BUSINESS CORRESPONDENCE

Методические указания для студентов старших курсов экономических специальностей

Part 1
Методические указания предназначены для студентов старших курсов экономических специальностей.
Цель учебно-методической разработки - дальнейшее развитие навыков устной иноязычной речи на завершающем этапе обучения.
Методическое издание составлено из текстов деловой корреспонденции, содержание которых соответствует основным направлениям развития экономики.
Предлагаемая работа содержит тексты с соответствующим лексическим минимумом и упражнения к ним.
Методические указания одобрены на заседании кафедры иностранных языков и рекомендованы к изданию.

Составители: Д. В. Новик, доцент, к.ф.н.,
А.Ф. Трифонков, ст. преп., к. псиол. н.

Рецензент: Я.В. Подрядчикова, доцент, к. псиол. н.
Брестский государственный университет им. А.С.Пушкина

©Брестский государственный технический университет.2001
UNIT 1
STRUCTURE AND PRESENTATION

Learn new vocabulary:

postcode
registered number

VAT NUMBER
cable/telegram address
courtesy title
Dear Sir/Sirs/Madam/Sir or Madam
Dear Mr. . /Mrs .. /Missss.. /Ms...
USA: Gentlemen:

Yours faithfully/sincerely
USA: Yours truly

indented style
open punctuation
attention line
for the attention of
private and confidential

Your Ref:
Our Ref:
p.p. (per pro)
Enc./Encl. (enclosure)
c.c. (carbon copy)
b.c.c. (blind carbon copy)

Ltd. (limited liability)
PLC (public limited company)
USA: Inc. (incorporated)
& Co. (and company)
sole trader
joint stock company

Board of directors
Chairman, USA: President
Managing Director, USA: Chief
Executive (CEO)

SALES MANAGER

FINANCE DIRECTOR
Chief Accountant

Layout 1 (sender's address, dates, inside address, order of addresses, style and punctuation of addresses, 'for the attention of', salutations, the body of the letter, complimentary closes, signatures);
layout 2 (letterheads, references, per pro, company position, enclosures),
layout 3 ('private and confidential', subject titles, copies); addressing envelopes.
Read and translate

I. I Layout I

The letter shown on the next page is from a private individual in Denmark to a company in the UK. It shows some of the features of a simple business letter.

I. I. I Sender's address

In correspondence that does not have a printed letterhead, the sender's address is written on the top right-hand side of the page.

In the UK, in contrast to the practice in some countries, it is not usual to write the sender's name before the sender's address.
1.1.2 Date

The date is written below the sender's address, sometimes separated from it by a space. In the case of correspondence with a printed letterhead, it is also usually written on the right-hand side of the page (see 1.2).

The month in the date should not be written in figures as they can be confusing: for example, 11.1.93 means 11th January 1993 in the UK but 1st November 1993 in the USA. You abbreviate the month, e.g. Nov. for November, as it simply looks untidy. It takes a moment to write a date in full, but it can take a lot longer to find a misfiled letter which was put in the wrong file because the date was confusing.

1. Structure and Presentation

Bredgade 51.
DK 1260.
Kopenhagen k
DENMARK

Soundsonik Ltd,
Warwick House,
Warwick Street,
Forest Hill,
London SE23 1JF,
United Kingdom

6th May, 2000

For the attention of the Sales Manager

Dear Sir or Madam,

Please would you send me details of your Body of the letter of quadrophonic sound systems which were advertised in the April edition of S. Monthly and I am particularly interested in the Omega range of equipment that you specialize in.

Yours faithfully,

B. Kaasen

1. Structure and presentation

Many firms leave out the abbreviation 'th" after the date, e.g. 24 October instead of 24th October. Other firms transpose the date and the month, e.g. October 24 instead of 24 October. These are matters
of preference, but whichever you choose you should be consistent throughout your correspondence.

1.1.3 Inside (or receiver's) address

This is written below the address and on the opposite of the page,

1 Surname known

If you know the surname of the person you are writing to, you write this on the first line of the address, preceded by a courtesy title and either the person's initial(s) or his/her first given name, e.g. Mr. J.E. Smith or Mr John Smith, not Mr Smith.

Courtesy titles used in addresses are as follows:

Mr (with or without a full stop; pronounced /ˈmɪstər/; the unabbreviated form mister should not be used) is the usual courtesy title for a man.

Mrs (with or without a full stop; pronounced /ˈmɪzəs/: no unabbreviated form) is for a married woman.

Ms (with or without a full stop; pronounced /mɪs/ or /mɛs/; no unabbreviated form) is used for both married and unmarried women. Many women now prefer to be addressed by this title, and it is a useful form of address when you are not sure whether the woman you are writing to is married or not.

Messrs. (with or without a full stop; pronounced /ˈmesəz/; abbreviation for Messieurs, which is never used) is occasionally for two or more men (Messrs. P. Jones and B.L. Parker) but more commonly forms of the name of a firm Collier & C’erke & Co.).

Special titles which should be included in addresses are many. They include academic or medical titles: Doctor (Dr.), Professor (Prof.), military titles: Captain (Capt), Major (Ma), Colonel (Col.), General (Gen.), aristocratic title: Sir (which means that he is a knight; not to be confused with the salutation Dear Sir and always followed by a given name Sir John Brown, not Sir J. Brown or Sir Brown), Dame, Lord, Baroness, etc.

Esq (with or without full stop: abbreviation for Esquire and pronounced [ɪˈkwətər] is seldom now. If used, it can only be used instead of Mr and is placed after the name. Don’t use Esq and Mr at the same time: Bruce Hill Esq, not Mr Bruce Hill Esq.

All these courtesy titles and special titles, except Esq, are also used in salutations. (See 1.1.7)

2 Title known

If you do not know the name of the person you are writing to you may know or be able to assume his/her title or position in the company, (e.g. The Sales Manager, The Finance Director), in which case you can use it in the address.

(See the letter at 2.3.3.)

3 Department known

Alternatively you can address your letter to a particular department of the company (e.g. The Sales Department ent. The Accounts Department). (See the letter of 2.3.2.)

4 Company only

Finally, if you know nothing about the company and do not want to make any assumptions about the person or department your letter should go to you can simply address it to the company itself (e.g. Soundsonic Ltd., Messrs Collier & C’erke & Co.).

1.1.4 Order of inside addresses

After the name of the person and/or company receiving the letter, the order and style of addresses in the UK, as recommended and used in this book, is as follows: name of house or building, number of building and name of street, road, avenue, etc. Name of town or city and postcode name of country

industrial House 34-41,
Craig Road,
Bolton BL48TF,
UNITED KINGDOM,
Some European addresses may place the numbers of the building after the name of the street. It is also common to substitute the name of the country with an initial before the district code number. Look at the two examples below:

Facolta di Medicina,
Via Gentile 182,
1-70100 Bari,
Lehrstul fur Bodenkunde,
Amalienstrasse,
D-8000 Munchen 40,

(You are advised to follow the order and style, even though variations are possible: for example, the name of the county, e.g. Lancashire, may, if known, be written on the line below the name of the town or city, the postcode may be written on a separate line of the name of the town, as well as the country. may be in capital letters)

See also 1.4 Addressing envelopes.

1.1.5 Style and punctuation of addresses

Both the addresses may be 'blocked' (i.e. each line is vertically aligned with the one above) as in the letter at 1-1 or 'indented', as below:

Bredgade 51,
DK "1260,
Copenhagen K,
DENMARK

There are no rules stating that one style or the other must be used, though blocking, at least in addresses 1.1.8(see for blocking and indenting the body of a letter), is more common. In any case you must be consistent, i.e. do not block the sender's address and then indent the inside address.

If punctuation is used, each line of the address is followed by a comma, except the last line, as in the letter at 1.1. But the majority of firms now use open punctuation, i.e. without any commas, as in the letter at 1.2.

1.1.6 For the attention of

An alternative to including the recipient's name or position in the address is to use an 'attention line' as in the letter at 1.1. and as here:

International Industries Ltd.
1-5 Greenfield Road
Liverpool L22 OPL

Production Manager

Dear Sir,

1.1.7 Salutations

*Dear Sir* opens a letter written to a man whose name you do not know.

*Dear Sirs* is used to address a company.

*Dear Madam* is used to address a woman, whether single or married, whose name you do not know.

*Dear Sir or Madam* is used to address a person of whom you know neither the name nor the sex. Notice that Ms Kaasen in the letter at 1.1 uses this form; she does not assume that the Sales Manager of Soundsonic must be a man. See also *Titles, names and addresses.*
When you do know the name of the person you are writing to, the salutation takes the form of Dear followed by a courtesy title and the person's surname initials or first names are not generally used in salutations: Dear Mr. Smith, not Dear Mr. J. Smith or Dear Mr. John Smith.

The comma after the salutation is optional (Dear Sir, or Dear Sir).

Note that in the USA a letter to a company usually opens with Gentlemen, followed by a colon, not with Dear Sirs.

1.1.8 The body of the letter

This may be indented, as in the letter at 1.1, or blocked, as in the letter at 1.2. It is a matter of choice. Whichever style you use, you must be consistent and use that style all through the letter.

It is usual to leave a line space between paragraphs in the body of the letter; if the blocked style is used, this is essential.

1.1.9 Complimentary closes

If the letter begins Dear Sir, Dear Sirs, Dear Madam or Dear Sir or Madam, it will close with Yours faithfully.

If the letter begins with a personal name - Dear Mr James, Dear Ms Robinson, Dear Ms Jasmin— it will be with Yours sincerely.

Avoid closing with old-fashioned phrases such as We remain yours faithfully, Respectfully yours, etc.

The comma after the complimentary close is optional (Yours faithfully, or Yours faithfully).

Note that Americans tend to close even formal letters with Yours truly or Truly yours, which is unusual in the UK in commercial correspondence. But a letter to a friend or acquaintance may end with Yours truly or the casual Best wishes.

The position of the complimentary close - on the left, right or in the centre of the page - is a matter of choice. It depends on the style of the letter (blocked tend to put the dose on the left, indented letters tend to put them in the centre) and on your firm's preference.

1.1.10 Signatures

Always type your name after your handwritten signature and your position in the firm after your typed signature. This is known as the signature block. Even though you may think your signature is easy to read, letters such as 'a', 'e', 'o', 'r', and 'v' can easily be confused.

It is, to some extent, a matter of choice whether you sign with your initial(s) (D. Jenkins) or your given name (David Jenkins), and whether you include a courtesy title (Mr, Mrs, Miss, Ms) in your signature block. But if you give neither your given name nor your title, your correspondent will not be able to identify your sex and may give you the wrong title when he/she replies. It is safe, therefore, to sign with your given name, and safest of all to include your title.

Including titles in signatures is, in fact, more common among women than among men, partly because many women like to make it clear either that they are married (Mrs.) or unmarried (Miss) or that their marital status is not relevant (Ms), and partly because there is still a tendency to believe that important positions in a company can only be held by men. It would do no harm for men to start including their titles in their signatures.

In the letter at 1,1, Ms Kaasen gives her title in her handwritten signature, it’s also possible to include the title in the typewritten signature, usually in brackets, as in these two examples:

Yours faithfully,

(Miss) T. Shurgold
Yours sincerely,
J. Howatt (Mr)
a) Read the letter
SOUNDSONIC Ltd.
Warwick House, Warwick Street, Forest Hill, London SE13 1JF
Letterhead:
Chairman John Franks O.B.E, Directors S.B. Alton M.Sc., N. Ignot L Lichons B.A. Telephone (081) 566 1861 Fax (081) 566 1385 Telex 811713

References:
Your ref 6 May 19—
Our ref DS/MR
Date: 11th May 19—

Ms R Kaasen
Bredgade
51 DK 1260
Copenhagen K
DENMARK

Dear Ms Kaasen,
Thank you very much for your enquiry which we received today.
I am enclosing our catalogue and price-list for the equipment you said you were interested in. I would like to draw your attention to pages 31-35 in the catalogue where you will find full details of the Omega range.
We would welcome any further enquiries you have, and look forward to hearing from you
Yours sincerely,

p.p. D. Sampson (per pro)
Sales manager (company position)
Enc. (enclosure)

1.2 Layout 2

Here is the firm's reply to the letter from the prospective customer in Denmark. It shows some further features of a normal business letter, and uses the kind of layout (blocked, open punctuation, etc.) which this book regards as standard.

1.2.1 Letterheads

The printed letterhead of a company gives a great deal of information about it.

I Type of company

The abbreviation Ltd. after the company's name tells you that the company has is limited which means that the individuals who own the company, or part of it, i.e. the shareholders, are only responsible for their holding (the capital they have contributed) and no more than that if the company goes bankrupt. It is a warning to people giving the company credit met in bankruptcy they can only get what the company owns, not the personal possessions of its shareholders. The abbreviation PLC (Public Limited Company) is used to show that the company's shares can be bought by the public; Ltd. continues to be used for private limited companies whose shares are not available. In the USA 1178 term incorporated (inc.) is used.

SOUNDSONIC Ltd.
SP Wholesalers PLC
Hartley-Mason Inc.
The abbreviation &Co. tells you that the company is a partnership between two or more people. If it is a family concern the word Son, Sons, Bros(Brothers) or very occasionally, Daughter(s) may be added. Partnerships may have limited liability or unlimited liability.

F. Lynch & Co. Ltd.
R. Hughes & Son Ltd.
If neither Ltd. Nor & Co. appear after the company's name, then it may be a sole trader, a single person doing business in his own name and on his own account.

If the company is a joint stock company, the names of the directors will appear on the letterhead.

2 Board of Directors
The name of the Chairman (or, in the USA, the President), who runs the concern, may be given, as well as the names of the Directors, who decide the overall policy of the firm. The Managing Director (in the USA, Chief Executive), who takes an active role in the day-to-day running of the company, may be mentioned if he is different from the Chairman.

3 Addresses
In addition to the address of the office from which the letter is being sent, the letterhead may also give the address of the head office or registered office, if different and the address of any branches or other offices the company owns (see the letter at 2.3.3).

Telephone, telex, fax numbers, and a cable (telegram) address may also be given.

Registered number
This usually appears in small print, sometimes with the country or city in which the company was registered.

The VAT number (Value Added Tax) may also be given. See the letter at 2.3.2.

1.2.2 References
References are quoted to indicate what the letter refers to (Your Ref.) and the correspondence to refer to when replying (Our Ref.). References may either appear in figures, e.g. 661/17 in which case 661 may refer to the chronological number of the letter and 17 the number of the department, or, as in the letter at 1.2, in letters, DS/MR, in which case DS stands for Donald Sampson, the writer, and MR for his secretary, Mary Raynor.

Yours faithfully,
(Mrs) Rosemary Phipps
p.p. J, Mane
Managing Director
Yours faithfully.
(Ms) T. Lovette
(Ms.) T. Lovette
Chief Accountant

Enc.
Bill of lading (5 copies)
Insurance certificate (1 copy)
Certificate of origin (1 copy)
Bill of exchange (1 copy)

Note that the 'Your Ref' given in the letter at 1.2 is a date, as B. Kaasen had not mentioned any reference in the original letter.

See also 1.3.2 Subject titles.

1.2.3 Per pro
The term per pro (p.p.) is used in signatures and means for and on behalf of. Secretaries sometimes use p.p. when signing letters on behalf of their bosses.

1.2.4 Company position
When signing on behalf of your company, it is useful to indicate your position in the firm in the signature.
1.2.5 Enclosures

If there are any enclosures, e.g. leaflets, prospectuses, etc., with the letter, these may be mentioned in the body of the letter. But many firms in any case write Enc. or Encl. at the bottom and if the letter, and if there are a number of documents, these are listed.

1.3. Layout 3

a) Read the final letter

The final letter in this section shows some further features of a business letter.

SOUNDSONIC Ltd.
Warwick House, Warwick Street, Forest Hill, London SE23 1JF
Chairman John Franks O.B.E.
Directors S.B. Alien M.Sc., N. Ignut, R. Lichens BA.
Telephone(081)566 1861 Fax(081)566 1385 Telex:819713

Your ref:  
Our ref: DS/MR
Date. 21 July 19-

MsB. Kaasen
Bredgade 61
DK 1260
Copenhagen K
DENMARK

Dear Ms Kaasen,

Subject title Non-payment of invoice322/17

I am sorry to see that, despite several reminders, you have not yet paid the above-mentioned invoice. Unless, therefore, the account is cleared within 14 days of the above date, I shall have no alternative but to place the matter in the hands of our solicitors.

Yours sincerely,
Mary Raynor (Ms)
p.p. D, Sampson
Sales manager

Copies c.c. Messrs. Poole & Jackson Ltd., Solicitors

1.3.1 Private and confidential

This phrase may be written at the head of a letter, and more importantly on the envelope, in cases where the letter is intended only for the eyes of the named recipient.

There are many variations of the phrase
- 'Confidential', 'Strictly Confidential' -but little difference in meaning between them.
1.3.2 Subject titles

Some firms open their letters with a subject title. This provides a further reference, saves introducing the subject in the first paragraph, immediately draws attention to the topic of the letter, and allows the writer to refer to it throughout the letter.

It is not necessary to begin the subject title with *Re*: e.g. *Re: Application for post of typist.*

1.3.3 Copies

*c.c.* (= carbon copies) is written, usually at the end of the letter, when copies are sent to people other than the named recipient.

Sometimes you will not want the named recipient to know that other people have received copies. In this case, *b.c.c.* (= blind carbon copies) is written on the copies themselves, though not, of course, on the top copy.

1.4 Addressing envelopes

Envelope addresses are written in a similar way to inside addresses (see 1.1.3, 1.1.4, 1.1.5) but, for letters in or going to the UK, the postcode is usually written on a line by itself at the end of the address, and the name of both the town and the country are written in capital letters.

Mr G. Penter
49 Memorial Road
ORPINGTON
KENT
BR6 9UA

Messrs W. Brownlow & Co.
600 Grand Street
LONDON
WIN 9UZ
UNITED KINGDOM

1.5 Points to remember

1) The layout and presentation of your letter are important as they give the reader the first impression of the firm's efficiency.

2) There are two styles of letter, blocked and indented. Both are acceptable, but the blocked style will probably save time.

3) Write both in as much detail as possible and in the correct order,

4) Make sure you use the recipient's correct title in the address and salutation. If in doubt as to whether a woman is single or married, use Ms.

5) Do not abbreviate dates.

6) Choose the correct salutation and complimentary close. When you begin with Dear Sir or Dear Sir or Dear Madam or Dear Sir or Madam, end with Yours faithfully. But if you use a personal name in the salutations, then close with Yours sincerely.

7) Make sure your references are correct.

8) Make sure your signature tells your reader what he/she needs to know about you.

9) Read the following text and try to understand the chain of commerce

1. THE STRUCTURE OF COMMERCE

Commerce is a process that is concerned with the production and distribution of goods and the providing of services. The process can be summarized by the Chain of Commerce: raw materials -- manufacturer -- wholesaler -- retailer -- consumer

The production of goods starts at the raw material stage. Most of raw materials come from overseas countries. Examples are: oil from the Middle East, metals from South Africa, rubber latex from Ma-
Malaysia and wood from Canada. These raw materials are made into finished goods by our factories. This process is called manufacturing. There are three kinds of manufacturing: unit production, batch production and mass production.

The next stage in the cycle is the wholesaler, whose principal task is to store the goods, usually in large quantities and in many varieties. The wholesaler sells the goods to the retailers, who display the goods and sell them to consumers. Retail shops may be large, such as a supermarket or departmental store, or small, as in the case of a corner shop.

If the goods and the raw materials are to be distributed and sold efficiently the services of banking, transport, insurance and advertising will be needed by every link in the Chain of Commerce, from the raw material stage to the consumer stage. These services are called the Aids to Trade (or sometimes the Services of Commerce).

The Aids to Trade
Banking  Transport  Insurance  Advertising

British banking is controlled by the Bank of England, which has its headquarters in London, but manufacturers, wholesalers, retailers and consumers deal mostly with the commercial banks.

There are three main kinds of transport: land, sea and air. Insurance is a financial protection against an event which may happen. Advertising also plays a very important part in commerce. Our main industries may be classified as:

1  manufacturing;  4 agriculture and forestry;
2  extractive;  5 fisheries;
3  construction;  6 tourism.

Manufacturing industries produce Britain's major exports, including heavy electrical and mechanical machinery such as power stations and generators, motor vehicles, oil, clothing, radar equipment, defence equipment, pharmaceuticals and aircraft.

Extractive industries are coal mining, oil drilling, gold mining, tin mining etc.

Construction industries are concerned with the building of houses, shops and factories.

**Answer the following questions in written form**

1) In your own words explain what 'raw materials' are.
2) Give three examples of raw materials which you know.
3) Name any three types of manufacturing process which you know.
4) What are 'raw materials' made into?
5) What is the main job of the wholesaler?
6) Name three types of retail shop.
7) Name the 'Aids to Trade'.
8) Name any two of our main exports.
9) Who controls British banking?
10) What is insurance and how does it help the firm?

**Draw a diagram**

**Task:**

Show the chain of events which lead to the selling of goods to the consumer, and also include the Aids to Trade on your diagram.

1) The production of goods starts at the raw material stage.
2) Goods made by the factories are called finished goods.
3) The principal task of the wholesaler is to store the goods in large quantities.
4) One example of a large retail shop is a supermarket.
5) The c-----s---is a small retail shop.
6) Banking, transport, insurance and advertising are known as the A--- to T----.
7) Oil drilling is an example of an ex--------industry.
8) The headquarters of the Bank of England are in L-----
9) The three types of transport method are l---, s--and a--.

Multiple choice questions

Write the following questions in your notebook and underline the answer you think is the correct one.

1. Which of the following is an extractive industry?
   a manufacturing;
   b retail selling;
   c wholesale distribution;
   d fishing.

2. Which of the following is the best definition of commerce?
   a buying and selling;
   b the production and provision of goods and services;
   c the extraction and making of raw materials;
   d the services of banking and advertising.

3. Which of the following services does the wholesaler offer?
   a manufacturing of raw materials;
   b selling goods to the consumer;
   c storing goods in his warehouse and selling them to the retailers;
   d exploring for raw materials such as tin and copper ore.

4. Who does the wholesaler normally give some credit to?
   a the commercial banks;
   b the building societies;
   c retailers;
   d the advertising firms.

5. A voluntary chain consists of a group of:
   a manufacturers and independent retailers;
   b wholesalers;
   c manufacturers and wholesalers;
   d wholesalers and independent retailers.

6. Kentucky Fried Chicken sells the ingredients and method of production to a retail shop. This type of retail arrangement is called :
   1) co-operative;
   2) supermarket;
   3) franchise agreement;
   4) small local corner shop.

7. The commercial banks are a service whose purpose is which of the following:
   1) to help the government with its income tax problems;
   2) to provide a service that is used by manufacturers, wholesalers, retailers and consumers;
3) to work with building societies to provide better services;
4) to help overseas buyers to find a market for their goods.

8. Which of the following organizations provides the following service: 'It is a financial protection against an event that may happen':
   1) the financial institutions;
   2) the merchant banks;
   3) the advertising agencies;
   4) the insurance companies.

9. Goods which are sold by the home country to an overseas country are called:
   1) Bills of Exchange;
   2) Bills of Lading;
   3) expensive goods;
   4) exports;
   5) imports.

10. Which of the following is the kind of manufacturing that is often called the production line method?
    1) batch production;
    2) unit production;
    3) mass production;
    4) continuous process production.

11. Think and answer the essay questions

12. Use three to four sides of A4 paper for each answer.
    Approximately 3 to 4 sides of A4 paper should be used when answering an essay type question in a paper which gives about half an hour for the question to be answered. With structured questions, write as much as you can in the space provided for the answer. Short answers are not usually good answers.

   1) A man who had recently set up his own retail shop in a small town was heard to say to a friend that he would not be using the banks, the insurance services, advertising services or transport because he thought that they were a waste of money.
      (a) Write an essay saying why you disagree with him and explain how these Aids to Trade give valuable services to all kinds of businesses.

   2) This pie diagram represents the capital invested in these industries in 1988.
      (a) Describe the manufacturing industries in Great Britain and explain why they are so important to the Balance of Trade.
      (b) In recent years the extractive industries in Great Britain have been developed to the advantage of the economy. Explain this statement.
      (c) The service industries of banking, transport, insurance and tourism have become increasingly important to our invisible trade in recent years. Describe what you know about these industries.

   3) Coffee is grown in Brazil and drunk in Great Britain. Describe in full detail how the Chain of Commerce and the Aids to Trade make this possible.
2. BUSINESS ORGANIZATION

1. Read the text

The particular way in which a business is organized and controlled will depend largely on its size and what it does. There are four types of business organization:

1) the one man business (sole trader),
2) the partnership;
3) the private limited company;
4) the public limited company.

2. Give extensive answers

When considering business organizations three questions must always be asked:

1) Who owns the business?
2) Who controls the business?
3) Who provides the capital for the business?

THE ONE MAN BUSINESS

This is the smallest type of business organization and is owned and controlled by one man. It is often a retail shop such as a grocer, butcher, newsagent, etc. When a person wishes to start a one man business, he raises the capital from:

1) his own resources;
2) by borrowing from friends and relatives.

He may have difficulty in obtaining a bank loan.

Advantages

1) The owner has full control and is the sole owner.
2) All of the profits are taken by the owner.
3) He sets his own working hours, conditions, holidays, etc.
4) The business succeeds or fails according to the efforts made by the owner.

Disadvantages

1) The one man business has 'unlimited liabilities'. This means that if a business goes into debt, the creditors can lawfully take the owner's private assets, i.e. an unsuccessful businessman has to sell his house, car, etc. to pay his business debts.
2) If the owner is ill the business may have to close down.
3) He may have to work very long hours.
4) If he makes no profit he gets no wages (90% of one man businesses become insolvent in their first 12 months' trading).

THE PARTNERSHIP

A successful one man business may often grow into a partnership. Ideally partners may:

1) bring more capital into the business;
2) have an expert knowledge which will help the firm.

Advantages

1) The business will grow and the profits will be larger.
2) The original owner can now delegate responsibility to the new partners.
3) The business has more capital available for expansion.

Disadvantages

1) The original owner now has to share both ownership and control with the new partners.
2) The profits of the business must be shared between the partners.
3) The original owner is not the sole master of the destiny of the firm.

Up to twenty partners may be included in the partnership and a 'deed of partnership' must be drawn up setting down full details of arrangements made between the partners.

THE PRIVATE LIMITED COMPANY

Before the 1980 Companies Act the maximum number of shareholders permitted with a private company was 50. The 1980 Act changed the maximum permitted number of shareholders to an unlimited number. Shares in the company may not be sold without the permission of the company. The main advantage of this form of ownership is the company's independent legal status and its limited liability.

PUBLIC LIMITED COMPANY

The one man business, the partnership and the private limited company are all limited in their ability to expand because they may lack sufficient capital. If they wish to build a large factory costing say £5 million they often cannot find enough money from within the firm. They must therefore raise the capital by offering shares for sale to members of the public, and becoming a public limited company. Any member of the public may buy shares in a public limited company and when he does so he immediately becomes a 'part owner' of the business. Thus a firm that started in a very small way as a one man business, owned and controlled by one man, may eventually be owned and controlled by hundreds and sometimes thousands of shareholders. The public limited company is the largest kind of company.

Methods of raising capital

1 debenture issue;
2 the preference share;
3 the accumulative preference share;
4 the ordinary share;
5 the deferred share.

Debentures

A debenture is a loan made to a company which must by law be secured against the assets of the firm. By this we mean that the firm must always be in a position to repay debenture capital to debenture holders. It is able to do this by using the capital raised by debenture issues to buy properties and other assets which are readily convertible to cash. Debentures are sometimes called mortgage debentures. Debentures pay a fixed rate of interest and are really loans to companies. They are a very secure method of investment. Debenture holders are not allowed to vote at shareholders' meetings, and play no part in the ownership and control of the company.

Preference shares

"The preference share is the first type of share to be paid after the debenture and pays a fixed rate of interest.

Accumulative preference shares

Most preference shares are accumulative. This means that if a company is unable to pay preference shareholders in the current year then it may decide to pay any money it owes on an accumulative basis and add it to the next year's dividend.

Ordinary shares

Ordinary shares are the main shares of the company and they are sometimes referred to as equities. Ordinary shares carry with them ownership and voting rights and ordinary shareholders may attend shareholders' meetings. The more ordinary shares that a person holds, the greater his share of ownership of the business.

If the company makes only a small profit then the dividend declared will probably be low and the ordinary shareholder will receive a very small dividend, but if the dividend is high the ordinary share-
holder does well. If the firm goes bankrupt the ordinary shareholder will probably lose the whole of his investment. Thus it can be seen that the ordinary shareholder carries the major portion of the risks of the firm.

Most companies declare their dividends twice a year at six-monthly intervals.

3. Answer the following questions in written form
   1) When one wishes to start a business, where does one get the money from?
   2) What are the three questions we must always ask ourselves when we think about business organizations?
   3) What is the maximum number of partners in a partnership?

Tasks:
1) Write down the name of the smallest type of business organization.
2) Write down the name of the largest type of business organization.
3) Write down three examples of businesses which will probably be one man businesses.
4) Write down three advantages you know of being the owner of a one man business.
5) Explain what we mean by 'unlimited liabilities'.
6) Give two reasons why the owner of a one man business may wish to enter into a partnership.
7) Write down two disadvantages that you know of having a partnership.

4. Use new vocabulary:
1) The public limited company raises capital by selling s----- to members of the p--.
2) A debenture is a 1--- made by a person to a company.
3) A company must always be in a position to re---debenture holders.
4) Debentures pay a f----rate of interest.
5) Debenture holders are n-- entitled to v---- at shareholders' m--------.
6) Ordinary shares are sometimes called e-------
7) Ordinary shareholders have o--------and v-----rights.
8) If the company does well and makes a good profit the ordinary shareholder will receive a h--- dividend.
9) If the company does badly the ordinary shareholder is paid a l--dividend or no dividend.
10) If the company goes bankrupt the ordinary shareholder may l--- a—h—m----

5. Multiple choice questions
Write the following questions and underline the answer which you think is the correct one.

<table>
<thead>
<tr>
<th>1 The name 'equities' is given to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a preference shares;</td>
</tr>
<tr>
<td>b ordinary shares;</td>
</tr>
<tr>
<td>c debentures;</td>
</tr>
<tr>
<td>d government securities.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2 A public limited company is owned by the:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a board of directors;</td>
</tr>
<tr>
<td>b government;</td>
</tr>
<tr>
<td>c shareholders;</td>
</tr>
<tr>
<td>d debenture holders.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3 The principles of unlimited liabilities apply to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a private companies;</td>
</tr>
<tr>
<td>b the sole trader;</td>
</tr>
<tr>
<td>c public companies;</td>
</tr>
<tr>
<td>d Co-operative retail societies.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4 When someone wants to start up a business he or she will usually obtain money from:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a a banker's draft;</td>
</tr>
<tr>
<td>b the commercial banks;</td>
</tr>
<tr>
<td>c personal savings;</td>
</tr>
<tr>
<td>d a bank overdraft.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5 In which of the following organizations is the original owner no longer the sole decision maker?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a the sole trader;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6 What is the maximum number of partners you are allowed to have by British company law in a private limited company?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a 10;</td>
</tr>
</tbody>
</table>
1) Distinguish between the ordinary shares and the debentures of a public limited company and give details of the rewards that the holders of each type of security can receive. (8 marks)

(b) A public limited company has decided to raise additional finance by issuing more shares. Outline two methods which can be used. (6 marks)

(c) What is a Unit Trust and why might savers be advised to buy Unit Trusts instead of buying Ordinary Shares? (6 marks)

2) (a) What is the significance of p.l.c. (public limited company) after the name of the business? (4 marks)

(b) How does the registration of a company as a limited company affect the ownership and control of the company? (8 marks)

(c) Explain the terms 'Articles of Association' and 'Memorandum of Association'. (8 marks)

3) Co-operative retail societies are a special type of business organization and differ from the more conventional kinds of business organization in many ways. Discuss the ownership and control of a typical Co-operative retail organization and compare it with a more conventional kind of business in the private sector of British industry and commerce. (20 marks)

4) Write an essay about the kind of small business which you would like to own, and say how you would control it and make it successful. (20 marks)

5) An organization will have advantages and disadvantages whether it is a one man business with unlimited liabilities or a limited company with limited liabilities. Discuss these advantages and disadvantages. (20 marks)

7. Task:

Fill in the following table by looking up the share prices of firms in your newspaper.

<table>
<thead>
<tr>
<th>Name of the firm</th>
<th>1st Price</th>
<th>2nd Price</th>
<th>3rd Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
8. Sum up what the text says about:
- The partnership
- The private limited company
- The Business organization
- The one man business.

9. Translate into English:

<table>
<thead>
<tr>
<th>Term</th>
<th>Translation</th>
</tr>
</thead>
<tbody>
<tr>
<td>breach (n)</td>
<td>1. Any breach of contract gives the injured party the right to file a case. 2. A breach of one of the terms does not automatically annul the contract.</td>
</tr>
<tr>
<td>obligation (n)</td>
<td>До прошлого века правилом было, что стороны обязаны выполнять свои обязательства по контракту.</td>
</tr>
<tr>
<td>to carry out</td>
<td>По контракту стороны обязаны выполнить все условия, оговоренные в договоре.</td>
</tr>
<tr>
<td>Damages (n)</td>
<td>В мире бизнеса обычным явлением является обсуждение возмещения убытков в случае нарушения контракта.</td>
</tr>
<tr>
<td>to recover</td>
<td>Потерпевшая сторона может всегда подать иск за нарушение контракта и возместить свои убытки.</td>
</tr>
</tbody>
</table>
Enquiries

Learn new vocabulary:
- to make an enquiry about a product;
- to query about a product;
- a supplier;
- a wholesaler;
- a retailer;
- a bulk buyer;
- a principal;
- an associate;
- a subsidiary;
- a cooperative society;
- a Trade Association;
- a leaflet;
- a showroom;
- a circular letter;
- a trade journal;
- to offer concessions;
- to quote a price;
- to suggest/state terms;
- cash discount;
- trade discount;
- quantity discount;
- monthly/quarterly statement;
- documents against acceptance;
- bill of exchange;
- to stock a product;
- to hold/carry a stock of a product;
- to invite seek a tender or estimate;
- to provide/supply a tender or estimate;
- a reference;
- to ask for trade references;
- to provide/supply a trade references;

Methods of enquiry: asking for catalogues, price-lists, prospectuses, asking for details; asking for samples, patterns, demonstrations; suggesting terms, methods of payment, discounts; asking for goods on approval or on sale or return; asking for an estimate or tender.

Read the following instruction:

Methods of enquiry  I October 19—
J. SINCLARE LTD.,  Your Ref Box 3124
41 Lewis Place, Coulsdon, Surrey.

Please could you send me details of the refrigerators advertised in yesterday’s Evening Post?

An enquiry can be made by telephone, telegram (cable), telex, fax, or postcard. If you use a postcard, it is not necessary to begin with a salutation. (Dear Sir, etc.) nor end with a complimentary close (Yours faithfully, etc.) Your address, the date, and reference is sufficient. If you need to give more information about yourself or ask the supplier for more information, you will need to write a letter. The contents of this will depend on three things: how well you know your supplier; whether your supplier is at home or abroad; and the type of goods you are enquiring about. There is a difference between asking IBM about the cost of installing a complex computer and asking a publisher how much a book would cost.

2.2. Writing letters of enquiry.

2.2.1 Opening
Tell your supplier what sort of firm you are.
We are a co-operative wholesale society based in Zurich.
Our company is a subsidiary of Universal Business Machines and we specialize in... We are one of the main producers of industrial chemicals in Germany, and we are interested in... How did you hear about the firm you are writing to? It might be useful to point out that you know a firm’s associates, or that they were recommended to you by a consulate or Trade Association.
We were given your name by the Hoteliers Association in Paris.
You were recommended to us by Mr John King, of Lasworn & Davies, Merchant Bankers. We were advised by Spett. Marco Gennovisa of Milan that you were interested in supplying . . . The British Embassy in Madrid told us that you were looking for an agent in Spain to represent you.

It is possible to use other references:
We were impressed by the selection of gardening tools that were displayed on your stand at this years Gardening Exhibition held in Hamburg.
Our associates in the packaging industry speak highly of your Zeta packing machines and we would like to have more information about them. Could you send us...

2.2.2 Asking for catalogues, price-lists, prospectuses
It is not necessary to give a lot of information about yourself when asking for catalogues, brochures, booklets, etc. This can be done by postcard, but remember to supply your address, unless it is already printed, phone number, telex, and fax number if you have one. It would also be helpful if you could briefly point out any particular items you are interested in.
Could you please send us your current catalogue and price-list for exhibition stands? We are particularly interested in ‘furniture display’ stands.
Would you let us have your summer brochure for holidays to Greece and the Greek Islands, and supply details of any low fares and tariffs for the month of September?
I would appreciate your sending me an up-to-date price-list for your building materials.
I am planning to come and study in London next autumn and I would like a prospectus for your college giving me information about fees and special courses in computing.
We have heard about your latest equipment in laser surgery and would like more details. Please send us any information you can supply, marking the letter ‘For the Attention of Professor Kazuhiro’. Tokyo General Hospital, Kinuta-Setagayaku. Tokyo. Japan.

2.2.3 Asking for details
When asking for goods or services you must be specific and state exactly what you want. If replying to an advertisement you should mention the journal or newspaper, the date, and quote any box number or department number given, e.g. Box No. 341; Dept. 4/12B. And if referring to, or ordering from a catalogue, brochure, leaflet, or prospectus, always quote the reference, e.g. Cat. No. A149; Holiday No. J/M/3; Item No. 351; Course BL 362.
I am replying to your advertisement in the June edition of ‘Tailor and Cutter’. I would like to know more about the ‘steam pressers’ which you offered at cost price.
I am interested in holiday No. J/M/3, the South Yugoslavian tour.
I will be attending the auction to be held in Turner House on 16 February this year, and am particularly interested in the job lot listed as Item No. 351.
Could you please give me more information about course EL 362 which appears in the language learning section of your summer prospectus?
I would appreciate more details about the ‘University Communications System’ which you are advertising on Grampian Television

2.2.4 Asking for samples, patterns, demonstrations
You might want to see what a material or item looks like before placing an order. Most suppliers are willing to provide samples or patterns so that you can make a selection. However, few would send a complex piece of machinery for you to look at. In that case you would be invited to visit a showroom, or the supplier would offer to send a representative. Nevertheless, if it is practical, ask to see an example of the article you want to buy.
When replying, could you please enclose a pattern card?
We would also appreciate it if you could send some samples of the material so that we can examine the texture and quality.

Before selling toys we prefer to test them for safety. Could you therefore send us at least two examples or these children’s cars in the Sprite range?

I would like to discuss the problem of maintenance before deciding which model to install in my factory.

I would be grateful if you could arrange for one of your representatives to call on me within the next two weeks.

2.2.5 **Suggesting terms; methods of payment, discounts**

Firms sometimes state prices and conditions in their advertisements or literature and may not like prospective customers making additional demands. However, even if conditions are quoted, it is possible to mention that you usually expect certain concessions. Although it is true that once a supplier has quoted a price and stated terms, he may be unwilling to change them, by suggesting your terms you indicate that certain conditions may persuade you to place an order.

We usually deal on a 30% trade discount basis with an additional quantity discount for orders over 1,000 units.

As a rule our suppliers allow us to settle by monthly statement and we can offer the usual references if necessary.

We would also like to point out that we usually settle our accounts on a documents against acceptance basis with payment by 30-day bill of exchange.

Could you let us know if you allow cash or trade discounts?

We intend to place a substantial offer, and would therefore like to know what quantity discounts you allow.

2.2.6 **Asking for goods on approval or on sale or return**

Sometimes wholesalers and retailers want to see how a line will sell before placing a firm order with the supplier. They may be able to do this by getting goods on approval or on a sale or return basis. In either case the supplier would have to know the customer well, or would want trade references. He will also place a time limit on when the goods must be returned or paid for.

Your leaflet advertising your latest publications of History magazines interested us, and we would only consider placing an order provided it was on the usual basis of sale or return. If this is acceptable we will send you our official order.

In the catalogue we received last week from you, we saw that you are introducing a new line in artificial furs. While we appreciate that increasing pressure from wildlife protection societies is reducing the demand for real skins, we are not sure how our customers at this end of the market will react. But we would like to try a selection of designs. Would it therefore be possible for you to supply us with a range on an approval basis to see if we can encourage a demand for synthetic furs? Three months would probably be enough to establish a market if there is one.

2.2.7 **Asking for an estimate or tender**

Estimates are quotations to complete a job of work, for example, putting a new roof on a factory or installing machinery. Tenders are similar quotations, but in a written form and often used when the job is much larger, e.g. building a complete factory. Very often, when this sort of work is for a government, or is a large undertaking, an advertisement is placed in the newspapers.

**Advert:** The Irish Tourist Organization invites tenders from building contractors to erect seating for 10,000 people for the Dublin Summer Festival. Tenders should be in by 1st March 19—and will be studied on price and suitability of construction plans.
Advert: The Zena Chemical Company invites tenders from private contractors for the disposal of chemical waste. Strict government regulations will be in force so only those licensed to deal with toxic substances should apply. Further details from...

A company may write circular letters to several companies inviting offers to complete a construction job or to effect repairs or decorating.

We are a large chain of theatres and are looking for estimates from upholsterers to recover the seats in our two main theatres in Manchester.

We are writing to a number of building contractors to invite estimates for the conversion of Northborough airfield into a sports and leisure centre. The work will include erecting buildings, providing facilities, e.g. ski slopes, parachute jumps, etc., and should be completed by next December, if you can provide a competitive estimate please contact us at...

As you might have read in the newspaper our firm has taken over international Motors PCL and we are in the process of automating their Hamburg factory. At present we are writing to several engineering designers who may be interested in converting the plant to a fully automated production unit. Enclosed you will find specifications, but we would welcome your surveyors to come and inspect the site with a view to supplying an estimate for the reconstruction.

2.2.8 Closing

Usually a simple 'thank you' is sufficient to close an enquiry. However, you could mention that a prompt reply would be appreciated, or as the examples show, that certain terms or guarantees would be necessary.

Thank you for your attention. We hope to hear from you in the near future.

We would be grateful for an early reply.

Finally, we would like to point out that delivery before Christmas is essential and hope that you can offer us that guarantee.

If the concessions we have asked for could be met, we would place a substantial order.

Prompt delivery would be necessary as we have a fast turnover. We would therefore need your assurance that you could meet all delivery dates.

You can also indicate further business, or other lines you would be interested in if you think they could be supplied. If a supplier thinks that you may become a regular customer, rather than someone who has placed the order, he would be more inclined to quote competitive terms and offer concessions.

If the product is satisfactory, we will place further orders with you in the future.

If the prices quoted are competitive, and the quality is up to standard we will order on a regular basis.

Provided you can offer favourable quotations, and guarantee delivery within four weeks from receipt of order, we will place regular orders with you.

2.2.9. Specimen letters

2.3 Short enquires

1) Read these letters.

A Request for a catalogue and price-list

Dear Sir,

Please would you send me your Spring catalogue and price-list quoting c.i.f. prices, Le Havre?

Thank you.

Yours faithfully,

B Request for a prospectus

Dear Sir,

I would like some information about your Proficiency courses in English beginning this July.
Please send me a prospectus, details of your fees, and information about accommodation in London for the period July-December. If possible I would like to stay with an English family. Thank you.
Yours faithfully,

C

Request for general information. Note that the reference to trade prices in this letter tells the manufacturer that he is dealing with a retailer or wholesaler, not a private individual.

Dear Sir,
Could you please send me details of your tubeless types, which are being advertised in garages around the country?
I would appreciate a prompt reply quoting trade prices.
Yours faithfully,

2) Summarize these letters.

2.3.1 Reply to an advertisement
In this letter the customer is replying to an advertisement for cassettes which he saw in a trade journal. The advertiser gave little information, so the writer will have to ask for details.

Ref: PG/AL
12 May 19-
The Sales Dept.
R.G. Electronics AG
Havmart 601
D-SOOO Koln I
Dear Sirs,
We are a large record store in the centre of Poitiers and would like to know more about the tapes and cassettes you advertised in this months edition of ‘Hi Fi News’.
Could you tell us if the cassettes are leading brand names, or made by small independent companies, and whether they would be suitable for recording classical music or only dictations and messages? It would also be helpful if you could send us some samples and if they are of the standard we require, we will place a substantial order. We would also like to know if you are offering any trade discounts. Thank you.
Yours faithfully,
P.Gerard

Questions
1. Why does M. Gerard say they are a large record store? 2 Is he interested in high-quality cassettes or low-quality cassettes? 3 What two things does he require before he places an order? 4 How did he hear about the advert? 5 If the letter began Dear Mr..., what would the complimentary close be? 6 Is Mr. Gerard asking about any special concessions? 7 Which words in the letter correspond to the following: publication’, product’s name’, vocal instructions’’, examples, large?

2.3.2 Enquiry from a buying agent
Firms often have agents in other countries who either sell or buy products for them (see Unit 10 Agents and agencies). In this letter the agent is acting on behalf other principals in Canada.

1) Read the letter

F. LYNCH & CO. LTD.

(Head Office), Nesson House, Newell Street, Birmingham B3 3EL
Telephone No.: 0212366571   Fax: 02123 8592   Telex: 341641

Satex S.p.A
Via di Pietra Papa
00146 Roma ITALY
Dear Sirs,

We were impressed by the selection of sweaters that were displayed on your stand at the ‘Men-swear Exhibition’ that was held in Hamburg last month.

We are a large chain of retailers and are looking for a manufacturer who could supply us with a wide range of sweaters for the teenage market.

As we usually place very large orders, we would expect a quantity discount in addition to a 20% trade discount off net list prices, and our terms of payment are normally 30-day bill of exchange, documents against acceptance.

If these conditions interest you, and you can meet orders of over 500 garments at one time, please send us your current catalogue and price-list. We hope to hear from you soon.

Yours faithfully,

L. Crane
Chief Buyer

1) Summarize the letter
2) Write a cable reply: Agree or disagree with the proposal changes

2.3.4 Enquiry from a retailer to a foreign manufacturer

This letter is from a Birmingham chain of retail shops to an Italian manufacturer. Here the retailer explains how he got to know about the manufacturer, and suggests that a quantity discount and acceptance of his method of payment would persuade him to place an order. He is stating his terms in his enquiry because he feels that as a bulk buyer he can stipulate conditions. But you will see from the reply that although the Italian manufacturer wants the order, he does not like the terms, and suggests conditions that are more suitable to him

Give extensive answers:
1. How did Lynch & Go. get to know about Satex? 2) What market are Lynch & Co. interested in? 3) How many sweaters are they likely to order? 4) What discounts are they asking for? 5) How will payment be made? 6) What expression does Mr. Crane use to show Lynch is a large firm? 7) Should any references be quoted in reply to this letter? 8) Which words in the letter correspond to the following: shown group of shops; selection; less; present?

2.3.5 Request for goods on approval

Mr. Hughes, the customer, has dealt with Homemakers, before and the enquiry has casual tone about it. He has enclosed a provisional order because he is confident that Mr. Cliff, the supplier, will agree to offering the kits on approval so that Mr. Hughes can test the demand for them. In this case references are not necessary; if they were, Mr. Hughes could offer another supplier or his bank as a referee.

1) Read the letter

SANDERS & LOWE LTD.

Import and Export. (London Office), Plainer House. Princes Street London EC1 7DQ
Birmingham Office: 28 Bradshaw Street. Birmingham B5 ITQ
Telephone: 0715431615
Manchester Office. 343 Oxford Street. Manchester M27 2LR
Liverpool Office: 54 Baker St Road. Liverpool L3 4HW
Stockport Office, 5 Island Road Stockport 5M3 .2K
Directors: L.W. Lowe. D.R. Sanders
Your ref___________________Our ref: 180/MB
Date: 7 June l9—
The Sales Manager
Glaston Potteries Ltd.
Clayfield
Burnley BB10 IRQ

Dear Sir or Madam,

We are writing to you on behalf of our principals in Canada who are interested in importing chinaware from England.

Could you send us your latest catalogue and price-list, quoting your most competitive prices? Our principals are a large chain store in North America and will probably place substantial orders if the quality and prices of your products are suitable.

We look forward to hearing from you soon.

Yours faithfully,
L.W. Lowe (Mrs.)

Answer the following questions

1. Why does Mr. Hughes want the goods on approval? 2) Does he expect Mr. Cliff to agree? How do you know? 3) When does he want the kits?

2. Say what you have learned about: the principals in Canada who are interested in importing chinaware from England

2.3.6 Request for an estimate

A supermarket is asking a firm of shopfitters for an estimate put in counters, shelves, windows, etc

1) Read the letter

SUPERBUYS LTD.
Superbuy House,Wolverton Road,London SW16 7DN
Telephone:081 327 1651 Reg.No.:116 London
Telex:303113 VAT No.5 6 841030
Fax:081 327 1651

Date: 10th January 19

Dear Sir,

We are opening a new branch of Superbuys in Wembley High Street in March and would like to know if you could send someone along to give us an estimate for refitting.

From our designer's plan enclosed, you can see that the premises were once used as a warehouse and would need extensive alterations which would include putting in counters, shelves, windows, rewiring, and reflooring.

The work would have to be completed before the end of February and you would be required to sign a contract to that effect. If the job interests you, please contact Mr Keith Bellon our Managing Director on 0813271681 ext. 119 to arrange an appointment.

Yours faithfully,
Jean Landman
Secretary to K. Bellon

2) Give extensive answers:

1) Why is an estimate needed? Why is it not possible to give a firm quotation? 2) What has to be done before the estimate can be given? 3) Can Wembley Shopfitters take as long as they want to complete the job? 4) Do Superbuys expect a letter in reply? 5) How should Mr Bellon be contacted? 6) Has anything been included with the letter? 7) How were the premises originally used?

3) Write a cable reply to the letter. Promise to send two specialists to make an estimate.

4) Summarize the letter

26
2.4 Points to remember

1) Enquiries can take the form of telephoned, telexed, or taxed requests for information. Only use these forms if you can make your enquiry very brief. For fuller enquiries, write a letter. 2) Give details of your own firm as well as asking for information from your prospective supplier. 3) Be specific and state exactly what you want. Quote box numbers, catalogue references, etc. to help your supplier to identify what you want. 4) Ask for samples if you are uncertain about a product. 5) You can suggest terms and discounts, but be prepared for your supplier to make a counter-offer. 6) You can be direct in your letter, yet still polite. Notice how the use of the passive can soften a request: “I want a prompt reply” is impolite; “A prompt reply would be appreciated” is better. Notice also how short sentences can create an abrupt effect, while a complex sentence can modify: “We are large wholesalers. We are interested in your range of shirts” is not as good as “We are large wholesalers and are interested in your range of shirts”.

Close with a simple “thank you” or “I look forward to hearing from you”, unless you want to indicate the possibility of substantial orders or further business.

2.5 Sum up what the letters say about enquiries in general.

2.5.1 Write a similar letter changing the address, date.

2.5.2 Translate into English:

agent (n) Агент – это лицо, действующее по поручению другого лица. Торговый агент осуществляет куплю-продажу товаров соответствующего качества и определенного количества на установленной территории и в определенный период. Понятие «агент» охватывает такие категории, как брокер, представитель и т.д.

to employ 1. На строительстве новой дороги будут заняты сотни людей? 2. Чем вы занимаетесь в свободное время? 3. Этот человек работает по найму в банке.

principal (n) Если агент должен действовать от имени принципала, ему выдается письменная доверенность. В качестве принципала в хозяйственном обороте Англии и США действуют главным образом корпорации и компании.

to engage 1. Скажите им, что я занят. 2. По договору стороны связаны своими обязательствами. 3. Я точно знаю, что они обручены.

to provide 1. Договор ставит условие, что съемщик заплатит за ремонт комнаты. 2. Он содержит большую семью. 3. Отец дал ему хорошее образование. 4. Вам необходимо принять меры против воплощения в жизнь его заявления.

2.5.3 Exercise on preposition

Insert prepositions and translate into Russian.

1) This, .... English law, is only applicable to contracts under seal.
2) The proprietors ..... the omnibus offer to carry a passenger ... his destination .... consideration ..... the passenger’s implied promise to pay the fare.
3) The offer or acceptance, or both, may be made either .... words or .... conduct.
4) He will be liable ... an implied contract to pay what the goods are worth.
5) A purported acceptance of an offer to buy a lorry ... hire purchase terms does not constitute a contract if the hire-purchase terms are never agreed upon.
6) An agreement “subject ... war clause” is too vague to be on enforceable contract. Although the decision .... the English Courts is .... contrary, it is now generally accepted .... lawyers and supported ... decisions .... other countries that an offer must be communicated ... a person before it is capable ... acceptance.
7) If a person accepts end acts .... a written offer he is bound .... contents .... the writing, .... the absence .... fraud or misrepresentation.
8) An offer may lapse .... the death .... either party .... acceptance.
9) An offer may lapse .... failure to accept .... the time prescribed.
10) An exception .... this rule is made .... the Companies Act, 1948, where .... an application .... shares .... or debentures .... a company .... pursuance .... a prospectus is not usually revocable until ... the expiration .... the third day.
UNIT 3

Orders

Learn new vocabulary:

- a trial order
- a provisional order
- a firm order
- to confirm an order
- to acknowledge an order
- to fill/fulfil/make up/complete/meet/supply an order
- to deliver an order
- to cancel an order
- an order form
- a compliment slip
- a pro-forma invoice
- a consignment note
- terms of payment
- cash discount
- banker’s draft
- sight draft
- shipping documents

- air waybill
- bill of lading
- insurance certificate
- commercial invoice
- goods in stock
- goods out of stock
- to pack goods in crates
- to ship goods
- to arrange shipment
- a forwarding agent
- air freight
- bill of exchange
- to draw a bill on a customer
- documents against acceptance
- irrevocable letter of credit
- quarterly statements
- long-term credit facilities

Placing an order (covering letters, confirming payment, discounts, delivery dates, methods of delivery, packing); acknowledging an order; advice of despatch; delays in delivery; refusing an order (out of stock, bad reputation, unfavourable terms, size of order).

3.1. Placing an order

Read and try to understand the instructions in placing orders

Orders are usually written on a company’s official order form (see 3.4.2. for an example) which has a date and a reference number that should be quoted in any correspondence which refers to the order. Even if the order is telephoned, it must be confirmed in writing, and an order form should always be accompanied by either a compliment slip or a covering letter. A covering letter is preferable as it allows you the opportunity to make any necessary points and confirm the terms that have been agreed.

The guide below is for an outline of a covering letter. You may not want to make all the points listed, but look through the guide to see what could be mentioned.

3.1.1. Opening

Explain there is an order accompanying the letter.

Please find enclosed our Order No. B4521 for 25 “Clearsound” transistor receivers.

The enclosed order (No. R154) is for 50 reams of A4 bank paper.

Thank you for your reply of 14 May regarding the cassettes we wrote to you about. Enclosed you will find our official order (No. B561) for...

Your letter of 12 October convinced me to place at least a trial order for the “Letherine” material you spoke about. Therefore, please find enclosed...

3.1.2. Payment

Confirm the terms of payment.
As agreed you will draw on us at 30 days, documents against acceptance, with the documents being sent to our bank at...

We would like to confirm that payment is to be made by irrevocable letter of credit which we have already applied to the bank for.

Once we have received your advice, we will send a banker’s draft to...

...and we agreed that payments would be made against quarterly statements...

3.1.3 Discounts

Confirm the agreed discounts.

We would like to thank you for the 30% trade discount and 10% quantity discount you allowed us.

Finally, we would like to say that the 25% trade discount’s quite satisfactory.

...and we will certainly take advantage of the cash discounts you offered for prompt settlement.

Although the rather low trade discount of 15% disappointed us, we will place an order and hope that this allowance can be reviewed at some time in the near future.

3.1.4. Delivery

Confirm the delivery dates.

It is essential that the goods are delivered before the beginning of November in time for the Christmas rush.

Delivery before February is a firm condition of this order, and we reserve the right to refuse goods delivered after that time.

Please confirm that you can complete the work before the end of March, as the opening of the supermarket is planned for the beginning of April.

3.1.5. Methods of delivery

Many firms use forwarding agents who are specialists in packing and handling the documentation for shipping goods. Nevertheless, you should still advise the firm as to how you want the goods packed and sent to ensure prompt and safe delivery, so that if the consignment does arrive late, or in a damaged state, your letter is evidence of the instructions you gave.

…and please remember that only air freight will ensure prompt delivery.

Please send the goods by Red Star express as we need them urgently.

We advise delivery by road to avoid constant handling of this fragile consignment.

Could you please ship by scheduled freighter to avoid any unnecessary delays?

3.1.6. Packing

Advise your supplier how you want the goods packed. Note, in the first example, that crates are often marked with a sign - a diamond, a target, a square, a lion, etc. - that can be recognized by the supplier and customer.

Each piece of crockery is to be individually wrapped in thick paper packed in straw, and shipped in wooden crates marked …and numbered 1 to 6.

The carpets should be wrapped in thick grease-proof paper which is reinforced at both ends to avoid wear by friction.

The machines must be well greased with all movable parts secured before being loaded into crates, which must be marked.

3.1.7. Closing

We hope that this will be the first of many orders we will be placing with you.

We will submit further orders, if this one is completed to our satisfaction.

If the goods sell as well as we hope, we shall send further orders in the near future.

I look forward to receiving your advice / shipment / acknowledgement/ confirmation.
3.2 Acknowledging an order

As soon as an order is received by a supplier, it should be acknowledged. This letter can be quite short, as the letter at 3.4.3.

Thank you for your order No. 338B which we received today. We are now dealing with it and you may expect delivery within the next three weeks.

Your order, No. 6712/1 is now being processed and should be ready for despatch by next week.

We are pleased to say that we have already made up your order. No. 9901/ 1/5 for 50 canteens of “Silverline” cutlery, and are now making arrangements for shipment to Rotterdam.

3.3 Advice of despatch

When the supplier has made up the order and arranged shipment, the customer is informed of this in advance. This may be done an a special form (see 3.4.7) or in a letter.

Your order. No. D/154/T, has now been placed on board the SS Mitsu Maru sailing from Kobe on 16 May and arriving Tilbury, London, on 11 June. The shipping documents have already been sent to your bank in London for collection.

We are pleased to advise you that the watches you ordered - No. 38151/24 -were put on flight BA 165 leaving Zurich 11.00,9 August arriving Manchester 13.00. Please find enclosed air waybill DC 15161/3 and copies of invoice A113/3.

Please be advised that your order, No. YI/151/C,has now been out on the Glasgow-London express and can be collected at Euston station. Enclosed is consignment note No. 1167153 which should be presented on collection. You should contact us immediately if any problems arise. Thank you for your order, and we hope we can be of service in the future.

3.4 Specimen letters and forms

3.4.1 Placing an order: covering letter

This letter follows on from the correspondence. Lynch & Co. have decided to place an order with Satex S.p.A and are sending a covering letter with the form

1) Read and translate the letter

F.LYNCH & CO. LTD.

(Head Office), Nesson House, Newell Street, Birmingham B3 3EL
Telephone No.: 0212366571   Fax: 02123 8592   Telex: 341641
Satex S.p.A     Your ref D/1439
Via di Pietra Papa   Our ref: Order DR4316
00146 Roma Italy 9   March 19
Attn. Mr. D. Causio

Dear Mr Causio,

Please find enclosed our order, No. DR4316, for men’s and boys’ sweaters in assorted sizes, colours, and designs.

We have decided to accept the 15% trade discount you offered and terms of payment viz. documents against payment, but would like these terms reviewed in the near future.

Would you please send the shipping documents and your sight draft to Northminster Bank (City Branch), Deal Street, Birmingham B3 ISQ.

If you do not have any of the listed items in stock, please do not send substitutes in their place.

We would appreciate delivery within the next six weeks, and look forward to your acknowledgement.
2) **Discuss the following questions**

1) In the letter Lynch & Co. said they were likely to order over 500 sweaters, but their actual order is, only for 150. What might be the reason for this? 2) How will Lynch & Co. pay? 3) How soon do they want the sweaters? 4) If the sweaters they have ordered are out of stock, would they accept substitutes?

3) **Summarize the letter**

4) **Write a reply to the letter**

ORDER № DR 4316

F.Lynch & Co. Ltd.
(Head Office), Nesson House, Newell Street, Birmingham B3 3EL
Telephone No.: 02123 66571 Fax: 02123 8592 Telex: 341641
Satex S.p.A
Via di Pietra Papa
00146 Roma
ITALY

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item description</th>
<th>Cat,No</th>
<th>Price c.i.f. London</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>V Neck: 30 Red/20 Blue</td>
<td>R432</td>
<td>£13.80 each</td>
</tr>
<tr>
<td>30</td>
<td>Roll Neck: 15 Black/ Blue</td>
<td>N154</td>
<td>£9.40 &quot;</td>
</tr>
<tr>
<td>30</td>
<td>Crew Neck, 10 Green/15 Belge</td>
<td>N134</td>
<td>£16.00 &quot;</td>
</tr>
<tr>
<td>40</td>
<td>Crew Neck: pattern</td>
<td>R541</td>
<td>£12.60 &quot;</td>
</tr>
</tbody>
</table>

Note: Subject to 5% quantity discount

Comments: 15% Trade Disc. Pyrnt. D/P Del. 6 weeks  Date:  9 March 19—

3.4.2 **Order form**

This is Lynch &Co.’s official order form.

1) **Answer the questions:**

When should the order be delivered? 2) How will Lynch & Co. pay? 3) Who is L. Crane? 4) What sort of discounts have been agreed? 5) If the order was faxed to Satex, which number would be used? 6) Which reference identifies the sweaters? 7) Besides the price, what other costs are covered to London? 8) If Lynch & Co. need further correspondence with Satex on this order, what reference would they use?

3.4.3 **Acknowledgement of order**

Satex S.p.A. will now prepare Mr Crane’s order, but in the meantime let him know that the order has been received.

2) **Read and summarize two letters**

Satex S.p.A.
Via di Pietra Papa, 00145 Roma
Telefono: Roma 7699 0
Telefax: (06) 681 5473
Telex: 285136

Mr L. Crane, Chief Buyer
F. Lynch & Co. Ltd. Vs.rif.: Order DR4316
Nesson House Ns.rif.: D/140
Newell Street 13 March 19—
Birmingham B3 3EL
UNITED KINGDOM
Dear Mr Crane,

Thank you for your order (No. DR4316) which we are now making up—We have all the items in stock and will be advising you in the near future.

Yours sincerely,

D. Causio

Satex S.p.A.
Via di Pietra Papa, 00145 Roma
Telefono: Roma 7699 0
Telefax: (06) 681 5473
Telex: 285136

Mr L. Crane, Chief Buyer
F. Lynch & Co. Ltd.
Nesson House
Newell Street
Birmingham B3 3EL
UNITED KINGDOM

Dear Mr Crane,

We would like to advise you that your order has been shipped on the SS Marconissa and should reach you within the next ten days. Meanwhile our bank has forwarded the relevant documents and sight draft for £1,662.60 to the Northminster Bank (City Branch) Birmingham

We are sure you will be pleased with the consignment and look forward to your next order.

Yours sincerely.

D. Causio

3.4.4 Advice of despatch

This letter confirms that Satex S.p.A. have sent the order. When he receives this letter, Mr Crane will go to the Northminster Bank, where he will be asked to accept a sight draft, i.e. pay a bill of exchange immediately. After he has paid this, he will be handed the shipping documents (bill of lading, insurance certificate, and commercial invoice) so that he can collect the goods. Remember, this was a c.i.f. transaction where the supplier paid cost, insurance, and freight, and on a documents against acceptance basis, i.e. once the bill of exchange has been accepted, the documents would be handed over.

Say what information the advice gives about:

3.4.5 Placing an order

This letter and the next one follow on from the correspondence. There are three parties involved: the manufacturers, Glaston Potteries; the buying agents, Sanders and Lowe; and their principals in Canada, MacKenzie Bros. Here, Mrs Lowe is writing on behalf of her principals and forwarding their order. Notice the instructions she gives and notice that she has already phoned the manufacturer to agree terms of payment which were not mentioned in the manufacturer’s letter.

1) Read the letter:

SANDERS & LOWE LTD.

Import and Export. (London Office), Plainer House. Princes Street London EC1 7DQ
Birmingham Office: 28 Bradshaw Street. Birmingham B5 ITQ  Telephone: 0715431615
Manchester Office. 343 Oxford Street. Manchester M27 2LR  Fax: 071 543 1925
Liverpool Office: 54 Baker’s Road. Liverpool L3 4HW  Telex: 918517
Stockport Office, 5 Island Road Stockport 5M3 .2K
Mr. J. Merton  
Sales Manager  
Glaston Potteries Ltd.  
Clayfield  
Burnley BB10 IRQ  

Dear Mr. Merton,

Please find enclosed an order (R1432) from our principals, MacKenzie Bros. Ltd., 1-5 Whale Drive, Dawson, Ontario, Canada.

They have asked us to instruct you that the 60 sets of crockery ordered should be packed in six crates, ten sets per crate, with each piece individually wrapped, and the crates marked clearly with their name the words ‘fragile’, ‘crockery’, and numbered 1-6.

They have agreed to pay by letter of credit, which we discussed on the phone last week, and they would like delivery before the end of this month, which should be easily effected as there are regular sailings from Liverpool.

If the colours they have chosen are not in stock, they will accept an alternative provided the designs are those stipulated on the order.

Please send any further correspondence relating to shipment or payment direct to MacKenzie Bros. and let us have a copy of the commercial invoice when it is made up.

Yours sincerely,

L.W. Lowe (Mrs)

2) Give extensive answers:

1) Sanders & Lowe have completed their job, which was to find a supplier. So who must Glaston Potteries write to now? 2) What advice has been given on packing? 3) What method of payment has been arranged? 4) Will substitutes be acceptable if Glaston Potteries are out of stock of any items? 5) Why should there be no problem for Glaston Potteries to deliver within four weeks? 6) Which words used in the letter correspond to the following: cups, saucers, plates, etc., boxes, breakables, made, different, stated, relevant, completed?

3) Summarize the letter

GLASTON POTTERIES Ltd.

Clayfield, Burnley BB10 IRQ
Tel: 0315 46125
Telex: 8801773
Fax: 031563182
MacKenzie Bros. Ltd,
1-5 Whale Drive
Dawson
Ontario
CANADA

Dear Sirs,

Order R1432

The above order has now been completed and sent to Liverpool Docks where it is awaiting loading onto the SS Manitoba which sails for Dawson, Canada on the 16 July and arrives on 30 July.

Once we have the necessary documents we will hand them to Burnley City Bank, your bank’s agents here, and they will forward them to the Canadian Union Trust Bank.

We have taken special care to see that the goods have been packed as per your instructions, the six crates being marked with your name, and numbered 1-6. Each crate measures 6ft x 4ft x 3ft and weighs 5 cwt.
We managed to get all items from stock with the exception of Cat. No. G16 which we only had in red. But we included it in the consignment as it had the Willow pattern you asked for.

If there is any further information you require, please contact us, Thank you very much for your order, and we look forward to hearing from you again soon.

Yours faithfully.

J, Merton (Mr)
Sales Manager

4) Say what information two letters give you about:

3.4.6 Advice of despatch

Glaston Potteries have made up the MacKenzie order and now advise them. MacKenzie Bros. will already have opened a letter of credit at their bank, The Canadian Union Trust Bank, in favour of their suppliers, Glaston Potteries. The Canadian bank will now wait until they have confirmation of shipment from their agents in England, Burnley City Bank, and will then transfer the money so that Glaston Potteries can be paid.

a) Give extensive answers:

1) How will the consignment be sent? 2) What will happen to the documents once Glaston Potteries receive them? 3) How have the goods been packed and the crates marked? 4) What did Glaston do about the item they could not supply? 5) When will the consignment arrive in Canada? 6) Which words in the letter correspond to the following: made up, send; in accordance with, apart from, due in?

3.4.7 Advice note

1) Read an advice note.

Glaston Potteries advised MacKenzie Bros. of despatch in a letter. Here D & S Charcot use a form.

Nevertheless, your order has been transferred to our Slough factory and is being processed there. I apologize for the delay which was due to circumstances beyond our control.

We regret to inform you that there will be a hold up in getting your consignment to you. This is due to the cut in supplies from Gara where civil war suddenly broke out last week. We have contacted a possible supplier in Lagos and he will let us know if he can help us. If you wish to cancel your order, you may, but I think you will find most manufacturers are experiencing the same difficulties at present.

3.5 Delays in delivery

If goods are held up either before or after they are sent, you must keep your customer informed. Let him know what has happened, how it happened, and what you are doing to correct the situation.

I was surprised and sorry to hear that your consignment (Order No. B145) had not reached you. On enquiry I found that it had been delayed by a local dispute on the cargo vessel SS Hamburg on which it had been loaded. I am now trying to get the goods transferred to the SS Samoa which should sail for Yokohama before the end of next week. However, shall keep you informed.

I am writing to tell you that there will be a three-week delay in delivery. This is due to a fire at our Greenford works which destroyed most of the machinery.

1) Try to express your own viewpoint to the delays in delivery

D&Scharcot S.A.R.L
Place du 20 aout 79 B-4000 Liege
Tel: (32) 49-240886
Telecopie: (32) 49-16592
The Chief Buyer

The following consignment has been sent to you by rail today. Please confirm receipt and quote consignment note No. 8817861918,
Caravela  
Rua das Ameixoeiras 1291  
P-1700 Lisboa  
Your order No. D 163/9

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Goods (Description)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4doz</td>
<td>ERG adaptors 13 amp</td>
</tr>
<tr>
<td>68</td>
<td>Dimmer switches 250 watt</td>
</tr>
<tr>
<td>100</td>
<td>1-metre fluorescent fitting with defuser</td>
</tr>
<tr>
<td>4doz</td>
<td>Jacar 4-metre extension leads 3kW</td>
</tr>
<tr>
<td>6doz</td>
<td>(3,000 watt) 13 amppont fittings</td>
</tr>
</tbody>
</table>

Comments: Paid on Pro Forma inv. BSIII.  
Date: 8 September 19—

3.6 Refusing an order

There are a number of reasons for a firm refusing an order, and some of the most common are given below. Whatever your reason, you must be polite: the words reject and refuse have a negative tone to them, therefore it is better to use decline or turn down instead.

3.6.1 Out of stock

You may be out of stock of the product ordered, or indeed you may no longer make it. Note that, in either case, you have an opportunity to sell an alternative product, but remember not to criticize the product you can no longer supply.

We are sorry to say that we are completely out of stock of this item and it will be at least six weeks before we get our next delivery, but please contact us then.

We no longer manufacture this product as demand over the past few years has declined.

Thank you for your order for heavy-duty industrial overalls. Unfortunately we have run out of the strengthened denim style you asked for. As you have particularly requested only this material, we will not offer a substitute, but hope we will get delivery of a new consignment within the next two months. We hope you will contact us then.

We received your order for ACN dynamos today, but regret that due to a strike at the ACN factory we are unable to fulfil the order, and we realize that other models will not suit your requirements. Hopefully the dispute will be settled soon so that we will be able to supply you. You can rely on us to keep you informed of the developments.

3.6.2 Bad reputation

1) Give your own view to the article

The customer may have a bad reputation for settling their accounts or, in the case of a retailer of, say, electrical or mechanical products, may have offered a poor after-sales service which could in turn affect your reputation. In these cases, it is better to indicate terms on which you would be prepared to accept his order, or, as in the last three examples, find a diplomatic way, of saying ‘no’.

We would only be prepared to supply on a cash basis.

We only supply on payment against pro-forma invoice.

As there is heavy demand we have very few of these products in stock, and are serving on a rota basis. It seems unlikely that we could deliver within the next four months.

As our plant is closing for the summer vacation we would not be able to process your order for the date you have given. Therefore, regretfully we have to decline it.

I am sorry to say that we must turn down your order as we have full order books at present and cannot give a definite date for delivery.

3.6.3 Unfavourable terms

2) Read the article
The supplier may not like the terms the customer has asked for, either for delivery:
Delivery could not possibly be promised within the time given in your letter.
Two months must be allowed for delivery, as we ourselves have to get raw materials and rely on our own suppliers.

**Or discount:**
It would be uneconomical for us to offer our products at the discounts you suggest as we work on a fast turnover and low profit margins.
The usual trade discount is 15% in this country, which is 5% lower than the figure mentioned in your letter.
The discount you asked for is far more than we offer any of four customers.

**Or payment:**
We only accept payment by letter of credit.
We never offer quarterly terms on initial orders, even to customers who can provide references.
However, we might: consider this sort of credit once we have established a trading relationship
Our company relies on quick sales, low-profits, and a fast turnover, and therefore we cannot offer long-term credit facilities.

**3.6.4 Size of order**

**The quantity required might be too large:**
We are a small firm and could not possibly handle an order for 20,000 units.
Our factory does not have facilities to turn out 30,000 units a week.

**The quantity required might be too small:**
We only supply orders for ball pens by the gross, but suggest you try a stationery wholesaler rather than manufacturer.
The shirts we manufacture are sold in one colour and by the dozen. We never sell individual garments.
Our factory only sells material by 30-metre rolls which cannot be cut up.

3) **Read the letter**

**Panton Manufacturing Ltd.**
Panton Works, Hounslow, Middlesex, TW6 2BQ Registered No. England 246135
Tel: 081353 0125
Telex:- 21511
Fax: 081 353 6783
Mr H.Majid
Majid Enterprises,
Grant Road,
Bombay,
INDIA

8th October 19—

Dear Mr Majid,
I am writing to you concerning your order, No. CU 1154/d which you placed four weeks ago. At that time we had expected to be able to complete the order well within the delivery date we gave you which was 18 June, but since then we have heard that our main supplier of chrome has gone bankrupt.
This means that we have to find another supplier who could fulfil all the outstanding contracts we have to complete. As you will appreciate this will take some time, but we are confident that we should be able to arrange to get our materials and deliver consignments to our customers by the middle of next month.
The units themselves have been assembled and simply now need completing.
We regret this unfortunate situation over which we had no control and apologize for the inconvenience. If you wish to cancel the order it would be quite understandable, but we stress that we will be able to complete delivery by next month and would appreciate it if you could bear with us till then.
Please let us know your decision as soon as possible. Thank you for your consideration.
Yours sincerely,
D. Panton
Managing Director

4) **Summarize the letter**

### 3.7 Specimen letters

#### 3.7.1 Delay in delivery

**Give extensive answers:**
1) Why haven’t Panton completed the order? 2) How do they intend to overcome the problem? 3) When do they now expect the order to be completed? 4) Can Majid Enterprises cancel the order if they want to? 5) What is the ‘decision’ referred to in the last paragraph? 6) Which words in the letter correspond to the following: with reference to: finish, complete, certain; put together, trouble; tolerate the situation?

#### 3.7.2 Refusing an order

**SP WHOLESALERS PLC**

Old Meadow Road, King’s Lynn, -Norfolk PE3O 45W
Telephone: King’s Lynn 60841  Gable: SP0LE  Telex: 3451214

Mr E. van Gellen  
131 Place Roget  
B-1210 Brussels  
7 May 19—

Dear Mr van Gellen,

Thank you for your order, No. HU14449, which we received today. Unfortunately, we do not feel that we can offer the trade discounts which you have asked for, viz. 35 per cent as we only allow a 28 per cent trade discount to all our customers regardless of the quantity they buy.

Our prices are extremely competitive and it would not be worthwhile supplying on the allowance you have asked for. Therefore, in this instance, I regret that we have to turn down your order:

Yours sincerely,
D. York

5) **Think and answer**
1) Why is the order being refused? 2) How does Mr York generalize his refusal? 3) What is the implication of ‘in this. instance’ in the last sentence?

### 3.8 Points to remember

1. Even if you use an official order term when placing an order, send a covering letter confirming terms of payment, discounts, delivery, and packing.
2. Orders should be acknowledged as soon as received.
3. When sending an advice, explain how the goods are being sent and let your customer know how to identify the consignment.
4. If there are problems with delivery, tell your customer immediately what you intend to do to correct them. Apologize for the inconvenience.
5. If turning an order down, be polite, and generalize the terms you use so that the customer does not think his refusal only applies to him.
3.9 Read the text and try to express your own idea to four main types of retail outlet.

RETAIL OUTLETS

There are four main types of retail outlet:
1. the small shop; 2. the supermarket; 3. the multiple (or the chain store); 4. the department store.
There are also at least six other ways in which goods are passed on to the consumer:
5. direct selling; 6. variety chains; 7. voluntary chains; 8. discount stores; 9. mail order;
10. market stalls.

THE SMALL SHOP

Advantages
1. personal service; 2. convenience; 3. hours; 4. weekly credit; 5. special orders catered for.

Disadvantages
1. expensive goods; 2. the service is often slow; 3. poor variety of goods; 4. poor display.

The personal service offered by the small shop is its greatest advantage. The shopkeeper often knows most of his customers personally and will often offer advice on personal problems. The shopkeeper is the centre of local gossip and in this sense acts as a contact in the local community. Shopping is quite a social occasion in the small shop.

There are many tens of thousands of small shops in Great Britain and many people have a small shop within walking distance of their home. This makes them very convenient to the shopper. However, the number of small shops in Great Britain has declined in the last twenty years.

The householder can use the small shop when he or she runs short of small items of grocery, etc. The small shop will often be open early in the morning and late at night. The shopkeeper will also allow some of the best customers to have credit and pay their bill at the end of the week. Special likes and dislikes of the customers are catered for by the small shop and they will often carry a wide variety of stock to cover individual needs of many customers. The shopkeeper will spend a lot of time and trouble to make sure that regular customers get exactly what they want.

Because the small shopkeeper buys his goods in small quantities, he does not have the price advantages offered by bulk purchase. The small shopkeeper may buy, say, 10 or 20 tins of food and has to pay a much higher price per tin to the wholesaler than the owner of a larger shop, who would buy the tins of food by the hundred or even by the thousand. For a big order like this the price per tin would, of course, be much less. The supermarket can therefore offer its goods at a much lower price than the small shop because it buys in bulk.

Because the small shop gives good personal service, customers may have to wait whilst the shopkeeper is serving an earlier customer, and this can sometimes be a disadvantage.

Because the small shop is small, it cannot carry a large stock and it may be difficult to see the stock because of poor display.

3.10 Sum up what the text says about the advantages and disadvantages of the small shop

THE SUPERMARKET

Advantages
1. cheap goods; 2. quick self service; 3. late night shopping on certain nights; 4. special offers; 5. good variety of stock.

Disadvantages
1. no personal service; 2. inconvenient location; 3. fixed hours of opening; 4. no special orders taken.

Because they usually purchase in bulk the supermarket is able to offer basic grocery items such as tea, sugar, butter, beans, etc. at a lower price than the small shop.

The supermarket will use loss leaders to persuade shoppers to enter the shop. Once they are inside it is hoped that impulse buying by the customers will take place, making them purchase more than they
had intended. Loss leaders are goods offered at an especially low price, and these goods are usually placed at the rear of the store so that the customers will have to pass by all the other goods before reaching the loss leaders. As they pass these goods they will be tempted to buy on impulse. These goods at the front of the store are those on which the supermarket is making a good profit.

During the weekdays, when customers are comparatively few, the store will play slow music to encourage the shopper to linger and buy more. At the weekend, when the store is busy, quick music will be played to encourage the shoppers to move quickly so that more customers can pass through and the store can take more money.

The goods which the supermarket wants to sell quickly will be placed at eye level where they can be seen most easily by the shopper. The supermarkets also place highly priced attractive items near to the loss leaders, in an effort to encourage sales of these items. For example, expensive biscuits may be placed near cheap tea, or coffee and tins of fruit may be placed near expensive tins of cream.

Special incentives such as trading stamps may be offered to encourage shoppers to shop during the week instead of the weekend. Most supermarkets have an excellent display of goods and if the payment tills are efficiently run, a customer can obtain his or her goods quickly and pleasantly. During the last 20 years the number of small shops has decreased and the number of supermarkets has grown considerably.

THE MULTIPLE STORE

The owner of a successful small shop will often take in an additional partner and open another shop. The new shop is very often similar to the first one. He may also decide that if this venture is successful, he will open many more shops all similar to the First. This is how multiples develop. Initially they will all be in the same area but later they may expand on a national scale. Examples of successful multiples are Boots the Chemists C&A Modes, Marks and Spencer, Radio Rentals, etc. They normally specialize in one particular range of goods. For instance C&A Modes sell clothing and Radio Rentals rent and sell radios and televisions. Some of these multiples are changing into variety chains, which we will discuss later.

Multiples are often referred to as chain stores. Multiples are very often single storey buildings and they seldom offer services to their customers such as toilets, etc.

All the branches of the multiple usually look exactly alike and they are all supplied from a common warehouse run by the chain. Some multiples even manufacture many of the goods that they sell in the chain. Boots the Chemists and Radio Rentals are examples of this. The sales assistants throughout the chain wear similar uniforms. The counter layouts, window dressing and shop designs are often identical in all the branches. Even the shop name can often be recognized at a distance as belonging to a particular chain. Boots the Chemists for example, have their name above the outside of the shop painted in white letters on a blue background. This is so that it can be seen at a distance by shoppers walking along the street.

THE DEPARTMENT STORE

As the name suggests, these stores contain many departments under the same roof. They are usually multistory and every available square metre of space in the store is used. Each department is autonomous (self controlling) and the department head is called the ‘buyer’. He or she is completely responsible for all aspects of the department’s activities. He or she buys the stock, prices the goods, organizes the department and is responsible for staff discipline and efficiency.

Most department stores are situated in the major cities because they must attract large numbers of customers to maintain the turnover of stock which they require in order to make sufficient profits to cover their high expenses, and have enough left to give their shareholders.

The most significant feature of department stores is the number of services which they offer to their customers. They often provide restaurants, hairdressers, travel agencies, banking facilities, lifts, moving staircases, toilets, child minding rooms, shoe repair services, snack bars, tobacco kiosks, tele-
phones and many other services. These services attract the customers into the store and it is the proud boast of some of the larger stores that customers can come into their store early in the morning and stay until late at night and have all of their needs catered for.

**VARIETY CHAINS**

There has been a tendency in recent years for multiple chains to widen their range of goods so that it is sometimes difficult to decide whether the shop is a multiple or a department store. In this case we usually call it a variety chain.

**VOLUNTARY CHAINS**

Organizations like Mace and Spar in Great Britain have taken over chains of small shops either by buying them, or stocking them with suppliers from their central warehouse. Their normal pattern of enlarging their influence is to investigate a shop which is in a good trading position but does not seem to be doing good trade. They then approach the owners and if they are willing, the parent company will take the shop under its umbrella and refit the shop free of charge to the existing owners and stock the shop only with the parent company’s goods. They will also offer the owner credit terms to pay for the goods on a monthly basis. Sometimes they may agree with the owner to take a share of increased profits, and, of course, they also make a profit on the goods which they sell to the shops on a normal wholesaler mark-up basis.

**DISCOUNT STORES**

These are shops, usually very large in size, which sell goods direct to the public at a price that is usually somewhere between the wholesale price and the retail price. Many suppliers of electronic and household consumer equipment in Great Britain are discount stores.

**MAIL ORDER**

This is sometimes called ‘fireside shopping’ because the customer can look in his or her home at a catalogue which shows what goods the mail order firm has for sale. Mail order firms often work through agents who get paid a commission on their sales. The agent takes the order from the customer and places it with the mail order company. The repayments are usually made by the customer over a period of ten or twenty weeks.

**MARKET STALLS**

These are a very popular retail outlet in Great Britain. The markets are usually found in the centers of market towns or villages and on the outskirts of big cities. Traders display their goods on wooden tables and the customers come to the market and buy the goods.

**DIRECT SELLING**

This is mostly done by advertising in the newspapers or on the television. The customer makes his offer to buy and sends the money by post. The seller then sends the goods by post or delivery service.

**TRENDS IN RETAILING**

Trends in retailing seem to be towards frozen foods, prepacked foods and other goods and also towards shopping precincts where many shops are located in the same pedestrian only area. Nevertheless the small shop is still popular, for consumers still value its personal service, which is a very important selling point for any retailer.

3.11 Sum up what the text says about:

- the supermarket;
- the multiple store.
1. Answer the following questions in written form using complete sentences
   1) Describe in detail any small shop you know personally.
   2) What do you like and what don’t you like about supermarkets?
   3) Explain what you like about going around a department store.
   4) What do you like most about small shops?
   5) Why are supermarkets so popular?
   6) Why are some goods very cheap in supermarkets?
   7) What are loss leaders’?
   8) How would you recognize a multiple store?
   9) What personal services do the department stores you know offer to their customers?
  10) What are the trends for the future in retail selling?

2. Use new vocabulary.
   1) The main advantage of the small shop is per_ _ _ _ _ serv_ _ _ _ _.
   2) The main disadvantage of the small shop is that the goods are often ex_ _ _ _ _.
   3) The small shop sometimes gives the customer weekly c_ _ _ _ _.
   4) The multiple store is normally the development of a successful s_ _ _ _ _
   5) Examples of multiples are B_ _ _ _ _ the Chemist and R_ _ _ _ R_ _ _ _ _ _.
   6) Each department in a department store is controlled by a person called a b_ _ _ _ _.
   7) If goods are sold cheaply to attract customers into a supermarket they are called I_ _ _ I_ _ _ _ _.
   8) Department stores are normally situated in the centre of a l_ _ _ t _ _ _ or city.
   9) The main disadvantage of the supermarket is that there is no per_ _ _ _ _ ser_ _ _ _ _.

3. Multiple choice question
   4. Write the following questions in your notebook and underline the answer which you think is the correct one.
   1) A form of retailing frequently described as a collection of shops under one roof is called a:
      a) mail order house; c) multiple store; d) supermarket; e) direct selling.
   2) A form of retailing often referred to as ‘fireside shopping’ is a:
      a) department store; b) market stall; c) voluntary chain; d) variety chain; e) mail order house.
   3) A loss leader is:
      a) the best product in the shop; b) an article in the Financial Times, c) a claim through an insurance company; d) an article sold cheaply to attract customers; e) a free gift with a purchase.
   4) A mail order business usually differs from other forms of retailing because:
      a) a charge is made for delivery; b) no agents are used; goods must be paid for in cash;
      c) the buyer and seller never meet; d) the goods are displayed in a showroom.
   5) Agents working for a mail order company are usually paid their commission:
      a) as soon as they make a sale; b) before the customer pays for the goods;
      c) in arrears by cheque; d) by standing order; e) by the customers.
   6) Supermarkets are more likely to be able to offer their goods at a competitive price to their customers because:
      a) they give quick service; b) they are located in convenient places; c) they offer a personal service; d) they buy many of their goods in bulk; e) they have attractive displays.
   7) Which one of the following types of retail outlets offers many personal services for the use of its customers?
      a) the supermarket; b) the variety chain; c) the department store; d) the mail order company; e) the voluntary chain.
8) If it is difficult to decide whether a retail shop is a multiple or a department store it will probably be a:
   a) supermarket; b) voluntary chain; c) a small shop; d) a variety chain store; e) a direct selling unit.

9) The person who controls a department in a department store is usually called the:
   a) supervisor; b) agent; c) accountant; d) buyer; e) personnel manager.

10) With which of the following kinds of retailing would the customer usually see the product advertised in a newspaper and send his payment by post?
    a) the supermarket; b) the multiple; c) the market stall; d) the voluntary chain; e) direct selling.

5. Think and answer the project questions
   Compare the prices of the following list of groceries in:
   1) a small shop; 2) a supermarket; 3) a Co-operative store.
   (If there is no nearby Cooperative store just compare 1 and 2.)
   2 lb sugar
   I lb Typhoo tea
   I lb English butter
   I large washing powder (same brand in each shop)
   I large tin Heinz baked beans
   I dozen large eggs
   I lb boiled ham
   I lb lard (same brand in each shop)
   I large tin of Carnation milk
   I packet of biscuits (same size and brand)
   I large jar of coffee (same size and brand)
   Make out the lists, add up the prices, and then find out how much the difference is. Write a short essay about your project.

6. Answer the following essay questions
   1) Write an essay about the best shop you know in your area and say what you like about it, and how you would improve it if you were the manager.
   2) Write a good length paragraph about your experience of any one of the following:
1) mail order; 2) market stall selling; 3) a small shop; 4) a department store.
3) Percentage increase in retail sales (value) between 1981 and 1991 by type of outlet.

7. Give your viewpoints.
1) How do you account for the changes in retailing trends shown in the above diagram?
2) What trends do you see occurring in retailing outlets during the next ten years?

8. Exercise on prepositions:

Insert the necessary prepositions

**Time of delivery.**
The goods sold .... this contract shall be delivered .... 5 months .... the signing .... the contract.
The date .... the Bill .... Lading (or Railway Bill) shall be considered as the date .... delivery.

**Delivery and acceptance of goods.**
The goods are considered to be delivered .... the Seller and accepted the Buyer:
a) .... respect .... quantity – according .... the number .... cases and the weight as shown .... the Bill .... Lading (or .... the Railway Bill);
b) .... respect .... quality – according to the Manufactures certificate issued .... the manufacturing works or .... the Seller.

9. Translate into English:

<table>
<thead>
<tr>
<th>English</th>
<th>Russian</th>
</tr>
</thead>
<tbody>
<tr>
<td>delay (n)</td>
<td>Задержка в поставке уже длится 6 недель. Мы должны обратить Ваше внимание на параграф 10 нашего договора, согласно которому мы имеем право отказаться от товара, если задержка в поставке будет длиться свыше 10 недель.</td>
</tr>
<tr>
<td>shipment (n)</td>
<td>Наши экспедиторы сообщили нам, что они еще не получили от вас уведомления о готовности товаров к отгрузке. Машина будет считаться (consider) сданной вами лишь после того, как она осмотрена, испытана и допущена к отгрузке.</td>
</tr>
<tr>
<td>delivery (n) to deliver</td>
<td>Мы вычли из суммы вашей фактуры 300 фунтов стерлингов в качестве согласованных и заранее оцененных убытков за задержку в поставке оборудования по заказу №1225. Товар по настоящему контракту должен быть поставлен Продавцом и принят Покупателем.</td>
</tr>
<tr>
<td>payment (n)</td>
<td>Платеж будет произведен нами наличными в течение 45 дней с даты отправки погрузочных документов в Москву.</td>
</tr>
</tbody>
</table>

10. Tasks

the price of a truck is $32,000
the price includes f.o.b. St. Petersburg. Shipment can be made within three weeks after the signing of the contract and goods can be delivered within three after shipment.

Please write such clauses as Price and Time of delivery. Don’t forget about your acceptance of the goods. In respect of what will you accept them? Reflect it in your contract.
Учебное издание

Составители: Диана Владимировна Новик
                Анатолий Фомич Трифонюк

Рецензенты: Я.В. Подрядчикова, доцент, к. психол. н.
                Брестский государственный университет им. А.С.Пушкина

BUSINESS CORRESPONDENCE

Методические указания для студентов старших курсов
экономических специальностей
(на английском языке)

Part 1

Ответственный за выпуск: А.Ф. Трифонюк
Редактор: Строкач Т.В.