

**Georgian Institute of Public Affairs**

**School of Government**

**MA Program in Business Administration**

**WRITTEN TEST OF ENGLISH FOR SPECIAL PURPOSES**

**Business English**

**Difficulty Level: B2 / Intermediate**

**Applicant's name, surname:** \_\_\_\_\_

**2024**

## Tbilisi

### 1. Read the text about company structure and do some exercises below: 30 minutes

#### A Matter of Choice

That reliable workhorse of capitalism \_the joint-stock company looks surprisingly durable. But pressure on it is increasing.

In 1967 John Kenneth Galbraith's *The New Industrial State* argued that the USA was run by a handful of big companies who planned the economy in the name of stability.

These were hierarchical and bureaucratic organizations making long runs of standardized products. They introduced "new and improved" varieties with predictable regularity; they provided their workers with lifetime employment and they enjoyed fairly good industrial relations with the giant trade unions.

That world is now dead. The US's giant corporations have either disappeared or been transformed by global competition. Most have shifted their production systems from high-volume to high-value from standardized to customized. And they have flattened their management hierarchies. Few people these days expect to spend their lives moving up the ladder of a single organization. Dramatic changes are taking place. But where exactly are they taking us? Where is the modern company heading?

There are three standard answers to this question. The first is that a handful of giant companies are engaged in a "silent takeover" of the world. The past couple of decades have seen a record number of mergers. The survivors, it is maintained, are far more powerful than nation states.

The second school of thought argues almost the opposite; it says that big companies are a thing of the past. For a glimpse of the future, look at the Monorail Corporation, which sells computers. Monorail owns no factories, warehouses or any other tangible assets. It operates from a single floor that it leases in an office building in Atlanta. Freelance workers are designing the computers while demand is still low.

The third school of thoughts says that companies are being replaced by "networks". Groups of entrepreneurs form such a network to market an idea. They then sell it to the highest bidder and move on to produce another idea and to create another firm, with the money being supplied all the time by venture capitalists.

Another way to look at the future of the company is to focus on the environment that will determine it. That environment is dominated by one thing: choice. Technology and globalization open up ever more

opportunities for individuals and firms to collect information and conduct economic activity outside traditional structures. While the age of mass production lowered the costs of products at the expense of limiting choices, modern “flexible” production systems both lower costs and increase choice. Consumers have more choice over where they spend their money. Producers have more choice over where to put their money. With all that choice around, future companies will have to be more flexible in order to quickly adapt to the changing environments if they are to survive.

(The Economist)

1. What were the characteristic of US corporations in the past?

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2. What changes have occurred to those corporations? \_\_\_\_\_

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3. What is meant by “shifting from high-volume to high-value”? \_\_\_\_\_

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4. What different types of future companies does the author mention?

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5. Why does he believe there is not one definite type of future company?

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6. What does he believe to be the key to survival for companies in future?

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**Find the words in the text to describe people who:**

7. Work independently or on short-term contracts \_\_\_\_\_
8. Are willing to take risks \_\_\_\_\_
9. Are willing to invest in new and/or risky business projects \_\_\_\_\_
10. Express a wish to buy something \_\_\_\_\_
11. Make goods \_\_\_\_\_
12. Own part of a company \_\_\_\_\_

2. **Match the words with the definitions:** (5 minutes; vocabulary)

1.	Bureaucracy	a.	Goods of the same quality and design
2.	Flattened hierarchy	b.	Inflexible system of administration
3.	Standardized products	c.	Rent a building on a temporary basis
4.	Lifetime employment	d.	More middle than senior managers
5.	merger	e.	Building and machinery a company owns
6.	customized	f.	Permanent jobs
7.	Tangible assets	g.	Made for a particular user
8.	lease	H.	When two companies become one

3. **Complete the text with the appropriate form of the present simple or continuous:** (10 minutes; grammar)

**Will the corporation Survive?**

Since the corporation was invented it has been widely accepted that bringing activities together into one large company (1 lower) \_\_\_\_\_ “transactional” and communication costs, and that suppliers and manufacturers (2 have) \_\_\_\_\_ market power due to their knowledge of markets.

However nowadays the internet (3 eliminate) \_\_\_\_\_ the physical costs of communication. As a result it (4 become) \_\_\_\_\_ more profitable to outsource many activities. Power (5 shift) \_\_\_\_\_ to the customer who could be either another business or the end-user.

All this raises two burning questions. Firstly, (6 it/mean) \_\_\_\_\_ that the supplier will no longer be the seller but become the buyer for the customer? Secondly, (7 diversification /change) \_\_\_\_\_ the structure of companies? The answer to both questions at the moment is yes for many business sectors. Some of the US’s largest pharmaceutical companies (8 not /manufacture) \_\_\_\_\_ drugs themselves anymore. During this transition period, they (9 wholesale) \_\_\_\_\_ every other kind of pharmacy product as well. At the annual conference for man.

agers in the pharmaceutical sector, which (10 take place) \_\_\_\_\_ next month, the main topic will surely be what to outsource to smaller companies next.

**4. Put the words in the correct groups: (5 minutes; vocabulary)**

Forecasts; delegate; entrepreneur; subordinate; threat; shareholder; authority; producer; hierarchy; supervise; growth; planning; opportunity; task; subsidiary;

Companies	Leadership	Strategy

**5. Now use the words to complete the text: (10 minutes; vocabulary)**

Viviane Rowland is the managing director of a small company, Tristar Laminates, which she founded with a group of fellow 1) \_\_\_\_\_ in June 2000. Together they had successfully identified a business 2) \_\_\_\_\_ to produce fiberglass components for the marine industry. Initially the three founders were the only 3) \_\_\_\_\_ in the company but it soon became clear that they would need extra capital. They eventually managed to convince a local businessman to invest 50 000 in exchange for 30 per cent of the company. Since then Tristar's 4) \_\_\_\_\_ has been spectacular and Viviane now 5) \_\_\_\_\_ a staff of 18 people and an operation with half a million pounds in sales. 6) \_\_\_\_\_ for the future is the immediate problem that the company has to face. At the moment production is carried out in a factory that has become too small but finding an alternative site is not an easy 7) \_\_\_\_\_ This industry is a dangerous one for small 8) \_\_\_\_\_ like ourselves who only have limited resources, "Viviane says and when we make a strategic decision like this we can't afford to get it wrong."

**6. Complete conditional sentences with the correct forms of the verbs, the first sentence is completed as an example: (conditionals 1; 2; 3) (7 minutes; grammar)**

1. If I (have) \_\_'d had \_\_ enough money, I (buy) \_\_'d have bought \_\_\_\_ a real Rolex but I just didn't, so I bought a fake.

2. If local counterfeiters only (pay) \_\_\_\_\_ a fine of \$1000 when they are caught they (keep on) \_\_\_\_\_ producing counterfeit goods.
3. There (not/be) \_\_\_\_\_ so many imitation drugs on the market if the prices of the genuine products (not/be) \_\_\_\_\_ so high.
4. If we (not/drop) \_\_\_\_\_ our prices in the regions I think we (be) \_\_\_\_\_ vulnerable to counterfeiting by local companies.
5. We (not/manufacture) \_\_\_\_\_ locally if we (not/trust) \_\_\_\_\_ them to produce only the agreed quantities. It's been fine so far.

**7. Match the problem with the action taken: (5 minutes; vocabulary)**

1. The virus wiped out our accounting records.
2. The project was running very late.
3. It has probably never happened before
4. Relationships in the team completely broke down
  - a) But we managed to resolve our differences
  - b) But we came in under budget!
  - c) But we negotiated an extension on the deadline.
  - d) Luckily we could get the data from backup files.

**8. Complete the extract from a presentation about the future of the world's natural energy reserves with the following modal verbs. More than one answer is often possible, the first sentence is done as an example: ( 10 minutes; grammar)**

**Will may might would should could**

Thank you for inviting me here today to make this presentation about the future of our natural energy reserves. I know some of you 1) \_\_\_ will \_\_\_ already be familiar with the complex nature of this subject and I hope you 2) \_\_\_\_\_ forgive me for trying to deal with it in only 45 minutes.

If we look back to twenty years ago I can recall how confident people were that nuclear energy 3) \_\_\_\_\_ provide the ultimate energy source and I don't think that anyone at that time 4) \_\_\_\_\_ possibly imagine the impact that the accident at Chernobyl 5) \_\_\_\_\_ have on our confidence in that industry. While the nuclear industry 6)

\_\_\_\_\_ still hold out some hope for a nuclear-powered future-this time in the form of nuclear fusion -it now looks like it 7) \_\_\_\_\_ be some time before the necessary technologies are in place for it to succeed. Indeed some sceptics 8) \_\_\_\_\_ even go as far as to say that 9) \_\_\_\_\_ never be the case! So from a world of confidence we now face the uncomfortable facts: fossil fuels are finite resources and while they 10) \_\_\_\_\_ be sufficient to carry our economies through the next few decades there is no doubt that beyond that horizon new sources of energy 11) \_\_\_\_\_ have to be developed in order to sustain our current economic model.

**9. Read the text and correct any mistakes in the italicized comparative and superlative forms: (7 minutes grammar)**

The **later** 1) \_\_\_\_\_ report from the Executive Watch Foundation shows that executive pay is becoming the 2) biggest \_\_\_\_\_ worry of corporate governance -even 3) **most** \_\_\_\_\_ worrying than the question of the independence of auditors. In the USA the SEC is already proposing new and significantly 4) **tough** \_\_\_\_\_ rules that are designed to make it 5) **more** \_\_\_\_\_ easily for shareholders to nominate candidates to company boards. It is hoped that this will lead to 6) **greater** \_\_\_\_\_ independence for directors and to 7) **lowest** \_\_\_\_\_ remuneration packages for executives. Company directors and senior managers may also be about to receive far 8) **less** \_\_\_\_\_ benefits such as stock options. The research has also shown that the companies that provided the 9) **greatest** \_\_\_\_\_ number of stock options to executives were also those whose performance was the 10) **worse** \_\_\_\_\_.



**10. Read the brief of dilemma and prepare a proposal for the leadership council, where you can explain your approach towards the issue: (30 minutes writing)**

**Harley's Angels**

**Brief**

Jeffrey Bluestein, CEO of Harley Davidson was thinking about the future. He had already pulled the motorcycle manufacturer back from the brink of bankruptcy but now he was thinking of the serious problems that lay ahead. And top of the list was the fact that Harley Davidson customers were definitely ageing. The black leather Angels were getting greyer every day. From an average age of 36 ten years ago the customer was now edging closer to 46. But what to do? Bluestein decided that he would put the question to his team of advisors at the next meeting of the strategic leadership council. In fact, maybe he'd better tell them what he wanted them to do right now \_that way at the meeting they could present their ideas directly. Bluestein reached for the phone.

Company and market information on Harley Davidson/Buell		
Market Share	US	25%
	Europe	7%
Income Sources	Motorcycles	80%
	Accessories, parts, clothing	20%
Demographics	91% of purchase are male	
Average age	46 years old	
Average income	\$ 79 000	

**Instructions:**

You have to choose, what will be your approach: marketing, (f. e. develop the merchandising sources of income by signing deals to develop the HD brand on clothing and fashion accessories) product, (f. e. invest in a new lighter and faster Harley Davidson models) acquisition, (f. e. Aggressive foreign expansion. HD has poor market penetration in Europe and far East. Huge potential exists, especially in China which has annual sales of 14 million motorcycles; Harley Davidson has acquired Buell a small manufacturer of sports motorcycles. This also could be an opportunity) or distribution (f. e. internet sales; review the HD dealer network) based.



