

Business Perfomance - Stocks and Shares



◆ 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 <u>shares</u> 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 <u>ordinary shares</u> at yesterday's price of £10.12. Overnight, the value of <u>preference shares</u> dropped by 20%.

• shareholder (shareholders) N-COUNT

A shareholder is a person who owns shares in a company. Each of the four <u>shareholders</u> 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 <u>share price</u>, 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 <u>quoted companies</u>. He has made a significant contribution to the development of smaller <u>quoted companies</u>.

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 <u>invest</u> directly in shares.

When people buy houses, they're <u>investing</u> a lot of money.....changes concerning the <u>investment</u> of pension contributions....an <u>investment</u> of twenty-eight million pounds.

The main investor in the project is a French bank.

b 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 <u>dividend</u> has been increased by nearly 4%. In 1998, PP&L Resources reduced the level of its annual <u>dividens</u> to \$1.00 per share.

yield (yields, yielding, yielded)

T VERB

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

It <u>yielded</u> a profit of at least \$36 million.

2 N-COUNT

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

...the <u>yield</u> 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 <u>rise</u> stock markets <u>crash</u> the stock market <u>closes up/down</u> <u>on the</u> 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 <u>went public</u>, 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



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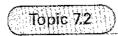
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PRACTISE YOUR VOCABULARY

■ 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 $\underline{do}/\underline{do}$ not pay for them.
- d When a company distributes dividends, holders of ordinary/preference shares get priority.

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 %		
Company	204.50	2.3	9.0		
A	1339.00	1.4	2.9		
_	180.50		,,,,		
D.	122.15		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
r	366.25				
-	374.83		N/A		
<i>C</i>	180.00	3.4	4.4		
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- 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	ve to write:	sentences about	t the seven c	ompanies liste	ea there. One in	as Deel
	done as an example.						1 50/
	a At close of business on the stock ma	rket the pric	e for Company [D's shares wa:	s £1.22. This wi	as an increase of	1.5%.

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a	At close Investor	of busi s can e	ness on t spect to	:he stoc receive	k marke a yield o	t the pr of 1.6%.	ice for (,	Compar	ıy D's sl	hares wi	as £1.22	2. This	was an	increase	e of 1.5%.
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4 Use the terms in the box to complete the paragraph.

investment	stock exchange	go public	investors	invest
Shareholders, privately own for that reaso Shareholders	or ned, and there is n	buy to open manale to the to	he compan ket for their ney in the s	blic limited companies are tradeable on a

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