



● **share** (shares) N-COUNT

**bonus share** (bonus shares) N-COUNT

A company's **shares** are the many equal parts into which its ownership is divided. **Shares** can be bought by people as an investment. **Bonus shares** are shares which are given to shareholders when a company's profits are distributed.

*This is why Sir Colin Marshall, British Airways' chairman, has been so keen to buy shares in US-AIR.*

*The maximum number of bonus shares you can receive is 248.*

● **ordinary share** (ordinary shares) N-COUNT

**preference share** (preference shares) N-COUNT

**Ordinary shares** are shares in a company that are owned by people who have a right to vote at the company's meetings and to receive part of the company's profits after the holders of preference shares have been paid. **Preference shares** are shares in a company that are owned by people who have the right to receive part of the company's profits before the holders of ordinary shares. They also have the right to have their capital repaid if the company fails and has to close. [BRIT]

*He sold 259,349 ordinary shares at yesterday's price of £10.12. Overnight, the value of preference shares dropped by 20%.*

● **shareholder** (shareholders) N-COUNT

A **shareholder** is a person who owns shares in a company.

*Each of the four shareholders now has 25%.*

● **share price** (share prices) N-COUNT

The **share price** is the price at which a company's shares are bought and sold.

*The impact is reflected in the company's share price, which has slumped to £10.13.*

● **stock** (stocks) N-COUNT

**Stocks** are shares in the ownership of a company, or investments on which a fixed amount of interest will be paid.

*...the buying and selling of stocks and shares.*

● **quoted company** (quoted companies) N-COUNT

A **quoted company** is a company in which you can buy or sell shares on a particular stock exchange.

*The figures are based on stakes held in quoted companies. He has made a significant contribution to the development of smaller quoted companies.*

● **invest** (invests, investing, invested) VERB

**investment** (investments) N-VAR

**investor** (investors) N-COUNT

If you **invest** in something, or if you **invest** a sum of money, you use your money in a way that you hope will increase its value, for example by paying it into a bank, or buying shares or property. **Investment** is the act of investing money. An

**investment** is an amount of money that you invest, or the thing that you invest it in. An **investor** is a person or an organization that buys stocks or shares, or pays money into a bank in order to receive a profit.

*They intend to invest directly in shares.*

*When people buy houses, they're investing a lot of money.*

*...changes concerning the investment of pension contributions.*

*...an investment of twenty-eight million pounds.*

*The main investor in the project is a French bank.*

● **dividend** (dividends) N-COUNT

A **dividend** is the part of a company's profits which is paid to people who have shares in the company.

*The first quarter dividend has been increased by nearly 4%.*

*In 1998, PP&L Resources reduced the level of its annual dividends to \$1.00 per share.*

● **yield** (yields, yielding, yielded)

□ VERB

If a tax or investment **yields** an amount of money or profit, this money or profit is obtained from it.

*It yielded a profit of at least \$36 million.*

□ N-COUNT

The **yield** on a tax or investment is the amount of money or profit that it makes.

*...the yield on a bank's investments.*

● **stock exchange** (stock exchanges) N-COUNT

**stock market** (stock markets) N-COUNT

A **stock exchange** is a place where people buy and sell stocks and shares. The **stock exchange** is also the trading activity that goes on there and the trading organization itself. The **stock market** consists of the general activity of buying stocks and shares, and the people and institutions that organize it.

*The shortage of good stock has kept some investors away from the stock exchange.*

*...the New York Stock Exchange.*

*Stock markets could suffer if interest rates rise.*

**Common Collocations**

stock markets rise

stock markets crash

the stock market closes up/down  
on the stock market

● **go public** (goes public, going public, went public) PHRASE

If a company **goes public**, it starts selling its shares on the stock exchange.

*In 1951 AC went public, having achieved an average annual profit of more than £50,000.*

➔ **market:** Topic 1.4; **plc:** Topic 2.4; **return:** Topic 7.5; **creditor:** Topic 8.4



PRACTISE YOUR VOCABULARY

1 Read the sentences and circle the correct underlined term.

- a A quoted company is one whose shares are available privately/publicly.
- b Shareholders earn interest/a dividend on their shares.
- c If a company gives its shareholders bonus shares they do/do not pay for them.
- d When a company distributes dividends, holders of ordinary/preference shares get priority.

2 Look at the list of shares and answer the questions.

The three columns tell you:

- 1 the market price of the shares in UK sterling (100 pence = £1.00)
- 2 the percentage change in price over a 7-day period (a minus sign indicates a fall in price)
- 3 the percentage yield, or the dividend investors can expect to receive.

Company	1 Price/pence	2 Change %	3 Yield %
A.....	204.50	2.3	9.0
B.....	1339.00	1.4	2.9
C.....	180.50	-0.9	0.0
D.....	122.15	1.5	1.6
E.....	366.25	-1.6	2.6
F.....	374.83	-1.4	N/A
G.....	180.00	-3.4	4.4

- a Which shares are the most expensive?
- b Which shares are the cheapest?
- c Which shares have performed best over the last seven days?
- d Which shares have performed worst over the last seven days?
- e Which shares offer the highest yield?
- f Which shares offer the lowest yield?

3 Use the information in the table above to write sentences about the seven companies listed there. One has been done as an example.

a At close of business on the stock market the price for Company D's shares was £1.22. This was an increase of 1.5%. Investors can expect to receive a yield of 1.6%.

- b \_\_\_\_\_
- c \_\_\_\_\_
- d \_\_\_\_\_
- e \_\_\_\_\_
- f \_\_\_\_\_
- g \_\_\_\_\_

4 Use the terms in the box to complete the paragraph.

investment stock exchange go public investors invest

Some companies are publicly owned. The shares of public limited companies are tradeable on a \_\_\_\_\_ Shareholders, or \_\_\_\_\_ buy the company's shares and are the owners of the company. Other companies are privately owned, and there is no open market for their shares. This can be a problem when they need to raise finance, and for that reason they may choose to \_\_\_\_\_, or to make their shares available on the stock exchange. Shareholders \_\_\_\_\_ their money in the stock market in the hope that their \_\_\_\_\_ will pay a good dividend, or, in other words, that they will make a good profit.