

**Universities of Applied Sciences,  
Schools of Business Administration  
HES – SO**

**Entrance Test – English (2017)**

This test will last **60 minutes** and no materials are allowed. The test comprises 8 pages.

Section 1:	Reading and Vocabulary	Maximum points	15
Section 2:	Grammar and Vocabulary	Maximum points	25
Section 3:	Writing	Maximum points	20
Total points:			60

## Section 1: Reading and Vocabulary

From Financial English, Ian Mackenzie, LTP 1995

Read the following text and answer the questions with TRUE or FALSE.

### Stocks and Shares



The act of issuing shares (GB) or stocks (US) – i.e. offering them for sale to the public – for the first time is known as floating a company or making a flotation. Companies generally use a bank to underwrite the issue. In return for a fee, the bank guarantees to purchase the security issue at an agreed price on a certain day, although it hopes to sell it to the public. Newer and smaller companies trade on “over-the-counter” markets, such as the Unlisted Securities Market in London. Successful companies can apply to have their shares traded on the major stock exchanges, but in order to be quoted (GB) or listed (US) there, they have to fulfil a large number of requirements. One of these is to send their shareholders independently-audited annual reports, including the year’s trading results and a statement of the company financial position.

Buying a share gives its holder part of the ownership of a company. Shares generally entitle their owners to vote at companies’ General Meetings, to elect company directors, and to receive a proportion of distributed profits in the form of a dividend (or to receive part of the company’s residual value if it goes into bankruptcy). Shareholders can sell their shares at any time on the secondary market, but the market price of a share – the price quoted at any given time on the stock exchange, which reflects how well or badly the company is doing – differ radically from its nominal, face, or par value.

At the London Stock Exchange, share transactions do not have to be settled until the account day or settlement date at the end of a two-week accounting period. This allows speculation to buy shares hoping to resell them at a higher price before they actually pay for them, or to sell shares, hoping to buy them back at a lower price.

If a company wishes to raise more money for expansion it can issue new shares. These are frequently offered to existing shareholders at less than their market price: this is known as a rights issue. Companies may also turn part of their profit into capital by issuing new shares to shareholders instead of paying dividends. This is known as a bonus issue or scrip issue, or capitalisation issue in Britain, and as a stock dividend or stock split in the US. American corporations are also permitted to reduce the amount of their capital by buying back their own shares, which are then known as treasury stock; in Britain this is generally not allowed, in order to protect companies’ creditors. If a company sells shares at above their par value, this amount is recorded in financial statements as share premium (GB) or paid-in surplus (US).

The Financial Times Stock Exchange (FT-SE) 100 Share Index (known as the “Footsie”) records the average value of the 100 leading British shares, and is updated every minute during trading. The most important US index is the Dow Jones Industrial Average.

**Task 1: Reading comprehension**

**10 points**

According to the article, are the following statements **TRUE** or **FALSE**?

<i>Statement</i>	<i>TRUE</i>	<i>FALSE</i>
1 A company can be floated only once.		
2 Banks underwrite share issues when they want to buy the shares.		
3 It is easier for a company to be quoted on an unlisted securities market than on a major stock exchange.		
4 Unlisted companies do not publish annual reports.		
5 The market price of a share is never the same as its nominal value.		
6 On the London Stock Exchange it is possible to make a profit without ever paying anyone any money.		
7 If a company issues new shares, it has to offer them to existing shareholders at a reduced price.		
8 A scrip issue can be an alternative to paying a dividend.		
9 American corporations with large amounts of cash can spend it by buying their own shares.		
10. Companies do not have to sell their shares at their nominal value.		

**Task 2: Vocabulary**

**5 points**

Find the words **in the text** that fit in these sentences. Write the words on the dotted lines.

1. Offering shares to the public for the first time is called ..... a company.
2. A company offering shares usually uses a merchant bank to ..... the issue.
3. The major British companies are ..... on the London Stock Exchange.
4. In London, share transactions have to be ..... every two weeks.
5. The value written on a share is its ..... . (3 expressions)

**Section 2: Grammar and Vocabulary**

**Task 3**

**Maximum points: 10**

From Pass Cambridge BEC 2

For each question 1 – 10, mark one letter (A, B or C) from the words on the next page. There is an example at the beginning (0).

Adapted from BEC Vantage Masterclass, OUP 2003

**Flexible Working**

The term “flexible working” has become familiar to any company, regardless of size, that needs to look at how

(0) **A** jobs are structured. The thinking behind this is not only the realisation that this

(1) \_\_\_\_\_ has potential cost benefits, but also the recognition that it can lead to a more

(2) \_\_\_\_\_ and contented workforce.

One company with a long (3) \_\_\_\_\_ of flexible working is **Remploy**, the UK’s largest employer of

severely (4) \_\_\_\_\_ people. **Remploy** has a UK workforce of more than 11,000 (5) \_\_\_\_\_

in 89 factories working in various (6) \_\_\_\_\_ of the economy including textiles, furniture and manufacturing services.

Training and development (7) \_\_\_\_\_ are a key aspect of **Remploy**’s employment policy, and each

hourly-paid employee has an individual training and action (8) \_\_\_\_\_. Throughout the company ,

there is also an awareness that progression, and the opportunity to progress, is a (9) \_\_\_\_\_ factor. In

the Manufacturing Services Group, for example, the policy is to (10) \_\_\_\_\_ as many employees as

possible in two of the core businesses. Once they have achieved this, the employees are promoted.

Now choose the best word from the selection below. The first (0) has been done for you.

**0 A individual**

**B ~~sole~~**

**C ~~unique~~**

**1 A technique**

**B approach**

**C course**

**2 A inventive**

**B beneficial**

**C productive**

**3 A report**

**B story**

**C history**

**4 A injured**

**B disabled**

**C sick**

**5 A employees**

**B subordinates**

**C colleagues**

**6 A quarters**

**B sectors**

**C divisions**

**7 A programmes**

**B agendas**

**C lists**

**8 A project**

**B plan**

**C system**

**9 A persuading**

**B moving**

**C motivating**

**10 A learn**

**B train**


**C guide**

**Task 4**

**Maximum points: 10**

Read the text below about advances in technology and the use of paper in the office. In some of the lines, there is **one extra word**. Find the word and write it in **CAPITAL LETTERS** in the box provided. If the line is correct, i.e. there is no extra word, write **CORRECT** in the box provided. The first two lines have been done for you as examples.

**The myth of the paperless office**



0	The concept of a paperless office grew with the advance of technology. It was	<b>0 CORRECT</b>
00	widely <b>been</b> claimed that as email became commonplace, people would stop	<b>00 BEEN</b>
1	writing memos, keeping bulky files and bringing piles of paper to the meetings.	1
2	But the reality has in fact been quite the reverse, and paper, having already	2
3	survived five thousand years of technological change, and has proved remarkably	3
4	resilient. Worldwide, the amount of paper used for each year continues to	4
5	rise up, although statistics now show a slight reduction in the amount	5
6	it consumed in the UK. So, has technology failed in its aim to end the use of	6
7	paper? Max Bray, a business lecturer, thinks office workers still distrust computers.	7
8	“Technology is unreliable in most of people`s eyes,” he says. “If you are sent an	8
9	important email, you are likely to print it, because there is always the fear that it	9
10	might have get deleted. In contrast, Paul Blunt, a marketing manager for <i>Desk Top</i>	10
	says there has been significant progress in automating a wide range of tasks.	

**Task 5**

**Maximum points: 5**

Complete the sentences below with **a correct tense** of the verbs provided in the box. You must choose an appropriate verb for each sentence, and there are more verbs than you need. => The first has been done as an example. Use each verb **once only**.

build do lose make supply learn go ~~start~~

0. The exam \_\_\_\_\_ at 9.a.m.  
The exam starts at 9.a.m.
  
1. People \_\_\_\_\_ a lot of money on the stock exchange recently.
  
2. \_\_\_\_\_ your homework yet?
  
3. I \_\_\_\_\_ a lot about business management at the moment.
  
4. This church \_\_\_\_\_ 200 years ago.
  
5. We \_\_\_\_\_ **Swisscom** since 2000.

