

# Business Finance

B1+–B2

FINANCE

MFB004

This lesson introduces the core language of corporate finance, from revenue and profit margin to overhead and break-even. It pairs that vocabulary with the passive voice, the grammar most often found in financial reports, through a case study about Meridian Group's difficult quarter and a news report on corporate earnings.

## — YOU CAN NOW

- You can use 10 key business finance terms accurately.
- You can form the passive in present, past, future and modal forms.
- You can tell similar terms apart, such as revenue vs turnover and overhead vs expenditure.
- You can follow a financial case study and a news report on earnings.
- You can write a formal email or report using the passive and financial vocabulary.

## — USEFUL PHRASES

- *Revenue increased by 8% this quarter, driven by strong demand.*
- *The profit margin fell to 11% due to rising costs.*
- *A significant portion of this was attributed to...*
- *The break-even point will be reached within the next two fiscal quarters.*
- *A revised expenditure plan will be submitted within three weeks.*
- *Capital expenditure exceeded the budget by \$3 million.*
- *Sales and profit beat expectations.*
- *The CFO sounded a note of caution about consumer spending.*

## — KEY VOCABULARY

**revenue** · total income a business earns before any costs are deducted

**turnover** · total value of sales in a period; also staff leaving rate

**fiscal year** · a 12-month accounting period, not always January to December

**stakeholder** · anyone with an interest in a company, e.g. investors, staff

**break-even** · the point where revenue exactly covers costs: no profit, no loss

**profit margin** · percentage of revenue left after all costs are deducted

**forecast** · a prediction of future revenue, costs or performance

**overhead** · ongoing fixed costs such as rent, salaries and utilities

**expenditure** · all money an organisation spends (formal)

**quarterly report** · formal financial summary a company publishes every three months

## — LANGUAGE FOCUS

### The Passive Voice

Form the passive with subject + BE (in the right tense) + past participle; add 'by + agent' only when it adds useful information. Business writing prefers the passive because it focuses on decisions and outcomes, giving a formal, objective tone.

- *The annual report was published last Friday.*
- *The forecasts will be presented to stakeholders next month.*
- *Overhead costs must be reduced by at least 15%.*

**Take it further:** Next time you read or write a results update, check every 'will', 'must' or 'was' before a past participle: future and modal passives need 'be' (will be presented, must be reduced), never 'been'.