

29 STOCKS AND SHARES 1, p.65

29.1 Match the words in the box with the definitions below.

bankrupt going public flotation investors liquidation	prospectus ordinary shares preference shares stock exchange to underwrite
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- _____ : a document describing a company and offering stocks for sale
- _____ : a market on which companies' stocks are traded
- _____ : buyers of stocks
- _____ : changing from a private company to a public one, quoted on a stock exchange
- _____ : the first sale of a company's stocks to the public
- _____ : to guarantee to buy newly issued shares if no one else does
- _____ : shares that pay a guaranteed dividend
- _____ : the most common form of shares
- _____ : insolvent, unable to pay debts
- _____ : the sale of the assets of a failed company

29.2 Are the following statements **TRUE** or **FALSE**? Write **ONLY ONE LETTER – T or F – in the gap on the left.**

- ___ 1. New companies can apply to join a stock exchange.
- ___ 2. Investment banks sometimes have to buy some of the stock in an IPO.
- ___ 3. The due diligence report is produced by the company's own accountants.
- ___ 4. The dividend paid on preference shares is variable.
- ___ 5. If a company goes bankrupt, the first investors to get any money back are the holders of preference shares.

29.3 Make word combinations using a word or phrase from each box. Then use the correct forms of the word combinations to complete the sentences below.

offer go produce underwrite	an issue a prospectus shares public
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After three very profitable years, the company is planning to (1) _____ (2) _____ and we're (3) _____ 100,000 (4) _____ for sale. We've (5) _____ a very attractive (6) _____, and although a leading investment bank is (7) _____ the (8) _____, we don't think they'll have to buy any of the shares.