

МИНИСТЕРСТВО ОБРАЗОВАНИЯ И НАУКИ РФ
ФЕДЕРАЛЬНОЕ ГОСУДАРСТВЕННОЕ
БЮДЖЕТНОЕ ОБРАЗОВАТЕЛЬНОЕ УЧРЕЖДЕНИЕ
ВЫСШЕГО ПРОФЕССИОНАЛЬНОГО ОБРАЗОВАНИЯ
«ВОРОНЕЖСКИЙ ГОСУДАРСТВЕННЫЙ
УНИВЕРСИТЕТ»

BANKING AND MANAGEMENT

Учебно-методическое пособие

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Издательский Дом ВГУ
2014

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7. British banks face a lot of competition from other institutions offering financial services.
8. The British don't complain very much about the service they receive from their banks.

LANGUAGE PRACTICE

1. Match these terms with their definitions

1. net interest margin
 2. provisions
 3. return on equity
 4. money transmission system
- a) money reserved to cover bad debts
 - b) profit as a percentage of shareholders' capital
 - c) difference between interest income and interest payments
 - d) method of transferring funds from one person to another

2. Replace the underlined items with words or phrases from the text that have a similar meaning.

1. Banks are affected by the state of the UK economy *in general*.
At large
2. The UK has a very *established*, loan market.
3. It's difficult for a large bank to *increase* loan and deposit volumes.
4. The UK's seven principal banks set aside *about* £6.5 bn of bad debt provision.
5. Banks have closed thousands of branches over the last *ten years*.
6. Many routine banking tasks are *dealt with* by computer.
7. A bank branch is expensive to *operate*.
8. Technologically, British banks are behind their French *competitors*.
9. Few people *change* banks in Britain.
10. Most UK banks still make *huge* profits.

3. Choose the best explanation for each of these words or phrases from the text.

1. troubled
 - a) worried
 - b) pleased
2. rash trading
 - a) trading without enough care and consideration
 - b) trading in large volumes
3. let its operating costs run out of control
 - a) allowed its costs to go over the budget
 - b) allowed its costs to be checked by external auditors

4. customer inertia
 - a) customers don't want to move or change anything
 - b) customers expect a lot of improvements in service
5. stripping out costs
 - a) adding to costs
 - b) removing costs
6. reaped most of the benefits
 - a) collected most of the benefits
 - b) lost most of the benefits

4. Find a word or phrase in the text that has a similar meaning.

- 1 total amounts or quantities
volumes.....
- 2 system of local offices spread around the country
b.....n
- 3 highest level recorded over a period
P.....
- 4 designed so as to be of maximum benefit to the consumer
c..... -f.....
- 5 when the value of a deposit is added to an account balance
c.....
- 6 banks with the biggest share of the market
l.....b

5. Match the first half of each sentence with the most appropriate second half. Notice the words that are used in each sentence to mark a contrasting idea. (These words are in italics.)

1. Barclays Bank had a troubled year.
 2. Banks make a profit on their net interest margin.
 3. British banks have introduced a range of technically-advanced services.
 4. Canadian customers get deposits credited instantaneously.
- a) *while* UK customers have to wait a few days.
 - b) *yet* it managed to make a lot of profit.
 - c) *but* it is difficult for them to widen their margins.
 - d) *but* they are still behind the French in electronic banking

FOLLOW UP

- 1. If possible, find the annual results of a bank in your country and report on its profitability.**

2. Discuss with your colleague from Great Britain how British banks differ from banks in your country in the way they make their profits?

UNIT 2. Bank mergers

LEAD IN

1. Answer these questions.

a) Which is the correct description of a merger?

When one company gains control of another by buying the majority of its shares.

When two companies, often equal in size, combine to form one new company.

b) What word or words fit the other description above?

2. Discuss these questions.

a) What kinds of banks and financial institutions are there in your country?

b) Is there a trend in your country for smaller banks to merge or be taken over by larger ones?

Survival of the biggest

By George Graham

A wave of M&A has reshaped the industry, but stuck largely to national deals.

How big is big? A wave of mergers and acquisitions has completely reshaped the face of the international finance industry.

Across a range of financial sectors, the tables are being cleared for a handful of giants, with room still for niche players but little space for the middle-sized.

1. The most dramatic changes came in the investment banking area, where a range of specialized or regional investment banks found new commercial banking parents. Many investment bankers now believe the battle for membership of dominant firms is reaching its closing stages.

'In a lot of industries - telecoms, pharmaceuticals, for example - it is not unusual to see five global giants survive. Five seems to be the magic number,' says Hans de Gier, head of Warburg Dillon Read investment bank. 'In investment banking, too, you will see a handful of global firms which have the cost base but also have the revenue base to support this vision.'

Some banks have already reached the conclusion that they cannot realistically hope to be part of that select group, and have scaled back their investment banking ambitions. In the UK, both Barclays and National Westminster have sold most of their equity operations and now concentrate solely on debt - more closely linked to their traditional banking business.