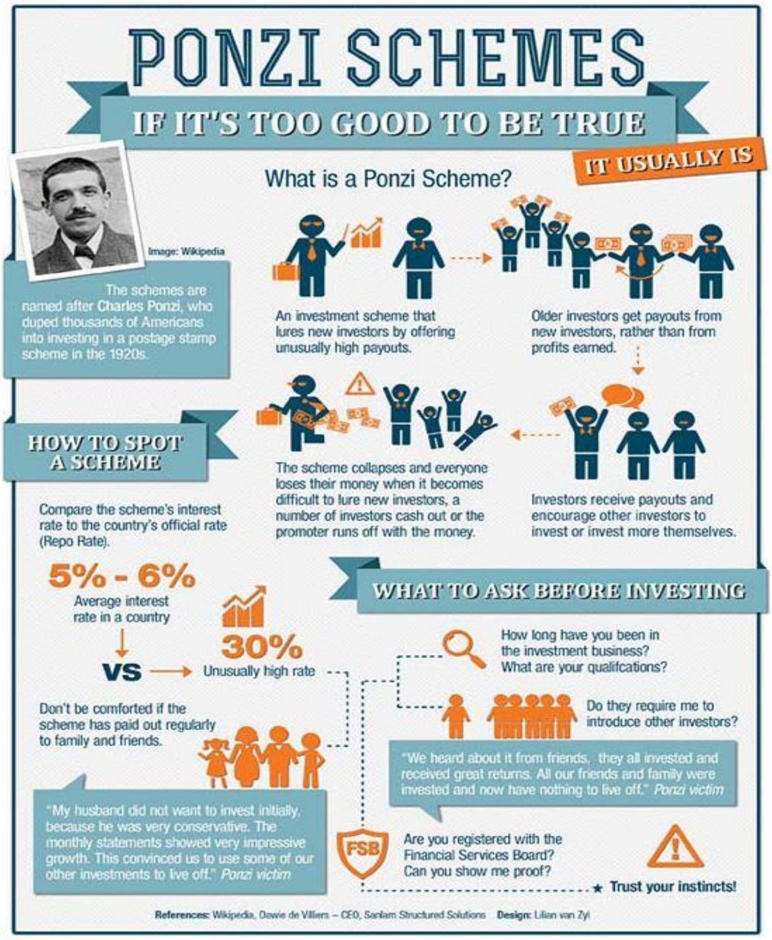
The Language Partnership

English for Investments

May 2017 Edition



FINANCIAL RATIOS

1. Current ratio (or working capital) measures liquidity (access to cash). It shows if a business can pay its most urgent debts.

2. Quick ratio (or acid test ratio) provides a more accurate picture of short-term solvency (ability to pay debts) by considering completely liquid assets.

3. A company's **profit margin (or return on sales)** is the percentage difference between sales income and the cost of sales.

4. Earnings per share relates the company's profits to the number of ordinary shares it has issued.

5. The price/earnings ratio (PER) reflects the market's opinion of a company's revenues, earnings and dividends.

6. Debt/equity ratio (or gearing) compares the amount of debt to the firm's own capital (the assets it owns).

7. Interest cover or times interest earned shows whether funds are available to pay long-term debt costs.

8. Dividend cover or the dividend payout ratio shows the percentage of income paid out to shareholders.

9. Return on equity shows profit compared to shareholders' capital.

Source: Financial English book – Ian Mackenzie

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CONDITIONALS

ZERO Conditional	PRESENT SIMPLE	PRESENT SIMPLE

Use: Facts which are generally true or scientific facts. The condition always has the same result.
Example: If you add one and one, you get two.

FIRST Conditional	PRESENT SIMPLE	WILL/WON'T + VERB

Use: A possible situation in the future (if the condition happens). **Example**: If it rains, I will need my umbrella.

SECOND Conditional	PAST SIMPLE	WOULD + VERB

Use: Unreal or improbable situation now or in the future.
Example: If I won the lottery, I would buy a castle.

THIRD Conditional	PAST PERFECT	WOULD HAVE + PAST PARTICIPLE

Use: The person is imagining a different past. Imaginary situation that did not happen. **Example**: If you had studied, you would have passed the examination.

'Do not put all eggs in one basket'

Warren Buffet

PHRASAL VERBS

Verbs	Definition
Account for	To explain and record a money deal
Bring in	To earn
Cash in	To sell investments/assets, to take advantage of a situation
Fall behind	To be late in doing something
Mark up	To increase
Run up	To make costs go up quickly
Trade in	To give in an old item as part of the payment for a new one
Water down	To make less strong
Write down	To note an asset at a lower value than previously
Work out	To calculate