

Fachgebiet:

Europäisches Sprachenzertifikat
CEF: B1-Level

Lehrbrief 2: Banking, Taxation, International Trade

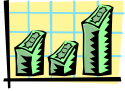
Verfasser:
Rena von Zobel

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Dr. Peemöller GmbH
Hauptstr. 50
97299 Zell

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English for Accountants
B1-level

V.	Banking	
5.1	Forms of money.....	3
5.2	Commercial Banking	5
5.3	Correspondence: Payment	8
5.4	Grammar: The Future Tense	12
VI.	Taxation	
6.1	word power	15
6.2	Taxation and the EU	17
6.3	The German Tax System	18
6.4	The British Tax System.....	19
6.5	Grammar: The Passive.....	20
VII.	International Trade	22
7.1	Terms of Delivery – INCOTERMS	24
7.2	Terms of Payment	25
7.3	Methods of Payment.....	27
7.4	Listening.....	28
7.5	Miscellaneous.....	29
	Lösungen zu den Aufgaben	34



V. Banking

Commercial banks are also known as business banks.

A commercial bank is a bank that provides checking accounts, savings accounts, and money market accounts and that accepts time deposits.

Commercial banks are different from retail banks, which provide financial services direct to consumers.

Many banks offer both commercial and retail banking services:

- Processing of payments
- EFTPOS(Electronic Funds Transfer at Point of Sale) is a financial network for processing credit cards, debit cards and charge card payments at "Point of Sale" and transacting at ATMs
- Internet banking
- Issuing bank drafts and bank cheques
- Long-/fixed-term deposits
- Overdraft facilities
- Loans / Mortgages
- Documentary and standby letter of credits
- Guarantees
- Performance bonds
- Securities
- Safekeeping of documents and other items in safe deposit boxes
- Sale, distribution or brokerage of insurance, unit trusts and similar financial products

Please find the German equivalent of the English expression:

checking account	
savings account	
time deposit	
retail banking	
overdraft facilities	
loan	
bank draft	
guarantee	
performance bond	
deposit box	
mortgage	
letter of credit	
ATM	
securities	
brokerage	

5.1 Forms of Money

Choose and underline the correct alternative to complete each sentence.

1. Money in notes and coins is called
a) cash b) capital c) reserves
2. The dollar, the euro and the yen are all
a) currencies b) funds c) monies
3. Money borrowed from a bank is a
a) deposit b) income c) loan
4. Borrowed money that has to be paid back constitutes a
a) debt b) fund c) subsidy
5. All the money received by a person or a company is known as
a) aid b) income c) wages
6. The money earned for a week's manual work is called
a) income b) salary c) wages
7. The money paid for a month's (office) work is a
a) loan b) salary c) wages
8. Money placed in banks and other savings institutions constitutes
a) capital b) deposits c) finance
9. Money paid by the government or a company to a retired person is a
a) pension b) rebate c) rent
10. The money needed to start a company is called
a) aid b) capital c) debt
11. Regular part payments of debts are
a) deposits b) loans c) instalments
12. Part of a payment that is officially given back is called a
a) gift b) instalment c) rebate
13. Estimated expenditure and income is written in a
a) budget b) reserve c) statement
14. A person's money in a business is known as his or her
a) deposit b) fund c) stake
15. Money given to producers to allow them to sell cheaply is called
a) loan b) rebate c) subsidy

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VI. Taxation

6.1 Word Power

Allocate the English word on the left to the German equivalent on the right!

1. tax accounting	a) Steuererklärung
2. tax allowance	b) Steuerumgehung, Steuervermeidung
3. tax authority/taxman	c) steuerlich abzugsfähig
4. tax avoidance	d) Steuerfreistellung, Steuerfreibetrag
5. tax consultant	e) Einkommensteuer, Lohnsteuer
6. corporation tax	f) Herabsetzung der Steuer
7. tax deductible	g) steuerlicher Verlust
8. tax evasion	h) Steuerklasse
9. tax exemption	i) Umsatzsteuer
10. tax-free	j) Quellensteuer
11. tax haven	k) Steuernachlass, Steuerermäßigung
12. income tax	l) Körperschaftssteuer, Gesellschaftssteuer AE
13. tax inspector	m) Abgeltungssteuer
14. tax loophole	n) Steuerjahr
15. tax mitigation	o) Finanzamt
16. tax loss	p) Kapitalertragssteuer
17. tax payer	q) Steuersenkungen
18. progressive tax	r) Steuerbuchhaltung
19. tax rates	s) Steuerberater
20. tax rebate	t) Steuerfreigrenze
21. tax return	u) progressive Steuer
22. sales tax	v) Steuerbemessungsgrundlage
23. tax shelter	w) Finanzbeamter
24. withholding tax	x) Steueroase
25. tax year	y) Lücke i.d. Steuergesetzgebung, Schlupf- loch
26. top rate of tax	z) Doppelbesteuerungsabkommen
27. capital gains tax	aa) Steuernachlass
28. tax threshold	bb) Spitzensteuersatz
29. final withholding tax	cc) Steuerzahler
30. tax base	dd) Steuerhinterziehung, Steuerflucht
31. double taxation agree- ment	ee) Steuerbegünstigung, Steuersparmodell
32. tax bracket, tax band	ff) Steuersatz
33. tax cuts	gg) steuerfrei

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VII. International Trade

7.1 INCOTERMS

- 1 **EXW (ex works)**
The seller makes the goods available at his premises.
- 2 **FAS (free alongside ship)**
The seller pays the transport costs up to the port of shipment. He bears the risk until the goods have been delivered alongside the ship.
- 3 **FOB (free on board)**
The seller pays the transport costs up to the port of shipment. He bears the risk until the goods have passed the ship's rail at the port of shipment.
- 4 **CFR (cost and freight)**
The seller pays the transport costs up to the port of destination. He bears the risk until the goods have passed the ship's rail at the port of shipment.
- 5 **CIF (cost, insurance, freight)**
The seller pays the transport costs, including marine insurance, up to the port of destination. He bears the risk until the goods have passed the ship's rail at the port of shipment.
- 6 **DES (delivered ex ship)**
The seller pays the transport costs and bears the risk until the goods arrive at the port of destination.
- 7 **DEQ (delivered ex quay)**
The seller pays the transport costs and customs duty and bears the risk until the goods are on the quay at the port of destination.
- 8 **FCA (free carrier)**
The seller pays the transport costs and bears the risk until the goods have been delivered into the custody of the first carrier.
- 9 **CPT (carriage paid to ...)**
The seller pays the transport costs up to the named destination. He bears the risk until the goods have been delivered into the custody of the first carrier.
- 10 **CIP (carriage and insurance paid to ...)**
The seller pays the transport costs, including transport insurance, up to the named destination. He bears the risk until the goods have been delivered into the custody of the first carrier.

11 DAF (delivered at frontier)

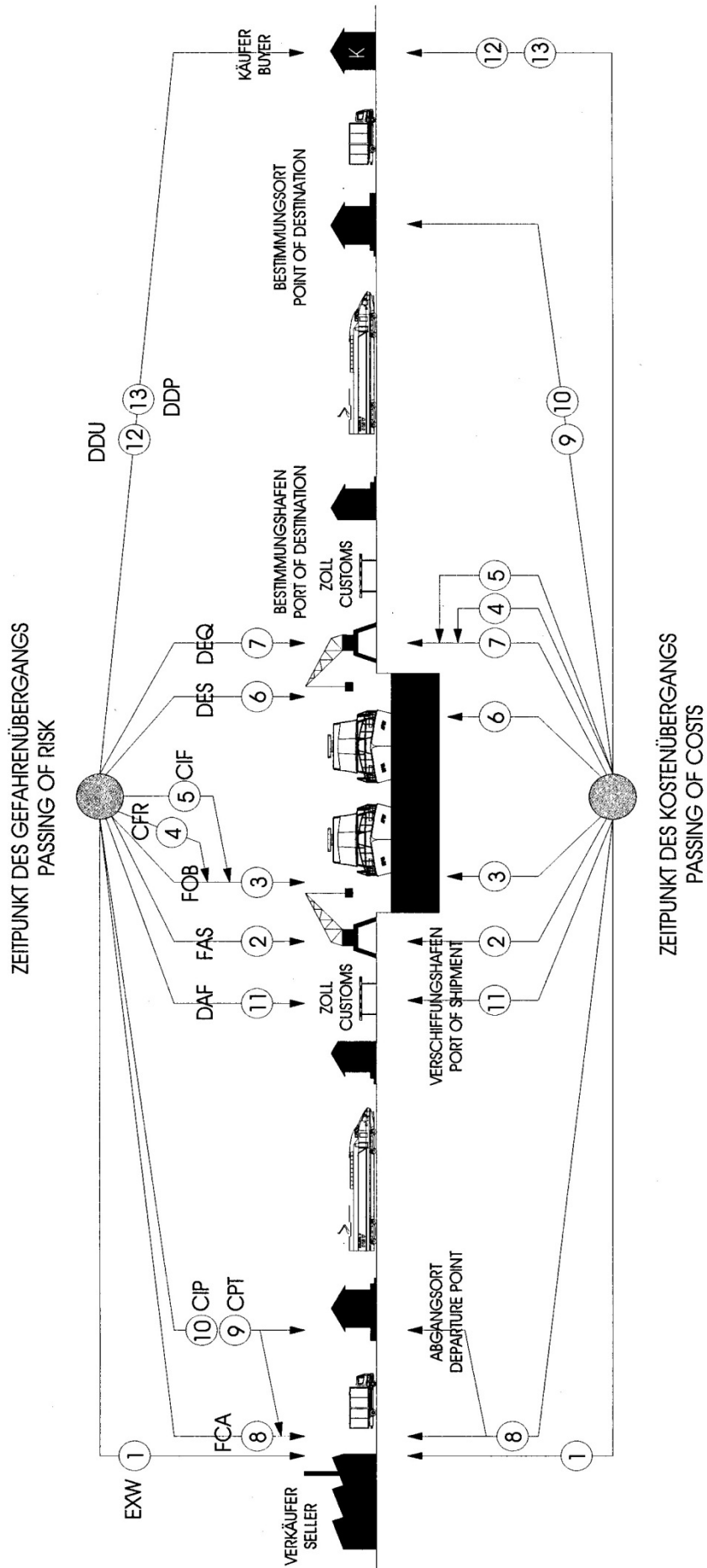
The seller pays all costs and bears the risk until the goods have been delivered on his side of the border.

12 DDU (delivered duty unpaid)

The seller pays all costs, excluding customs duty, and bears the risk until the goods have been delivered to the buyer.

13 DDP (delivered duty paid)

The seller pays all costs, including customs duty, and bears the risk until the goods have been delivered to the buyer.





Recommend suitable INCOTERMS and state an appropriate destination in the following cases:

A _____

A German exporter has to send goods to the USA by ship but is only prepared to pay for goods to be sent to a German port and no further.

B _____

A German manufacturer is not prepared to pay any transport or delivery costs at all.

C _____

A European exporter has a contract for goods to be sent to Ukraine but he wants to avoid all possible problems with the Ukrainian authorities.

D _____

A German exporter with a contract to supply goods by ship to Ireland is prepared to accept the transport costs and bear the risk up to a continental port of shipment (e.g. Brest in France) and after that will pay for the transportation of the goods to an Irish port. He is not prepared to accept the costs of having them insured for the sea voyage.

E _____

A German company is prepared to accept all costs for a consignment of goods to be delivered to the premises of a company in Taipei in Taiwan but it will not pay customs duties.

F _____

A German company flies goods to Toronto Airport in Canada. It is only prepared to bear the risk in Germany but pays for transportation of the consignment, excluding insurance, all the way to Canada.

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**Explain how payment would be made in the following cases:**

- 1 _____
A German buyer wishes to transfer a large sum of money to a Canadian supplier's bank account direct.
 - 2 _____
A German buyer wishes to post his remittance to an American supplier so the American can cash it at his bank immediately.
 - 3 _____
A German supplier sells goods costing a large amount of money to a new customer abroad. The goods are to be sent by ship and the German supplier wants a guarantee that he will receive payment.
 - 4 _____
A German supplier sends goods to a foreign customer by ship, grants his customer 90 days credit but wishes to be paid in the near future.
 - 5 _____
A German supplier wishes to pay a sum of money to someone who is not able to cash a cheque at a bank but can get to a post office.
 - 6 _____
The German buyer's bank draws on a correspondent bank in the seller's country and this instrument of payment is posted to the seller, who can pay it into his bank account or cash it.
- -
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7.4 Listening Part II

You are going to hear Jane Coburn presenting some information on 'Cash flow' and explaining how the term is to be understood.

First read all the questions and then listen.

For each question 1-5 mark one letter (A, B or C) for the correct answer.

You will hear the recording only once.

1. A cash flow statement
 - A shows the assets and liabilities of a company
 - B is the same as the profit and loss account
 - C shows how much money came into and went out of the company

2. Cash is not only notes and coins but also
 - A intangible assets
 - B tangible assets
 - C liquid assets

3. A cash flow statement is also called
 - A profit and loss account
 - B balance sheet
 - C funds flow statement

4. Cash flow can be improved by
 - A asking debtors to pay more quickly
 - B asking creditors to pay more quickly
 - C paying debtors more quickly

5. What is the presenter's profession?
 - A Head of Accounting
 - B Head of Controlling
 - C Head of Corporate Controlling

Lösungen zu den Aufgaben:

Page 1

Please find the German equivalent of the English expression:

checking account	Girokonto, Kontokorrentkonto
savings account	Sparkonto
time deposit	Festgeld, Termingeld
retail banking	Privatkundengeschäft
overdraft facilities	Dispo(sitions)kredit
loan	Bankkredit
bank draft	Banktratte, Bankwechsel, gezogener Wechsel
guarantee	Bürgschaft, Garantie, Gewährleistung
performance bond	Erfüllungsgarantie
deposit box	Bankschließfach
mortgage	Hypothekendarlehen
letter of credit	Akkreditiv
ATM	Geldautomat
securities	Wertpapiere
brokerage	Maklergebühr, Provision

Page 2

1. a) cash
2. a) currencies
3. c) loan
4. a) debt
5. b) income
6. c) wages
7. b) salary
8. b) deposits
9. a) pension
10. b) capital
11. c) instalments
12. c) rebate
13. a) budget
14. c) stake
15. c) subsidy