**Université A/Mira - Béjaia**

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**Money :buying , selling and paying**

**A-Personal finance**

They sometimes ask you in a shop: “how do you want to pay?” You answer :

“cash,by cheque or credit card”.

In a bank you usually have a **current account** which is one where you pay in your salary and then **withdraw** money to pay your every day bills. The bank sends /gives you a regular **bank statement** telling you how much money is in your account.

You may also have a **savings account** where you deposit any extra money that you have and take only money out when you want to spend it on something special.You usually try to avoid having an **overcraft** or you end up paying a lot of interest.If your account is overdrawn,you can be said to be in the red.The bank may sometimes lend you money – this is called **a bank loan.** If the bank lends you money to buy a house,that money is called **mortgage.**

When you buy(or ,more formally,purchase) something in a shop,you usually pay for it outright but you sometimes buy on credit.You may be offered a **discount** or a reduction on something you buy at a shop.This means that you get ,say10 dollars off perhaps you are a student.

You are often offered a discount if you buy **in bulk**. It is not usual **to haggle** about prices in a British shop, as it is in, a Turkish market ,if you want to return something which you have bought to a shop, you may be given **a refund**., i.e your money will be returned , provided that you have **a receipt.**

The money that you pay for services,eg. to a school or a lawyer,is usually called a fee or fees:the money paid for a journey is a fare.If you buy something that you feel that was of a very good value,it’s **a bargain.**

**B-Public finance**

The government collects money from citizens through **taxes.**

Income tax is the tax collected on wages and salaries .Inheritance tax is collected on what people inherit from others.**Customs**  have to be paid on goods imported from other countries**.VAT or Value Added Tax** is a tax paid on most goods and services when they are bought or purchased.

Companies pay corporation tax on their profits .If you pay too much,you should be given some money back. **A tax rebate.**

The government also pays out money to people in need,e.g ,**unemployment benefi**t (also known informally as the dole),disability allowances and student grants(to help pay studying).

Every country has its own special **currency.**Everyday the rates of exchange are published and you can discover ,for example,how many dollars are currently to the pound sterling.

**Vocabulary**

**Find from the text words whose definitions follow:**

1.A document that shows that you have bought something:……………………

2.To buy a large quantity of something:………………………………………..

3.To argue in order to agree on the price of something:………………………….

4.The money that the government gives to people who do not work:……………

5.A fixed sum of money given to workers every month:………………………….

6.A part of the benefits made by a company:……………………………………..

**Answer the following questions according to the text.**

1.How does the government collect money from citizens ?

2.What is an income tax ?

3.How is the tax paid for imported goods called ?

4.Whom does a company sell shares ?

5.What is interest ?

**Match the words (1 to 9) with their corresponding definitions (a to i).**

1.interest a) a bank account with minus money in it.

2.mortgage b) money paid to towards the cost of raising family.

3.overdrawn account c)money given by the government for education

4.a savings account d) an account that is mainly used for keeping money

5.a current account e) money paid to people after a certain age

6.pension f) an account that cheques are draw on for day to day use

7.disability allowances g) money chargeable on a loan

8.child benefit h) money paid to people with a handicap

9.grant i) a loan to purchase property

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **9.** | **8.** | **7.** | **6.** | **5.** | **4.** | **3.** | **2.** | **1.** |
| **……..** | **……….** | **………..** | **…………** | **……….** | **……….** |  | **……….** | **………..** |

**Ask questions on the underlined words.**

1.Governments collect money from citizens

2.They sometimes ask you if you have a bank account.

3.The bank usually sends a statement.

4.You are often offered a discount.

5.The manager phoned the agent.

6.The manager phoned the agent.

Using your own words,explain briefly the following:

**Capital** **, bank loan , debt , tax**

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**Money and income**

**A.Currency**

The money used in a country- euros, dollars, yen etc,- is its currency. Money in notes (banknotes) and coins is called cash. Most money, however, consists of bank deposits: money that people and organizations have in bank accounts.

**B.Personal finance**

All the money a person receives or earns as payment in his or her income This can include:

* **- a salary:** money paid monthly by an employer, or wages: money paid by the day or the
* hour , usually received weekly.
* **- overtime:** money received for working extra hours.
* **-commission**: money paid to salespeople and agents – a certain percentage of the income
* the employee generates.
* **- a bonus**: extra money given for meeting a target or for good financial results.
* **- fees**: money paid to professional people such as lawyers or architects.
* - **social security:** money paid by the government to unemployed and sick people.
* **- a pension:**money paid by a company or the government to a retired person.
* Salaries and wages are often paid after deductions such as social security charges and social contributions.

Amounts of money that people have to spend regularly are outgoings.These often include:

- **living expenses:**money spent on everyday needs such as food,clothes,and public transport.

**- bills:** requests for the payment of money owed for services such as electricity,gas and telephone connections.

**- rent**: the money paid for the use of a house or flat.

**- a mortgage**: repayments of money borrowed to buy a house or a flat.

**-health insurance:** financial protection against medical expenses for sickness or accidental injuries.

* **Tax**: money paid to finance government spending.

**Complete the sentences using the following words:**

***commission - bonus - currency - earn - mortagage - tax***

***overtime - pension - rent - salary - social* security**

1.After I lost my job, I was living on……………………………..for three months.This was difficult, because the amount was much lower than the………………………… I had before.

2.I used to work as a salesperson, but I wasn’t very successful ,so I didn’t…………much……...

3.If the company makes 10% more than last year,we’ll all get a ………….at the end of the year.

4.It will take me at least 25 years to repay the………………… on my house.

5.Many European countries now have the same……………….. ,the euro.

6.My wages aren’t very good, so I do a lot of……………………………. .

7.Nearly 40% of everything I earn goes to the government as ……………….

8.The owner has just increased the…………… on our flat by 15%.

9.When I retire, my…………………. will be 60% of my final salary.

**Complete sentence”b”so that it means the same as sentence “a”.**

a) They often ask me how I want to pay.

b) I ………………………………………………………………………………………….

a) The bank sends you a regular bank statement.

b) A regular…………………………………………………………………………………

a) They shouldn’t pay a lot of interest.

b) A lot of interest…………………………………………………………………………..

a) Banks will lend you money provided that you promise in writing to pay back.

b) Unless……………………………………………………………………………………

a) You are offered a discount because you have bought in bulk.

b) You have bought……………………………………………………………………

a) My wages aren’t very good. So, I do a lot of overtime.

b) If…………………………………………………………………………………………