

**MINISTRY OF HIGHER AND SECONDARY EDUCATION OF THE
REPUBLIC OF UZBEKISTAN
TASHKENT STATE ECONOMIC UNIVERSITY**



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PRACTICAL ENGLISH FOR ECONOMIC SPECIALTIES

Manual for higher level special purpose students

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Ушбу қўлланма ОТМ бакалавриат йўналишлари ўқув дастурининг бўлими бўлган бизнес-инглиз тили йўналишига ўқув қўлланмаси сифатида мўлжалланган. Ўқув қўлланма курсларда инглиз тилини ўрганувчилар ва иқтисодиёт йўналишида таълим олувчи талабалар учун мўлжалланган. Ўқув қўлланма қуйидагилар билан ажралиб туради:

* амалий ҳаётдаги мулоқот учун самарали фойдаланувчи прогрессив грамматик

* Умумевропа талабалари (CEFR), бўйича мулоқат кўникмалари бўлган – ўқиш, ёзиш ва оғзаки нутқ талабаларига жавоб беради.

Ушбу қўлланма бизнес-инглиз тилида эркин мулоқот олиб бориш, ишчи вазиятларда ўз фикр-мулоҳазаларини билдира олиш кўникмаларини ривожлантириш, мижозлар билан профессионал тилда иш юритиш, халқаро даражада ўз ташкилотини самарали презентация қила олиш, тушуна олиш кўникмаларини ривожлантиришда ёрдам беради.

Ҳар бир дарс сўнгида ўрганувчи билимини текшириш учун бир қатор вазифа ва топшириқлар мавжуд.

***Manual for higher level special purpose students of all directions
230000 – Economy and business specialisation***

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FOREWORD

Composed by the group of authors manual titled “English for Economic Specialties” consists of 17 lessons. Each lesson contains special economic texts concerning branches and conceptions, specialty oriented vocabulary, structural and language developing exercises. Texts cover such aspects of economics as world economy and foreign economic relations, international finance and accounting and macroeconomics.

The authors seek the objectives of extending vocabulary around the special topic, developing of listening and comprehension skills through discussion, brainstorming, gap filling, completing tasks, encourage students to express their opinion in a target language and assess students themselves in reading task as well as practice their writing.

The book is useful for teachers to establish some new technologies in teaching ESP and ensure students responsibility for having interest, learning strategies and subject-content knowledge.

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Lesson I

Main types of business units

A. Read the text carefully, concentrating on its contents and terminology:

Firms are units of business organization carrying on some productive activity resulting in the production of goods or the supply of services to meet consumer demand. These types of business units tend to grow from small-scale businesses, often run by sole traders or partnerships, to large-scale enterprises of national and even international importance. The size of the business depends upon the amount of capital invested. As the accumulation of capital is a difficult process, the scale of business operations must be small at first. When the profits earned are reinvested in the enterprise it grows, and the growth accelerates as time goes by. Finally, the success of the enterprise makes investment in the firm attractive to the general public as well.

A one man business or a sole trader enjoys advantages of complete freedom from any interference from the outside. Personal supervision ensures the effective operations of the firm and profits needn't be shared with anyone. But as the liability of a sole trader is unlimited all his possessions may be lost in the case of failure. Even in times of success his activity cannot diversify and develop due to small number of his employees and limited financial resources. That is why most popular form of a business unit in capitalist countries is a partnership.

Partnerships differ according to the way they operate and their financial liability. Consequently they may be unlimited partnerships, limited partnerships, companies and limited liability companies.

Unlimited partnerships are run by two or more partners personally, who share joint financial liability. In a limited partnership however at least one partner (but there may be more of them) does not participate personally in the firm's business operations thus being liable only to the amount of capital invested. Both unlimited and limited partnerships are subject to different problems in the course

of their operations and that is usually cannot stand the competition of joint stock companies and limited liability companies.

The capital of a joint stock company consists of shares and the shareholders are liable only to the amount of capital invested. Shares have a nominal value but their real value is determined the money market. It depends first of all on the amount of dividend.

Partners in a joint stock company, as opposed to unlimited or limited partnerships may come and go as shares are transferable. A shareholder has the right to decide about the activities of the firm. As one share means one vote, the more shares a partner possesses, the greater is his influence on the business. The main organs of a joint stock company are: General Meeting of the Shareholders, the Board and the Supervisory Board.

The capital of a limited liability company is brought by its members, and its minimal value as well as that of an individual share is legally determined. Partners are liable to the amount of capital invested. Shares cannot be transferred to another person unless the rest of the partners agree. Every member can have more than one share. The main organs of a limited liability company are the General Meeting of Partners, the Supervisory Board, the Board of Directors and the Auditing Committee also called the Board of Control.

B. The following words and phrases will help you to understand the text:

To carry an activity - проводить деятельность - фаолият жүргизмок

To run a firm/business - руководить фирмой - фирмани бошкармок

Sole trader - частный торговец (единоличник) - якка сотувчи

Enterprise – предприятие - корхона

Supervision - надзор, контроль – назорат

To share profits - делить прибыль - фойдани булмок

Financial resources - финансовые источники - молиявий манбалар

Unlimited partnership - партнерство с неограниченной
ответственностью

- маъсулияти чекламанган хамкорлик

Limited partnership - партнерство с ограниченной ответственностью

- маъсулияти чекланган хамкорлик

Joint stock company - акционерное общество - акциядорлик жамияти

Limited liability company - общество с ограниченной ответственностью

- масъулияти чекланган жамият

To be liable - быть ответственным - жавобгар бўлмоқ

Share - акция, доля - улуш, акция

Shareholder - акционер - акциядор

Board of Directors - совет директоров - директорлар кенгаши

C. Comprehension exercises.

1. Answer the following questions:

1. What are the aims of any business activity?
2. What does the size of a business unit depend on and how can it be expended?
3. List the advantages and disadvantages of one-man business.
4. Why do sole traders enter into partnerships?
5. List the different types of partnerships. How do they differ?
6. What is the main difference between unlimited partnership and a limited partnership?
7. How is the capital of a joint stock company raised?
8. In what way is the transfer of ownership different in:
 - a) an unlimited or limited partnership?
 - b) a limited liability company?
 - c) a joint stock company?
9. Who is responsible for the running of:
 - a) an unlimited or limited per partnership?
 - b) a joint stock company?
 - c) a limited liability company?

2. Give synonyms and antonyms for the following

The term	Its synonym	Its antonym
1. one-man business 2. company 3. businessman 4. share 5. control a) of business operations b) of business accounts 6. profit 7. business operations 8. liability 9. nominal value 10. dividend		

3. Using the information in the text, mark the following sentences as true or false by putting T or F at the end; correct the false sentences:

1. The size of the business depends upon the agreement concluded among the partners.
2. A sole trade is accountable only to himself and need not reveal the state of his business to any one.
3. The partners have unlimited liability for the debts of the business.
4. A limited partnership [protect all partners against any liability for debts
5. The real value of shares differs from their nominal value.
6. Shares of a limited liability company are transferable without any restrictions.
7. Every shareholder has the right to control the management of a limited liability company.
8. The number of shares one partner in a joint stock company may possess

is strictly limited.

4. Complete the following sentences using the terminology of the text:

1. A firm is unit producing ... or supplying to meet.....
2. A single individual running a business is called a
3. More advanced form of a one-man business is a
4. A big firm may be also called aor an.....
5. The amount ofdecides about the size of a firm.
6. If profits are invested again, we say that they are
7. Responsibility in terms of money owned is called
8. Money that can be used for investments or other expenditures in affirm
is
its.....
9. A partnership in which all partners share joint financial liability is an
10. In a limited partnership, at least on partner.....
11. The capital of a.....consists of shares.
12.are liable only to the amount of capital invested.
13. The real value of shares is determined in the
14. Partners in a joint stock company may change because shares are
15. The board of Control may be also called the.....

5. Definitions. Here are ten business terms, but their definitions are in a different order. Match the suitable pairs.

- | | |
|-------------------------|--|
| 1. Shareholder | a) a business unit (firm |
| 2. Partnership | b) to keep up with competitors |
| 3. Business operations | c) two or more people running a business |
| 4. To stand competition | d) satisfy the wants of somebody |
| 5. To meet demands | e) any activities involved in business |
| 6. Audit | f) directors of a firm |
| 7. The Board | g) stock exchange |

- | | |
|-----------------|------------------------------------|
| 8. Money market | <i>h) financial responsibility</i> |
| 9. Liability | <i>i) financial control</i> |
| 10. Enterprise | <i>j) owner of shares</i> |

6. Fill in the table on the basis of the information given in the text and your own knowledge of business organizations

Aspect	Sole Trader	Limited Partnership	Limited Company	Joint Stock Company
1. Name of the firm chosen by				
2. Business is formed by				
3. Capital is raised by				
4. Business is controlled by				
5. Persons liable for debts				
6. Ownership may be transferred by				
7. Advantages				
8. Disadvantages				

7. Open dialogue. Talking business. You are an experienced businessman and you meet your old school friend Anne, who wants to set up a business of her own. Talk to her and tell about all the pros and cons of a sole trader. Fill in the gaps:

You: Hello Anne! How are you?

Anne: Fine thanks, how are you?

Y: Fine, it's good to see you.

A: You, too. Can you spare *me* a minute? *I'd* like some advice.

Y: Well, I'd be happy to help in any way I can.

A: You know that I've been designing clothes for some time and I've always been interested in fashion. Now, I want to start my own business— a boutique.

Y: It sounds great.

A: Well, I need to learn something about setting up a business of my own.

Y: Are you going into this business by yourself?

A: Yes, I want to make the..... and control the

Y: Well, you look determined. I'll try to help you. If you go into business alone, it's called..... Ill this *case*, you can start or stop.....

A: That's good. What else should I know about.....?

Y: You don't have to..... You decide on your.....

A: It sounds good.

Y: Wait a minute. I have to tell you about some of the risks involved, too.

A: What risks?

Y: The most important risk is that you have..... This means you are.....

A: Does that mean that I have to declare..... if.....

Y: Yes, exactly. You are personally liable to the full extent of your private wealth for the debts of the business.

A: It sounds frightening. I shall have to think it over. What else do I need to know?

Y: Well, before we get into accounting and auditing, why don't we have a cup of coffee?

Lesson II

The importance of export

A. Read the text carefully, concentrating on its contents and terminology:

Exporters are not a special breed. They include thousands of companies, large and small, who sell overseas as well as in the home market. Some enter the export field enthusiastic FOR overseas business, others are reluctantly drawn into selling abroad in order to increase turnover. Some look to export markets for much or their turnover, while others take only the occasional export order.

Whatever reason first brings companies into exporting, most continue as they become aware of the additional opportunities for expanding their sales, and consequently the profitability of their business, by selling to customers overseas.

Companies operating in home markets encounter many common problems in selling their products or services - minimizing costs, achieving the required quality, meeting delivery dates, collecting payment, and financing the whole operation. When companies start to export they face similar problems, but with differences that are peculiar to the task of selling abroad.

The laws, languages and customs of most overseas markets are likely to be unfamiliar, at the outset, as are particular commercial and technical specifications required by overseas buyers. The shipment period is often much longer than in domestic contracts and exporters do not have the same degree of control over the goods they sell, once they are shipped to their overseas destination. Yet exporters have to ensure prompt and secure payment from overseas buyers who could be thousands of miles away.

Payments have to be made in a currency foreign either to exporters or to their buyers or both. Fluctuations in exchange rates are an added hazard, creating uncertainty about the value exporters finally receive. And overseas governments may apply controls which restrict buyers' access to any foreign exchange needed to pay exporters.

Special documentation for the movement of goods and the remittance of funds is necessary in exporting - and these documents vary from country to country.

Consequently there are significant differences between selling overseas and selling to the home market. So while exporters may not be a special breed, they do need to acquire particular skills if they are to overcome the peculiar problems and greater risk involved.

B. The following words and phrases will help you to understand the text:

Breed – категория – категория

Overseas - за рубежом – хорижда

Home market - внутренний рынок - ички бозор

Turnover – товарооборот - товар айланмаси

To meet a delivery date - доставка вовремя - вақтида етказиш

To collect payment - сбор платежей - туловлар йигими

Occasional export order - случайные экспортные заказы - тасодифий
экспорт буюртмаси

Shipment period - период погрузки - ортиш даври

To ship - погрузить - ортмок

Destination - место назначения - етказиш манзили

Prompt and secure - в целости и сохранности - бус-бутунлигича

Fluctuations in exchange rates - изменение курса валюты - валюта
курсининг узгариши

Movement of goods - продвижение товара - товар хоракати

Remittance of funds - перевод фондов - фондларни утказиш

C. Comprehension exercises.

1. Answer the following questions:

1. How do businessmen's and women's attitudes differ towards export trade?
2. Why do most companies continue to export once they have tried?
3. What common problems do companies operating on home markets face?
4. What new problems do business firms encounter when they enter export markets?
5. What creates additional risk in export trade?
6. Why is it especially difficult to export to many countries?
7. What do business people need to acquire in order to become efficient exporters?

2. Give the proper economic terms for the expressions in column A:

A	B
<ol style="list-style-type: none"> 1. Opposite of "foreign market" 2. Business with remote foreign countries 3. Buying, selling and replacing goods in a given time 4. To reduce costs 5. Quality wanted 6. To deliver goods in due time 7. To ask and receive payments for goods sold 8. To send goods to the buyer 9. Quick and safe payment 10. Foreign money 11. Change in the value of foreign money 12. Sending money to someone at a distance 	

2. Chose the right answer:

1. "Exporters are not a special breed" means:
 - a) a special nation,

- b) unusual businessmen,
 - c) a different kind of trader.
2. "... others are reluctantly drawn into selling abroad" means:
- a) are slow in entering export markets,
 - b) become involved in export trade against their wish,
 - c) are easily attracted by overseas markets.
3. "As they become aware of additional opportunities" means:
- a) start to consider all pros and cons,
 - b) begin to appreciate extra opportunities,
 - c) are cautious about additional risks.
4. "Encounter many common problems" denotes:
- a) face a lot of similar difficulties.
 - b) meet a number of obstacles,
 - c) meet foreign businessmen and women.
5. ".....are likely to be unfamiliar" means:
- a) will be unknown,
 - b) will most probably be different,
 - c) will be like those at home.
6. "At the outset" means:
- a) at the very beginning,
 - b) at the port of departure,
 - c) at the port of destination.
7. "...are an added hazard...." means
- a) an additional difficulty,
 - b) an extra profit,
 - c) an additional risk.
8. "... which restrict buyers' access to...." means:
- a) make it difficult for buyers to purchase,
 - b) facilitate settling payments,

- c) limit the amount of foreign exchange available for payments.

3. Summing up. Complete the table given below:

Problems encountered by companies operating in home markets:	Problems unique to foreign trade:
1	1
2	2
3	3
4	4
5	5
6	6
7	7

4. Translate into English

U

1. Хозирги вақтда Республикамизда экспортлар учун қулай шароитлар яратилган.
2. Экспорт қилувчи компанияларга енгилликлар бериш - ишлаб чиқариш ва савдо айланмасини оширади.
3. Хар бир экспортер компания ташқи бозорда хар хил муаммолар билан тўқнашади.
4. Чет элда махсулот сотувчи компаниялар барча қонуний ва божхона қоидаларини билиши керак.
5. Экспортер туловларни йиғиши, экспорт харажатларини тўлаши ва керакли хужжатларни диққат билан ўрганиб чиқиши лозим.
6. Импортер ўз навбатида юкларни тушириш бўйича хужжатларни ўрганиб чиқиши, махсулотларни суғурталаши ва норматив хужжатлар билан махсулотни тақослаб қўриши лозим.
7. Йўқотиш хавфи экспортер учун ҳам импортер учун ҳам мавжуд.
8. Махсулот ва хизматларни ички ва ташқи бозорда сотилиши ўзаро фарқланади.

9. Валюта курсларининг ўзгариши, қонунчилик тизимининг ўзгариши хавф ҳисобланади ва ҳар хил қийинчиликларни келтириб чиқариши мумкин, шунинг учун буларнинг барчаси шартнома тузишда ҳисобга олиниши керак.

R

1. В настоящее время в нашей республике созданы благоприятные условия для экспортеров.

2. Создание льгот для компаний, занимающихся экспортом увеличивает объем производства и торговый оборот.

3. Каждая компания-экспортер сталкивается с различными проблемами при экспорте товаров и услуг на внешнем рынке.

4. Компании, которые реализуют свои товары за рубеж обязаны знать все правовые и таможенные правила.

5. Экспортер должен собирать платежи, финансировать расходы по экспорту и тщательно изучать необходимые документы.

6. Импортер, в свою очередь, должен изучать документы по отгрузке, страховку товаров по инкотерму и сопоставлять их с нормативами.

7. Риски потерь возможны как для экспортера, так и для импортера товаров и услуг.

8. Продажа товаров и услуг на внутреннем и внешним рынках различаются между собой.

9. Изменение валютных курсов, правовой системы государств является риском и может вызвать ряд трудностей для общих сторон, поэтому все это должно быть учтено при составлении контракта.

Lesson III

The structure of an export office

A. Read the text carefully, concentrating on its contents and terminology:

There are three basic functions of industrial company: production, sales and finance. To these may be added numerous additional functions such as administration, research and development, statistics and records, promotion, personnel training and purchasing. As soon as a company enters the export business, some form of export office will be required. The size of the company, its products and scale of export operations will influence the form of export organization. With a small company an export manager with a secretary and a clerk would be all that is needed initially. But as the export business grows, a properly structured export organization with qualified specialist staff designed to exploit the export trade potential must be set up. Otherwise the export operation will become unwieldy and disorganized; standards will tend to be low, the overseas company reputation poor and the overall financial results far from satisfactory. Exporting is a too highly professional activity to be handled by inexperienced unqualified personnel in the export field.

In a vertically organized export office every export transaction is handled at some stage by a specialist. Personnel are selected on the basis of expertise that is order processing, packing, transportation, insurance, etc., so efficiency in all the stages is high. However, the overall knowledge of export technique becomes limited to a specified area of activity and the personnel tend to become disinterested in the total operation.

A horizontally organized export office may be arranged on a product basis or a geographical one, depending on the nature of the business and its involvement in export. This is most suitable for medium to large companies handling a good deal of export business and produces total involvement and expertise in a group of markets. The personnel handle several aspects of the subgroup activity thus avoiding boredom and identify itself with the progress of the market. However, this type of system can produce unnecessary rivalry and

overlap. In a large export oriented company the work is divided between an export marketing manager, an export sales manager and an export shipping manager.

The export marketing manager exercises overall executive control and co-ordinates the activities of the other two functions. He is directly responsible to an export marketing director, represents the export department at internal sales conferences and deals with the company export policy. The export sales manager is directly involved with promoting actual sales to customers everywhere. His job starts with receiving the enquiry, assessing its feasibility, ensuring the proper price calculation and preparing the quotation. When the order from the customer is received, he checks it against the quotation obtains the production manager's sanction and acknowledges the order informing the local agent of the order. His next task is to arrange for the preparation and issue of the works order. At the same time he informs records and statistics department of the details of the order, confirms the date of dispatch to the customer, the agent or distributor notifying them of any unavoidable changes. Finally, he hands over the order to the shipping or dispatch department to arrange the delivery procedure. Overall, one can sum up by saying the export sales office's task is to deal with enquiries and orders up to the moment of dispatch.

The export shipping manager is informed of any orders booked usually by a copy order and then he receives a definite notice from works or manufacturer when the order is nearing completion. His duty is to check that the order complies with import/export controls and to decide on the method of transport if not already settled. Next, he issues instructions for packing and marking, charters or books shipping (or rail, air, etc.) space to works or manufacturer, transport office and freight forwarders. Finally, he draws up all the necessary documents and passes them on to the accounts department for collection of payment. Overall, the export shipping office function begins when the works order is issued and takes over fully when the goods ordered are ready for despatch.

B. The following words and phrases will help you to understand the text:

Records - регистрация - ёзув кайд этиш

Personnel training - обучение кадров - кадрларни тайёрлаш

Purchase - покупка, приобретение - харид

Unwieldy - трудно управляемый - кийин бошкариладиган

Order processing – Обработка заказа - Буюртма жараёни

Invoicing - Выписывание фактуры - Ёзиб бериш, фактурлаш

Filing - Сбор информации - Информация туплами

Transaction is handled - Сделка проверена - Савдо битими оширилди

Involvement in export - Вовлечение в экспорт - Экспорт фаолиятига

кириши

Rivalry and overlap – Соперничать частично - Ракобатлашмок, кисман

копламок

Quotation - Прейскурант - Прейскурант

Acknowledge an order - Подтвердить заказ - Буюртмани тасдиклаш

Confirm the date of dispatch - Подтвердить дату отправки - Жунатиш

муддати тасдиклаш

Notify - Уведомлять - Хабар бермок

Feasibility - Осуществляемость - Амалга ошириб буладиган

To charter - Фрахтовать - Фрахтлаш

Shipping space - Место для груза - Юк учун жой

Freight forwarder - Снабжения - Таъминламок

To draw up documents - Выписывать документы - Хужжатларни расмийлаштирмок

C. Comprehension exercises.

1. Answer the following questions:

1. What are basis aims of industrial company?
2. What other functions must the company fulfill to attain its basis goals?
3. What does the form of an export office depend on?
4. What may happen when export operation are handled by inexperienced

unqualified personnel?

5. What is the basis difference between a vertically based export office and a horizontally organized one?

6. What are the advantages of a horizontally organized office? And what are the shortcomings of the export marketing manager.

7. What are the advantages of the export marketing manager?

8. What are the responsibilities of the export marketing manager?

9. What are the duties of the export shipping manager?

10. Enumerate the duties of the export sales manager

2. Complete the following: The basic function of:

The	Production department	is to	produce
	Sales department		goods....
	Finance department	
	Administration department	
	Research and development department	
	Statistics and records department		carry out.....
	Promotion department	
	Export department	
	Export department	
	Import department		handle.....

3. Choose the word or phrase in brackets that would best substitute for the word or phrase underlined in the following sentences:

1.all that is needed initially, (finally at the beginning; soon)

2. to exploit the export trade potential..... (to make full use; to make an unfair use of; to explore)

3. the export; operation will become unwieldy..... (awkward; amateurish; difficult to handle owing to)

4. The overall financial results far from satisfactory..... (successful; insufficient; insignificant)

5. on the basis of expertise.... (experience and knowledge; natural gift; sophistication)

6. involvement in export.... (complexity, participation, interest)

7. this type system can produce unnecessary rivalry and overlap, (continuity; competition; repetition).

4. The duties of the export sales manager and the export shipping manager are complementary but at the same time quite distinct. Study them in detail and fill the table given below:

Duties of export sales manager's	1. 2. 3. 4. checking the order against quotation. 5. 6. 7.
Duties of export shipping manager	8. 9. 10. 11. issuing instruction for packing and marking. 12. 13.

5. The table below presents a list of terms discussed above. Make sure that you really understand their meanings - read once more the comments, if necessary. Then use them in sentences of your own to prove that you can use them correctly. Check these sentences with your teacher:

1. To acknowledge an order.

2. To acknowledge the receipt of....

3. To be up to the standard, the contract, the sample.

4. To comply with
5. To confirm the date of.....
6. To draw up the document.
7. To enter a business, a market, a partnership.
8. To handle a transaction.
9. To execute an order.
10. Inquiry, offer, quotation.
11. Filing, files, records, documentation.
12. Implementation of....
13. Order processing (compare with data processing, food processing, processing industry).
14. Works, ex works.

D. Extention.

1. *Imagine you are responsible for the organization of a branch office of a large export oriented company. In a talk with its general Director suggest its future structure, providing reasons for choosing this and not the other model on the grounds of comparing the advantages of different solutions. Use the technology of the text.*

2. *As you are also responsible for employing the right people for the positions of an export marketing and export shipping manager, discuss the duties of each of them as well as your requirements concerning their professional qualifications and personal characteristics. Use the terminology of the text where necessary.*

E. Pair work.

1. *Imagine you have already settled the problem of structure and employment with the General Director. You are now interviewing candidates for the position above. In a dialogue with your friend, imagine that you are a Personnel Manager and that he is a candidate for one of the three managerial positions.*

2. *Present your requirements against the background of the general structure of the company. The candidate, on the other hand, has already presented an application for such a position. Refer to this document and interview him in detail about his qualifications and personal characteristics. Finally, ask about his opinion on his future work and whether he would introduce any changes to make it more efficient.*

Lesson IV

Basic concepts in marketing

A. Read the text below concentrating on its contents and terminology:

There are many definitions of marketing. Most of them are already familiar to you from your lectures on the organization and techniques of foreign trade. Let's then review some basic marketing concepts, this time from the language point of view.

Generally speaking the basic function of marketing is first to determine the needs of the customers and next to satisfy them, thus bringing profit to the firm.

Marketing research collects and analyzes data to help managers make decisions. These data cover not only the most important characteristics and trends of a given market but also their reasons and effects, the structure of demand and supply, the volume of output and exports of the country in question, etc. Some of these research programmes must be carried out abroad, some may be done at home. All these activities should be coupled with a careful analysis of the product to be sold, as well as of that produced by competing firms.

Export promotion, in turn, is a complex of activities such as external economic and political publicity, advertising, personal selling, fairs and exhibitions and sales promotion. The external economic and political publicity is the most general form of export promotion. Its main purpose is to create the most favorable image of your own country in the eyes of your potential customers abroad.

Advertising, an essential part of marketing, should inform people about the existence of a new product and its characteristics as well as persuade them to buy. However, advertisers often come in for criticism because advertising is not always fair, due to its persuading function. Thus we often buy things which we really do not need or even those which are positively harmful.

On the other hand advertising has its unquestionable merits. Apart from visual enjoyment (posters, colored advertisements in newspapers and other

printed matter, cinema and TV advertising, displays, exhibitions, etc.) it also offers information (although generally exaggerated) about the quality of a new product. If the market is well supplied and competition is tough, advertising appears to be necessary.

Personal selling implies personal contacts between the seller and prospective buyer. It is generally prepared through bilateral correspondence determining the terms of a prospective contract. In other words, personal selling means collecting contracts and it is affected through the visits of the authorised representatives of the offered. Thus you should not confuse it with the work of agents, salesmen, and brokers as the latter have no right to sign contracts but are mere middlemen.

Often some elements of export promotion can be used at the same time to be more effective. Such is the case of fairs and exhibitions forming a combined advertising and personal selling mix.

The main objectives of public relations are to show the reliability of the firm in question, its respectful attitude toward the clients, the high quality of its products, equipment and of the specialists it employs.

Public relations also mean the presentation of firms and other printed matter on the history, development and recent achievements of the firm, as well as special radio and TV programmes.

Although advertising, personal selling, public relations and sales promotion seem to have the same final goal, each of them has a specific function to perform.

Sales promotion covers a variety of activities aimed at encouraging the customer to buy the given product now and in the future. It appears however, at through discount from retail prices, free gift samples, premium coupons, seasonal bargain sales, displays etc. hence advertising and public relations have a more general appeal as they are addressed to a much greater number of prospective buyers. Personal selling, on the other hand, is focused on collecting contracts and orders on a wholesale scale. That is why although all marketing

activities have the same purpose, their specific functions should not be confused.

B. The following words and phrases will help you to understand the text:

Market/ing/ research - Исследования рынка - Бозор тадқиқотлари

Volume of output - Объем выпуска продукции - Ишлаб чиқариш маҳсулотлари ҳажми

Exports - Экспортные продажи - Экспорт сотувлари

Export promotion - Развитие содействие экспорта - экспортни қўллаб қувватлаш

External economic and political publicity - Внешняя экономическая и политическая гласность - Ташқи иқтисодий ва сиёсий ошқоралик

Personal selling - Индивидуальная продажа - Яққа сотув

Middleman - Посредник - Даллол

Reability - Надежность - Ишончилилик

After sales service - Услуги после продажи - Сотувдан сунгги хизмат

Sales promotion - Содействие торговли, развитие - Савдони қўллаш

Bargian sales - Бартерная торговля - Бартер орқали сотиш

C.Comprehension exercises.

1. Answer the following questions:

1. What is the basic function of marketing?
2. What is market research concerned with?
3. What do we mean by export promotion?
4. What are the main functions of advertising?
5. Why do advertisers often come in for criticism?
6. What are the unquestionable merits of advertising?
7. What does personal selling mean?
8. What are the main objectives of public relations?

9. What is the difference between advertising, personal selling, public relations, and sales promotion?

2. Word structure. Form families of the following terms, adding appropriate endings:

Noun I	Noun II	Verb	Adjective
Management	Manager	Manage	managerial
		Buy	marketable
		Sell	
Product			
Produce			
Export			
Price			
Demand			
	Supply		
	Competitor		
Promotion			
		To advertise	
Profit			
Offer			

3. Complete the following sentences using the information given in the text:

1. Our market research indicates a new.... among people in large cities.

2. must be completed before product development is started.
3. The producer tries to.... Consumer trends and then tries to influence them.
4. The consumer may be influenced into buying a product through.....
5. High mass consumption in the US has been made possibly by.....
6. operations include product planning and pricing among other things.
7. In order to sell a new product, they have to consider how they want to.... it.

4. Give appropriate economic terms for the definitions given below:

1. The value of goods in terms or money.
2. The amount of goods produced.
3. The firms producing the same goods as we do and trying to do it better.
4. Presentation of goods to be sold.
5. Telling people what to buy and why.
6. Collecting contracts through visiting prospective buyers at the level of a wholesaler.
7. Representatives of a firm or a businessman having no rights to sign Contracts.
8. A link between the wholesaler and retailer.
9. Informing people about a given firm and its achievements.
10. Encouraging people to buy a given product at the retail level.
11. Sales of seasonal goods at reduced prices.

5. Extention. 1. The following list presents some basic marketing terms you have acquired from the text you have just read. This list is by no means complete, as many other marketing terms will be presented later in this chapter. You will also find here some terms you should already know from your previous studies (e.g. buyer, market, etc.) They are, however, linked so closely with the subject in question that it seems advisable to repeat them once again. Use all these words in sentences of your own:

- | | |
|----------------|--|
| 1. advertising | 10. external economic and political activity |
| 2. buyer | 11. fair |
| 3. competition | 12. image |

- | | |
|-------------------------|----------------------|
| 4. customer | 13. market |
| 5. demand | 14. marketing. |
| 6. display | 15. offerer |
| 7. distribution channel | 16. personal selling |
| 8. exhibition | 17. sales promotion |
| 9. export promotion | 18. supply |

6. *Topics for discussion*

1. Define marketing.
2. What types of activities are associated with marketing?
3. Why do you think that producers must be able to predict trends? Can you think of an example when a producer did not predict a trend well?

Lesson V

Levi Strauss and his company

A. Read the text carefully concentrating on its contents and terminology:

COMPANY HISTORY

Levi Strauss, founder of the company, was born in Bavaria, Germany, in 1829. coming to America when he was 14 years old , he lived with a relative in Louisville, Kentucky, until stories of the California Gold Rush stirred his adventure some spirit. Levi travelled to New York to consult with his brothers, Jones and Louis, who ran a merchandise business. The brothers encouraged Levi to go California and set up a business selling supplies to gold miners.

Armed with silk, broadcloth, fine dress goods, and canvas duck for Conestoga wagons and tents, Levi sailed around Cape Horn for California shores. But by the time he reached San Francisco, he'd sold all supplies except the canvas. Levi soon met a miner who told him he should have brought pants with him because "Pants don't wear worth a hoot up in the diggings and you can't get a pair strong enough to last no time".

Levi remembered the man's words and decided to make pants from his canvas rather than tents. He hired a tailor to make the garments, and before long they were so popular for their strength that miners came asking for "those pants of Levi's.

Quick capitalize on his success, Levi had more pants made and formed a partnership his brothers to establish Levi Strauss & Co. in 1853. After a while he switched from canvas and began making Levi's from a heavy - weight denim made to his specifications. A special indigo dye was developed for the fabric.

The idea for copper riveting the pocket corners came from a humorous experience between a dusty old prospector named Alkali Ide loaded his pant pockets with meaning tools. After a few months in the field, he would return to Virginia City, his pockets torn and then, roaring drunk, visit tailor Davis to yell and complain about his torn pockets.

Weary of listening to Alkali, Davis decided to play a joke. Taking the pants to the local harness maker, he had the pocket corners riveted with copper. When Davis later told Levi this story, Levi thought copper riveting such a good idea he started using it on his pants and, 1873, had it patented. Except for the addition of copper rivets and the change from canvas to denim, Levi's pants have remained basically the same: snug, low on the hips, and tapering in the legs.

Levi Strauss never married and he died in San Francisco in 1902. His company, however, continued its role as a Western wholesaler and jeans manufacturer under the leadership of his four nephews. By the end of World War II, three - fourths of the business was in wholesaling. At that point, the company decided to drop its wholesaling and concentrate on manufacturing under its own label.

Since that decision, the company has grown rapidly, with diversification of product lines and expansion of facilities. In 1946, Levi's had just 15 salesmen, none east of the Mississippi. Today the sales force numbers over 500 and Levi's products are sold in over 50 countries. From its humble beginnings in dick canvas, Levi Strauss & Co. has grown to become the largest pants maker in the world.

In recent years, Levi's has expanded from its famous blue jeans, the company's mainstay since 1850, into other areas of merchandising. The popularity of knit fabrics, permanent press, and increasing preference for casual wear has brought a new surge in fashion styles and trends. No longer do products managers at Levi's merely decide how many yards of blue denim will be needed for production. Today the decision involves choosing a variety of fabrics from a large array of possibilities, forecasting requirements on these, deciding on numerous price points and developing styles, all according to a schedule which precedes the retail selling season by 4 to 6 months.

Suppliers are also of vital consideration to merchandisers as the manufacturing process depends on the availability of raw materials used in the production of the various types of garments. Levi's most important suppliers are

the mills that produce the fabric. The textile industry can be divided into large and small firms with the large mills handling all stages of the production of fabric, while the small firms may do specialized work such as dyeing and finishing.

Sundries are another major type of raw material that goes into the creation of a garment. Zippers, thread, buttons, fasteners, etc., are obtained domestically and overseas. Although on per unit basis the cost of sundries is small, due to high volume the overall cost is quite substantial.

THE COMPANY STRUCTURE

Essentially Levi Strauss & Co. focuses its attention and is the world's largest pants maker but has also expanded into jackets, shirts, skirts as well. Our products have grown into five divisions and we have over 20 000 employees.

Boys swear. Levi's has manufactured apparel for boys for many years, but the company really concentrated on the Boys swear division in 1971. Now it is believed to be the largest branded line in the field. It features jackets, shirts, and a variety of pants for children from infancy to adolescence.

Jeans. The largest division at this time is Jeans. This division offers a broad and diversified line of jeans from its Basic and Fashion Jeans departments, as well as Levi's jackets and shirts, plus a Gentleman's Jeans line for the mature customer and Fresh Produce , a specially designed group of high-fashion garments , started in late 1972, used to "test market" styles and fabrics.

Levi's Gals. After 118 years of production, Levi's created pants especially for women and in 1968 introduced Levi's for Gals. Beginning with a snug, hip-hugging version of the original blue jeans, Levi's for Gals has expanded to include four completely coordinated fashion lines each year including pants, skirts, tops, jackets, shorts, and even a dress- in both juniors and Misses sizes.

Panatela. Levi's Panatela division is fast becoming the most popular maker of casual sportswear with its three specialized lines of knits and woven fabrics. Young Men's Fashion concentrates on popular trends preferred by style conscious 18-24 year olds; Established Men's outfits the more mature man with

specialty size requirements in slacks and coordinated tops; and the Signature collection combines quality and fashion detail in its well tailored slacks.

Levi Strauss International. The fifth and fastest growing division of Levi Strauss & Co. is Levi Strauss International. This wholly owned subsidiary Levi Strauss & Co. now sells Levi's in over 50 countries and the number is growing.

Levi Strauss International includes a vast European operation headquartered in Brussels which in 1973 expanded to include a distributor in Portugal. Far Eastern business is directed by offices in Hong Kong and Australia. Pan America, including Canada and Mexico, started a subsidiary in Puerto Rico 1973. And in the same year, the South American operation added an integrated production, distribution and marketing company in Brazil to compete for the tremendous potential of that country. The company has also expanded its belt business internationally thus producing something to hold your pants up with.

B. The following words and phrases will help you to understand the text:

Canvas duck - Канва материал - Канва матоси

Broadcloth - Грубая ткань - Купол мато

Denim - Грубая х/б ткань - Купол пахта мато

Indigo dye - Синяя краска - Кук буёк

Fabric - Волокно - Волокно

To rivet - Закнопить - Тугмачалаш (кнопкалаш)

To rip - Промывать - ювиб ташламок

Harness - Упряжка – Халка

Snug - Уютный, плотно - Шинам, ёпишиб турувчи

To taper - Суживать к концу - Охирига бориб торайиш

Sundries - Всякая всячина - Хар нарса

Apparel - Одежда – Кийим

C. Comprehension exercises.

1. Answer the following questions.

1. What do we know about early days of Levi Strauss, founder of a major international company?
2. What and who gave him the idea to set up his own business?
3. What did he originally intend to do?
4. How and why were his original plans changed?
5. When and why did he form a partnership?
6. How did the old prospector's complaint influence further developments of Levi's pants?
7. What changes did the company undergo between the Wars?
8. What figures point to the rapid development of the company after 1946?
9. What factors have forced the diversification and the expansion of product lines?
10. How have the responsibilities of product managers at Levi's changed in the course of the years?
11. What is the role of suppliers in the textile industry? What are their lines of specialization?
12. What is Levi's Strauss and Co's main product line?
13. Into what fields has the company expanded its production?
14. Can Levi Strauss and Co. be ranked among the major international companies? Why?

2. Give Russian or Uzbek equivalents of the following terms listed in column:

A. An English term	B. In Russian and Uzbek equivalent
Wholesale/ retail To manufacture Product line Sales Merchandising Supplier	

Raw materials High volume of production Overall cost Market	
--	--

2.Translate into English

1. Компанияда бозорни маркетинглар урганади ва уни тахлил килиб, кандай турдаги махсулотларни канча миқдорда ишлаб чиқариш керак эканини олдиндан айтишади.
2. Компания бошқарув тизими корхонанинг бошқа тизимлари билан узвий боғлиқ бўлиб, корхонанинг ривож топиши ёки инкирозга учраши унга боғлиқ.
3. Nestle корхонаси дунёда танилган энг катта корхоналардан бири ҳисобланади.
4. Nestle бош корхона бўлиб, унинг дунёнинг етакчи мамлакатларида, шу билан бирга ривожланаётган мамлакатларида шуба корхоналари мавжуд.
5. Етакчи компанияларининг йиллик айланма даромади айрим мамлакатларникидан ҳам зиёдрок.
6. Nestle трансмиллий компанияси дунёда етакчилардан бўлиб, у турли хил ичимликларни, масалан, сут, газланган ва газланмаган сув, кофе, болалар озуқаси ва бошқа махсулотлари ишлаб чиқаради.
7. Nestle компаниясини Республикамизда ҳам яхши танийди ва унинг махсулотларини истеъмол қилади.
8. Ёзнинг иссиқ кунларида Nestle компаниясининг ичимлик сувлари катта миқдорда сотилади, кишда эса Nestle сутига бўлган талаб ошади.
9. Nestle компаниясининг бошқа мамлакатларидаги вакиллари уша мамлакатда махсулотни ишлаб чиқариши, сотиши ва тарқатиши сотиши мумкин.
10. Imcon Plus корхонаси ҳар хил турдаги музқаймоқ махсулотларини ишлаб чиқаради.

R

1. Изучая рынок и анализируя его, маркетингологи компании прогнозируют, какую продукцию производить и в каком объеме.
2. Так как главное управление компании тесно связано с другими управленческими подразделениями, развитие их или банкротство зависит от них.
3. Компания Nestle является одним из известных предприятий во всём мире.
4. Будучи транснациональной компанией Nestle имеет множество дочерних предприятий (ДП) как в развитых, так и в развивающихся странах.
5. Годовой оборот транснациональной компании превышает обороты даже многих стран.
6. Среди всех прочих видов продукции компания Nestle производит различные напитки, например, молоко, газированную и негазированную воду, кофе, детское питание и другую продукцию.
7. В Узбекистане продукция этой компании признана и пользуется большим спросом.
8. В летнее время, в жаркие дни, напитки компании Nestle продаются в большом количестве, а в зимнее время повышается спрос на молоко.
9. Представители компании Nestle в других странах могут производить свою продукцию, распространять и продавать её.
10. Предприятие Imcon Plus производит различные виды мороженого.

Lesson VI

The main elements of a contract

A. Read the text concentrating on its contents and terminology:

Every contract consists of several clauses. Some of them are of purely 'formal' character (e.g. names and address of contracting parties, date of signing the contract etc.). Others concern eventual obstacles and delays in the course of implementation, and provide appropriate measures to eliminate or minimize them. Still others concern adjustment of eventual complaints or in the case of serious disagreements determine respective arbitration procedures. But the most important part of any contract is a detailed description of the goods to be sold (their price, terms of payment, as well as terms and time of their delivery as the parties decide about the competitiveness of a transaction and consequently about the greater or smaller profits of the parties involved).

The object of the contract may be goods or services or both. Goods should be described in detail according to their name and standard, or lot number, or up to the sample enclosed to the contract. The conditions of goods to be delivered should be also determined generally as "as is" or "sound delivered". Technical documentation and detailed specification of the goods in question are generally enclosed with the contract.

Appropriate packing is a necessary condition of sound delivery. Hence a contract should specify the kind as well as the amount of goods, their gross and net weight, and measurement expressed in the weights and measures used in the countries of both contracting parties.

As foreign trade is generally a wholesale one, the price stated in the contract is a wholesale price. However it may be also a retail price, scheduled for a given country with an appropriate rebate granted. In trading with such goods as metal ores or chemical substances the term basic price is used as a starting point to determine their ultimate price which consequently becomes its invoice price. In contracts for the delivery of bulky goods a market price can be quoted, provided that the name of such a particular market is stated, together with its latest

quotations, in trade with capital goods or complete industrial plants the term inclusive price is most frequently used. The latter may be either a fixed price, or if fluctuations of prices are expected special clauses are introduced to protect the buyer and the seller. These special clauses are called "up or down alteration of price clause" or "price fluctuation clauses".

Abatements from the price are a kind of premium for the buyer for granting the seller favourable terms of sale. They can be divided into rebates, discounts, allowances and trets. The differences should be already known to you from your lectures on the techniques of foreign trade.

The price in a foreign trade transaction is determined in definite monetary units. In Polish trade with capitalist countries price is quoted in foreign currency, most often in the US dollars. In turnovers with socialist countries a currency rouble is used, being at the same time the currency in which the payment is effected. In contracts with capitalist countries payment may be effected in a different currency than the one in which the price has been quoted. Fluctuations in exchange rates in capitalist countries reflected in payments, require the introduction of respective clauses to the contract. As several currencies are no longer based on gold, i.e. the prices of gold are not reflected in their exchange rate, the so called currency clause is presently used. It states that payment will be effected at the exchange rate of the day of payment and not at that of the day the contract was signed.

Terms and methods of payment are discussed in detail in Chapter IV. As you already know it is most profitable for a Polish businessman to get an advance from a foreign importer and later pay by an Irrevocable Letter of Credit opened at a Polish bank at the order of a foreign bank and paid in Poland. Another Possibility (not as advantageous as the previous one) is to pay by an Irrevocable L/C opened in a foreign bank and confirmed by a Polish bank. The next possibility (still less advantageous) is payment by an Irrevocable L/C opened in a foreign bank and not confirmed by a Polish bank. Finally payment may take Place through documentary collection Or it may be a credit payment under opiate

bank guarantees. The latter form of payment should be consulted the Polish bank.

Another necessary element of the contract is clauses on the control and receipt of goods. Control activities are aimed at checking the actual implementation of the contract. The receipt arrangements are to check if goods to be delivered are up to the contract, as far as quantity, quality and standards are concerned.

Finally the contract includes supplementary clauses (e.g. import/export licence, Act of God and penalty clause) particularly important in case of some obstacles during its implementation, as well as clauses concerning eventual complaints, their adjustments and arbitration procedures.

B. The following words and phrases will help you to understand the text:

clause - пункт договора - келишув пункти

contracting parties - участники заключающие контракт - контрактни амалга оширувчи томонлар

appropriate measures – соответствующие меры – мос тадбирлар

adjustments – исправление - тугирлаш

arbitration procedure - процесс арбитражного суда - арбитраж суд жараёни

terms of payment - срок (условия платежа) - тулов шартлари

terms of delivery - условия доставки - етказиб бериш шартлари

the scope of the contract – масштаб контракта – контракт масштаби

up to the sample enclosed - согласно прилагаемому образцу - келтирилган намуна буйича

scheduled price - установленная цена - белгиланган нарх

basis price - базисная цена – бошлангич нарх

ultimate price - окончательная цена - охирги нарх

invoice price - фактурная цена - фактура нархи

bulky goods - громоздкий груз – ката хажмдаги юк

market price - рыночная цена - бозор нархи

capital goods - основной капитал, средства производства – асосий капитал, ишлаб чикариш воситалари

inclusive price - цена с учётом всех услуг – барча хизматларни киритилган нарх

fixed price – установленная цена - белгиланган (узгармас) нарх

fluctuations of prices - колебания цен - нархлар узгариши

up or down alteration of price clause - статья повышения или снижения цен - нарх усиши ёки пасайиши моддаси

price fluctuation clause - статья о колебании цен – нарх узгариши моддаси

abatement - спад, скидка, отмена налога, аннулирование – пасайиш, чегирма, соликни бекор қилиш, бекор қилиш

rebate - скидка, вычет процентов, аннулирование - чегирма, фоизларни хисобдан чикариш

C. Comprehension. 1. Answer the following questions:

1. What do particular clauses of a contract concern?
2. Which part of any contract is the most important? Why?
3. What details should the description of goods which are the subject of any contract contain?
4. What prices are generally used in international trade?
5. What prices are used when trading in metal ores or chemical substances?
6. When do you give the latest quotations of a market price?
7. In what cases are inclusive prices quoted?
8. Why are "price fluctuation clauses" introduced to contracts?
9. List different kinds of abatements from prices and discuss the differences between them, if any.
10. Why is the so called currency clause introduced into any export contract?

11. List the ways of effecting payments for Polish exporters in order of their profitability.
12. What does the control and receipt of goods clause provide for?
13. What other clauses should every contract include in order to avoid any misunderstandings?

2. Complete the following sentences on the basis of the information given in the text:

1. Every contract should include.....
2. Should any obstacles or delays occur in the course of contract implementation, they.....?
3. The competitiveness of a contract depends upon.....
4. The best way to describe the goods in question is to.....or ...,
5. To ensure sound delivery of goods....
6. The basic price is a starting point for....
7. The aim of the price fluctuation clause is....
8. ...in Polish trade with capitalist countries payments
9. In Polish trade with socialist countries payments
10. The currency clause in a contract provides for....
11. On delivery the.... are checked.
12. Should any obstacles arise in the course of the contract implementation.....?

D. Extension. 1. Negotiating a contract

Two days before he flew back to Finland, Mr. Honko, from Olssons, had a final meeting with Mr. Kowalski and Mr. Sosnowski in the Metalexport office in Warsaw.

Mr. Sosnowski and Mr. Honko had already decided what important points they wanted to discuss with Mr. Kowalski and had drawn up an agenda.

Firstly, they wanted to settle the price. Secondly, there was the question of the delivery date. Olssons had to have the machine tools before the end of August. Thirdly, there was a technical difficulty which Mr. Honko had written to Finland about. Other points to be discussed were transport and insurance. At the beginning of the discussion Mr. Kowalski had some good news for Mr. Honko. He had persuaded his company to allow a good-will discount of 6%. This operation brought the price down to just under \$ 5000. Mr. Honko was very satisfied.

The delivery date was rather more complicated. Mr. Sosnowski said that he would have to insist on August 31st, and Mr. Honko explained why it was essential for his factory to have the machine-tools on time. Mr. Kowalski said that he quite understood the position and was very sympathetic. He explained that there were delays in the delivery of raw materials at the factory a few weeks ago and that there was a back-log of orders. The factory was now working at full capacity in order to clear the back-log. However, they would do their best to keep August 31 st as the delivery date. Mr. Honko was not altogether satisfied. However, Mr. Sosnowski interrupted them with a suggestion. If Mr. Kowalski agreed to accept July 17th as the official shipment date, Mr. Honko would allow the machine-tools to arrive in Finland on September 2nd at the latest. They agreed on this compromise.

This led the discussion to transport and insurance. Mr. Sosnowski explained that the machine-tools would travel by road to Gdynia Docks where they would be shipped by s/s Dubrowski to Helsinki. He had already contacted a road haulage firm. He had also arranged to see the Warta agent and work out the insurance details with him. So everything was taken care of. Mr. Honko then brought up the technical point. Mr. Kowalski said that their chief engineer had phoned Helsinki and had talked to his opposite number in lessons. Helsinki had then okayed the technical side of the deal.

Finally, Mr. Honko promised to get in touch with the lawyers as soon as he got back to Helsinki to arrange the formal contract. The deal was concluded "What about small celebration?", said Mr. Sosnowski. "Say when!"

2. Case study. Studying export/import documents. Study the enclosed contract and its General Conditions of export sales and find out:

1. Who the contracting parties are.
2. The object of the contract (name of goods, quality, quantity).
3. Type of packing and marks.
4. Price.
5. Date of delivery.
6. Terms of payment.
7. If the exporter guarantees, there will be no modifications in the quality of goods.
8. If it is possible to order extra packing, who is to cover the costs in such a case.
9. Who should pay insurance?
10. If the price is CIF, which company the goods are insured with.
11. What modifications the time of delivery is subject to.
12. In what circumstances prices are subject to alterations.
13. How the payment should be effected.
14. Within what time any claims should be raised.
15. What is needed in case of re-export.
16. How all disputes among the contracting parties should be settled.
17. Who guarantees the infringement of designs, plants etc.
18. What the fulfilment of this contract is subject to.

IMCLOTHEX

CABLES WARSZAWA

Messrs.

J. B. Spitfire and Brothers LTD

TELEX 816173 IMCLOTHEX

TELEPHONE 240105265206

127, LONDON ROAD,

READINGS

GREAT BRITAIN

Our ref. DK 209/M

WARSZAWA Nov. 19.2010

CONTRACT OF SALE No 09-209/46303

DEAR SIRs,

Referring to our talks held in Warsaw on Nov. 10, 2010 we confirm having sold to you:

1. Goods, quantity, quality

10.000 pairs of men's shoes "Valentino"

3,000 pairs in black colour 3,000 pairs in grey colour

4,000 pairs in brown colour

Sizes of shoes shall vary from 5 to 9 according to the suggestions as follows:

size 5 — 1,000 pairs

size 6 - 2,000 pairs

size 7 - 3,000 pairs

size 8 - 2,000 pairs

size 9 - 2,000 pairs

"Valentino" shoes are marked with Q — world quality mark.

2. Packing and Marks

Each pair of the shoes shall be packed in a carton.

One hundred cartons form an outer carton,
marking of each outer carton as follows:

J. B. Spitfire and Brothers LTD

READING

GREAT BRITAIN

IMCLOTHEX, Poland

CONTRACT No 09-209/46303

PLACE No I

NET WEIGHT

GROSS WEIGHT

3. Price

£20 for each pair GIF LONDON.

4. Delivery

In two equal consignments during November and December, 2010.

5. Payment

An Irrevocable Letter of Credit opened in favour of IMCLOTHEX and confirmed by Bank Handlowy S. A. in Warsaw valid 60 days.

The Buyer shall confirm opening of the LC latest 5 days before date of loading.

6. Shipping instructions To be given by the buyer.

7. Insurance

Against usual transport risks according to open Policy with Insurance and Reinsurance Company WARTA in Warsaw.

8. Arbitration

All disputes which may arise between the parties out of or in relation to the Contract should be settled ~ excluding the Common Courts of Law by Arbitration.

In case Imclothex is the defendant Party - by the Board of Arbitrators or the Polish Chamber of Foreign Trade, Warsaw, Trebacka 4, according to its rules and regulations.

" case J. B. Spitfire and Brothers LTD is the defendant Party by Arbitration Court "ad hoc" in Geneva under The Arbitration Rules of the International Chamber of Commerce which the Parties

declare to be known to them, e Arbitration Court shall decide by majority of votes. Both parties consider the award of the Court as final and binding, e basis for settlement of the disputes is the law of the Seller's country.

9. Conditions of sale

The following conditions of sale form an integral part of this contract:

1. The validity of this contract is subject to obtaining Export Licence by the Seller.
2. The Rules INCOTERMS 2001 are decisive for the interpretation of commercial terms and abbreviations used in this contract.
3. In case freight and/or insurance rates for goods sold on C IF or C&F terms increase the Seller is entitled to increase the sale price respectively.

3. Cloze test. *Fill in the missing words:*

Delivery shall be deemed to have been affected: (1) the moment (2) the loading (3) goods (4) a lorry or a wagon — in case (5) road or rail transport, (6) the moment (7) delivering the goods (8) a shipping or air transport company (9) case of seaborne or airborne transport.

We reserve the right to revise contract prices (10) case (11) an appreciable increase (12) the costs (13) raw materials, labour, transport, etc.; or due (14) any

alterations (15) the rates of exchange (16) the currency specified (17) the contract which occurred between the confirmation (18) the order and the date (19) despatch of the goods. Payment shall be effected (20) an irrevocable letter of credit opened (21) and confirmed (22) a bank in Warsaw to be indicated (25) us. The letter of credit shall be payable (24) surrender (25) shipping documents.

E. Translate into English

U

1. Шартнома харидор ва сотувчи уртасидаги битимларнинг асосини ташкил этади ва унда томонларнинг ҳамма мажбуриятлари курсатилиши шарт.

2. Халқаро савдо битимларида шартнома ҳамкорларни кузлаган мақсадлари ва мажбуриятларини оғжаришни қафолатлашни юридик ифодалаш учун тузилади.

3. Шартномани мазмун мақсадига, биноан шартномалар маҳсулотлар, хизматлар, лицензиялар, технологиялар ва ноу-хау ни қамраб олади.

4. Хар хил тушунмовчиликлар олдини олиш мақсадида шартнома уз ичига қушимча пунктларни қамраб олади.

5. Хар хил тусиклар пайдо булган холда, шартномани уз вақтида бажарилиши учун нима қилиш керак?

6. Улар маҳсулотнинг биринчи партиясини уз муддатида олдинроқ етказиш мажбуриятини уз зиммаларига олдилар.

7. Шартномани имзолашдан аввал уи яхшилаб уқиб қикилиши шарт, сабаби биргина Суз шартномани маъносини умуман узгартириб юбориши мумкин.

8. Одатда икки мамлакат уртасидаги товар айирбошлаш аккредитив асосида амалга оширилади, бу экспортёры и турли хил тавақалларлардан саклайди.

9. Шартномада товарларнинг брутто ва нетто оғирлиги курсатилади, яъни брутто - бу товарни устини намлиқдан, турли хил

шикастланишлардан химоя килувчи хисобланади, нетто эса товарнинг соф огирлигидир.

1. Контракт образует основу сделки между покупателем и продавцом; при этом не обходимо указать все юридические обязательства сторон.

2. Цена контракта обычно должна быть фиксированной, в случае колебания цен, в контракт должны быть включены специальные статьи, защищающие продавца и покупателя,

3. В контракте должны быть указаны брутто и нетто товаров, брутто-это вес товара с упаковкой защищающей его от влаги и повреждений, нетто - это чистый вес товара.

4. В международной торговле контракт составляется для юридического выражения намерений партнеров с гарантиями, что обязательства будут выполнены.

5. В соответствии с целями и содержанием, контракты могут охватывать товары, услуги, лицензии, технологии и ноу-хау.

6. Обычно обмен товарами между двумя странами осуществляется на основе аккредитива, который защищает экспортера от различного рода риска.

7. При подписании контракта необходимо его тщательно изучить, т.к. одно единственное неправильное слово может полностью изменить содержание контракта.

8. Для того чтобы избежать различные недоразумения, в контракт обычно включают дополнительные статьи.

9. Что обычно делается в случае возникновения различных препятствий для своевременного выполнения контракта?

Lesson VII

Basic commercial documents -a commercial invoice

A. Read the text below concentrating on its contents and terminology:

Commercial documents reflect the course of a commercial transaction. They can be divided into the basic documents and the supplementary ones. The basic documents are a commercial invoice, transport documents and insurance policy. Without these documents no transaction can take place and every exporter has to present them to a foreign importer.

Other documents of supplementary character differ according to the requirements of a particular transaction, kinds of goods despatched etc. You will learn more about them later. As has already been said the first of the basic documents is a commercial invoice. It specifies in detail all characteristics of goods to be sold, to prove that they are exactly up to the contract or previous requirements of the importer. That is why apart from the detailed specification, an invoice presents also exact data on the price and joint value of goods in question, terms of their delivery, details on their packing, marking etc. Where there are several packages in one consignment the invoice is usually accompanied by a packing list to identify all items included. A correctly completed commercial invoice should confirm to the sales contract. The commercial invoice can serve as a checklist so that a particular consignment can be identified. It can also be used as the main evidence in any assessment for customs duty.

Several copies of an invoice should be made since they are required by banks government authorities as well as by the foreign buyer. An example of a typical invoice is enclosed with a simplified overlay system.

The invoice leading to the financial settlement of the transaction is called a final invoice, while a provisional invoice means that only part of the payment is effected (as stated by the contract). Another type of invoice is a pro forma invoice, sent to buyer together with an offer (quotation) or with the confirmation of an order. It may also follow the samples of goods sent to the prospective

customer. Thus it is not a proof of implementing a transaction but it is used before the latter is concluded. It does not authorize the seller to any financial claims towards the buyer. A consular invoice is an extremely detailed version of a commercial one mostly used for customs clearance in the importing countries as well as for statistical purposes. Thus a consular invoice may be also treated as a certificate of origin and a customs invoice used to facilitate the application of preferential tariffs.

The Bill of Lading (in sea transport), the Bill of Freight or Railroad Bill of Lading (in rail transport), the International Consignment Note (in car transportation) and the Air Way Bill (for air transport) are the major transportation documents.

B. The following words and phrases will help you to understand the text:

Commercial invoice - счет фактура - фактура хисоби

Bill of lading - транспортная накладная - транспорт устамаси

Insurance policy - страховой полис - сугурта полиси

Joint value - общая стоимость – умумий киймат

Terms of delivery - условия поставки - етказиб бериш шартлари

Marking – маркировка - маркалаш

Invoice form - форма счет фактуры - хисоб фактура формаси

Final invoice - окончательная счет фактура – якуний хисоб фактураси

Provisional invoice - предварительный счет фактура – олдиндан

тузилган хисоб фактураси

To effect payment - совершить платеж - туловни амалга ошириш

Pro forma invoice - счет проформа - хисоб формаси

Confirmation of an order - подтверждение заказа - буюртма тасдиги

Financial claims - финансовые требования - молиявий талаблар

Consular invoice - консульская счет фактура – консулликка оид хисоб

фактура

Customs clearance – таможенная очистка – божхона текшируви

Certificate of origin - сертификат происхождения - келиб чикиш
сертификати

Customs invoice – таможенная счет фактура - божхона хисоби

Bill of freight/railroad bill of lading - счет за перевозку /
железнодорожная закладная - темир йул устамаси

Consignment note - транспортная накладная - транспорт устамаси

Air way-bill/air consignment note - счет / накладная при воздушных
перевозках - хаво оркали ташиш буйича устама

Insurance policy - страховой полис - сугурта полиси

Certificate of insurance - документ страхования – сугурталаш
хужжатлари

C.Comprehension. 1.Answer the following questions:

1. Which commercial documents are essential for any international trade transaction to be concluded?
2. What information does a commercial invoice include?
3. Why a packing list is sometimes enclosed with a commercial invoice?
4. What is the importance of the commercial invoice for clearing the goods through the Customs?
5. What is the difference between a provisional invoice and a final invoice?
6. Is a pro forma invoice sent before or after concluding a transaction?
7. Does a pro forma invoice entitle the exporter to any financial claims?
8. What purposes is a consular invoice issued for?
9. List other commercial documents important for the safe delivery of goods.

2. Complete the following on the basis of the information given the text:

1. A commercial invoice, a bill of lading and insurance policy are considered ...'

2. Detailed description of goods to be sold is...
3. A commercial invoice gives exact data on...
4. The commercial invoice also helps to identify whether all the details
5. An invoice is usually written in ... because they are...
6. A consular invoice may help the buyer to....

D. Reinforcing terminology

1. Name the following, using the terminology of the text above:

1. Three basic commercial documents.
2. Goods sent.
3. As it is stated in the contract.
4. The value of all goods to be sold dispatched etc.
5. A document enclosed to a commercial invoice presenting additional data
on goods in question
6. An invoice necessary for the financial settlement of a transaction.
7. An invoice used when only part of the payment is affected.
8. An invoice sent to the buyer together with the offer or confirmation of the
order.
9. A detailed invoice used for customs clearance and statistics.
10. An invoice used for the purpose of application preferential tariffs.
11. Four major transportation documents.
12. A document to protect goods against risks.

2. Make up sentences with the terms you have just listed.

3. Translate into English

U

1. Хар ҳил савдо операцияларини амалга оширишда савдо ҳужжатлари
муҳим роль уйнайди.

2. Савдо хужжатлари асосий ва кушимча маълумотарга булинади.
3. Кушимча хужжатларда товар келиб чиқиши, келтирилиши, тури, ҳолати ва бошқалар ҳақида маълумот бўлади.
4. Хисоб-фактура, сугурта полиси ва товар-транспорт хужжатлари савдо хужжатларининг қайси турига киради?
5. Хисоб-фактура товарнинг тулик, характеристикасини бериб, товарнинг шартномага ёки импортер талабларига тула мос келишини тасдиқлайди.
6. Экспортер ва импортер савдо хужжатларини эътибор билан урганиб чиқиши ва ҳар бир сузга эътибор бериши керак.
7. Коносамент товарнинг денгиз орқали беэиён етказилишида муҳим хужжат ҳисобланади.
8. Валюта свопи - бу икки давлатнинг ҳар хил валютадаги узаро ҳисобг китоблардаги келишувидир
9. Фьючерс шартномаси қимматбаҳо қозғаларни ва товарларни қелгусидаги хужжатдир.
10. Товар биржаси турли операциялар утказайди.

R

1. Очель боольшую роль в осуществлении различных торговых операций и сделок играют коммерческие документы.
2. Коммерческие документы делятся на основные и дополнительные.
3. Дополнительные документы содержат сведения о происхождении товара, его поступлении, разновидности и о его состоянии.
4. К каким коммерческим документам относится счет-фактура страховой полис и товарно-транспортные документы?
5. Счет-фактура дает полную характеристику товара, является подтверждением того, что товар полностью соответствует контракту или же требованиям импортера.,
6. Экспортер и импортер должен очень тщательно изучать, каждый коммерческий документ и придавать большое значение каждому слову.

7. Коносамент является очень важным документом, необходимым для безопасной доставки товара морем.
8. Валютный Своп представляет собой соглашение между двумя странами во взаиморасчетах в различной валюте.
9. Фьючерские контракты -это документы на куплю-продажу ценных бумаг, товаров в будущем.
10. На товарной бирже происходят различные фьючерские сделки.

Lesson VIII

Bill of exchange (B'E)

A. Read the text below concentrating on its contents and terminology:

An exporter can send a bill of exchange for the value of the invoice of goods for export through the banking system for payment by an overseas buyer on presentation. A bill of exchange is legally defined as “an conditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to which it is addressed to pay on demand or at a fixed or determinable future time a certain sum of money, to or to the order of a specified person, or to the bearer”.

In other words an exporter prepares a bill of exchange which is drawn on an overseas buyer, or even on a third party as designated in the export contract, for the sum agreed as settlement.

The bill is called a sight draft if it is made out payable at sight i.e. “on demand”. It is payable “at a fixed or determinable future time” it is called a term draft, because the buyer is receiving a period of credit, known as the tenor of the bill. The buyer signs an agreement to pay on the due date by writing an acceptance across the face of the bill.

By using a bill of exchange with other shipping documents through the banking system, an exporter can ensure greater control of goods, because until the bill is paid or accepted by the overseas buyer the goods cannot be released. Conversely the buyer does not have to pay or agree to pay by some Agreed date until delivery of the goods from the exporter.

And exporter can pass a bill of exchange to a bank in the UK. The UK bank forwards the bill to its overseas branch or to a correspondent bank in an overseas buyer's country. This bank, known as the collecting bank, presents the bill to whomever it is drawn upon, for immediate payment if it is a sight draft, or for acceptance if it is a term draft. This procedure is known as a clean bill collection because there are no shipping documents required. Clean bill collections have become more popular, particularly in some European countries where the

method is also used in internal trade. Also such collections provide more security than open account terms if there is some doubt about a buyer's financial status. However, it is more likely that bills are used in a documentary collection method of payment. In this case, an exporter sends the bill to the buyer through the banking system with the shipping documents, including the document of title to the goods, i.e. an original bill of lading. The bank then releases the documents on payment or acceptance of the bill by the overseas buyer.

An exporter can even use the banking system for a cash against documents (CAD) collection. In this case only the shipping documents are sent and the exporter instructs the bank to release them only after payment by the overseas buyer. This method is used in some European countries whose buyers often prefer CAD to a sight draft if the exporter insists on a documentary collection for settlement of the export contract.

In all the methods of payment using a bill of exchange, a promissory note can be used as an alternative. This is issued by a buyer who promises to pay an exporter a certain amount of money within a specified time.

It is even possible to send the documents and bill of exchange directly to an overseas buyer's bank, bypassing the UK bank. This system of direct collection is widely supported by US banks, but it dispenses with the help of the UK bank whose aid can be invaluable if something goes wrong in the collection. For example, there could be excessive shipping delays so that a buyer may refuse to accept or pay a draft on presentation. In this situation the UK bank can act the exporter's agent by arranging the warehousing of the goods or their reshipment, or even disposing of them at auction to recoup any outlay.

An overseas buyer may deliberately default on a term bill or just go bankrupt. In either case the UK bank can arrange legal action or act on instructions to initiate protests i. e. engage a notary public in the buyer's country to deliver a "notice of dishonour" to the defaulter, thus preparing a likely settlement in favour of the exporter if matters have to go to court.

B. The following words and phrases will help you to understand the text:

bill of exchange- переводной вексель, тратта- тратта утказма вексел, тратта payment on presentation- оплата по предъявлению- (хужжат) курсатилгач тулов

bearer – предъявитель, податель- курсативчи, топширувчи

a bill drawn on – вексель, выписанный на..- вексел ...га езилган

settlement- решение, соглашение, расчет – карор, келишув, хисоб-китоб

sight draft- платежное поручение по предъявлению- тулов

мажбуриятномаси курсатилгач

term draft- срок тратты- тратта муддати

tenor of the bill- тенор счета, первоначальный срок векселя- хисоб

тенори, бошлангич вексел муддати

due date- срок исполнения- бажариш муддати

face of the bill- лицо векселя- вексел олд томони

forward a bill- отправить счет- хисобни жунатмок

collecting bank- инкассирующий банк- инкасса банки

clean bill- чистый вексель- соф вексел

cash against document- номинальный счет против документов-

хужжатларсиз килинадиган наkd хисоб

promissory note- долговое обязательство- карздорлик мажбурияти

direct collection- непосредная инкасса- тугридан-тугри инкасса

reshipment- перегрузка, переотправка- кайтадан юклаш, кайтадан жунатиш

recoup delay- возмещать задержку- ушланиб колганликни коплаш

default- невыполнение обязательств- мажбуриятни бажармаслик

notary public- нотариус- нотариус

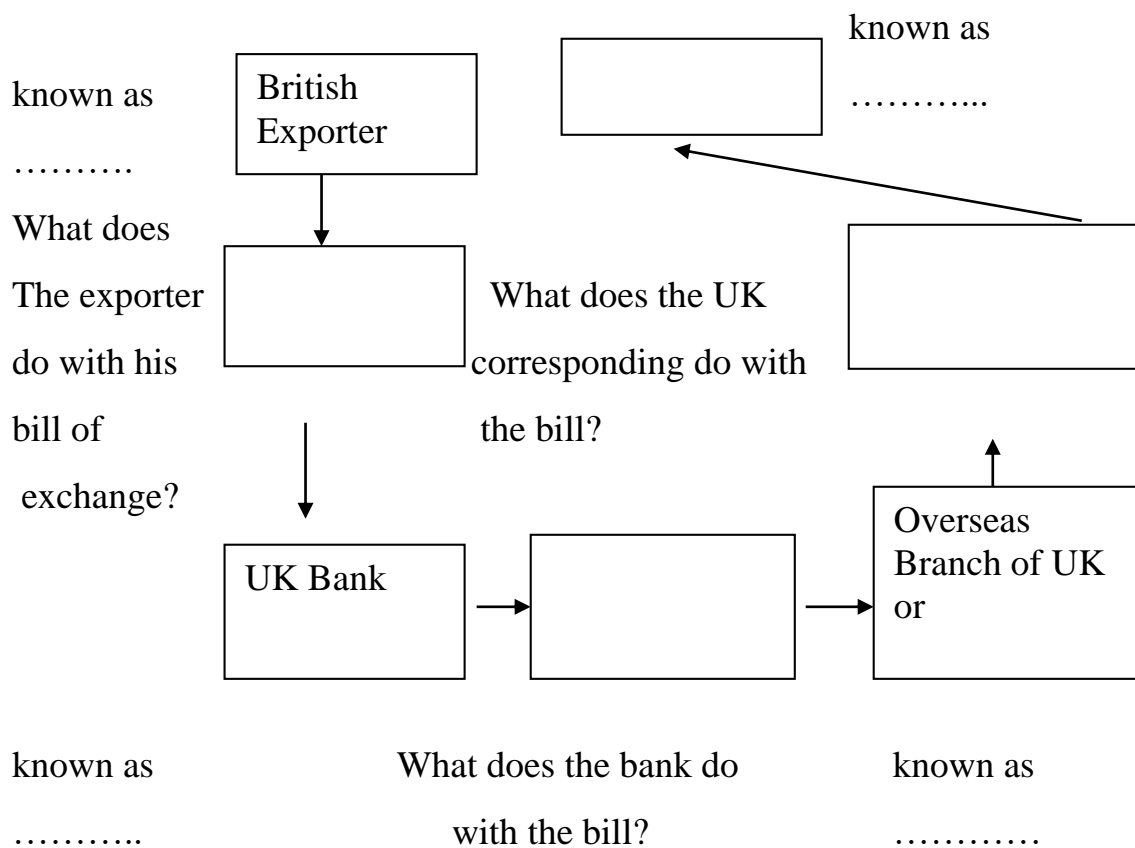
notice of dishonour- уведомление об опртестовании (отказ от акцепта

векселя)- норозилик хакида хабарнома (векселни кабул килишдан бош тортиш)

C.Comprehension. Complete the following on the basis of the information given in text:

1. An exporter draws a bill of exchange on a foreign buyer means....for.....
2. The bill is called a sight draft if it is payable ...
3. The bill is called a term draft if it is payable
4. The tenor of the bill is... .
5. To accept the bill means to... .
6. A term draft does not have to be paid at sight but at... .
7. The goods cannot be released to a foreign buyer until the bill... .
8. The foreign buyer does not have to pay or accept the bill until the goods....
9. A clean bill collection means that
10. A documentary bill collection means that, the most important of which is....
11. Under a documentary bill collection the bank ... on ...
12. The foreign buyer cannot get hold of the goods unless he ... or
13. If the exporter insists on immediate payment he
14. A promissory note is issued by
15. Who in this way guarantees
16. A direct collection means that
17. The system of direct collection is supported by ..., but it involves a certain risk particularly when there is
18. If the buyer refuses to accept or pay a draft on presentation, the exporter's Bank ...
19. To protest a draft means to

Follow chart is a simplified way a bill of exchange passes from an exporter to a foreign buyer. Fill in the blanks.



D. Reinforcing terminology

As you have probably noticed from the texts already presented, the terminology of financial operations has no synonyms, is strictly connected with definite ideas and procedures and consequently has to be learnt by heart.

1. By filling the table bellow arrange the knowledge you have just acquired:

Main term	Terms connected	Their meaning in Native
Account		
Bill		
Cash		
Collection		
Date		
Default		
Note		
Notice		
Payment		
Settlement		

2. Use the terms from the table above in sentences of your own.

3. By adding appropriate suffixes (-er,-or,-ee) form a list of terms you already know from business and general economics indicating:

a) a person who does a certain activity,

b) a person to whom this activity is directed (if such a term exists);

1. Accept	a)	b)
2. Bear	a)	b)
3. Credit	a)	b)
4. Debt	a)	b)
5. Default	a)	b)
6. Draw	a)	b)
7. Employ	a)	b)
8. Pay	a)	b)
9. Trust	a)	b)
10. Work	a)	b)

As you have seen you cannot always create a new term by adding -er,-or,-ee to the main term. There are however other suffixes indicating a person who does a definite economic activity. Give examples of them and economic terms formed this way.

E. Extension

1. Use the terms from the table above in sentences of your own.

2. Cloze test. Fill in the missing words:

The bill of exchange is often used as a means of (1) payment particularly for goods exported . The importer might , for example, ask to (2) delivery of goods before paying for them. The exporter , on the other hand, will probably not wish to (3) his control over the goods before obtaining (4) or a legal undertaking from the (5) to pay on a given future date. By use of the international

(6) system, a document of title and a bill of (7) the needs of both parties may be satisfied.

The exporter might (8) a bill exchange on the buyer and pass it with the (9) documents and (10) instructions to a bank in the buyer's country, which would (11) the bill of exchange to the buyer for immediate payment in the case of a (12) bill or acceptance in the case of a (13) bill. Should the buyer refuse, the documents will not documents will not be (14) and with the documents include a full set of (15) of landing them the control of the relevant goods remains with the (16) acting as (17) agent for exporter who thereby also retains (18) of the goods.

Lesson IX

Documentary letter of credit.

B. Read the text below concentrating on its contents and terminology:

By sending documents through the banking system in documentary bills collections, both an exporter and overseas buyer have some degree of security in completing the commercial contract. But a more secure method of carrying out the transaction is by a documentary letter of credit. This documentary letter of credit when transmitted through a bank, usually in the exporter's country, becomes the means by which the exporter obtains payment.

The necessary documents, correctly completed, are presented to a bank by expiry date of the credit. If the terms of the credit are met an exporter can receive payment from a UK bank. The buyer is in effect providing the exporter with immediate payment in return for a guaranteed assurance from a reputable bank that the export documents required to deliver the goods have been completed to the bank's satisfaction.

Documentary credits may be revocable or irrevocable. A revocable letter of credit is rather rare nowadays because it means that the terms of the credit can be cancelled or amended by an overseas buyer at any time without prior notice to the exporter. Most letters of credit are irrevocable, which means that once a buyer's conditions in the letter have been agreed by an exporter, they constitute a definite undertaking by the buyer's bank and cannot be revoked without the exporter's agreement.

UK banks advise letters of credit i.e. on presentation of documents required in a letter of credit, they send them for collection and payment by the issuing bank of an overseas buyer. The letter of credit in this situation is only as good as the strength of the overseas bank involved. An exporter's advising bank undertakes no responsibility itself to pay the exporter.

Even better security is achieved if the irrevocable letter is confirmed by an advising bank in the UK. Then the UK confirming bank stands fully in place of the issuing bank abroad, and provided all the terms and conditions of credit are fulfilled by an exporter, payment is assured by the banking system without recourse i.e. without further call on the exporter. So when an exporter has negotiated in the contract with the buyer for a confirmed irrevocable letter of credit then security of payment, as far as humanly possible, is achieved. But whether or not the credit is confirmed it is essential that the exporter checks the credit terms immediately to make sure they are compatible with the commercial contract made with the buyer. In dealing with documentary credits the bank is concerned only with the documents to be presented and not with the goods or services involved.

Documentary credits may provide for payment at sight or for acceptance of a term bill of exchange by either the issuing bank in a buyer's country or the correspondent bank in the UK.

A. The following words and phrases will help you to understand the text:

Expiry date - конечный срок действия - амал килинишнинг охириги
муддати

the terms of credit - условия кредита(срок) - кредит шартлари

revocable/irrevocable- отзывной, безотзывной - қайтариладиган,
қайтарилмайдиган

to cancel or amend - аннулировать или компенсировать – бекор қилиш
ёки коплаш

advise a letter of credit - извещение аккредитива – аккредитивни
маълум қилмоқ

advising bank - уведомляющий банк(консультант) - хабар берувчи
банк (консультант банк)

confirming bank - банк грант - грант банк

issuing bank - банк эмитент - эмитент банк(чикарувчи)

compatible with - совместный с - билан хамкорлиги

to reimburse - компенсировать сумму, возврат - коплаб бермок,
кайтариб бермок

C. Answer the following questions:

1. Which method of payment provides the greatest security for the exporter?
2. Who provides the buyer with the assurance that the goods will be shipped in accordance with the terms of the contract?
3. Why are revocable letters of credit seldom used in foreign trade?
4. On what condition can an irrevocable letter of credit be cancelled?'
5. Does an irrevocable letter of credit provide the exporter with assurance that he will be paid on shipment of goods under all circumstances?
6. To achieve better security who should a letter of credit be confirmed by?
7. What is the first duty of an exporter when he is advised about a letter of credit? Why?

D.Comprehension.1. Complete the following:

1. The expiry date is the date by which....
2. A revocable letter of credit means that....
3. An irrevocable letter of credit means that provided....
4. A confirmed irrevocable letter of credit is one confirmed by....
5. Payment is assured without recourse means that provided ... the exporter....

2. Give appropriate economic terms for the following:

1. The letter described in this text.
2. The date from which a document ceases to be valid.
3. Banks mentioned in the text.
4. Names of different kinds of a Letter of Credit.
5. Date at which payment is to be effected.
6. Up to the terms of credit.
7. Annulled or improved.
8. Announcement that the respective documents have arrived or have been opened by the bank.
9. Pay back, repay money to a firm.
10. Charge somebody with a sum of money (in terms of book keeping) and its opposite.

3. Now use the terms you have just formed in sentences of your own.

4. Complete the following:

1. The first step in any business transaction is ... between.... The agreement specifies the ... in this case by
2. The issuing bank is ... which....
3. The issuing bank instructs its correspondent bank to ... about ... in
4. The exporter's bank is called ... and it opens ... in....
5. When the goods are ready for shipment....
6. At the same time the exporter....
7. When the shipping documents agree with the terms of the agreement....
8. The next step is to....
9. When all the shipping documents comply with the terms of the contract....

10. The issuing bank debits ... with....

11. When the payment has been affected the buyer ... and can....

5. Fill in the missing words:

The exporter can obtain advance security that settlement will be made if he is able to arrange with the buyer for the issue of an (1) credit. The buyer will request his local bank to (2) a credit reflecting the precise documentation which he requires and the (3) under which settlement may be made.

The buyer's bankers may send advice of the (4) either direct to the exporter or through the intermediary of a (5) in the exporters country. In the case of an irrevocable credit the exporter may be certain that the (6) bank can neither cancel the (7) nor amend it without his consent.

Should the exporter require greater security than that afforded by the name of the issuing (8), he may be able to arrange that an (9) bank in his own country adds its confirmation to the (10) at the request of the issuing bank. This will mean that the (11) confirming bank stands fully in place of the issuing bank (12), and, provided the exporter (13) the terms and conditions of the credit in every respect, he has assurance of (14).

Lesson X

Short term export finance

B. Read the text below concentrating on its contents and terminology:

Confirming house. A confirming house is effectively an agent for an overseas buyer. The confirming house, acting for a buyer, places an order with an exporter and deals directly with the exporter to complete the contract. In this way there is no overseas credit risk or financial burden for the exporter, because the confirming house gives short-term credit to the overseas buyer who pays a commission for the services provided. A specialized form of confirming house is a buying house which makes purchases in the UK for overseas department stores.

Export finance house. If an exporting company sells only occasional large value capital or semi-capital goods abroad it may be better for it to use an export finance house to handle an overseas contract. An export finance house is particularly useful in coordinating finance when an overseas buyer is supplied by several companies, none of which wishes to take the major responsibility for arranging the finance for the contract. The export finance house provides cash to the exporter on shipment and credit to a buyer. It handles the credit assessment of a buyer, takes out any necessary insurance, and if a buyer defaults there is no recourse to the exporter. The export finance house is able to take the risk of providing and managing export credit in foreign currencies, relieving its UK customer of these burdens.

Export houses. Export orders are not directly financed by export houses. They buy products from an exporter, acting either as an export merchant, i.e. buying and selling goods overseas, or as an export agent where an exporter receives payment for goods upon shipment and the export agent provides credit to the overseas buyer, promotes the goods abroad, holds stocks in the UK, and even acts as an export sales department.

Short-term ECGD finance. In addition to those sources of short term finance already mentioned, the UK government's Export Credits Guarantee Department (ECGD) guarantees finance for exports for periods normally up to two years, ECGD

does not itself credit to the exporter because it is an insurance agency. But it provides a guarantee to the exporter's bank to reimburse it if any overseas buyer defaults on payment. With this guarantee the bank can finance the exporter's business at preferential rates of interest.

There are two ECGD bank guarantees for short-term export finance: one covering business where the method of payments is bills of exchange or promissory notes (the Bills or Notes Scheme); and the other for business transacted on open account terms (the Open Account Scheme). The exporter decides how much finance is likely to be required at any one time and applies to ECGD for a guarantee to be given to a bank for this amount. When ECGD has indicated its willingness to issue a guarantee for this amount, the bank issues to the exporter a facility letter which outlines the terms and conditions under which finance is available. The facility is on a "revolving credit" basis and is renewable annually. ECGD charges the exporter a premium for the bank guarantee.

Before agreeing to provide a bank guarantee, ECGD requires an exporter to sign a recourse agreement which ensures that ECGD can turn to the exporter for payment if it has to pay sums to the exporter's bank under the guarantee. The exporter then makes a counter claim on ECGD under the comprehensive short-term insurance already obtained.

Bills or notes scheme. The bills or notes guarantee covers finance for contracts with credit terms of less than two years. Normally an exporter must have held an ECGD comprehensive Insurance policy for an acceptable period, which could be as much as 12 months.

The exporter presents a bill of exchange to the bank together with documentary evidence that the goods have been exported from the UK and a warranty which confirms that the exporter has complied with the basic ECGD insurance cover. The bank then makes an advance of 100 per cent of the face value of the bill or note, excluding any interest element.

Until the bill is accepted by the overseas buyer, the bank has recourse to the exporter. After it is accepted the bank has recourse to ECGD and not to the exporter. Sight bills are always with recourse while promissory notes are not. The bank deducts a small fee per item at the time of the advance, takes its normal commission for collecting the bills or notes, and charges interest at a margin above its base rate on a day basis. On receiving the proceeds of the collection the bank reimburses itself for the advance made to the exporter.

Open account scheme. The bank advances funds to the exporter up to the total value of the invoice against a promissory note issued in favour of the bank, assuming the note does not go over a credit limit agreed when the facility was established. If the overseas buyer defaults and the exporter cannot honour the promissory note, the bank claims from ECGD, which in turn has recourse to the exporter. Funds can be advanced for up to six months from date of shipment to the overseas buyer.

A. The following words and phrases will help you to understand the text:

Confirming house – комиссионная фирма – комисион фирма

To place an order – заказать – буюртма бермок

Export finance house – фирма, финансирующая экспорт – экспортни молиялаштирувчи фирма

Credit assessment – оценка кредита – кредитни баҳолаш

Export house – экспортная фирма – экспорт фирмаси

Reimburse – возврат суммы – суммани қайтариш

Promissory note – простой вексель – оддий вексел

Premium – превышение рыночной стоимости ценной бумаги на номинальной – бозор нархининг қимматбаҳо қоғоз номинал нархидан олиб кетиши

Recourse – регресс – регресс

Without recourse – без права регресса – регрессиз

Counter claim – встречный иск, требование – қарши ариза, талабнома

Warranty – поручительство, гарантия – кафилик, кафолат

Sight bill – тратта, предъявительский вексель – тратта, кўрсатма вексел

C. Answer the following questions:

1. What part does a confirming house play in export/import trade?
2. In what sort of transactions are the services of an export finance house particularly useful?
3. List the services provided by an export finance house in handling an overseas contract.
4. What two functions do export houses perform?
5. How does an export merchant differ from an export agent?
6. What does ECGD provide to British exporters?
7. Why doesn't ECGD provide credit to the exporter?
8. What two types of bank guarantees does ECGD issue?
9. Why does ECGD require an exporter to sign a recourse agreement?
10. When can an exporter apply for the bills and notes guarantee?
11. What procedure should the exporter follow in this case?
12. What interest does the bank charge for making an advance?
13. In what case does the bank advance funds to the exporter up to the total value of the invoice?
14. Who pays for goods if the overseas buyer defaults?

D. Comprehension. 1. Complete the following on the basis of the information given in the text:

1. By using the services of a confirming house the exporter avoids overseas credit risk or financial burden because it is ... which gives ... to....

2. The export finance house is able to relieve its UK customer of the risk of ...
3. The job of an export agent is firstly to ..., secondly to..., thirdly to..., and to...
4. As ECGD is an insurance company, it doesn't ... but it
5. A facility letter is issued by ... after ECGD has agreed to....
6. A facility letter states all the....
7. The exporter pays ECGD ... for issuing....
8. In case of bills or notes guarantees the bank can turn to the exporter for payment until....
9. After the bill is accepted by the overseas buyer the bank can turn payment only to ... which....
10. When the bank makes an advance it charges ... and then it ... and
11. If the overseas buyer delimits, the bank ... which....

2. By filling in the table below arrange the knowledge on the terminology of finance you have already acquired:

The main term	Its synonyms (if any)	Terms related
1) Accept (noun and verb) 2) Advance (noun and verb) 3) Bill 4) Cash 5) Collection 6) Discount (noun and verb) 7) House 8) Overdraft 9) Premium 10) Proceeds		

3. Having filled in the table above, use the terms you have just listed in sentences of your own.

4. Complete the following:

1. The exporter applies to ... for
2. When the exporter has filled in ... he....

3. The UK bank sends....
4. Simultaneously ECGD ... and informs....
5. When the UK bank has received ... it....
6. When the exporter receives the ECGD offer he....
7. The exporter signs a....
8. ECGD extends a....
9. When the goods ... the exporter....
10. On receipt of shipping documents, the bank....
11. The bank forwards....
12. When the bills are presented to the foreign buyer, he ...

B. Reinforcing. *Fill in the missing words:*

There are many companies who wish to export and are asked to (1) credit terms to the prospective buyer who do not wish to be concerned with the (2) and administrative burdens involved and this function can be readily undertaken by export (3) house. The simple effect of such “handing over” of the administration can overcome (4) flow problems as the export finance (5) is able to arrange for cash (6) to be made upon (7). An (8) finance house is well suited to undertake business involving more than UK supplier, particularly when one (9) does not wish to be responsible for committing its own (10) for the benefit of sub-contractors or partners in a joint (11). The export finance house in these circumstances can (12) finance in the UK in relation to the customer's requirements.

Because of the extent of the business undertaken they are able to take on the (13) and/or responsibility of (14) and holding non-sterling assets and liabilities. Export Credits Guarantee Department is a Government (15) which was (16) in 1919 and since 1930 has offered credit (17) facilities to UK exporters.

Lesson XI

Medium terms export finance

A. Read the text below concentrating on it's content and terminology:

Medium-term finance. An exporting company may find with some contracts that it needs credit for periods longer than two years which is normally the limit for financing exports by methods so far described. Where credit is required for more than two years, there are other options, the most important of which are described below.

Leasing. Where there is a large item of capital equipment involved, an exporter may find it more beneficial to sell the product to a leasing company which then provides it to the overseas buyer on a lease agreement. The exporter receives immediate payment from the leasing company without further recourse.

Instalment finance. An exporting company can also finance its export order by arranging hire purchase for an overseas buyer, either through a finance house in the buyer's country or through a UK finance company purchasing the goods from the exporter outright and receiving instalments from the buyer through an overseas finance company,

Merchant banks. Merchant banks have traditionally specialised in arranging medium and long term export finance. In addition by using their associates and other close banking connections abroad, they are able to advise on and arrange finance for the exports of other industrialised countries under their own national schemes. Merchant banks can also arrange Eurocurrency loans of all types. Eurocurrency loans are often required to cover the front-end finance, i.e. normally the financing of down payments by buyers for large projects abroad. For certain projects it is sometimes possible to arrange other types of finance e.g. equity participations, co-financing loans from international development agencies or aid funds. In suitable cases arrangements can be made for medium-term, fixed-rate finance in the Eurobond markets by way of private placements or public offerings of bonds to finance major overseas projects. Alternatively it is sometimes possible to issue floating-rate notes which provide medium-term finance at floating interest rates but subject to a minimum fixed rate.

All or some of these elements can be combined to give a complete package which can provide up to 100 per cent of the financing of acceptable projects. Security for the finance normally involves government, bank or other first class guarantees. However, in appropriate cases it is possible to secure the loan and to service the debt from future project income.

A merchant bank can act as agent or trustee for all the lenders in a particular package. In this way it becomes the sole point of contact between borrowers and lenders throughout the life of the credit facilities provided.

Forfaiting. Some UK banks offer a forfaiting service to companies exporting capital goods and requiring credit for periods up to seven years. With forfaiting, the bank purchases from an exporter bills of exchange or promissory notes signed by an overseas buyer at a certain discount.

If a buyer has arranged an aval i.e. unconditional guarantee for each bill or note from an internationally recognized major bank, then the exporter can receive finance from the UK bank at finer rates, without having to obtain ECGD-backed sources of finance.

Medium-term ECGD-backed finance. ECGD provides a specific bank guarantee to a bank to finance export credit terms of two years or more. The finance is covered by bills of exchange drawn on the overseas buyer or by promissory notes in favour of the exporter. To obtain a bank guarantee, an exporter must have ECGD insurance, usually the supplemental extended terms or specific cover. Once bills have been accepted on behalf of an overseas buyer and confirmed as valid by a bank abroad there is no recourse to the exporter. Evidence of shipment and an ECGD warranty are required in the same way as for short-term guarantees. Contracts with a minimum value of £1 million can be financed in foreign currency, usually US dollars or Deutsche marks. Interest is payable at a preferential rate, depending on the length of credit and the particular country of the overseas buyer. The UK bank charges a commitment fee. Contracts with buyers in EEC countries are not eligible.

An exporter must, at the earliest possible moment in contract negotiations, check that ECGD is willing to provide insurance cover and a specific bank guarantee,

and at the same time check with the UK bank for its agreement in principle to provide the finance, given ECGD backing.

Pre-shipment finance is also available on contracts of over £1 million, subject to certain limitations imposed by ECGD.

B. The following words and phrases will help you to understand the text:

Hire purchase - Покупка товара с оплатой в рассрочку – насяяга товарни

харид қилиш

Instalment – Взнос - бадал

Merchant bank - Коммерческий банк – тижорат банки

Down payment - Платёж наличными - нақд пул билан тўлов

Equity - Собственный капитал (акция) – шахсий капитал (акция)

Fixed-rate (credit, finance etc.) - Твердый, постоянный процент – доимий

фоиз

Bond – Облигация – Облигация

Floating- rate note - «плавающий» курс векселя – векселнинг «ўзгарувчан»

курси

Interest rate - Процентная ставка - фоиз ставкаси

Trustee - Попечитель, опекун - қарамоғига олувчи

Forfeiting service - «форфейтинг» сервис - форфейтинг хизмати

Aval - Аваль, поручительство - кафолатнома

Warranty - Гарантия - кафолат

Commitment fee - Передача гонорара - гонорарни (бадал)ни топшириш,

бадал бўйича мажбурият

Eligible – Приемлемый - мос келувчи, қониқтирувчи

C. Answer the following questions:

1. List finance facilities when export credit is required for more than two years.

2. When is it advisable to sell a product to a leasing company rather than to an overseas buyer? Why?
3. How is payment made when the goods are exported on a hire purchase basis?
4. What are the advantages of selling goods on hire purchase through a finance house:
 - a. for the exporter?
 - b. for the overseas buyer?
5. What part do merchant banks play traditionally in export/import trade?
6. In what cases are Eurocurrency loans usually required?
7. List different types of credit facilities available for certain projects.
8. To what companies and in what contracts do some UK banks offer a forfaitin service?
9. How does a forfaiting service operate?
10. What is an aval?
11. What are the advantages of an aval arrangement for the exporter?
12. What does ECGD provide for British exporters?
13. What is the export finance provided by ECGD covered by?
14. How does a bank guarantee protect the exporter?
15. What export contracts can be financed in foreign currency?
16. What does a preferential rate in interest payment depend on?
17. What must the British exporter do when negotiating an export order?

D. Comrehencion. 1. Complete the following on the basis of the information given in the text:

1. Selling to a leasing company is best suited when
2. When the goods are sold on hire purchase through a finance house, the exporter ... and the overseas buyer....
3. Medium and long-term export finance may be arranged through

4. By private placements or public offerings of bonds in the Eurobond markets, money ... to....
5. Medium and long-term export credits are usually secured by
6. Sometimes future project income can be taken as....
7. Under an aval arrangement, the exporter....
8. Under an aval arrangement, the exporter doesn't need to have....
9. Bills of exchange or promissory notes cover ... provided by ... to....
10. When the bills have been accepted by an overseas buyer and confirmed by his bank...
11. It is risky for the British exporter to enter export negotiations without....

2. Give the proper financial term for their following descriptive definitions:

1. Payment which is not settled immediately
2. Leasing made by a company to an overseas buyer
3. They help to avoid difficulties with domestic leasing
4. Paying in partial payments
5. Financing of down-payments by buyers for large projects abroad
6. Opposite of "fixed rate"
7. A firm or individual to whom something is entrusted
8. Penalty or fine for neglect or causing losses
9. An unconditional guarantee for a bill
10. Bills recognized by the bank as good
11. Finance cannot come back to the exporter
12. Money paid for bank operations

3. Study the enclosed chart and describe step by step how the UK exporter receives medium term finance from his bank. Complete the following:

- 1/2. At the earliest possible moment in export contract negotiations the exporter applies to ... and ... to make sure that the bank

3/4. When ECGD agrees to ... and me contract ... the exporter....

5/6. When the exporter's application has ... ECGD....

7/8. On receipt and acceptance of the bank guarantee, the exporter ... and....

9/10. After signing a recourse agreement with ... the ECGD ... which in turn....

11/12/13. When the goods have ... and the shipping documents with ECGD insurance warranty ... to ... the UK. Bank

14/15/16. Once the documents and bills sent by the UK bank have ... by finance....

4. Fill in the missing words:

Leasing. This form of (1) has grown considerably in the last decade and offers the use of (2) without the investment of capital or other liquid (3). The advantages of leasing locally in the country of (4) are:

1. The lessee is not exposed to currency (5).
2. The lessee obtains (6) for 100 per cent of the delivered costs.
3. The lessee may negotiate rental (7) over a period which matches the useful of the (8).

Midland Montagu Leasing Limited, a (9) of the Midland Bank Group, can assist exporters of (10) goods in introducing them and their (11) to major leasing (12) in most parts of the world. In certain countries where the Group has established a (13) operations, first hand assistance can be given to the (14) in his negotiations with the overseas buyer in the provision of (15) facilities.

5. Translate into English

U

1. Икки йилдан ортиқ муддатли методлар — молиялаштиришнинг ўрта муддатли методига кирази.
2. Лизинг — ўрта ва узоқ муддат мўлжалланган ва кейинчалик сотиб олиш шарти билан бериладиган машина, асбоб - ускуна, транспорт воситалари,

ишлаб чиқаришга мўлжалланган воситалардир.

3. Лизинг узоқ муддатли келишув асосида амалга оширилиб, унга асосан, лизинг хизматини амалга оширувчи компания, лизинг берувчи, муддатга қарзга олувчи томон эса, лизинг қабул қилувчи деб юритилади.

4. Лизинг келишувига кўра қарз муддати тугагандан сўнг, лизинг қабул қилувчи лизинг объектини лизинг берувчига қайтариб беради ёки уни сотиб олади.

5. Ванк лизингги — лизинг битими бўлиб, унда лизинг компанияси сифатида банк иштирок этади ва ўз миқдорига унинг сўровига биноан лизинг объектини сотиб олади ва уни миқдорга қарзга беради.

6. Экспорт битими иштирокчилари, шунингдек, ўз фаолиятини молиялаштириш учун ауттрейд операцияси методларидан фойдаланиши мумкин.

7. Ауттрейд томонларнинг тушунмовчилиги асосида ёки техник сабабларга кўра амалга ошмаган савдо битимидир.

8. Еврокард — европа банк тизимида кирувчи мамлакат банкларида хизмат кўрсатиладиган халқаро кредит карточкасидир.

9. Евро кредитлар — халқаро қарзларнинг бир тури бўлиб, улар тижорат банклари томонидан евро валюта бозорларидаги захиралар эвазига ва узоқ муддатга ўзгарувчан фоиз ставкалари асосида берилади.

10. Форфейтинг — экспортёрларни ва ташқи савдо операциялари билан шуғулланадиган товар сотувчиларини кредитлашнинг бир туридир.

R

1. К среднесрочным методам финансирования относится финансирование сроком более чем на два года.

2. ЛИЗИНГ - долгосрочная аренда машин, оборудования, транспортных средств, сооружений производственного назначения, предусматривающая возможность их последующего выкупа арендатором.

3. Лизинг осуществляется на основе долгосрочного договора лизинговой компанией (лизингодателем), имеющей оборудование на своем счету и сдающей его в аренду на несколько лет, и фирмой-арендатором (лизингополучателем), которая постепенно вносит арендную плату за использование лизингового имущества.
4. После истечения срока действия договора арендатор либо возвращает имущество лизинговой компании, либо продлевает срок действия договора, либо заключает новый договор, либо выкупает имущество.
5. ЛИЗИНГ БАНКОВСКИЙ - лизинговая сделка, в которой в качестве лизинговой компании выступает банк, приобретающий по заказу лизингополучателя оборудование и сдающий ему это оборудование в аренду.
6. Стороны экспортного контракта также могут воспользоваться операциями по ауттрейду, что является прямой биржевой сделкой.
7. АУТТРЕЙД - это неудавшаяся торговая сделка из-за непонимания сторон или, из-за технической ошибки при оформлении документов.
8. ЕВРОКАРД - это международная кредитная карточка с правом пользования в странах-участницах европейской системы.
9. ЕВРОКРЕДИТЫ — международные займы, предоставляемые коммерческими банками за счет ресурсов евро-валютного рынка. Они предоставляются, на длительный срок с плавающими процентными ставками.
10. ФОРФЕЙТИНГ — своеобразная форма кредитования экспортеров товаров, применяемая чаще всего во внешнеторговых операциях.

Lesson XII

Foreign currency for exports

B. Read the text below concentrating on it's content and terminology:

It is becoming more popular for exporters to accept payment for their orders in the currency used by their overseas buyers. There are several reasons for this. Some goods are traded internationally in one particular currency e.g. oil sales in dollars. A buyer may traditionally prefer to price a contract in a particular currency e.g. Latin American importers usually wish to be invoiced in dollars. Buyers are aware of the fluctuating nature of rates of exchange for major trading currencies and may prescribe contracts priced in a currency that they expect to depreciate before final payment. By quoting in this currency, an exporter may be able to gain an advantage over competitors unwilling to do likewise. If an exporter uses credit finance, the cost of borrowing may be cheaper in a foreign currency than in sterling.

However, an exporter must consider carefully the consequences of any invoicing contract in a buyer's currency. Payment of a foreign currency leaves an exporter open to an exchange risk e.g. an exporter may not receive full domestic currency value for an order if a buyers currency has devaluated during the contract period. Moreover it is unwise to accept payment in a currency that is not freely convertible on the foreign exchange market. The exporter may end up with blocked accounts or with funds saleable only at a considerable discount.

Forward exchange market. An exporter can protect against any loss caused by fluctuating currencies during the sales contract period by taking out a forward exchange contract with a UK bank.

The exporter, invoicing a buyer in a foreign currency for payment at an agreed future date, sells those expected receipts to a bank in advance (i.e. forward) of the due date of payment. The bank agrees to buy at a pre-determined forward rate of exchange which varies according to the time of future delivery e.g. one, three or six months, or even longer. No money is exchanged at the time the forward contract is made, but under its terms the exporter is guaranteed a certain amount of domestic

currency in place of the foreign currency sales proceeds, whatever fluctuations in the exchange-rate may take place between invoicing and payment by the buyer.

The forward rate varies from the spot rate i.e. the rate the bank is prepared to pay for foreign currency at any moment of time. The forward rate for selling the foreign currency may be at a premium i.e. it exchanges for more domestic currency than the spot rate, or it may be at a discount if it exchanges for less. The difference between spot and forward rates is determined by market forces — the most important of which is the different in the prevailing interest rates being paid by banks for fixed deposits of the two currencies concerned.

A fixed forward contract binds an exporter to delivering the required foreign currency to the bank on the date of maturity of the exchange contract. If the buyer defaults on payment or government controls are imposed on the currency payment, the exporter must still deliver the required foreign currency amount. The exporter must purchase the required amount of currency at the spot rate to close the forward contract. This could be expensive since the rate of exchange used will be that applicable at the time of the spot purchase. However, if the delivery of the currency is delayed beyond the maturity date then the forward exchange contract can be extended — but possibly at some extra cost, depending on the forward rate for this additional period.

An exporter may still use forward exchange even when the date of payment by a buyer is in doubt, by entering into an option contract. Under this contract the exporter delivers the required amount of currency at a fixed rate at any chosen time between two agreed dates.

Foreign currency borrowing. It is increasingly common for many exporters to raise finance in foreign currency. An exporter can eliminate exchange risk by taking a loan in the same currency as that to be paid by an overseas buyer, so that fluctuations in the exchange rate cannot affect the exporter's expected receipts from the buyer. Moreover borrowing in a foreign currency may be cheaper than borrowing in sterling, depending on the relative interest rates prevailing. Bills drawn in a foreign currency can usually be negotiated by a UK bank in a similar way to

sterling bills. Foreign currency loans can help the exporter develop international business, whether for capital expenditure at home, overseas acquisition or for export credit, including front-end finance.

Various types of Eurocurrency loans are available to finance export business. They include fixed-rate loans where borrowing costs are predetermined or floating-rate loans where the rate varies periodically according to market rates. As mentioned previously ECGD can provide guarantees for foreign currency export contracts and large projects.

Currency accounts. If an exporter has a continual flow of international business it may be preferable to open accounts in the currencies of the sales proceeds, instead of converting all of them into domestic currency.

The various balances can then be used to meet any expenses incurred in those currencies, while reducing commission fees incurred from dealings in the foreign exchange market.

A. The following words and phrases will help you to understand the text:

Convertible - конвертируемый – алмашувга мойиллик

Foreign exchange market - рынок валют - валюта бозори

Forward exchange market - форвардный валютный рынок - форвард валюта бозори

Forward rate - форвардный курс, курс по «срочной сделке» - форвард бўйича курс, тезкор битим курси

Spot rate - курс по кассовым сделкам - касса шартномалари бўйича курс (ҳозирги кун)

At a premium - выше номинала – номиналдан юқори

At a discount - со скидкой – чегирма билан

Commission fee - комиссионные выплаты - комиссия тўловлар

C. 1. Answer the following questions:

1. Why is it becoming more popular for exporters to accept payment for their orders in the currency used by their foreign buyers? List all the five reasons.
2. What risk does any invoicing contract in a buyer's currency involve?
3. What protects an exporter against any loss caused by fluctuating currencies?
4. What is the exporter guaranteed under a forward exchange contract?
5. What is the spot rate?
6. What is the difference between spot and forward rates determined by?
7. What is an exporter obliged to do under a fixed forward contract?
8. In what cases would entering into an option contract be justified?
9. Why is raising finance in foreign currency becoming popular for many exporters?
10. What types of Eurocurrency loans are available to finance export trade?
11. When is it advisable for the exporter to open a foreign currency account?
Why?

2. Complete the following on the basis of the information given in the text:

1. Some goods traded internationally are traditionally....
2. The fluctuating nature of the rates of exchange of major trading currencies involves some ... both for ... and
3. If the contract currency depreciates before final payment, the buyer....
4. If the contract currency is up valued before final payment, the buyer is bound to
....
5. Another reason for concluding export contracts in other currencies than in sterling is that....
6. To price a contract in a currency that is not freely convertible on the foreign exchange markets are ... because the accounts may ... and the funds
7. The forward rate for selling the foreign currency is at a premium if the bank....

8. Under a fixed forward contract the exporter must deliver the required foreign currency to the bank on maturity of the exchange contract even if the buyer should....
9. There is no difference in negotiating by banks bills ... and those....
10. Under floating-rate loans borrowing costs ... accord to....

2. Fill in the missing words:

Often buyers prefer to be invoiced in their own (1) and by agreeing to this you achieve more (2). If you are operating in the USA and sell goods to a German buyer, you may be paid in (3). You must then convert the (4) into (5) on the foreign exchange market. You may also be purchasing raw materials or semi-processed goods from a German firm which wishes to be paid in its own (6), in which case you must convert (7) into (8) in order to pay a German supplier.

To protect yourself against (9) risk you can take out a (10) exchange contract with an international bank for the amount of the particular (11) currency expected from a sale. That means if you are selling goods to a German customer with the price (12) in Deutschmarks, you agree to sell those marks to the bank on the date coinciding with the (13) of expected payment by the German buyer. In return you will receive from the (14) a fixed amount in your (15) currency on the exchange date.

The rate for the forward (16) contract varies depending on the period of time you require to deliver (the Deutsche marks). Whatever the period, the (17) of exchange is fixed by the (18) contract, under which you commit yourself to deliver to the bank at some agreed (19) date a certain amount of Deutschmarks in (20) for your currency.

D. Translate into English

1. Алмашувга мойиллик бир валютанинг иккинчисига эркин равишда алмаша олиши ёки миллий валютани хорижий валюталарга мавжуд валюта курси асосида алмаштира олиш имкониятидир.
2. Валюта алмашуви — мамлакатнинг пул бирлигининг бошқа

мамлакатлар валюталари ва ҳалқаро қабул қилинган пул бирликларига эркин алмаша олиши.

3. Форвард битимлари — бу нақд ҳисоб-китоб эвазига муддатли битим тури бўлиб, унга кўра сотувчи ва ҳаридор товарни келажакда етказиб беришни шартлашади, товарнинг нархи эса битим вақтидаги нарх сифатида баҳоланади.

4. Форвард операцияси — валютадаги муддатли операция бўлиб, банклар томонидан телефон ёки телекс бўйича келишилган равишда амалга оширилади.

5. Форвард бозори - бу шундай бозор туридирки, унда узоқ муддатларга форвард битимлари тузилади, амалга оширилади ва қайта сотилади.

6. Валюта ҳисоб рақамлари — банк рақами бўлиб, унда банк миқдорлари — юридик ёки жисмоний шахсларнинг хорижий валютадаги маблағлари акс этади.

7. СВИФТ — халқаро молиявий ҳисоб-китобларни ва банкларaro тўловларни амалга оширишга мўлжалланган автоматлаштирилган тизим.

8. Лендинг бизнес — битим тури бўлиб, битим бўйича амалга ошириладиган бизнес операция натижасида фирманинг молиявий ҳисоботларида акс эттириладиган активлари ўзгариши мумкин.

9. Лендинг бизнес операциялари қаторига аванс тўловларини амалга ошириш, кредитлаш, қарзларни тақдим этиш, ҳамда ижарага бериш каби мисолларни қўшиш мумкин.

10. Одатда экспортёр ўз товарларини узоқ вақт давомида экспортга йўналтирар экан, унда валютадаги ҳисоб рақамларига эга бўлиши керак бўлади.

Translate into English

1. КОНВЕРТИРУЕМОСТЬ - свободный перевод одной иностранной валюты в другую или возможность обмена национальной валюты на валюту других

стран по действующему курсу.

2. КОНВЕРТИРУЕМОСТЬ ВАЛЮТЫ - свободный обмен денежных единиц страны на валюту других стран и на международно-признанные платежные средства.

3. ФОРВАРДНЫЕ СДЕЛКИ - срочные сделки за наличный расчет, согласно которым покупатель и продавец соглашаются на поставку проданного товара, на определенную дату в будущем, в то время как цена товара (курс проданной валюты) устанавливается в момент заключения сделки.

4. ФОРВАРДНЫЕ ОПЕРАЦИИ — срочные валютные операции, совершаемые банками по телефону или телексу на договорной основе.

5. ФОРВАРД-РЫНОК – рынок, на котором совершаются сделки в течении длительного времени.

6. ВАЛЮТНЫЕ СЧЕТА - банковские счета, на которых находится иностранная валюта физических и юридических лиц, государственных учреждений. Через такие счета проводятся расчеты в валюте.

7. СВИФТ - автоматизированная система осуществления международных денежных расчетов и платежей с использованием компьютеров и межбанковских телекоммуникаций.

8. ЛЕНДИНГ-БИЗНЕС - сделка, бизнес – операция, результаты которой изменяют активы фирмы и находят отражение в ее финансовых отчетах.

9. К сделкам лендинг - бизнеса относится, например, авансирование, кредитование, предоставление займов, сдача в аренду.

10. Для совершения длительных экспортных сделок экспортеру необходимо иметь счета в иностранных валютах.

Lesson XIII

Transport – forwarding – insurance

A. Read the text below concentrating on its contents and terminology:

There is no trade without the transport of goods from the producer to the consumer. As you already know goods can be transported by water, rail, road and air. Water transport covers sea and inland water transport. It is cheap (and trade always follows the cheapest routes), and it is particularly useful for the long distance carriage of goods (hence it is still dominant in trade with overseas countries, it is also very convenient for carrying bulky goods).

Ships vary according to the distances and the cargo they carry from deep-sea vessels through general cargo liners, tankers, tramps and other small cargo vessels, to coastal craft used mostly for shipping heavy, bulky commodities (e.g. coal) from point to point along the coast.

The constant adaptation of cargo vessels afloat aimed at the continuous impingement of their handling of goods (e.g. ro-ro system, cold storage, etc.) as well as correspondingly improving loading/unloading and storing facilities, offered by modern ports are conducive to the choice water transport, if it is possible and logically justified.

Apart from sea-transport, railway offers the best facilities for the conveyance of goods. Modern railway trucks, adapted to the dimensions and conditions of the goods carry the consignment to its destination. Here are some examples:

Covered Wagon (am. boxcar) — a kind of rolling warehouse for bulky goods or for materials which are not weather-resistant.

Wagon which can be opened on top — huge and heavy goods can easily be loaded through the open tops by crane.

Tripping vans — for goods that can be poured, such as grain, building materials, coal, iron-ore, or chemical products which should be carried by vans which are able to unload themselves.

Open wagon - for all kinds of goods, which are not sensitive to weather, such as timber (Am. timber) or prefabricated pieces of concrete.

Railway transport, however, has its obvious disadvantages:

1. The cost of carriage for small consignment is high. Hence rail is convenient for transportation of bulky goods over long distances.

2. Transshipment and sometimes several transshipments are necessary before goods reach their destination. This adversely affects the costs, time of delivery and general conditions of goods transported.

3. Rail Transport follows fixed routes and so is not flexible.

And that is why road transport appears to be more competitive offering direct deliveries without transshipments, being highly flexible, carrying door-to-door service etc. It proved also to be particularly, important in the inland transport of perishable goods, when speed of delivery is essential. Road transport also offers the facilities necessary for the sound delivery of goods (e.g. cooled tank cars for milk, cold storage for meal, etc.). Consequently, although road transportation is more expensive, it pays in terms of avoiding delays in time of delivery and quality deterioration of goods dispatched, Hence traders maintain that generally speaking they forward their goods by road instead of by rail because road is cheaper (see reasons above) and/or provides a better service.

However, on long distances importers and exporters throughout the world are becoming increasingly aware of the advantage of air cargo due to the efforts of airfreighters to perfect their service,

The chief advantage of air transport is the speed of transit, no need of track (apart from airfields) and ability to reach any place, where other forms of transport are helpless.

But on the other hand **aircraft** can carry only **restricted loads**, due to limited **loading space**. Hence it is useless for bulky goods and general cargo in big quantities. It often depends on weather, which sometimes makes its greatest

advantage — speed — doubtful. Last not least it is the most expensive form of transport.

Airfreighters and many traders however say that air cargo is often cheaper in the long run, because it **cuts costs** on such things as **inventory, warehousing, packing, wharfage, inland transportation** and **pilferage**. Thus a Swiss company which turns out highly fragile products for the electronics industry also ships them by plane. "These products demand the most favorable transport conditions" explains the firm's shipping manager. "We can't afford to have them delayed in transit or stored without surveillance".

Whether it is a Dutch exporter of chrysanthemums or a pharmaceutical concern importing anti-foot-and-mouth-disease vaccine from South America, or a German zoo getting a baby elephant from Bangkok, they have all found airfreight to be the perfect answer to their transport problems.

Which form of transport will you prefer in the future? It's up to you to decide.

B. The following words and phrases will help you to understand the text:

Inland transport - внутренний транспорт - ички транспорт

Route – маршрут - йўналиш

Bulky goods - громоздкий груз - оғир юк

General cargo - общий груз - умумий юк

Coastal craft - береговое судно - кирғоқ кемаси

Cargo vessels afloat - груз в пути - кирғоқ олди хўжалиги

Cold storage - хранение в холодильнике - музлатг ичда сақлаш

Storing – хранение - сақлаш

Railway (rail) - железная дорога - темир йўл

Track - путь, дорожка - йўл

Rolling warehouse - подвижной склад - кўчирма омбор

Crane - подъемный кран - кўтарма кран

To pour – наливать - куймоқ
 Tipping van - товарный фургон - товар ташувчи фургон
 Grain - зерно - дон
 Iron-ore - железная руда - темир рудаси
 Timber/lumber – лесоматериал - ўрмон материали
 Concrete – бетон - бетон
 Carriage – вагон - вагон
 Consignment – груз - юк
 Transshipment - перевозка грузов - юк ташиш
 Flexible – гибкий - ўзгарувчан
 Perishable goods - скоропортящиеся товары - тез бузулувчи товарлар
 Tank car – танкер – танкер
 Sound delivery of goods – качественная перевозка товаров –товарларни сифатли етказиб бериш
 Forward – форвардный - форвард
 Air cargo – воздушный груз – ҳаво юки
 Airfield – посадочная площадка – қўниш майдони
 Aircraft – воздушное судно – ҳаво кемаси
 Restricted loads – ограниченный груз – чегараланган юк
 Airfreighters –грузовые самолеты - юк самолетлари
 In the long ran – в долгосрочном периоде – узок мудатда
 Cut costs – снижать издержки – харажатларни камайтириш
 Inventory - запас, резерв - захира
 Wharf age – портовая пошлина – портдаги божхона тўловлари
 Pilferage – мелкая кража, хищение – кичик ўғирлик, ўмариш
 Surveillance – осмотр, обследование – тинтув, текширув

C. Comprehension 1. Answer the following questions:

1. Name four main methods of transport.
2. What is the main advantage of water transport in terms of freight costs?
3. There are several types of ships mentioned in the text. List them and say what different purposes they serve.
4. What improvements contribute to the competitiveness of water transport?
5. Give examples of how railways have been adapted to meet different needs for the conveyance of goods.
6. What are the chief drawbacks of railway transport?
7. What is the main advantage of road transport over railway transport?
8. What specialized facilities does road transportation offer?
9. What justifies extra road transport costs?
10. What is the chief advantage of air transport?
11. What are the chief limitations of air transport?
12. Is it true that in spite of several drawbacks air transport is cheaper in the long run? If yes, give your reasons.
13. Give examples of goods for which air transport is indispensable.

2. Complete the table given below on the basis of the information given in the text and your own knowledge of the subject:

Method of transport	Advantages	Disadvantages	Most suitable for the carriage of ... give examples (goods)
Water transport a) sea transport b)			
Railway transport			
Road transport			
Air transport			

3. Choose the correct answer:

1. "To convey goods" means:
 - a) to ship them
 - b) to send them by post
 - c) to pass them to their place of destination.
2. "Bulky goods" means:
 - a) general cargo
 - b) heavy freight
 - c) goods such as coal, grain, ore etc
3. "Quay" means:
 - a) a harbour
 - b) a pier
 - c) a landing place for ships to be loaded or unloaded.
4. "Warehouse" means:
 - a) a storage shed
 - b) a storage space
 - c) a store house.
5. "Pilferage" means:
 - a) petty theft
 - b) shipping
 - c) delay.
6. "Perishable goods" means:
 - a) goods that can be easily stolen
 - b) goods of low value which can be damaged in transport without causing a serious loss
 - c) goods that spoil easily.
7. "Airfield" means:
 - a) an airport

- b) runways and open space round them
- c) fields for airports to expand.
- 8. "Restricted loads" means:
 - a) loads under special customs control
 - b) limited amount of loads
 - c) parcels small in size and number due to restricted storage space.
- 9. "Transshipment" means:
 - a) transport
 - b) reloading and handling cargo
 - c) transfer.
- 10. "Transport is highly flexible" means:
 - a) easily changed
 - b) competitive in terms of costs
 - c) very fast.

D.Reinforcing 1. *Give the synonyms and antonyms of the terms listed below:*

<u>Term</u>	<u>Its synonym</u>	<u>Its antonym</u>
1. Cargo		
2. Warehouse		
3. Vessel		
4. To lift		
5. To dispatch		
6. Perishable		
7. Weather sensitive		
8. To load		
9. Passenger train		
10. Sea transport		

2. List all combinations you know with the terms listed below:

1. Goods: ...
2. Freight: ...
3. Cargo: ...
4. Train: ...
5. Ship: ...
6. Storage: ...
7. Air: ...
8. Weather: ...
9. Railway: ...
10. Van: ...

3. Cloze text. Fill in the missing words:

Ninety percent of sea freight consists of (1) goods such as coal, ores, wood, oil, etc., i.e. goods which cannot and probably never will be carried by (2) on a regular basis; in this area there is absolutely no (3) between sea and air (4).

Competition between (5) and (6) traffic basically exists only for extremely valuable cargo (7) which represents about 1 to 2% of sea traffic.

The value of goods has a direct effect on the total (8) of transport, and particularly on insurance (9). The higher the value of (10), the greater the quality of (11) service required. The intrinsic quality of air (12) to a large extent complies with these requirements and also has a favorable effect on the other associated (13) costs.

The future prospects for attracting new goods to air transport are good for a variety of reasons; the increased production of (14) goods, higher prices and inflation, moderate (15) in tariffs, a systematic decrease in air (16) rates.

The temporary handicap is the fact that company sales and transport (17) mainly deal with shipping lines and very seldom (18) of the aircraft.

4. Topics for discussion. Discuss the advantages and disadvantages of the kinds of transport described in the text.

E. Translate into English

U.

1. Транспорт сув йўли энг арзон бўлиб, у узоқ масофага юк етказиб бериш учун муҳаллангандир.
2. Темир йўл орқали товар етказиб бериш транспортнинг денгиз турига караганда энг яхши шароитларни яратиб беради.
3. Ноқулай шароитларда юкни жўнатиш учун усти ёпиқ вагонлар қулайдир.
4. Кўтарма кран ёрзамида ката ҳажмдаги юкни туширишда усти очик вагонлар жуда қулайдир.
5. Дон, қурилиш материаллари, кўмир, темир рудаси ёки кимёвий маҳсулотлар каби ткиладиган юкни жўнатиш учун маҳсус вагонлар мавжуддир.
6. Ўрмон материаллари, бетон маҳсулотлари каби об-ҳавога боғлиқ бўлмаган товарларнинг ҳамма тури очик вагонларда жўнатилади.
7. Кичкина ҳажмдаги юкни темир йўл орқали жўнатишда унга юкори нарх қўйилиши унинг салбий томонидир.
8. Юкни йўл орқали жўнатиш – энг қулай ва самарали бўлиб, тўғридан – тугри белгилатан пунктга товарни етказиш ва маршрутни ўзгартириш назарда тутилади.
9. Тез бузиладиган маҳсулотларни ички бозори етказиб беришда айниқса қуриқлик орқали товарни жўнатиш муҳимдир.
10. Мижозларга аъло хизмат кўрсатилганлиги туфайли кўпчилик ҳаво йўллари транспортини афзал кўрадилар.

R.

1. Водный вид транспорта является наиболее дешевым и предназначен для перевозки груза на дальнее расстояние.
2. Перевозка товара по железной дороге предоставляет лучшие условия в сравнении с морским видом транспорта.
3. Крытые вагоны подходят для транспортировки груза, зависящих от погодных условий.
4. Вагоны с открытой крышей идеально подходят для большого объема или размера груза, они легко выгружаются при помощи подъемного крана.
5. Существуют специальные вагоны для перевозки рассыпчатого груза: зерно, строительные материалы, уголь, железная руда или химические продукты.
6. Все виды товаров, не зависящие от погоды, такие как лес, бетонные изделия перевозятся в открытых вагонах.
7. Отрицательной стороной пользования железной дорогой при перевозках является высокая цена даже за маленький объем груза.
8. Транспортировка груза посредством дороги – наиболее удобная и выгодная: имеется в виду прямая доставка до пункта назначения и возможность менять маршрут.
9. Сухопутная (дорожная) перевозка груза особенно важна при транспортировании скоропортящихся товаров на внутренний рынок.
10. Импортеры и экспортеры всего мира предпочитают воздушный вид транспорта из-за отличного обслуживания клиентов.

Lesson XIV

Forwarding – packing and marking

A. Read the text below concentrating on its contents and terminology:

Goods should not only reach their place of destination in due time, but also be safely delivered. Nothing is more infuriating to a buyer, than to find his goods damaged, or part missing on arrival, and nothing is more likely to lose him a customer. That is why the forwarder (who stands behind all shipping operations) is also responsible for the proper packing and marking of goods to minimize the risk of wrong handling. Such risks occur mainly at the following points: when the goods are being loaded; when they are being handled at the docks, airport, railway stations, etc.; during the voyage itself, by sea, road, rail or air; when they are being unloaded: when they are being transported to their final destination.

When deciding which forms of packing and marking are most suitable for the goods in question one should consider the following criteria: the method of transport used; the nature of goods; the conditions to be encountered; the regulations to be observed.

Below you are presented with different kinds of packing and marking and on Variation of their nature and use.

Packing, containers and materials.

Bag: may be made of strong paper, linen, canvas, rubber, etc.

Sack: a large bag, usually made of jute.

Bale: a package of soft goods (cotton, wool) pressed together and wrapped in protective material.

Bundle: miscellaneous goods packed without a container.

Carton: a light but strong cardboard or fiberboard box.

Case: a strong container made of wood, often with metal bands or wire passed around it. The inside may be lined with zinc, oil paper, tin-foil, etc. to prevent damage by air, or water ("seaworthy" packing).

Box: a small case made of wood, cardboard or metal; may have a hinged lid.

Chest: a large, strong (usually wooden) box with a lid.

Crate: a case, but one not fully enclosed, often open at the top. Crates are often built for the particular thing they have to carry.

Can (Tin): a small metal container.

Drum: a cylindrical container made of metal, wood or cardboard for carrying liquids, chemicals, paint etc.

Barrel: a (wooden) drum

Keg: a small barrel

Cask: a very large barrel.

Carboy: a large glass container in a metal or wicker cage with soft packing between glass and cage; used for chemicals.

Bucket: small metal or plastic container with a handle.

Parcel: a small paper wrapped, usually postal consignment.

Demijohn: see carboy.

Roll: method of packing goods which have to be rolled for shipment, e.g. textiles

Other packing materials are wrapping paper, brown paper, foam rubber string, adhesive tape, wire staples, metal bands.

Marking

When goods are dispatched, the packing units (cases, barrels, bales) are legibly and durably marked so as to avoid confusion during transport. The **shipping marks** consist of block letters (ordering firm and Arabic numbers packages) and caution marks to ensure careful handling.

Shipping marks:

- | | |
|---------|---|
| IDC | 1. Consignee's mark |
| 3320 | 2. Order number |
| COLOMBO | 3. Port of destination |
| 1/10 | 4. Number of package and total number of packages |

GROSS WT.	5. Weight and dimensions
NET WT.	6. Mark of
DIMENSIONS	
MADE IN	
ENGLAND	

Caution marks: are special cargo labels available from the carriers. They inform you about the nature of goods and give special instructions regarding manner of handling, loading, lifting, etc., and various warnings both for the exporter's and the carrier's benefit. The necessary information on the right handling of goods can be also passed this way:

TOP, BOTTOM	LIQUIDS DO NOT
TILT THIS SIDE UP	USE NO HOOKS
OPEN HERE	KEEP
DRY	
LIFT HERE	KEEP IN COOL PLACE
SLING HERE	DO NOT STORE IN DAMP PLACE
HITCH HERE	FRAGILE
HANDLE WITH CARE	INFLAMMABLE
DO NOT DROP	EXPLOSIVES
DO NOT TILT	POISONOUS

Shippers also use pictures to inform you about goods transported and the way they should be handled.

B. The following words and phrases will help you to understand the text:

Bag – мешок, упаковка - қоп, қоплаш

Linen – изделия из льна – тошпахта мато

Canvas – парусина, брезент – брезент қоплама

Sack – мешок, куль - қоп

Jute – джут - жгут

Bale – складывать в тюки – тюкларга жойлаш

Protective material – защитный материал – ҳимоя материали

Bundle – связка, пучок боғлама

Carton – коробка, пакетик – пакет, коробка қути

Cardboard – картон - картон

Fiberboard – волокнистый - толали

Case – дело, кейс – иш, ҳолат, кейс

Metal band – металлическая лента - металл лента, боғич

Wire – проволока – сим

Hinged lid - прикрепленная кишка - қотирилган қопқоқ

Chest – сундук, ящик - сандиқ

Crate – ящик - яшиқ

Can (tin) - бидон, банка - бидон, банка

Drum – барабан, ящик для упаковки сушеных фруктов - Барабан, курук

мевалар учун сават

Barrel – бочка - бочка

Keg, Cask – бочонок – бочкача

Wicker - окошечко в дверях - эшиклардаши туйнук

Roll - вращение - айланиш

Wrapping paper – упаковочная бумага – ўраш учун қоғоз

Adhesive tape – лента – лента, боғич

Shipping mark – знак погруженности – юкланганлик белгиси

Caution mark – этикетка с предостережением – огоҳлантириш белгиси

Gross wt ... net wt... - валовой вес ..., чистый вес – ялпи оғирлик..., саф

оғирлик

Dimension – измерения - ўлчам

Cargo labels – грузовые ярлыки, бирки – юк белгилари, биркалар

C. Comprehension. 1. Answer following questions

1. Why are proper packing and marking so important?
2. At which points during transport is the risk of damaging the goods the greatest?
3. When deciding upon kinds of packing and marking, what criteria should the exporter consider?
4. If you were a forwarder, what goods would you pack in:
 - a) cardboard cartons,
 - b) polythene bags,
 - c) specially designed crates,
 - d) light — weight crates,
 - e) strong metal drums of 1,2,5,10 and 20 gallons,
 - f) wooden barrels
 - g) bales?
5. What is the purpose of using caution marks?
6. What are two ways of passing information used in marking?

2. Imagine you are a customer of a forwarding firm. You want to transport some goods (choose any kind you like). As you are obviously interested in their sound delivery you want to know everything about their transportation, packing, marking etc. Forwarder provides you with necessary details.

Say how would you transport, pack and mark the following cargo:

1. Grain 2. Bananas 3. Machine tools 4. Cotton 5. Coal 6. Vaccines against epidemic disease 7. Soft fruits 8. Wine 9. Vegetable oil 10. Crude oil 11. Livestock and processed meat (fresh and frozen) 12. Glassware.

3. Study the notes given below and answer the following questions:

1. Jones Ltd., Atlanta, USA, sends 600 bales of cotton to Hamburg, Germany, by vessel.

2. Lorries carry 276 cases with glass from Svarovsky, Innsbruck, to Madrid, Spain.
3. 2 crates of computer spare-parts from KIEZLE, Frankfurt arrive at Zurich airport.
4. Messrs Mac Lends from Scotland transport a consignment of 5000 salmon tins to Vienna, Austria in a refrigerated container lorry.
5. casks 150 of wine are conveyed from Lacroix, Bordeaux to Kopenhagen, Denmark by rail.
6. Budapest receives 456 sacks of rice brought from Novara Italy by goods train.

Questions:

1. Which material is conveyed to Hamburg?
2. What do they transport in casks?
3. How many sacks of rice were sent to Budapest?
4. How are the computer spare-parts brought to Zurich?
5. Which country gets the salmon?
6. Who sends glass to Madrid?
7. How is cotton packed?
8. How many sacks of wine are carried to Denmark?
9. Which means of transport carries the rice?
10. Where do the crates Frankfurt arrive?
11. Who sends salmon to Vienna?
12. What is the export article of Svarovsky?
13. How many bales does Jones send to Germany?
14. Which means of transport is used by Lacroix?
15. Where is the rice sent to?
16. Who produces computer spare-parts?
17. What is brought to Vienna?
18. Where do they have to pack the glass?

19. What keeps the salmon fresh?

20. Who gets me cotton bales?

4. Cloze test. Fill in the missing words:

The object of packing is to (1) from damage or loss goods in transit from the factory or (2) until they arrive in the hands of (3). You must examine the type of (4) your goods need when they are (5) to another country, which determines the method of (6) required. You must identify the goods, the (7) and their destination, which means the goods have to be (8).

To appreciate packing criteria and be able to (9) goods in the most effective way, you should occasionally visit docks and (10) to see for yourself what happens to your (11) as they are loaded and (12). When abroad you should do the same, and also ask your customers to (13) you of the conditions in which your goods (14). Always tell them if they have any (15) as to how your (16) could be improved. And before you adopt any new method, test it thoroughly. One way is to (17) a sample to various (18) and have it returned to you, so that you may (19) any damage that have happened.

5. Topics for discussion. Discuss the advantages and disadvantages of using forwarding agents, as opposed to doing the work yourself.

Lesson XVI

Insurance – customs

A. Read the text carefully concentrating on its contents and terminology:

Goods during transportation are subject to different risks. That is why the exporter has to insure the goods to be dispatched through an insurance broker or directly through an insurance company. There are different kinds of insurance: air and marine, overland and full coverage, insurance against all risks etc. The exporter, however, according to Incoterms 1953 is obliged to insure the goods dispatched only against the most typical risks. Thus in sea transport goods are insured under the General Average policy, i.e. all parties involved (the exporter, the carrier, the buyer) are mutually responsible for the sound delivery of goods. This type of insurance is affected when either damage was caused deliberately, or some extra costs were involved to protect the sea-borne goods, no matter who is its actual owner. The Particular Average policy on the other hand falls upon the individual and covers any damage to the cargo during sea transport apart from damage due to natural causes. The word "average" as used in Insurance means "damage" and is derived from the French word "avarie".

Another clause covering the whole risk of General Average and only some risks of Particular Average is called Free of Particular Average – F.P.A. according British or American terms of delivery. If the buyer wants to be insured against greater number of risks, he should stipulate it in the contract and cover costs involved. In such situation the exporter may order to insure the goods under the clause With Particular Average - W.P.A., or With Average W.A., or even under the Against All Risks – A.A.R., or All Risks – A.R. clause. The above mentioned clauses cover, in fact, all possible risks apart from war and strikes risks.

If the goods traded are transported by rail, their insurance is fairly simple. According to international railway agreements, the carrier is responsible for all damage occurring during transportation, apart from that caused by force majeure, bad state of goods inside the containers, if the packing was neither faulty nor damaged, or that caused before the goods were loaded on the train or after their

removal from the railway depot. The carrier is also responsible for the deterioration of goods due to natural causes, e.g. their reduced weight due to drying or leakage etc.

In Poland the insurance company for export trade is "Warta". That is why we enclose here samples of policies used by this firm.

B. The following words and phrases will help you to understand the text:

Risk – риск - хавф, хатар

Insurance Broker - страховой брокер - суғурта брокери

Insurance Company - страховая компания - суғурта компанияси

Air insurance - воздушное страхование - ҳаво йўллар суғуртаси

Marine insurance - морское страхование - денгиз суғуртаси

Full coverage insurance - страхование на все случаи – барча ҳолатларга суғурта

Insurance against all risks - страхование от всех рисков - барча хавфлардан суғурта

Sea-borne goods - товар, перевозимый морем – денгиз орқали ўтказиладиган товарлар

Particular average clause – страховой пункт частной аварии – айрим ҳолат учун суғурта пункти

Free of average clause - свободный от частной аварии - айрим ҳолатлардан холи

With particular clause - включая частную аварию - айрим ҳолатларни ҳисобга олган ҳолда

C. Comprehension. 1. Answer the following question:

1. Why is it important for the exporter to have the goods insured?
2. Where can the exporter insure the goods?

3. What is the exporter due to insure the goods against according to Incoterms 1953?
4. What is General Average and what happens when one is declared?
5. How does the Particular Average differ from the General Average policy?
6. What does the word “average” mean in Insurance?
7. What should the exporter do if he wants to insure the goods against other risks than those covered by the General Average and the Particular Average policies?
8. Who bears the responsibility for damage done during rail transport?
9. In what cases is the railway not responsible for the goods transported?
10. Generally speaking what does the insurance of goods provide for?

2. Study the table below and discuss the scope of insurance policies.

For example: When the shipment is insured F.P.A., the insurer is not liable for any partial loss of, or damage to the goods unless caused by a major casualty such as fire, collision, or the sinking of the ship.

Risks	F.P.A.	W.P.A.	A.A.R
1. General average	only in case of total loss	Covered	Covered
2. Human acts beyond the owner's responsibility	only in case of total loss	Covered	Covered
3. Negligence or misconduct	Excluded		
4. Elemental disaster	only in case of total loss	Covered	Covered
5. Inherent vice	Excluded		
6. Damage due to the nature of the goods but not unavoidable	Not covered	The risks stipulated are covered, the others are not	Covered
7. Political events	With additional charges		
8. Wars	With additional charges		

D.Reinforcing *1.Read the text below carefully concentrating on its contents, but also trying, remember the new insurance terms:*

The export trade is subject to many risks. Ships may sink or consignments be damaged in transit; exchange rates may alter, buyers default on payments or governments suddenly impose an embargo.

Exporters can insure themselves against many of these risks. The cover paid for will vary according to the type of goods and the circumstances delicate goods, such as breakable crockery, cotton piece goods or perishable foodstuffs obviously have to be covered against more risks than sturdy articles like steel girders.

Insurance brokers will quote rates for all types of cargo and risks. In London they may place their business through Lloyd's, the centre of marine insurance.

Regular shippers may take out a floating policy which gives automatic cover for a fixed maximum value of shipments, based on the previous year's trade, provided each shipment is declared when made.

Open cover is an even more flexible type of insurance, limited to twelve months, at agreed terms and rates. In both these cases a certificate of insurance is issued instead of a policy.

Aviation insurance follows marine insurance very closely, but on the whole is much cheaper.

There are some risks, however, that cannot be covered by normal insurance. Fluctuations in exchange rates may be overcome by buying or selling forward exchange, but against actions of governments, like embargoes, a shipper can only protect himself by making special arrangements with his own government.

2. Having read the text above, as well as using your knowledge of the terminology of the previous one, imagine you are an insurance broker and inform your prospective and quite inexperienced customer about the various possibilities for insurance.

1. What kind of a flexible insurance will you suggest instead of a regular policy? What will you say about its validity and rates?

2. What kind of policy will you recommend if your customer agrees to share joint responsibility with the buyer and carrier?'

3. The buyer does not find your proposal satisfactory. He wants to be insured against other possible risks. Which policy will you suggest? What will you tell him about the costs of such insurance?

4. If the goods are to be transported by rail what will you tell him about the rail insurance? What will you call an insurance against risks during inland transit.

5. Every insurance mentions some risks it does not cover. Your customer should be informed about them. What are these risks, and what are the natural causes often mentioned in policies?

3. Having answered the questions above you should learn some more about insurance terminology. The list below presents the remaining basic insurance terms. Learn them by heart and use in sentences of your own.

1. Air (aerial) or air cargo insurance
2. All-in insurance
3. Application for insurance
4. Charges of insurance
5. Contract of insurance
6. Covered by insurance
7. Freight (cargo) insurance
8. Open insurance

9. Shipping insurance
10. Insurance against....
11. Insurance "at" and "from"
12. Insurance claim
13. Insurance commission
14. Insurance coverage
15. Insurance premium
16. Insurance slip
17. Insurance taker
18. To cover by insurance
19. To effect an insurance
20. To place an insurance

Your study of the problems and language of insurance would not be complete without reading about Lloyd's. This short history of insurance should be now easy for you to understand as terminology is already known.

F.Comprehensive reading. *Read the text to follow carefully and then, using the terminology you have just learnt on this unit, write a composition entitled "Insurance in the Past and Now"*

LLOYD'S

By the end of the seventeenth century, Lloyd's coffee-house had become meeting place for men who in the shipping business — captains, ship-owners and brokers. Those ship-owners who wanted to have their ships and cargoes insured against loss, and those willing to undertake such an insurance, went there.

The men who took the risk of insuring a ship in return for a "free" promised to pay an owner a sum of money if his ship was lost at sea. When an agreement was made, the men accepting the risk wrote their names on a card under that of the

owners. Thus they came to be called "underwriters". When losses had been heavy, they found it difficult to meet the claims, and often the insurance premiums had to be increased.

The underwriters were naturally interested in news about ships, and Lloyd therefore did his best to collect such information which he used to read out in his coffee-house. In 1734 he started "Lloyd's List", which gave the latest news about shipping. It still exists today and is the second oldest paper in Britain.

Although marine insurance is the chief concern of Lloyd's they will insure anything from a watch to a ship in any part of the world gold on its way from Iran to Europe; diamonds traveling by air or sewing-machine by rail. A householder can insure his furniture and a pianist his fingers. Among its many activities are fire, accident, burglary, loss motor-car, bicycle, earthquake and hailstorm insurance.

The business is done on the ground floor of the building, and immense place 340 feet long and 120 feet wide, filled with busy people coming and going, writing and telephoning. In this room is the Lutine bell. If it rings twice, this shows that a ship has arrived safely in port; but if it rings only once, this is to give notice that a ship has been wrecked.

Lloyd's Register (1843) is an annual publication which contains the names of ships arranged and classified according to their construction, materials, state of repair and the like.

A ship registered A denotes that the ship is built in the very best manner.

The 1 indicates the first-rate condition of the ship.

A ship in the worst condition is classified C 3.

It goes without saying that A 1 has to pay the least, C 3 ships the highest! Premiums!

Topics for discussion:

1. "Nowadays" practically every business risk may be covered by "insurance" Critically examine this statement.

2. Explain why British insurance offices and the underwriters at Lloyd's are able to undertake the insurance of heavy commercial and marine risks for comparatively light premiums and yet made satisfactory profits.

3. Explain the importance of insurance to the business world. State, with reasons, those risks which can be covered by a contract of insurance and those which cannot.

Lesson XVI

Forwarding - main transport documents

A. Read the text below concentrating on its contents and terminology:

Immediately after the contract has been signed, the exporter turns to a freight forwarder placing with him a forwarding order.

A forwarding order covers all necessary information resulting from the stipulations of the contract i.e. detailed characteristics of the goods dispatched, the name and address of the exporter and overseas buyer, place and term of delivery, terms of payment. information concerning eventual transshipments, necessary forwarding documents, details on freight payments, type of insurance etc.

A freight order is usually accompanied by a set of complementary documents such as export permits, packing lists, main L/C terms and last not least transport documents, the bill of lading, the consignment note or the airwaybill. These documents are like contracts between the forwarder and the exporter for a supply of definite shipping services and without them no goods can be dispatched. The maritime bill of lading (B/L) is still the most common transport document for exporting to Africa, Asia, South America and the Middle East when arranging payment through the banking system for goods delivered. This is because a B/L has three important elements.

Firstly, it acts as evidence that there is a contract between either the exporter or importer and a shipping company to transport the goods by sea.

Secondly, it is a receipt for goods shipped and provides certain details as to their condition when placed on board.

Thirdly, it is also a document of title, which means that the company named on the B/L has the right to possess the goods. A transfer of title on the B/L acts as a transfer of ownership. This element of a B/L is vital to the payment arrangements for the goods. B/L is made out in sets usually of two or three originals, any one of which gives title to the goods.

A clean B/L is one which has no superimposed clause or statement declaring some defect in the condition of the exported goods or the packaging, or some other aspect of the consignment. A received for shipment B/L confirms that the shipping company has the goods in custody for shipment. With the growth of container transport and inland collecting depots it has become much more widely used. Exporters now load their goods at the factory into a container provided by the transport operator. If then shipment is less than a full container load, it is sent to a groupage or inland clearance depot to be packed into a container with other goods for the same destination. The container is transported by road or rail to the port for shipment. The received for shipment B/L can be converted to a shipped bill by an endorsement from a carrier when the goods have been loaded aboard ship.

Railway consignment notes are used for international transport by rail to an overseas destination. They are not documents of title and are not negotiable.

A Consignment Note is a document which ratifies the freight contract between the national railway and the railway customer. The railway consignment note filled in by the consigner (sender) and must be signed by the consignee on receipt of the consignment.

Railway rates are divided into classes. With some, the collection and delivery is included. The charges are determined by the nature of the goods and packing.

The following items must be registered in a consignment note:

- Place and date of issue,
- destination nation (in accordance with the tariff),
- name and address of the consignee,
- description of the goods (in accordance with the tariff),
- weight,
- institution which undertakes the loading,
- name, address, and number of teleprinter of the consigner.

The consigner is liable for the accuracy of the given data.

The Air Waybill is the most important document in the international air cargo, issued by a carrier or its authorized Cargo Agents.

It is an Air Consignment Note that accompanies the cargo on its way from the loading place to the place of destination.

It combines several purposes;

- it is evidence of the conclusion of the freight contract (Contract of Carriage),
- it is the receipt of consignment for the goods which are ready for dispatch,
- it shows that the consigner agrees with the transport conditions of the airline,
- it is a freight bill,
- it is, a waybill that contains the consigner's instructions about handling, dispatching and delivery of the shipment.
- it acts as insurance certificate if insurance is requested by the shipper (consigner),
- it is a customs declaration.

The Air Waybill is "NOT NEGOTIABLE" (= contrary to the ocean Bill of Lading which is negotiable).

The consigner disposes of the cargo until the consignee gives his written and oral consent about the receipt of the consignment; this made possible by the short period of transport which is the most important "advantage of air cargo".

B. The following words and phrases will help you to understand the text:

Freight forwarder - агентство по отправке грузов - юкларни жунатиш буйича агентлик

Forwarding order - форвардный заказ – форвард буюртма

Stipulations of the contract - условия контракта - контракт шартлари

Freight payments - оплата за фрахт – фрахт учун тўлов

Insurance – страхование - суғурта

Bill of lading - транспортная накладная – транспорт устамаси

Consignment note - накладная на груз - юк учун устама

Airway bill - авиагрузовая – ҳаво йўл устамаси

Shipping company - судоходная компания - кема хизмати компанияси

Document of title - товарораспорядительный документ - товар тақсимлаш ҳужжати

“in custody for shipment” - «погрузка на хранение» - сақлаш учун юклаш

Endorsement - индоссамент, передаточная подпись – индоссамент, имзо қўйиш ҳуқуқини бошқа шахсга бериш

Carrier - агентство по перевозке - ташиш бўйича агентлик

Shipper - грузоотправитель - юк жўнатувчи

Consignee - грузополучатель, консигнатор - юк қабул қилувчи

Consigner – грузоотправитель - юк жўнатувчи

Freight bill - счет за фрахт – фрахт учун хизмат

Shipping bill – погрузочный коносамент – юк ортувчи коносамент

C. Comprehencion 1. Answer the following question:

1. What is usually the first step taken by the exporter after signing the contract?
2. What detailed information does a forwarding order include?
3. What other documents is a forwarding order usually accompanied by?
4. What do transport documents, such as the bill of lading the consignment note or the airwaybill provide for?
5. What document does the exporter sign with the shipping line?
6. What does a transfer of title on the bill of lading mean?
7. How many originals is the bill of lading usually made out in? Why?
8. Why has a received for shipment bill of lading become widely used in recent years?
9. What document does the exporter sign with the railway company for the carriage of goods?

10. What do railway charges for the carriage of goods depend upon?
11. What document does the exporter sign with the airline for the carriage of goods?
12. List several purposes that the airwaybill combines.

2. Complete the following on the basis of the information given in the text:

1. Signing the bill of lading the shipping company agrees to ... to ... indicate in the bill.
2. The bill of lading acknowledges the receipt ofby the....
3. The company named on the bill of lading is the.....of..... .
4. A clean bill of lading means that the goods and the packing when
5. A received for shipment bill of lading means that the goods.....
6. The received for shipment bill of lading when ... by writing its ... that the goods.....
7. The main difference between the maritime bill of lading and the railway consignment note is that the latter is not ...and is not
8. Also contrary to the maritime bill of lading, the air waybill is not
9. Any of the transport documents, whether it is a maritime bill of lading, or a railway consignment note, or an air waybill, is filled in by... and must be signed by...on receipt of
10. All the transport documents should contain the following data:
 - a).....
 - b).....
 - c).....
 - d).....
 - e).....
 - f).....
 - g).....

3. Reinforcing terminology.

You have already learnt the term "freighter" meaning a person responsible for the transportation of goods. In the text above you have met the term "carrier"

to indicate the same. Thus we can say synonymically: **to transport** goods, , cargo; **to convey** goods, freight, cargo; **to carry** goods, freight, cargo, merchandise.

You have also other two phrases meaning the same e.g. contract of **carriage and freight** contract. The names of documents also have their synonyms (e.g. Bill of Lading, bill of freight, freight bill) but some of them are most frequently used, and that is why the safest way is to use the following: **Consignment note** – for railway transport, **Bill of Lading** — for sea transport, **Airway bill** - for air transport only.

Another term worth discussing is **shipping**. This term means to send or carry goods to another place by ship, train or truck. Thus as you have probably noticed it needn't only be connected with sea transport, as it might seem at first sight. Consequently **a shipper** means a person or firm that ships goods. In previous chapters you have already met the word **forwarder**. However, these terms are not synonymous; generally speaking a forwarder is a person or firm who accepts goods for transportation and turns them over on behalf of their owner to a carrier. It means in practice that apart from arranging transport a forwarder handles all other details of transporting cargo, e.g. hiring dock service, completing customs formalities, packing, weighing, marking, etc.

Hence a forwarder has more functions to perform than a shipper, who is responsible for transportation only. Shipper, may specialize in bulky goods or general cargo etc, but there is also a good deal of those involved in shipping of any kind of freight.

Remember also that in transport and forwarding terminology goods are dispatched, goods being dispatched are a consignment the person or company who send; there is not a sender but a consigner and the person or firm to receive them is a consignee.

E. Read again the two texts on transport and its documents. Then check your knowledge of transport and forwarding terminology by giving correct answers to the following questions:

1. What do you call the first document sent by the exporter to the forwarder?

2. What means of transportation will you choose for the following goods:
a) coal, b) grain, c) soft fruit, d) oil, e) weather sensitive goods, f) medicines to be urgently delivered, g) concrete, h) general cargo, i) coffee, j) citrus fruits, h) butter, l) fragile electronic elements, m) meat, n) milk.
3. Some of the goods listed above can be transported by sea, some by rail or car, some can be shipped either by water or by inland transport. All of them ever should be transported in special kinds of ships, wagons or cars. Name them according to the requirements of the commodity dispatched.
4. What transport documents should be attached to goods shipped by:
a) sea, b) rail, c) road, d) air?
5. What do you call the sender of a consignment and its addressee?
6. What are the functions of: a) a forwarder and b) a shipper?
7. Classify the following cargo using the forwarding terminology: a) soft fruit, b) iron ore, c) all sorts of small parcels, d) vaccines to be urgently delivered, e) timber, f) salt, g) electronic instruments.
8. What do you call a firm arranging the transport of goods to their place of destination?
9. What do you call a place to store goods in?
10. What do you call payments for: a) staying in harbor, b) transporting goods?

F. Studying export/import documents. Study the enclosed bills of lading and find out:

3. The name of the exporter/consigner/sender.
4. The name of the importer/ consigner/buyer.
5. The name of the shipping company with which the contract of carriage has been concluded.
6. The place and date of issue.
7. The port/place of loading the goods and of discharge,
8. How the goods are to be delivered to the port of loading and how to the of

destination.

9. Description of the goods, their weight, etc.
10. The terms of delivery and payment.
11. What sort of bill it is (clean, dirty, received for shipment, shipped).
12. Other relevant details.

G. Cloze test. Fill in the missing words:

The bill of lading is the most important (1) document. It acknowledges the receipt of (2) and according to what is being done with them three different kinds of (3) may be issued. The first is a (4) for shipment bill, issued when the goods have been received, but not (5) on to a particular ship. If, however, the goods have been loaded and shipped, then a (6) bill will be issued. But should the goods have been received in a damaged condition or are not according to the specification, then a (7) bill of lading will be issued.

The basis of all contracts between the exporter and the airline is covered by the air (8). This is a (9) for the goods and a contract of (10). Unlike a bill of lading it is not a document of (11). Nor is it a (12) instrument. Three originals are issued: one for the (13), one for the (14) and one for the (15). The person named in the air waybill can obtain (16) of the goods. The exporter must always inform the (17) of its number at once, so that he may take the delivery of goods at once. Hence the (18) cannot prevent the importer having the goods without (19), as he can with a bill of lading. But the exporter may consign the (20) to the importer COD, when the airline will (21) payment before handing over the goods.

6. Translate into English

U.

1. Форвард буюртмаси ўзида юборилаётган товар ҳақида барча маълумотни, қаерга ва ким томонидан юбориляпти, етказиб бериш манзили ва шартлари, суғурта ва бошқаларни ўзида мужассам этади.

2. Экспедитор ва экспортер уларсиз товарни етказиб бериш мумкин бўлмаган бир катор хужжатларни тузишлари ва имзолашлари керак.
3. Юк жўнатувчи ой охирида керакли тоннажни юклай олмади.
4. Кема эгаси ва юк қабул килувчи харажатларни тенг бўлишди.
5. Фрахт ордер одатда аккредитив, экспортта рухсатнома, ўралган қоғозлар, коносамент ва бошқа хужжатлар билан бирга ишлатилади.
6. Фирма экспедиторга барча керакли хужжатларни ўз вақтида юборди.
7. Коносамент - асосий транспорт хужжатларидан бири хисобланади.
8. Фрахтловчи (етказиб берувчи) кемага шартномада курсатилган вақтда юк юкланганини маълум қилади.
9. Сизнинг товарни юклаш ва ташиш ҳақидаги илтимосингизни чуқур ўрганиб чиқиб, сизга шуни маълум киламизки, барча юк учун минимал фрахт микдори 10 тоннадир.
10. Хар қандай кушимча харажатлар, масалан, бўш туриб қолганлик учун ҳам, фирмангиз томонидан тўланади.

P.

1. Форвардный заказ содержит в себе всю необходимую информацию об отправляемом товаре, куда и кем он направляется, о месте и условиях его поставки, страховки и т.д.
2. Экспедитор и экспортер должны составить и подписать ряд документов, без которых доставка товаров не может быть осуществлена.
3. Грузоотправитель не смог зафрахтовать необходимый тоннаж в конце месяца.
4. Судовладелец и грузополучатель поделили расходы поровну.
5. Фрахт ордер обычно сопровождается такими дополнительными документами, как аккредитив, разрешение на экспорт, упакованные листы, коносамент и др.
6. Фирма отправила экспедитору все необходимые документы вовремя.
7. Коносамент является одним из главных транспортных документов.

8. Фрахтователь сообщил, что судно было поставлено под погрузку в срок, указанный в контракте.

9. Тщательно изучив Вашу просьбу относительно отгрузки и перевозки товаров, сообщаем Вам, что фрахтовые ставки за все грузы составляют минимум 10 тонн.

10. Любые дополнительные расходы как, например, плата за простой (demurrage), оплачиваются вашей фирмой.

Lesson XVII

Arbitration

A. Read the text carefully concentrating on its contents and terminology:

If a complaint is not adjusted to the mutual satisfaction of both parties and several controversial points remain, legal proceeding usually follow. Such possibility should always be slated in the contract under a separate clause. This clause determines the ways of setting disputable matters, or refers them to the stipulations of the general terms of deliveries attached to the contract, binding in turnovers between the countries of the contracting parties.

Legal proceeding may take place in the court of justice. This, however, is very inconvenient for both parties due to differences in the law of some countries. Thus submitting disputable cases to arbitration has become a regular practice in international trade.

Arbitration has many advantages: disputable cases are examined and sailed by specialists, in a much shorter time than that necessary for legal proceedings, the costs are considerably lower than in the court of justice, there is no need for legal defence.

However, the awards of arbitration courts before being effected should be ratified by appropriate legal authorities in the countries concerned. In case of arbitration between CMEA countries no such ratifications are demanded.

The plaintiff brings the suit to arbitration in the country of the defendant and at the same time effects a fixed payment. The plaintiff also suggests the name of the arbitrator to represent him. Then the court of arbitration directs the suit with its full documentation to the defendant. If the latter does not acknowledge the claim, he should also appoint the arbitrator to represent him. Then the two arbitrators choose an umpire and the arbitration procedure begins.

After the report of the umpire and explanations of the parties concerned, the award is made by the majority of votes. There is no appeal against the decisions adopted by the Arbitration Court and they are binding for both the parties concerned.

The decision of the Arbitration Court is enforceable in the same way as is a decision by the civil court, and if either party to the dispute fails to obey the decision, the arbitrator can apply to the court for his ruling to be upheld and enforced.

B. The following words and phrases will help you to understand the text:

Legal proceeding – судопроизводство – суд жараёни

Disputable – спорный – музокарали

Binding – обязательство – мажбурият

Court of justice – суд – суд

Case – обстоятельство, случай – ҳолат

Legal defense – легальная (законная защита) – қонуний ҳимоя

Awards of arbitration courts – решение арбитражного суда –
арбитраж суди қарори

Plaintiff – истец – даъвогар

Suit – набор, комплект – тўплам, комплект

Defendant – обвиняемый – айбдор

Acknowledge the claim - подтвердить требование – талабни тасдиқлаш

Appeal – просьба, апелляция – илтимос, қайта кўриш

Sue smb. – подавать жалобу на кого-либо – бирортасининг устидан
арз қилиш

C. Comprehension. 1. Answer the following question:

1. In what cases do parties to a contract have to take legal proceedings?
2. According to what principles are disputable matters settled between the contracting parties?
3. Why do the contracting parties, in case of a dispute, usually refer to arbitration instead of a court of justice?
4. What are the advantages of arbitration over legal proceedings taken in a court of justice?

5. What should be done before the awards of arbitration become binding?
6. What part does the plaintiff play at arbitration
7. Describe the procedure of appointing arbitrators.
8. Who is the umpire chosen by?
9. Is it possible to appeal against the decision of the Arbitration Court? If so, how?
If not, why not?
10. What happens if either party to the dispute fails to obey the decision of the Arbitration Court?

2. Give a legal term for each of the following

1. A court where disputable commercial matters are settled.
2. Obligatory (regulation, decision, etc.).
3. Inhabited by, the mother country of... .
4. A matter presented to the decision of the court.
5. To be accused in a legal way.
6. A lawyer speaking for the accused person in the court.
7. The person accused.
8. The person accusing.
9. To admit that the claim was right.
10. The leader of the arbitrators.

D.Reinforcing. 1.Translate the following text into Native.

Arbitration clause no 12-111/47934

The parties agree that all disputes, controversies or differences which may arise from this contract or in connection with it, and which relate to its validity or interpretation as well as to the validity of arbitration clause itself, will be settled with the exclusion of Courts of Justice, only by Arbitration. If the Buyer is sued, the Arbitration Court of the Polish Chamber of Foreign Trade

in Warsaw will be applicable for settlement of the dispute, according to its rules.

In case the Seller is sued, an Arbitration Court established "ad hoc" in the Capital of Seller's country, consisting of three arbitrators, will be applicable for settlement of the dispute. Either party appoints one arbitrator and two arbitrators choose an Umpire. In case the party sued does not appoint the arbitrator within 14 days from the date of receipt of the invitation to do so, such an arbitrator will be appointed on the request of the Plaintiff, by the Chairman of the Umpire is not

chosen within 30 days from the date of appointment of the defendant's arbitrator, the Umpire is appointed on the request of one of the parties by the President of the Polish Chamber of Foreign Trade in Warsaw.

The awards of Arbitration Court are made by the majority of votes. The basis for settlement will be the Polish Law. The parties recognize the decisions Arbitration Court as final and legally valid and bind themselves to fulfil the voluntarily immediately after they are passed.

2. Cloze test. Fill in the missing words:

The practice of settling commercial disputes by (1) instead of by trial in civil courts of law is very much on the increase. An (2) is the person appointed by both parties to give a (3) on the rights of the dispute. A majority of commercial contracts contain an arbitration (4) under which both parties to the (5) agree to refer any (6) to arbitration. In some contract each (7) appoints an arbitrator. When two arbitrators fail to reach (8), an Umpire is appointed whose division is (9) on both sides. The decision of the arbitrator is called the (10). In order to be binding it must be (11), certain, possible and consistent. It must also take into account the matters submitted into (12).

3. Translate into English

U.

1. Сиз ўз аризангизнинг қонунийлигини исботлашингиз керак.
2. Арбитражга қандай ҳужжатларни тақдим этишимиз керак?
3. Сиз тасдиқланган ишончнома, зарар ҳақида шикоятнома ва норозилик аризангизни юборишингиз керак.
4. Эътирозингизни асословчи қандай исбот бор?
5. Бизда ишончли, аниқ асослар бор.
6. Суд қарори бўйича қайси тамом етказилган зарарларни тўлайди?
7. Сизнинг фирмангиз бир неча марта шартнона қоидаларини бузганлиги ва зарарларни қоплашдан бош тортаётгани учун биз арбитраж судига мурожаат қиламиз.
8. Арбитраж қайта кўриб чиқишни қолдирди, чунки ҳеч қандай исбот ва иш бўйича ҳужжатлар тақдим этилмаган эди.
9. Арбитраж харажатларини ким тўлайди? Қайта кўриб чикувчи арбитраж харажатларини ким тўлайди?
10. Арбитраж инқирозга учраган компаниянинг даъво аризасига биноан ишни кўриб чиқишни бошлади.

R.

1. Вы должны доказать законность своего иска (заявления).
2. Какие документы мы должны представить в арбитраж?
3. Вы должны направить следующие документы: легализованную доверенность, акт-рекламации, исковое заявление.
4. Какие доказательства у вас есть для обоснования претензии?
5. Мы располагаем убедительными доказательствами.
6. Какая сторона обязана выплатить сумму за нанесенные убытки по решению суда?
7. Так как ваша фирма неоднократно нарушала условия контракта и уклоняется

от возмещения убытков, мы вынуждены обратиться в арбитражный суд.

8. Арбитраж отклонил апелляцию, так как доказательства и никакие документы по данному делу не были представлены.

9. Кто будет выплачивать издержки по арбитражу? Издержки по арбитражу будет нести апеллянт.

10. Арбитраж начал рассмотрение дела по предъявленному иску обанкротившейся компании.

VOCABULARY

Lesson I Main types of business units

firm, company, corporation	- фирма, компания - корпорация
to carry an activity	- фаолият юрғизмок
supply of services	- хизмат кўрсатиш
to run a firm/business	- фирмани бошқармок
sole trader	- якка сотувчи
enterprise	- корхона
supervision	- назорат
to share profits	- фойдани бўлмок
financial resources	- молиявий манбалар
partnership	- хамкорлик
unlimited partnership	-маъсулияти чекланмаган хамкорлик
limited partnership	- маъсулияти чекланган хамкорлик
joint stock company	- акциядорлик жамияти

Lesson II The importance of export

breed	-категория
overseas	-хорижда
home market	- ички бозор
turnover	- товар айланмаси
to meet a delivery date	- вақтида етказиш
to collect payment	- тўловлар йигими
occasional export order	- тасодифий экспорт буюртмаси
shipment period	- ортиш даври
to ship	- ортмок
destination	- етказиш манзили
prompt and secure	- бус-бутунлигича
currency	- валюта

fluctuations in exchange rates	- валюта курсининг ўзгариши
movement of goods	- товар ҳаракати
remittance of funds	- фондларни ўтказиш

Lesson III The structure of an export office

sales	- сотув
research	- тадқиқот
records - регистрация	- ёзув қайд этиш
personnel training	- кадрларни тайёрлаш
purchase	- харид
unwieldy	- қийин бошқариладиган
vertikal	- вертикал
horizontal	- горизонтал
order processing	- буюртма жараёни
invoicing	- ёзиб бериш, фактурлаш
filling	- информация тўплами
transaction is handled	- савдо битими оширилди
involvement in export	- экспорт фаолиятига кириш
rivalry and overlap	- рақобатлашмоқ, қисман қопламоқ
marketing manager	- маркетинг бошқарувчиси
sales manager	- савдо бўйича бошқарувчи
shipping manager	- юклаш бўйича бошқарувчи
promoting sales (sales promotion)	- савдони юрғизиш
quotation	- прейскурант
acknowledge an order	- буюртмани тасдиқлаш
works	- маҳсулот
confirm the date of dispatch	- жўнатиш муддатини тасдиқлаш
notify	- хабар бermoқ
unavoidable	- муқаррар
feasibility	- амалга ошириб бўладиган

marking	- маркалаш
to charter	- фрахтлаш
shipping space	- юк учун жой
freight forwarder, supplies	- таъминламок
to draw up documents	- хужжатларни фаолиятдан чиқариб ташлаш
accounts departament	- бухгалтерия

Lesson IV Basic concepts in marketing

marketing research	- бозор тадқиқоти
volume of output	- ишлаб чиқариш маҳсулот
хажми	
exports	- экспорт сотувлари
export promotion	- экспортни қўллаб қувватлаш
external economic and political	- ташқи иқтисодий ва сиёсий
publicity	ошкоралик
personal selling	- якка сотув
offerer	- таклиф этувчи
broker	- брокер (даллол)
middleman	- даллол
reability	- ишончилилик
after sales service	- сотувдан сўнгги хизмат
sales promotion	- савдони қўллаш
discount	- чегирма
bargian sales	- бартер орқали сотиш

Lesson V Levi Strauss and his company

canvan duck	- канва матоси
broadcloth	- қўпол мато
denim	- қўпол пахта мато
indigo dye	- кўк буёқ
fabric	- волокно
to rivet	- тугмачалаш (кнопкалаш)
to pan	- ювиб ташламок

harness	- ҳалқа
snug	- шинам, ёпишиб турувчи
to tapper	- охирига бориб торайиш
sundries	- хар хил нарса
apparel	- кийим

Lesson VI **We are the best!**

dryer	- қуритувчи
mill owners	- фабрика эгалари
heat recovery systems	- иситиш таъмирлаш тизими
power generating industry	- энергетика саноати
grain handling and storage	-дон етқазиш ва сақлаш
verhead costs	- устама харажатлар
to assembly	- йиғиш
purchasing in volume	- катта миқдордаги харид
volume discount	- катта ҳажмли товар сотишдаги чегирма
after sales service	- сотувдан кейинги хизмат
agent, agential	- агент
brand	- савдо маркаси
brand image	- савдо маркаси обрўси
brand decision	- савдо маркасини топиш
to bring profit/loss	- фойда, зарар келтириш
broker	- даллол
parent company	- бош компания
competition	- рақобат
competitive	- рақобатбардош
discount	- чегирма
to grant a discount	- чегирма қилиш

display	- намоён килиш (кўргазма)
to display	-кўргазма қўйиш
window display	- кўргазма ойнаси
distribution	- тақсимлаш
distribution channels	-тақсимлаш каналлари
export oriented	- экспортга мўлжалланган
promotion	- реклама
exhibition	- кўргазма
fair	- ярмарка
free sample	- алохида намуна
label	-етикетка
line, production	- ишлаб чиқариш линияси
marketing policy	- маркетинг сиёсати
marketing research	- бозорни ўрганиш(тадқиқоти)
marketing strategy	- маркетинг стратегияси
offer	-таклиф
packaging	- қадоқлаш
personal selling	- якка савдо
public relations	- жамиятчилик билан муносабатлар
sales, bargain sales	- арзон савдо
price tag	- нарх кўрсатилган тамға

Lesson VII The main elements of a contract

clause	- келишув пункти
contracting parties	- контрактни амалга оширувчи томонлар
in course of its implementation	- амалга ошириш жараёнида
appropriate measures	- мос тадбирлар

adjustments	- тўғирлаш
arbitration procedure	- арбитраж суд жараёни
terms of payment	- тўлов шартлари
terms of delivery	- етказиб бериш шартлари
the scope of the contract	- контракт масштаби
up to the sample enclosed	- келтирилган намуна буйича
scheduled price	- белгиланган нарх
basis price	- бошланғич нарх
ultimate price	- охирги нарх
invoice price	- фактура нархи
bulky goods	- катта хажмдаги юк
market price	- бозор нархи
latest quotation	- охирги нарх белгилаш
capital goods	- асосий капитал, ишлаб чиқариш воситалари
inclusive price	- барча хизматларни киритилган нарх
fixed price	- белгиланган (ўзгармас) нарх
fluctuations of prices	- нархлар ўзгариши
up or down alteration of price clause	- нарх ўсиши ёки пасайиши моддаси
price fluctuation clause	- нарх ўзгариши моддаси
abatement	- пасайиш, чегирма, солиқни бекор қилиш
rebate	- чегирма, фоизларни ҳисобдан чиқариш

***Lesson VIII* Basic commercial documents - commercial invoice**

commercial invoice	- фактура ҳисоби
bill of lading	- транспорт устамаси
insurance policy	- суғурта полиси
joint value	- умумий қиймат
terms of delivery	- етказиб бериш шартлари
marking	- маркалаш

invoice form	- хисоб фактура формаси
final invoice	- якуний хисоб фактураси
provisional invoice	- олдиндан тузилган хисоб фактураси
to effect payment	- тўловни амалга ошириш
pro forma invoice	- хисоб формаси
quotation	- курс (таклиф)
confirmation of an order	- буюртма тасдиғи
financial claims	- молиявий талаблар
consular invoice	- консулликка оид хисоб фактура
customs clearance	-божхона текшируви
certificate of origin	- келиб чиқиш сертификати
customs invoice	- божхона хисоби
bill of freight/railroad bill of lading	- темир йўл устамаси
consignment note	- транспорт устамаси
air way-bill/air consignment note	- хаво оркали ташиш бўйича устама
insurance policy	- суғурта полиси
certificate of insurance	- суғурталаш ҳужжатлари

Lesson IX Bill of exchange (B'E)

expiry date	- амал қилинишнинг охириги муддати
the terms of credit	- кредит шартлари
revocable/irrevocable	- қайтарилган, қайтарилмайдиган
to cancel or amend	- бекор қилиш ёки қоплаш
advise a letter of credit	- аккредитивни маълум қилмоқ
advising bank банк)	- хабар берувчи банк (консультант
confirming bank	- грант банк
issuing bank	- эмитент банк(чиқарувчи)

compatible with
to reimburse

- билан ҳамкорлиги
- қоплаб бермоқ, қайтариб бермоқ

Short term export finance

to deplete

- тугатмоқ, сарфлаб тугатмоқ

to allow credit

- кредит бермоқ

with/without recourse

- ишлатиб, ишлатмасдан

overdraft

- кредитнинг ошиш, банкка қарздор

бўлмоқ.

overdrawing

- кредитни банкда ошиб етиши

advance

- аванс, қарз

face value of the bill

- векселнинг номинал қиймати

clean bill for collection

- соф вексел

bill negotiation

- сотув, векселни ҳисобга олиш

cash against documents

- ҳужжатларсиз нақд пул тўлаш

charging interests

- қарзлар бўйича фоизлар

collection fees

- жарима, қарзлар,
бадал-тўловлар йиғими

bank bill

- банк вексели

discount

- чегирма

money market

- пул бозори

sale proceeds are credited to...

- сотувдан тушган тушум

кредитланади

the bill matures

- векселни тўлаш муддати

acceptance commission

- акцептлаш бўйича комиссия

(тўлашга розилик бериш бўйича комиссия)

collect debts

- қарзларни йиғиш

sales ledgers

- сотув ҳисоб- китоби

service charges	- хизматлар тўлови
standing of a company	- компаниянинг молиявий ҳолати.
confirming house	-комиссион фирма
to place an order	-буюртма бермоқ
export finance house	-экспортни молиялаштирувчи фирма
credit assessment	-кредитни баҳолаш
export house	-экспорт фирмаси
reimburse	-суммани қайтариш
promissory note	-оддий вексел
without recourse	- регрессиз
counter claim	- қарши ариза, талабнома
warranty	- кафиллик, кафолат
sight bill	- тратта, кўрсатма вексел

***Lesson XI* Medium terms export finance**

Leasing	- ЛИЗИНГ
hire purchase	- насяга товарни харид қилиш
instalment	- бадал
merchant bank	- тижорат банки
down payment	- нақд пул билан тўлов
equity	- шахсий капитал (акция)
fixed-rate (credit, finance etc.)	- доимий фоиз
bond	- облигация
floating- rate note	- векселнинг «ўзгарувчан» курси
interest rate	- фоиз ставкаси
trustee	- қарамоғига олувчи
forfeiting service	- форфейтинг хизмати

aval	- аваль, кафолатнома
warranty	- кафолат
commitment fee	- гонорарнини топшириш
eligible	- мос келувчи, қониктирувчи

Lesson XII Foreign currency for exports

convertible	- алмашувга мойиллик
foreign exchange market	- валюта бозори
forward exchange market	- форвард валюта бозори
forward rate	- форвард бўйича курс, тезкор битим курси
spot rate	- касса шартномалари бўйича курс (ҳозирги кун)
at a premium	- номиналдан юқори
at a discount	- чегирма билан
commission fee	- комисион тўловлар

Lesson XIII Transport – forwarding insurance

inland transport	- ички транспорт
route	- йўналиш
bulky goods	- оғир юк
general cargo	- умумий юк
coastal craft	- қирғоқ кемаси
cargo vessels afloat	- қирғоқ олди хўжалиги
cold storage	- музлатгичда сақлаш
storing	- сақлаш
railway (rail)	- темир йўл
track	- йўл (ката машиналар катнайдиган)

rolling warehouse	- кўчирма омбор
crane	- кўтарма кран
to pour	- қуймоқ
tipping van	- товар ташувчи фургон
grain	- дон
iron-ore	- темир рудаси
timber/lumber	- ўрмон материали
concrete	- бетон
carriage	- вагон
consignment	- юк
transshipment	- юк ташиш
flexible	- ўзгарувчан
perishable goods	- тез бузилувчи махсулотлар
tank car	- танкер
sound delivery of goods	- товарларни сифатли етказиб бериш
forward	- форвард
air cargo	- ҳаво юки
airfield	- қўниш майдони
aircraft	- ҳаво кемаси
restricted loads	- чегараланган юк
airfreighters	- юк самолётлари
in the long run	- узоқ муддатда
cut costs	- харажатларни камайтириш
inventory	- захира
wharf age	- портдаги божхона тўловлари
pilferage	- кичик ўғирлик, ўмариш
surveillance	- тинтув, текширув

Lesson XIV **Forwarding – packing and marking**

bag	- қоп, коплаш
linen	- тошпахта мато
canvas	- брезент қоплама
sack	- қоп
jute	- жгут
bale	- тюкларга жойлаш
protective material	- химоя материали
bundle	- боғлама
carton	- пакет, коробка кути
cardboard	- картон
fiberboard	- толали
case	- иш, ҳолат, кейс
metal band	- металл лента, боғич
wire	- сим
hinged lid	- қотирилган қопқоқ
chest	- сандиқ
crate	- яшиқ
can (tin)	- битон, банка
drum	- барабан, куруқ мевалар учун қоплама
barrel	- бочка
keg, Cask	- бочкача
wicker	- эшиклардаги туйнук
roll	- айланиш
wrapping paper	- ўраш учун қоғоз
adhesive tape	- лента, боғич
shipping mark	- юкланганлик белгиси

caution mark	- огоҳлантириш белгиси
gross wt ... net wt...	- ялпи оғирлик..., соф оғирлик
dimension	- ўлчам
cargo labels	- юк белгилари, биркалар

Lesson XV Forwarding - main transport documents

freight forwarder	- юкларни жўнатиш бўйича агентлик
forwarding order	- форвард буюртма
stipulations of the contract	- контракт шартлари
freight payments	- фрахт учун тўлов
insurance	- суғурта
bill of lading	- транспорт устамаси
consignment note	- юк учун устама
airway bill	- ҳаво йўл устамаси
shipping company	- кема хизмати компанияси
document of title	- товар тақсимлаш ҳужжати
“in custody for shipment”	- сақлаш учун юклаш
endorsement	- индоссамент, имзо қўйиш ҳукуқини бошқа шахсга бериш
carrier	- ташиш бўйича агентлик
shipper	- юк жўнатувчи
consignee	- юк қабул қилувчи
consigner	- юк жўнатувчи
freight bill	- фрахт учун хизмат
shipping bill	- юк ортувчи коносамент

Lesson XVI Insurance – customs

risk	- хавф, хатар
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insurance broker	- суғурта брокери
insurance company	- суғурта компанияси
air insurance	- ҳаво йўллар суғуртаси
marine insurance	- денгиз суғуртаси
full coverage insurance	- барча ҳолатларга суғурта
insurance against all risks	- барча хавфлардан суғурта
sea-borne goods	- денгиз орқали ўтказиладиган товарлар
particular average clause	- айрим ҳолат учун суғурта пункти
free of average clause	- айрим ҳолатлардан холи
with particular clause	- айрим ҳолатларни ҳисобга олган ҳолда

Lesson XVII Arbitration

legal proceeding	- суд жараёни
disputable	- музокарали
binding	- мажбурият
court of justice	- суд
case	- ҳолат
legal defense	- қонуний ҳимоя
awards of arbitration courts	- арбитраж суди қарори
plaintiff	- даъвогар
suit	- тўплам, комплект
defendant	- айбдор
acknowledge the claim	- талабни тасдиқлаш

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