



Course: English Language.
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 Grade: M1 Finance and International Commerce

HOME WORK 2

One way of financing international trade is by a **letter of credit**. The foreign buyer transfer money from his bank to a correspondent bank in the exporter’s country. This bank then informs the exporter that a **letter of credit** for sum of money is available when it presents a **bill of lading** (a document prepared by the shipowner or his agent which acknowledge that the goods have been received **on board the ship**), a commercial **invoice**, and an **insurance certificate**.

Another possibility is to pay a **bill of exchange**, in the following example of the exporter of a shipment of goods from Britain to Argentina. So, **your task is to re-order the following sentences according to their meanings, then add to them a topic and a concluding sentences to create a unified, coherent and cohesive paragraph:**

- a. Meanwhile, the British manufacturer can sell the bill of exchange (at a discount) to an accepting house in London, so that it does not have to wait for payment.
- b. On receiving an order from Argentina, a British manufacturer produces the goods. After arranging insurance, the manufacturer will send the goods to the port, with an invoice and a bill of lading, to be loaded onto a ship. When the goods have been shipped on board, the ship’s master signs and returns the bill of lading to the producer.
- c. On the agreed date, the importer honours the bill of exchange.
- d. The exporter will draw up a bill of exchange requiring the buyer to pay a certain sum of money on an agreed date, and present the bill to a London correspondent bank of the buyer’s bank.
- e. The London bank accepts a bill of exchange for the same amount. It will then send the bill of lading and the bill of exchange to Argentina.
- f. When the documents arrive in Argentina, they will be given to the importing company when it accepts the original bill of exchange.
- g. When the ship reaches its destination, the importer presents the documents to the master of the ship, and collects the goods. (If the goods do not arrive, the buyer will have to make an insurance claim.)

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EXERCISE 2

- 1. Find *five* verbs in the text that partner the noun *goods*.

- 2. Find *six* verbs in the text that partner the noun *bill of exchange*.

- 3. Find *five* different financial documents mentioned above.
