for in a space? Is it location...functionality...price? If I am working with sellers or landlords I will compare recently sold or leased properties of comparable value to help determine the best price for their property. Often this means telling them that their building is not worth what they think it is. That is not much fun.

I spend a lot of time working in marketing: drafting property brochures, creating property ads. I love being in the field taking property photos and doing research at town halls. One of my favourite parts of my job is networking. This involves attending lots of meetings and functions, serving on non-profit board and volunteering for a lot of organizations. Being successful in commercial real estate depends a great deal on who you know and what your reputation is. I can receive as many as 200 e-mails per day and need to answer most of them.

Best and Worst Parts of the Job: the things I like best: I love working with people. I can't imagine being stuck behind a desk all day. I am on the road, out in the community every single day.

Worst things: it's hard to tell someone that they can't afford the space that they

want or can't get nearly the rent/sale price for their building that they want. This is particularly bad when they have paid a great deal more for a building than it is currently worth.

Job Tips: While it would seem that a business degree would best suit this career (and a lot of brokers have an MBA), I think a BA is huge. You absolutely must be able to write.

You have to like people and you cannot take rejection personally.

Пояснения к тексту

overview – (беглый) обзор (деятельности и т. п.);

mentoring – менторство (способ обучения молодого специалиста или нового сотрудника, при котором он становится напарником более опытного сотрудника и перенимает полезные навыки, наблюдая за работой профессионала);

real estate – недвижимость;

BA (Bachelor of Arts) – бакалавр гуманитарных наук;

political science – политология;

fund-raising – сбор средств;

commercial mortgage – коммерческая ипотека (ссуда, обеспеченная залогом недвижимого имущества, используемого в целях извлечения дохода);

crisis team – кризисная команда;

lease – аренда, сдача внаем; наем;

networking – установление (деловых) контактов;

board – правление, руководство

30 Nobel Prize Winners in Economics. Harry M. Markowitz

Harry M. Markowitz is one of the most distinguished economists of the twentieth century and has contributed a lot to economics. He is one of the Nobel Laureates of the year 1990 who propounded theories for assessing the risk involved in the stock markets and the returns on corporate bonds and stocks. This theory is known as the Modern Portfolio Theory. The Nobel winning economist is presently employed at the Rady School of Management at the University of California.

Harry Markowitz took birth in Chicago on 24 August 1927 into the family of Morris and Mildred Markowitz. Initially he had an interest in physics and philosophy and completed his graduation from the University of Chicago. But when he decided to pursue his masters he took up economics since he had developed an interest in economics in the later stages of his education. He did his specialization in economics under the supervision of eminent economists, which include names like Milton Friedman, Tjalling Koopmans, Leonard Savage and Jacob Marschak. He accepted the membership of the Cowles Commission while still being a student at the University.

For his dissertation Markowitz decided to develop a paper applying mathematical calculation to analyze the stock market. His instructor Jacob Marschak encouraged him to develop a thesis on this topic. While doing the research work on the theory he realized that the stock prices were calculated based on the model of Present Value of John Burr Williams and that the model had many loopholes and it excluded any comprehensive explanation of the impacts of risk in the market. As a consequence a detailed research work in the form of a seminal paper came into existence. This was later named as the Theory of Portfolio Allocation under Uncertainty. The Journal of Finance published the theory in 1952.

Пояснения к тексту

propound – предлагать на обсуждение;

stock market – фондовая биржа;

corporate bonds – корпоративные облигации;

stock – акция;

modern portfolio theory – современная портфельная теория;

Cowles commission – комиссия Коулса (объединение ученых-экономистов, действовавшее в 50-60-е гг. XX в.);

present value – существующая цена

31 Nobel Prize Winners in Economics. Edmund S. Phelps

Edmund S. Phelps is a celebrated economist and 2006 Nobel Prize winner in Economics for his contributions in analyzing inter-temporal tradeoffs in macroeconomic policy. People will remember Phelps for his notable work in the late 60s on expectations-based microeconomics.

Edmund S. Phelps was born on July 26, 1933 in Evanston, Illinois, USA. Edmund S. Phelps passed his school days in Hastings-on-Hudson, New York.

In 1951, he took admission in Amherst College as an undergraduate student and from the second year at Amherst College, Phelps registered his name for a course in economics. During this time, Phelps was influenced by the possibility of applying formal analysis to business and started thinking about the unsolved theory on micro and macro economics.

In 1955, Edmund S. Phelps completed his B.A. from Amherst College and shifted to Yale University for graduation. In Yale University, he got the chance to interact with Nobel laureates like James Tobin and Thomas Schelling and was also charmed by William Fellner and Henry Wallich.

In 1959, Phelps was awarded PhD from Yale University for his study, which established that demand shocks have the higher influence than cost shocks on the correlation between changes in prices and output. After achieving PhD, Phelps dedicatedly involved in working as an economist for the RAND Corporation but again returned to academic world to be more focused on research work.

In 1960, Phelps joined at the Cowles Foundation for doing some research work specifically on neo-classical growth theory. In 1961, one of his famous papers was published. The paper was based on the golden rule of savings rate.

In 1966, Phelps joined the University of Pennsylvania as a professor of economics and in 1968 his paper on “Money-Wage Dynamics and Labour Market Equilibrium” was published.

In the 1969-70s Phelps worked at the Centre for Advanced Study in Behavioural Science at Stanford University. There he got the chance to interact with renowned Nobel laureates like Amartya Sen and Kenneth Arrow. During the period, Phelps engaged himself in research related works.

In 1972, Phelps published seminal research paper on statistical discrimination.

In 1982, Phelps joined as the McVickar Professor of Political Economy at Columbia.

In 1985, the book, Political Economy, was published.

Пояснения к тексту

inter-temporal tradeoff – межвременной компромисс;

PhD (Doctor of Philosophy) – доктор философии (высшая учёная степень, которая присваивается магистру как гуманитарных, так и естественных наук после нескольких лет научной работы и защиты диссертации перед комиссией, состоящей из профессоров);

RAND Corporation – корпорация РЭНД (научно-исследовательский центр в г. Санта-Моника, штат Калифорния)

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