

Progress test 3 (Units 7–9)

LISTENING

Track 4

Kate from the UK and Pascal from France have just finished business school and want to start their own business. They have no capital so they are looking for investors. Listen to their phone call and choose the best word or phrase to complete these sentences.

- 1 Pascal has spoken with _____ venture capital firms.
a) 10 b) 11 c) 12
- 2 The problem is that Kate and Pascal lack _____.
a) experience b) education c) a business plan
- 3 Pascal's meeting with one venture capitalist was _____.
a) very successful b) cancelled c) rescheduled
- 4 Kate was advised to seek venture capital after the business _____.
a) makes some revenue
b) has an online presence
c) makes €100,000
- 5 If the business can get some good _____, it may convince investors to invest.
a) suppliers b) advertising c) customers
- 6 Kate's parents said they could invest _____.
a) €1,000 b) €10,000 c) €100,000
- 7 Kate doesn't want to take her parents' money because they are close _____.
a) to bankruptcy b) to retirement c) relatives
- 8 Their business plan says they need _____.
a) €5,000 b) €50,000 c) €500,000
- 9 Kate suggests they reduce _____ by working from home.
a) risk b) start-up costs c) salaries
- 10 Pascal says he doesn't want to lose _____.
a) any money b) credibility c) control of the business

LANGUAGE

A Complete each sentence with the correct preposition or particle.

- 11 How did the accountant get away _____ the scam for ten years?
- 12 I'm sorry, but these figures just don't add _____.
- 13 The strike has been called _____ because a settlement has been reached.
- 14 I think the success of this project can be put down _____ a lot of hard work and a lot of luck.
- 15 We've run out _____ time. We'll have to submit the proposal as it is.

B Delete the words in each sentence that can be omitted in informal conversation.

- Carl** Are you going to the meeting this afternoon?¹⁶
- Lisa** Yes, I am going to the meeting this afternoon.¹⁷
- Carl** Did you see Clayton this morning?¹⁸
- Lisa** No, I didn't see Clayton this morning.¹⁹
- Carl** He won't be at the meeting. Anyway, I'll see you there.²⁰

C Match the statements (21–25) with the best responses (a–e).

- | | | | |
|----|---------------------------------------------------------------|----|--------------------------------------|
| 21 | I've been made employee of the month for the first time ever! | a) | What's the use? Everyone's doing it. |
| 22 | When will Bertrand have his part of the project ready? | b) | Well, what do you know? |
| 23 | Elise is top salesperson again. | c) | How long is a piece of string? |
| 24 | I think you should tell someone your boss has been lying. | d) | Do I look like I'm made of money? |
| 25 | I think we should get new laptops for the whole family. | e) | So, what else is new? |

VOCABULARY

A Complete the sentences with the words in the box.

catch-up debrief deposit hammer investment nit relief trade

- 26 Barton breathed a sigh of _____ when he'd finished his presentation.
- 27 It took several days to _____ out the details of the contract.
- 28 After the negotiations were complete, the team took some time for a _____ to talk about what had gone well and what hadn't.
- 29 Let's schedule a _____ call for first thing Monday morning so we can bring each other up to date on the past few days' work.
- 30 Brett is good to work with. He always has a small _____ or two on our presentations but in the end he definitely improves them every time.
- 31 The property _____ side of the business isn't doing as well as we'd like.
- 32 We've put down a ten per cent _____ on our new offices and we'll move next month.
- 33 We're excited that the fair _____ part of our business is doing really well.

B Choose the correct words to complete these extracts from the *Financial Times*.

Canal Plus, the French pay-television operator majority-owned by Vivendi, has renewed its interest in buying a stake in Digital Plus, its Spanish counterpart, as it steps up its international (expansion / widening / bridging)³⁴ plans.



Mr Dobson said the (geographic / fast-moving / bank)³⁶ diversity of the inflows and its broad range of investment products made the business more resilient to broader market turbulence.

'We have been adding more front-office, client-facing staff in the private bank,' he said. 'Because we have a strong financial (economy / trade / position)³⁷, we have been able to invest consistently while others were cutting costs.'



Herman Van Rompuy, the EU's permanent president, drew up budget rules that would allow fines to be imposed on eurozone members that fail to bring their (economy / national / digital)³⁵ debt levels down.



Ken Downing, fashion director at department store Neiman Marcus, says: 'In a (challenged / short-term / down)³⁸ economy, designers want to make clothes that create desire, that make women want to shop.'



Head Start allows first-time buyers to purchase a new property with an 80 per cent mortgage and a 5 per cent (loan / deposit / down)³⁹. Barratt pays the other 15 per cent and buyers have up to 10 years to pay back the interest-free (funding / savings / loan)⁴⁰.



SKILLS

Choose the best word or phrase to complete the conversations.

Conversation 1

- A So, who'd like to get the ball _____⁴¹?
- B I'm thinking along the _____⁴² of a web pop-up window.
- C I was just going to say _____⁴³!
- A Here's another _____⁴⁴ – a social networking viral ad.
- B That's a _____⁴⁵ idea!

Conversation 2

- A Would you mind _____⁴⁶ me about the explosion at your factory in Bilbao?
- B Are you _____⁴⁷ there was an explosion? Because we've never said that.
- A Are you _____⁴⁸ there was an explosion?
- B We've never said there was an explosion.
- A I'll _____⁴⁹ the question. Was there an explosion at your factory in Bilbao?
- B Our press release said there was an incident.
- A With all due respect, you haven't _____⁵⁰ my question.

Conversation 3

- A I was wondering if you could deliver a bit _____⁵¹ than next month.
- B We could, _____⁵² you paid in cash.
- A I'd have to _____⁵³ my supervisor first. She'd have to _____⁵⁴ the payment terms, you see.
- B I'll wait to _____⁵⁵ from you, then.

- 41 a) to move b) rolling c) going
- 42 a) way b) idea c) lines
- 43 a) that b) this c) those
- 44 a) thought b) suggest c) concept
- 45 a) one b) computer c) cool
- 46 a) saying b) telling c) speaking
- 47 a) asking b) questioning c) saying
- 48 a) denying b) answering c) understanding
- 49 a) finish b) rephrase c) put

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- 50 a) said b) answered c) replied
- 51 a) quick b) closer c) sooner
- 52 a) to provide b) provided c) provide
- 53 a) check with b) check out c) check
- 54 a) do b) agreed c) confirm
- 55 a) hear b) have heard c) hearing

READING

Read the article and choose the best answer – a, b, or c – to the questions below.

- 56 Who has found that the government isn't managing consultant costs well?
- a) A non-government independent organisation
- b) A consultant
- c) The National Audit Office
- 57 What has the National Audit Office never done before now?
- a) Calculated the cost of consultants to non-government bodies
- b) Used non-government consultants
- c) Taken over the management of government consultants
- 58 What has cost the government £215m?
- a) Permanent managerial staff
- b) Temporary managerial staff
- c) Research on spending
- 59 Why does the cost of government consultants appear to have gone down?
- a) Control of consultant costs has been improved
- b) There have been improvements in record-keeping
- c) Fewer consultants have been hired
- 60 What can be concluded from the NAO's report?
- a) It's unlikely that the downward trend in consultant spending will continue.
- b) A sustained downward trend in consultant spending appears to have begun.
- c) The hiring of consultants is likely to increase in coming years.
- 61 What is the predicted result of new rules for hiring consultants?
- a) Individual consultants will have to cut their fees in half.
- b) The cost of consultants to the government will remain steady.
- c) The government will cut spending on consultants by about 50 per cent.
- 62 What will be one likely result of the new rules?
- a) Consultants will still be hired but they won't be called consultants.
- b) They will provide a more or less permanent solution to the problem.

- c) More permanent managerial posts will be created.
- 63 Which best describes the brief of many consultants to the government?
- a) It lacks a clearly defined objective.
- b) The terms of payment are unclear.
- c) It includes ongoing appraisal.
- 64 What is one reason given for the hiring of consultants?
- a) It costs far less to pay a consultant than to pay a regular employee.
- b) Consultants are generally far more efficient than permanent staff.
- c) There are limitations on the number of permanent staff.
- 65 What does the NAO say is needed to keep spending down?
- a) More clearly defined briefs
- b) Better management
- c) Shorter contracts

Government spends £1.5bn on consultants

By Nicholas Timmins

The British government and its associated non-government independent organisations spent £1.5bn on consultants last year but the government has no effective strategy to manage the spending better, the National Audit Office has warned.

The main government departments spent £790m on consultants, while associated non-government bodies spent another £700m – the first time the NAO has calculated that figure.

In addition, the government spent another £215m on interim managers, individuals hired to do a job that would normally be a permanent post.

Central departments' consultancy costs were down by £125m on four years ago, when the NAO last analysed the figures, but most of the fall was likely to be due to better recording of costs rather than improved controls on use, the NAO said in a report on Thursday. That suggests that some of the reduction is not sustainable.

Francis Maude, the Cabinet Office minister, has announced a string of controls on the appointment of consultants, which he said on Wednesday was likely to halve the bill, saving £800m.

But the NAO said that while the measures were having 'a short-term impact', as a long-term strategy they 'could lead to the displacement of costs elsewhere', with hirings redefined so that they no longer counted as consultancy, the audit office said. The controls 'cannot be an effective ongoing approach to managing spending', it said.

Despite the best efforts of the Office of Government Commerce, which offers skills and guidance on best practice, there had been limited progress on recommendations made four years ago on the more effective use of consultants.

Data on their use, type of consultancy, number of interims employed and length of contracts remained poor. Departments were bad at defining what they wanted, they still paid overwhelmingly on day rates and for time and materials used, not for the outcome of the work, the NAO said. There was very little evaluation of consultants' work during projects, or afterwards, or even whether the results were then used, even where consultants had performed well.

Half of departments identified headcount restrictions as a principal

cause of their use of consultants, who do not count as permanent staff. But with a freeze on civil service recruitment in place, it is not clear that pressure will ease.

In addition, departments had done nothing like enough to plug the skills gaps that led them to hire consultants in the first place. Demand for the top two services – programme and project management – had been rising rather than falling, now accounting for 60 per cent of all consultancy.

The Cabinet Office is now collecting monthly data on the use of consultants. Any contract above £20,000 requires ministerial sign-off and any longer than nine months requires Cabinet Office and Treasury approval. But much more effective management was needed to produce a sustainable cost reduction, the NAO said.

The Management Consultancies Association said it backed many of the NAO's recommendations, including rigorous evaluation of achievement and payment by results.



WRITING

You work for Car Electrics, a company that supplies wiring and electrical components for cars. You had a phone call this morning with Mr Dean Tyler of Tyler Custom Car Conversions (TCCC), a company which converts petrol automobiles to run with electric motors. You negotiated a deal for your

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company to supply a shipment of wiring harnesses to TCCC. Read your notes from the phone call and write an e-mail (200–250 words) summarising what was agreed in the negotiations. Include a subject heading.

Order number: 901010

- Mr Tyler confirms that they approve the prototype and we can proceed with first order.
- Order: 30 wiring harnesses assembled to TCCC's supplied specifications (job document 355a)
- Payment: \$36,000 (\$1,200 x 30)
- Delivery: \$120 (Forgot to mention this on the phone!)
- Terms: 50% on order, balance (including delivery charges) on delivery (30-day credit terms)
- Delivery: to TCCC not later than 15 November
- NB: We may have problems getting some components from our suppliers. If this happens, we will notify TCCC within five days of the order date and give them the option to cancel with full return of deposit.
- NB: An order of 60 parts or more will bring unit price down to \$1,075

Progress test 3 Answer key

LISTENING (10 MARKS)

1 c 2 a 3 b 4 a 5 c 6 a 7 b 8 c 9 b 10 c

LANGUAGE (15 MARKS)

- 11 with
- 12 up
- 13 off
- 14 to
- 15 of
- 16 Are you
- 17 going to the meeting this afternoon
- 18 Did
- 19 see Clayton this morning
- 20 Anyway, I'll
- 21 b 22 c 23 e 24 a 25 d

VOCABULARY (15 MARKS)

- 26 relief
- 27 hammer
- 28 debrief
- 29 catch-up
- 30 nit
- 31 investment
- 32 deposit
- 33 trade
- 34 expansion
- 35 national
- 36 geographic
- 37 position
- 38 challenged
- 39 deposit
- 40 loan

SKILLS (15 MARKS)

41 b 42 c 43 a 44 a 45 c 46 b 47 c 48 a
49 b 50 b 51 c 52 b 53 a 54 c 55 a

READING (10 MARKS)

56 c 57 a 58 b 59 b 60 a 61 c 62 a 63 a 64 c 65 b

WRITING (15 MARKS)

See Examiner's notes.

MODEL ANSWER TO WRITING TASK

Re: Order 901010 – Wiring harnesses

Dear Mr Tyler

I'm writing to confirm what we discussed in our phone call this morning.

As we discussed in our call, you have approved the prototype and you're happy to proceed with the first order.

We can supply 30 wiring harnesses assembled to the specifications supplied in job document 355a. We're pleased to offer you a price of \$36,000 (\$1,200 per harness).

Please remember that if you increase your order to 60 parts or more, we can bring the unit price down to \$1,075.

Regarding delivery charges, I'd like to point out that I forgot to mention on the phone the delivery fee of \$120. I hope this is acceptable.

As for payment and delivery, our usual terms are a 50 per cent payment on order and the balance, including delivery charges, on delivery, with 30-day credit terms. We can supply the full order not later than 15 November.

As we discussed, we may have problems getting some components from our suppliers. If this happens, we will notify you within five days of the order date and at that time give you the option to cancel the order and receive a full refund of your deposit.

Could you please confirm your order by e-mail as soon as possible.

Do contact me if you need any more information or have any questions.

Looking forward to doing business with you.

Yours sincerely

PROGRESS TEST 3

Track 4 (P = Pascal, K = Kate)

P Kate, how's it going?

K It's tough! How about you? Are you having any luck?

P It's been really tough. I've had conversations with people at 12 venture capital firms. They love the sound of our plan but every time we get to the question of experience and they find out we have none, that's basically the end of the conversation. I talked to one guy who said he wanted to set up a meeting but at the last minute he texted me to say he had to leave for Japan suddenly and had to cancel the meeting. And I haven't been able to get back in touch with him.

K That's tough.

P Yeah, I'm pretty down about it. What about you, Kate?

K I've basically had the same problems. I did manage to talk to one very helpful woman on the phone. She pointed out that most business angels don't want to splash out on a new business until it's actually making some money. She gave me two pieces of advice. One was to try to get as much funding as possible from friends and family to cover us until the business starts to take off. The other – and I think this is going to be really important – is to focus on finding customers. She says if we can find some good customers who really believe in us, it will help to convince investors that we have a good basis for the business.

P That sounds like good advice. But do we know anyone with enough money to get us started?

K Well don't you remember that one of the first things I did was to ask my parents for help and they offered something like a thousand euros? Anyway, I wouldn't want to make them give away that kind of money so close to retirement. I mean, if it went wrong, they just can't afford to lose that much.

P Maybe we have to look beyond our parents. We could ask other relatives or friends of the family. If we each found ten people who could lend us a small amount, that would be a start, wouldn't it?

K Yeah, maybe. One thing I was wondering was whether we really need to raise a half million euros. If we look for less funding, we might be able to find it more easily.

P But how can we cut it back? We spent a huge amount of time on the business plan and worked out all the costs in detail – we didn't just dream up the half-million euro figure!

K Let's take another look. There must be ways to make some cuts. How about office rent? Do we really need to rent an office? Maybe we could work from home to begin with. Lots of successful entrepreneurs started out by working from a home office.

P That's right. And another thing: if we get investors to provide most of the backing – even supposing we can find people to do it – they're going to take control of our business. We'll have no say in how we run things. I'm not sure I want that.

K I agree. We should keep at least a 50 per cent stake for ourselves. Otherwise, we'll never make any money out of it.