

# Finance Insight



## Vocabulary: Describing Risk

### VOCABULARY Describing risk

**A** The verbs in the box are used when talking about risk. Check their meanings and put them under the appropriate heading in the table below.

anticipate calculate eliminate encounter estimate evaluate face foresee gauge identify measure minimise prioritise reduce spread weigh up

predict	meet	assess	manage
	face		

**B** Match these sentence halves from newspaper extracts.

- |   |  |
|---|--|
| 1 During the credit crunch, many businesses ... | a) the risks involved when sending staff to work in dangerous locations. |
| 2 We can reduce risk ...                        | b) in order to advise insurance companies.                               |
| 3 Trying to minimise risk ...                   | c) involved in setting up a new business.                                |
| 4 It is impossible to ...                       | d) eliminate all risk when entering a new market.                        |
| 5 It is difficult to foresee the risks ...      | e) faced the risk of running out of money.                               |
| 6 Actuaries calculate risk ...                  | f) by spreading our lending across more markets.                         |
| 7 It is important to consider ...               | g) is an important part of business strategy.                            |

**C** These adjectives can be used with the word *risk*. Complete them with the missing vowels.

- |                |               |                |
|----------------|---------------|----------------|
| 1 sl_ght       | 6 _mm_d__t_   | 11 s_gn_f_c_nt |
| 2 gr__t        | 7 h_g_        | 12 _mm_n_nt    |
| 3 m_n_sc_l_    | 8 r_m_t_      | 13 s_bst_nt__l |
| 4 c_ns_d_r_bl_ | 9 s_r__s      | 14 t_rr_bl_    |
| 5 p_t_nt__l    | 10 n_gl_g_bl_ | 15 tr_m_nd__s  |

Cotton, D., Falvey, D., Kent, S. (2005). *Market Leader: Intermediate Business English*. Course book. Alemania: Longman.

## Activity

# Winton Carter Mining

A mining company assesses the risks involved in a new joint venture

**Background**

Winton Carter Mining (WCM) is a dynamic Canadian mining company. It has announced that it will be going public early next year. Valued at C\$85 million, the company has mining interests in Africa and has been highly successful in exploiting copper, cobalt and bauxite deposits in the more politically stable countries in the region. WCM's offer is bound to appeal to those investors who are willing to take risks in return for high profits.

Discuss the risks and hazards that foreign mining companies could face when exploiting mineral deposits in Africa – for example, political instability.

### Mining groups victim to African uncertainty

by William MacNamara

Under the jungles of countries such as Guinea, where soldiers killed 157 demonstrators last week, and Congo, struggling to recover from civil war, lie some of the richest unexploited mineral deposits. Yet exploiting those deposits poses problems that scare off most of the companies best able to develop them. Traditional sources of metals – Australia, Chile, South Africa, Russia – still have abundant reserves. But as they are gradually exhausted, many in the industry believe Africa's volatile mining frontiers will have to take over.

**A difficult decision**

When a company goes public, it prepares a prospectus which gives information about the company to investors. The prospectus aims to persuade the public to buy shares in the company. WCM has the opportunity of setting up a joint venture in an African country with the state-run mining company, ATZ. WCM is considering whether to sign a contract with ATZ. The Chief Executive Officer and the Chief Financial Officer of WCM must decide whether to mention this project in their prospectus.

- What are the advantages and disadvantages of mentioning the African project in WCM's prospectus?
- What do you think they will decide to do?

### Writing

As members of the board of WCM, write a report for the CEO analysing the options you considered. Make recommendations on what WCM should do.

➔ Writing file page 131



### Tips !!!!!!!!!

A report should be well organised, with information presented in a logical order. There is no set layout for a report. The layout will depend on:

- the type of report;
- the company style.

The format used for this example is common for many formal reports:

- Title
- Executive summary
- Introduction
- Findings
- Conclusion
- Recommendations

3 Another possible structure would be:

- Title
- Terms of reference
- Procedure
- Findings
- Conclusions
- Recommendations

4 The *Executive summary* is a summary of the main points and conclusions of the report. It gives the reader a very quick overview of the entire situation.

5 The *Introduction* defines the sequence of points that will be looked at.

6 The *Findings* are the facts you discovered.

7 The *Conclusion* is what you think about the facts and how you interpret them.

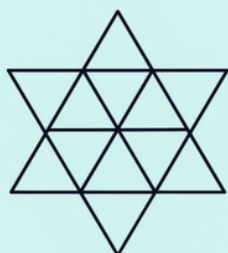
8 *Recommendations* are practical suggestions to deal with the situation and ideas for making sure future activities run more smoothly.

The activity must be sent via email to either the Financial Area Professor or the CEIF at one of the following email addresses: [ceif@poligran.edu.co](mailto:ceif@poligran.edu.co), [jpdiaz@poligran.edu.co](mailto:jpdiaz@poligran.edu.co). Only activities submitted within the established deadline will be considered for the incentive.

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## Math: Riddles

How many triangles?



- a) 20   b) 12   c) 17

CAN YOU SOLVE THIS?

$$\square \times \square \times \square = 27$$

$$\square \times \triangle \times \triangle \times \triangle = 24$$

$$\square \times \triangle \times \circ \times \circ = 96$$

$$\circ + \square \times \triangle = ?$$

ONLY 2% CAN SOLVE THIS

$$1 + 1 + 1 + 1 + 1$$

$$1 + 1 + 1 + 1 + 1$$

$$1 + 1 \times 0 + 1 = ?$$



Victory at all costs, victory in spite of all terror, victory however long and hard the road may be; for without victory there is no survival.

Winston Churchill

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WEB SITE

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SÍ, CON EL POLI PUEDES HACER DE TU FINANZAS UN ÉXITO.

