

Vocabulary of banking and finance

by Tim Bowen

Procedure

Lesson length: 60 to 75 minutes

Level: pre-intermediate +

Age: 18 +

Main aim: presentation and practice of finance-related vocabulary

Subsidiary aims: reading for specific information; pronunciation: word stress; stress in compounds

Materials: worksheets 1–5

1 Write the word *money* on the board. Ask your students to work in pairs and brainstorm all the words they know associated with this topic. Set a time limit of 3 to 4 minutes for this. Listen to their ideas and categorize the words on the board – for example, verbs, people, types of money, methods of payment, adjectives. Make sure all the members of the class understand each vocabulary item.

2 Tell the students they are going to read six questions about money. Ask them to decide which of the three answers to each question they think is correct. Give them the first part of **Worksheet 1**. Do not let them look at the text at this stage. When they have chosen the best answers, ask them to compare their choice with a partner. Then listen to their ideas but do not correct them. Ask them to read the text and check their answers. Check that they have found the correct answers. Ask them if they are surprised by any of the answers.

3 Return to the list of words on the board and highlight any people or jobs (for example, *cashier*, *bank manager*, *accountant*). Ask the students to work in pairs or small groups. Give them **Worksheet 2** and ask them to match the people with the definitions. Check the answers and make sure that everyone agrees. Deal with any vocabulary questions that may arise (e.g. *stock market*, *interest*).

4 Ask the students to look again at the list of words on the board. Highlight any verbs (e.g. *invest*, *save*). Tell the students they are going to see a list of six common financial verbs and twelve sentences, each one with a gap. They should fill the gaps using a noun

or adjective derived from this verb, e.g. *direct* > *director*, *direction*. Give them **Worksheet 3**. When they have finished the exercise, ask them to compare their answers with a partner. Then check that they have the correct answers.

5 Give the students **Worksheet 4**. Ask them to work in pairs and fill the gaps in the sentences using the verb in the list at the beginning that is the **opposite** of the one in brackets at the end of each sentence. Note that in some cases they may have to change the form of the verb – e.g. *borrow* > *borrowed* – depending on the context. When you have checked the answers you could advise the students to store words with their opposites as this can be a good way to remember words. For example:

to **deposit** money in a bank

to **withdraw** money from a bank

6 Ask the students to look at the second part of **Worksheet 4**. These are questions you often hear when you are a customer in a bank. Ask the students to fill the gaps using the words at the beginning of the exercise. Then ask them to compare their answers with a partner.

7 Give the students a copy of **Worksheet 5** and ask them to match the words or prefixes in the left-hand column with the words in the right-hand column to make banking and finance terms. Check the answers. Then ask them to decide which part of each expression carries the main stress – is it the first element or the second element? Note that there is a generalized pattern here. If the expression is a noun + noun expression, the main stress falls on the first element (e.g. **INTERest rate**). If it is an adjective + noun expression, the main stress falls on the second element (e.g. *bad adVICE*).

8 Finally, ask the students to decide which of the two stress patterns the twelve words in the third exercise follow. Ask them to do this in pairs. Then read the words aloud with the correct stress pattern (see the **Key**) so that they can check their answers.

Vocabulary of banking and finance

What do you know?

Choose the best answer. Then look at the text and check your answers.

- 1 Which country produced the world's first banknote?
a. England b. China c. Greece
- 2 Where is the world's oldest bank?
a. Greece b. Spain c. Italy
- 3 Which company produced the world's first traveller's cheques?
a. Thomas Cook b. Lloyds c. American Express
- 4 When was the world's first credit card issued?
a. 1950 b. 1960 c. 1970
- 5 Which company issued the world's first credit card?
a. American Express b. Visa c. Diner's Club
- 6 Where was the world's first cash-point machine (ATM)?
a. the USA b. the UK c. Switzerland

Banking has a rich and varied history. The word *bank* itself is related to the word *bench* and, historically, banks were simply individual moneylenders sitting on benches in the street. In the earliest times coins made of gold, silver and other metals were the only form of money. There are many examples of coins from Egypt, Ancient Greece and Rome in museums around the world. The world's first banknote appeared in China in the 14th century and the world's oldest bank, Banca Monte dei Paschi di Siena, opened in Italy in 1472. This bank is still in operation today and has branches throughout Italy.

Although it is believed that the first cheques were used in Ancient Rome around 350 BC, they did not come into general use until the 16th century, when traders in Amsterdam began to use them as a form of payment. The first traveller's cheques were introduced by American Express in 1891 and are still used as a safe way of taking money abroad. Credit cards were first introduced in 1950 as a means of paying restaurant bills by an American club called Diner's Club. Now billions of credit card transactions are made every day and other forms of payment, such as cheques, are beginning to die out.

Many people today get their cash from cash-points (or Automatic Teller Machines as they are called in the USA). The world's first cash-point machine was installed in Barclays Bank, Enfield, North London in June 1967. Things have come a long way since the first gold coins!

Vocabulary of banking and finance

Jobs, tasks and responsibilities

Match the words on the left with the activities on the right.

- | | |
|--------------------------|--|
| 1 an accountant | a. gives expert advice to investors |
| 2 an auditor | b. is responsible for a branch of a bank |
| 3 a cashier | c. analyzes the financial performance of companies |
| 4 a bank manager | d. invests money in the stock market |
| 5 a financial consultant | e. inspects a company's accounts once a year |
| 6 an investor | f. works at a cash desk in a bank |
| 7 a stockbroker | g. prepares financial records for a company |
| 8 a customer | h. deposits money in a bank to earn interest |
| 9 a financial analyst | i. buys and sells shares in companies |
| 10 a saver | j. owes money |
| 11 a creditor | k. is a general word for a person who uses a bank |
| 12 a debtor | l. is owed money by another person or company |

Vocabulary of banking and finance

Key words

Fill the gaps using words derived from the verbs in bold.

invest

- 1 A person or organisation that invests money is called an
- 2 The money invested by a person or organisation is called an

advise

- 3 A financial is someone who advises clients where to invest their money.
- 4 Clients have to pay for this

save

- 5 A is a person who saves money.
- 6 The money that a person saves is known as their

lend

- 7 The money lent by a bank to a client is called a
- 8 A is a bank or a financial institution from which a person or organisation borrows money.

bank

- 9 A draft is a document used to transfer a large amount of money from one company to another, often to another country.
- 10 If you are, you officially admit that you have no money and you cannot pay your debts.

borrow

- 11 The cost of increases when interest rates go up.
- 12 In the UK there are more than investors.

Vocabulary of banking and finance

Key verbs

Fill the gaps with the correct form of a verb with the opposite meaning of the one in brackets. Choose from this list. The first one has been done for you.

simplify rise borrow spend ~~withdraw~~ refuse
 receive encourage distrust reduce prefer agree

- 1 She went to the bank to withdraw some money. [DEPOSIT]
- 2 He £100,000 from the bank. [LEND]
- 3 Interest rates by 1% last week. [FALL]
- 4 The bank has decided to its charges. [INCREASE]
- 5 She decided to all her money. [SAVE]
- 6 High interest rates usually small investors. [DISCOURAGE]
- 7 Electronic banking has banking transactions. [COMPLICATE]
- 8 Most experts that the stock market will rise again soon. [DISAGREE]
- 9 The bank manager her request for a loan. [ACCEPT]
- 10 Many customers internet banking. [TRUST]
- 11 Customers usually a bank statement every month. [SEND]
- 12 Most customers a personal interview with their bank manager. [DISLIKE]

In the bank

Complete these common questions heard in a bank.

ask sign like see fill confirm

- 1 Can I your passport, please?
- 2 Could you in this form?
- 3 Can I you some security questions?
- 4 Could you this cheque?
- 5 Could you your name and address?
- 6 How would you your money?

Vocabulary of banking and finance

Pronunciation

1 Match the words or prefixes in the left-hand column with those in the right-hand column to make banking and finance terms.

- | | |
|---------------|--------------|
| 1. exchange | a. manager |
| 2. cheque | b. advisor |
| 3. credit | c. interest |
| 4. bank | d. statement |
| 5. cash-point | e. rate |
| 6. monthly | f. book |
| 7. annual | g. machine |
| 8. financial | h. card |

2 Now decide which element in each expression carries the main stress. For example, **INTER**est rate

3 Match these banking terms to one of these two stress patterns:

1) ● ● ●

2) ● ● ●

- | | | | |
|------------|------------|-------------|------------|
| investment | financial | manager | adviser |
| auditor | accountant | transaction | deposit |
| customer | currency | insurance | withdrawal |

Vocabulary of banking and finance

Worksheet 1

1. b; 2. c; 3. c; 4. a; 5. c; 6. b

Worksheet 2

1. g; 2. e; 3. f; 4. b; 5. a; 6. d; 7. i; 8. k; 9. c; 10. h; 11. l; 12. j

Worksheet 3

1. investor; 2. investment; 3. adviser (AmE: advisor); 4. advice; 5. saver; 6. savings; 7. loan; 8. lender;
9. banker's (or bank); 10. bankrupt; 11. borrowing; 12. borrowers

Worksheet 4

1. withdraw; 2. borrowed; 3. rose; 4. reduce; 5. spend; 6. encourage; 7. simplified;
8. agree; 9. refused; 10. distrust; 11. receive; 12. prefer

1. see; 2. fill; 3. ask; 4. sign; 5. confirm; 6. like

Worksheet 5

1. e; 2. f; 3. h; 4. a; 5. g; 6. d; 7. c; 8. b

exCHANGE rate; CHEQUE book; CREDIT card; BANK manager; CASH-point machine;
monthly STATEMENT; annual INTEREST; financial adVIsER

1) manager, auditor, customer, currency

2) investment, financial, adviser, accountant, transaction, deposit, insurance, withdrawal