Business

VOCABULARY PRACTICE

UPPER-INTERMEDIATE | B2

Name: _____ **Date:** _____

1 Match each business-model term with its meaning.

1 value proposition	____	a person or group affected by an organisation
2 target market	____	b point at which income equals total costs
3 revenue stream	____	c ability to grow without equivalent growth in costs
4 overheads	____	d source from which a company earns money
5 break-even point	____	e reason customers should choose a particular offer
6 supply chain	____	f group of customers a company aims to reach
7 competitive advantage	____	g alternative course of action if problems occur
8 scalability	____	h feature that helps a business outperform rivals
9 stakeholder	____	i regular costs not directly tied to each unit sold
10 contingency plan	____	j network involved in producing and delivering goods

2 Complete the commercial collocations.

advantage | chain | costs | market | point | proposition | stream | stakeholders

1 define a clear value _____

2 identify the target _____

3 diversify the revenue _____

4 control operating _____

5 reach the break-even _____

6 strengthen the supply _____

7 sustain a competitive _____

8 consult key _____

3 Choose the most precise term for the context.

1 The distinct benefit promised to customers: *value proposition / revenue stream*.

2 The buyers a company intends to serve: *target market / stakeholder group*.

3 Subscription fees as a source of income: *revenue stream / overheads*.

4 Rent, insurance and office administration: *overheads / variable costs*.

5 The point where income covers all costs: *break-even point / profit margin*.

6 The network from raw materials to delivery: *supply chain / sales channel*.

7 Capacity to expand efficiently: *scalability / market research*.

8 A prepared response to disruption: *contingency plan / business forecast*.

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4 Complete the expansion review with terms from the box.

break-even point | **competitive advantage** | **contingency plan** | **overheads** | **revenue stream** | **scalability** | **stakeholders** | **supply chain** | **target market** | **value proposition**

The founders refined their **1** _____: durable equipment with rapid repair. Their main **2** _____ is small outdoor-tour companies. Product sales remain the largest **3** _____. By sharing warehouse space, the firm reduced **4** _____ and reached its **5** _____ sooner. Local servicing gives it a **6** _____. Before expanding, it tested the model's **7** _____, mapped weaknesses in the **8** _____ and prepared a **9** _____. It also consulted employees, suppliers and other **10** _____.

5 Read the text and answer the questions briefly.

Growth and resilience
Rapid growth can attract investors and lower unit costs, but expansion also creates dependencies. A company may rely on a single supplier, sales channel or major customer. If demand is overestimated, new premises and staff increase overheads before revenue catches up. Resilient growth therefore combines ambition with testing: firms can run a limited pilot, monitor cash flow, diversify key relationships and define conditions for pausing. A contingency plan is most useful when responsibilities and decision points are agreed in advance.

1 What two benefits of rapid growth are named? _____

2 Which three dependencies may create risk? _____

3 What happens if demand is overestimated? _____

4 Name three ways to test or protect expansion. _____

5 What financial measure should firms monitor? _____

6 When is a contingency plan most useful? _____

6 Rewrite using the expression in capitals.

1 Subscription fees provide regular income. **STREAM** _____

2 The business now earns exactly enough to cover costs. **BREAK-EVEN** ____

3 Fast delivery helps the firm outperform rivals. **ADVANTAGE** _____

4 The company prepared for a supplier failure. **CONTINGENCY** _____

OVER TO YOU

Write a **120-150 word** assessment of a business model. Cover customers, value, revenue, costs, advantage, scalability, stakeholders and risk.

[ ] Use at least ten target expressions. [ ] Explain commercial logic. [ ] Include a realistic contingency.

ANSWER KEY

1 Business-model terms

1 **e** 2 **f** 3 **d** 4 **i** 5 **b** 6 **j** 7 **h** 8 **c** 9 **a** 10 **g**

2 Commercial collocations

1 **proposition** 2 **market** 3 **stream** 4 **costs** 5 **point** 6 **chain** 7 **advantage** 8 **stakeholders**

3 Precise terms

1 **value proposition** 2 **target market** 3 **revenue stream** 4 **overheads**
5 **break-even point** 6 **supply chain** 7 **scalability** 8 **contingency plan**

4 Expansion review

1 **value proposition** 2 **target market** 3 **revenue stream** 4 **overheads** 5 **break-even point**
6 **competitive advantage** 7 **scalability** 8 **supply chain** 9 **contingency plan** 10 **stakeholders**

5 Reading - suggested answers

1 Attracting investors and lowering unit costs. 2 A single supplier, sales channel or major customer. 3 Overheads rise before revenue catches up.
4 Any three: pilot, cash-flow monitoring, diversified relationships, pause conditions. 5 Cash flow. 6 When responsibilities and decision points are agreed in advance.

6 Rewriting - possible answers

1 Subscription fees are a regular revenue **stream**. 2 The business has reached the **break-even point**. 3 Fast delivery is a competitive **advantage**. 4 The company made a **contingency plan** for supplier failure.

Over to you: Answers will vary. Check model coherence, accurate terminology and realistic risk planning.