Business

VOCABULARY PRACTICE

ADVANCED | C1

Name: _____ **Date:** _____

1 Match each corporate concept with its meaning.

1 market concentration	____	a systems for directing and overseeing a company
2 barriers to entry	____	b responsibility to act in another party's best interests
3 economies of scale	____	c misleading claims that make activity appear environmentally responsible
4 vertical integration	____	d cost advantages gained through larger-scale production
5 regulatory arbitrage	____	e control of multiple stages in production or distribution
6 due diligence	____	f dominance of a market by a small number of firms
7 fiduciary duty	____	g careful investigation before a major transaction
8 corporate governance	____	h obstacles that make it hard for new competitors to enter
9 stakeholder capitalism	____	i business approach considering groups beyond shareholders
10 greenwashing	____	j use of differences between regulatory systems to gain advantage

2 Complete the corporate-policy collocations.

arbitrage | concentration | diligence | duties | entry | governance | integration | scale

1 reduce barriers to _____

2 achieve economies of _____

3 limit excessive market _____

4 pursue vertical _____

5 curb regulatory _____

6 conduct thorough due _____

7 uphold fiduciary _____

8 strengthen corporate _____

3 Choose the concept that best captures the distinction.

1 Cost savings created by higher production volume: *economies of scale / market concentration*.

2 Control of suppliers or distributors by one firm: *vertical integration / horizontal growth*.

3 Investigation before an acquisition: *due diligence / market research*.

4 Legal obligation to act for beneficiaries: *fiduciary duty / corporate purpose*.

5 Oversight by boards, rules and accountability systems: *corporate governance / management style*.

6 Considering workers, communities and suppliers: *stakeholder capitalism / shareholder reporting*.

7 Exploiting gaps between legal regimes: *regulatory arbitrage / tax planning*.

8 Unsubstantiated environmental positioning: *greenwashing / brand differentiation*.

4 Complete the corporate analysis with terms from the box.

barriers to entry | corporate governance | due diligence | economies of scale | fiduciary duty | greenwashing | market concentration | regulatory arbitrage | stakeholder capitalism | vertical integration

The merger may increase **1** _____ and create **2** _____, but it could also raise **3** _____ for smaller rivals. Greater **4** _____ would give the group control over suppliers and distribution. Directors must conduct **5** _____ and respect their **6** _____ when assessing the deal. Strong **7** _____ is needed to scrutinise conflicts and risk. A commitment to **8** _____ should produce measurable benefits for employees and communities, not **9** _____. Regulators should also consider whether the structure encourages **10** _____ across jurisdictions.

5 Read the text and answer the questions concisely.

Value creation and accountability

A company can create value through innovation, reliable employment and useful products, yet the distribution of benefits and risks matters. Shareholders may receive returns while workers absorb restructuring costs or communities bear pollution. Stakeholder commitments are credible only when they influence investment, incentives and board oversight. Disclosure helps, but selective metrics can conceal trade-offs. Effective governance therefore links stated purpose to decision rights, measurable outcomes and consequences when commitments are not met.

1 What three forms of value creation are named? _____

2 Why does the distribution of benefits and risks matter? _____

3 Which groups may bear costs or pollution? _____

4 When are stakeholder commitments credible? _____

5 How may selective metrics mislead? _____

6 Which three elements should governance link to purpose? _____

6 Paraphrase using the expression in capitals.

1 The buyer carefully investigated the target company. **DILIGENCE** _____

2 The firm now controls production and distribution. **VERTICALLY** _____

3 A few firms dominate the entire market. **CONCENTRATED** _____

4 The campaign made weak environmental claims look impressive. **GREENWASHING** ___

OVER TO YOU

Write a **160-190 word** critical response: What should responsible business governance require beyond legal compliance? Develop a qualified position.

[ ] Use at least ten target terms or collocations. [ ] Address power and incentives. [ ] Distinguish disclosure from accountability.

ANSWER KEY

1 Corporate concepts

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

2 Corporate-policy collocations

1 **entry** 2 **scale** 3 **concentration** 4 **integration** 5 **arbitrage** 6 **diligence** 7 **duties** 8 **governance**

3 Conceptual distinctions

1 **economies of scale** 2 **vertical integration** 3 **due diligence** 4 **fiduciary duty**
5 **corporate governance** 6 **stakeholder capitalism** 7 **regulatory arbitrage** 8 **greenwashing**

4 Corporate analysis

1 **market concentration** 2 **economies of scale** 3 **barriers to entry** 4 **vertical integration** 5 **due diligence**
6 **fiduciary duty** 7 **corporate governance** 8 **stakeholder capitalism** 9 **greenwashing** 10 **regulatory arbitrage**

5 Reading - suggested answers

1 Innovation, reliable employment and useful products. 2 Different groups may receive benefits or bear risks. 3 Workers and communities.
4 When they influence investment, incentives and board oversight. 5 They can conceal trade-offs. 6 Decision rights, measurable outcomes and consequences.

6 Paraphrasing - possible answers

1 The buyer conducted **due diligence**. 2 The firm is **vertically integrated**. 3 The market is highly **concentrated**. 4 The campaign amounted to **greenwashing**.

Over to you: Answers will vary. Check conceptual precision, governance logic, incentives and genuine accountability.