



money

Financial VOCABULARY

A SUCCESSFUL INVESTOR?

What do you think makes a successful investor? Rank the things in the box from 1 to 7. Add any other things which you think are important.

- a long-term strategy
- good luck
- courage
- caution
- quick thinking
- good timing
- good advice

THE TOP FOUR

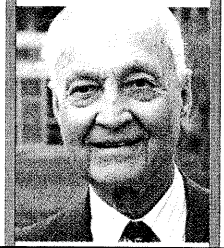
The UK's *Independent* newspaper of 19.9.96 described the four men below as the world's most successful investors.

Read the profiles and decide which of the above qualities were most important for each of these four men.

NOTE
bn = billion
m = million



Perhaps the most outstanding investor of recent times is WARREN BUFFET of Omaha, Nebraska. He started in 1956 with \$100 and is today one of the world's richest men, with a personal fortune of more than \$8.5 bn. He did it by careful, long-term investment in simple, mass-market companies. It's a strategy that has outperformed the Dow Jones industrial average in every year since 1956.



SIR JOHN TEMPLETON turned a £10,000 investment in 1954 into more than £300 m. He did this as a result of "investing at the time of maximum pessimism" – in other words, moving against current investment fashions. He bought when stock markets were lowest and sold when they rose.



SIR JAMES GOLDSMITH is worth around £1.15 bn. He made his money as an asset stripper, but he kept it because of his sense of timing. He anticipated the financial crash of 1974, the boom of the early 1980s and the great stock market crash of 1987.



GEORGE SOROS'S Curaçao-based Quantum Fund has produced a return of almost 35 per cent a year over 26 years, the greatest growth fund in history. A stake of £1,000 invested with Soros in 1969 would be worth £2.15 m today. Most famously, Soros made £1 bn by selling sterling just before it was devalued (after leaving the European exchange rate mechanism), and then buying it back.

Distribution
In Case
General Guide
Support Services

A FEW DEFINITIONS

Look again at the texts and match the underlined words to these definitions:

- | | |
|--|---|
| 1 reduced in value | 5 a sudden collapse |
| 2 has done better than | 6 a person who buys an unsuccessful company, sells its most valuable parts and then closes it down. |
| 3 thinking that whatever happens will be bad | |
| 4 money that is risked in a business | |

GOOD TIMES ... BAD TIMES ...

- 1 Look at the list of words and phrases on the right. Which are associated with success and which are associated with failure?

SUCCESS

FAILURE


boom **expansion**
crash **growth** **decline**
recession **slump**
golden age
bull market **bear market**

- 2 Add any other words or phrases that you can think of.

- 3 Mark which of these sentences are true and which are false.

- 1 During the slump of the 1930s, there was a lot of unemployment and high inflation in many countries.
- 2 The decline of the Japanese economy since World War Two has been extraordinary.
- 3 The 1950s was a golden age for the American economy.
- 4 The oil crisis of the 1970s led to a period of expansion for most Western countries.
- 5 The 1987 stock market boom was the worst financial disaster for many years.
- 6 Investment bankers made huge amounts of money during the bear market of the mid 1990s.

- 4 Replace one word in each of the false sentences with words from the list above to make true sentences.

- 5  Now use some of the words and phrases to talk about the following:

- the economy of your country over the past twenty years
- the history of your company.

SHARES AND CURRENCIES

- 1 Build two vocabulary networks around these topics:


- 1 currency
- 2 shares.

Use the words and phrases on the right and then add any others that you know.

exchange rate **EMU** **stock market**
spot rate *yen*
sterling **dividend**
Nikkei **Dow Jones** **FTSE-100**

- 2 Work in small groups and explain the meanings of the words and phrases.

INVESTMENT AND YOU

-  You have £1,000 to invest. Look again at the four successful investors opposite. Who would you give your money to? Explain why.