

6. In addition to production, distribution, and sale, what other factor is important in defining business?
7. What is profit? In general, what do companies do with their profits?

Text 5

GLOBAL MARKET LEADERSHIP

- a) Translate the text into Russian. Say, why in your opinion, the Japanese have been so successful in penetrating international markets.

The Japanese have performed an economic miracle since World War II. In a very short time, they have achieved global market leadership in many industries: cars, motorcycles, watches, cameras, optical instruments, steel, shipbuilding, computers and consumer electronics. They are now making strong inroads into rubber tyres, chemicals, machine tools and even design clothes and cosmetics. Some credit the global success of Japanese companies to their unique business and management practices. Others point to the help they get from Japanese government, powerful trading companies, and banks. Still others say Japan's success is based on low wage rates and unfair dumping policies.

But one of the main keys to Japan's success is its skilful use of marketing. They know how to select a market, enter it the right way, build market share, and protect their share against competitors.

The Japanese work hard to identify attractive global markets. They look for industries that require high skills and high labor intensity but few natural resources. These include consumer electronics, cameras and pharmaceuticals. They like markets where consumers around the world would be willing to buy the same product design. They look for industries where the market leaders are weak or complacent.

Japanese study teams spend several months evaluating the target market, searching for market niches that are not being satisfied. Sometimes they start with a product that is as good as the competitor's but priced lower, sometimes with a product with higher quality or new features. The Japanese provide quick service to their customers. They use advertising to bring their products to the customer's attention. Their entry strategy is to build market share rather than early profits.

Once Japanese firms gain a market foothold, they begin to expand their market share and pour money into product improvements and new models. They spot new opportunities through market segmentation, develop markets in new countries, and work to build a network of world markets and production locations.

Once the Japanese achieve market leadership, they become defenders rather than attackers. Their defense strategy is to continue product development and refine market segmentation.

Vocabulary Notes

unfair dumping – демпинг, вывоз по бросовым ценам
complacent – самодовольный
to gain a market foothold – крепко обосноваться

- b) Now indicate whether the following statements are true or false:

1. The Japanese have performed an economic miracle.
2. The main reason for Japan's success is its unique business and management practices.
3. The Japanese look for industries where they don't need high labor intensity.
4. They look for industries where the competition is asleep.
5. They always enter the market by undercutting the competition prices.
6. They look for a fairly quick return on investment.
7. They concentrate on market growth rather than profitability.

- c) Make a summary of the text.

Text 6

MONEY

- Read and translate the text into Russian.

Buying, Selling and Paying. Almost every society now has a money economy based on coins and paper notes of one kind or another. Money is used for buying or selling goods, for measuring value and for storing wealth. However, this has not always been true. In primitive societies, a system of barter direct exchange of goods was used. Somebody could exchange a sheep, for example, for anything in the marketplace that they considered to be of equal value. Most governments now issue paper money in the form of notes. Paper money is easier to handle and much more convenient in the modern world. Cheques, bankers' cards, and credit cards are being used increasingly, too.

Sometimes in a shop they ask you: "How do you want to pay?" You can answer: "Cash/By cheque/By credit card." In a bank you usually have a current account, which is one where you are paid your salary and then withdraw money to pay your everyday bills. The bank sends you a regular bank statement telling you how much money is in your account. You may also have a savings account where you deposit any extra money that you have and only take money out when you want to spend it on something special. Sometimes, the bank may lend you money — this is called a bank loan. If the bank lends you money to buy a house, that money is called a mortgage.

When you buy (or, more formally, purchase) something in a shop, you usually pay for it outright but sometimes you buy on credit.