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BUSINESS ACROSS THE LANGUAGE GAPS

Communications today between companies are becoming faster and faster. But there is still one problem that has not been completely resolved - the problem of language. In the United States or Britain, for example, most companies are used to dealing in English. This is fine if you are buying from a German, Indian or Nigerian Company. However, when it comes to selling abroad, American and British companies are finding that things are not so simple.

Take the case of a London-based supplier of plastics. Managers were delighted when they landed a multi-million pound contract to supply casings for computers and other electronic equipment to a factory in Iran... Everything went well at first... However, problems began to develop after a few months. The British Company had received a large quantity of correspondence in Farsi. But there was no one in the London office that could read the faxes and letters. So they were sent out to a firm of translators and there was a long delay in replying to them. The Iranian Company grew increasingly frustrated at the delays and finally cancelled the contract. It placed its orders instead with a French firm employing a number of Farsi speakers.

Most companies faced with problems like this have little idea of how to set up language training programmed. Some companies then rely on managers' individual efforts. Others hope that secretaries picked up enough French at night School to be able to deal with correspondence.

These responses are not good enough according to a report from the University of London Language in Business Programmed (ULLBP) The report suggests that personnel and training managers need to think more carefully about the way they plan language training in a company.

Effective language training programmed must begin with an assessment of language needs in a company. One approach is to make a list of the company's main overseas customers and suppliers. This gives a clear idea of which languages are necessary. If your main markets are in South America, then Spanish, and possibly Portuguese, should be high on the agenda.

The next step is to look at the linguistic abilities of employees in a Company. A "language awareness test" can help trainers to select those workers who will benefit most from spending time on a new language. A ULLBP study suggests that English speakers who have never studied a language before learn more slowly. They can take three or even four times longer to reach intermediate level in French or German than experienced language learners.

This type of language audit can help a Company to plan its training coherently and, in the long run, to make large cost savings.

Trade Secrets

A VISION AND ACTION

By *Rob Phillips*

Vince Egan remembers 1980. It's the year he lost his job and found a career.

At the age of 37, Egan was doing marketing for a figure – skating show called Holiday on Ice. When it was sold, he was out of work.

But Egan had an idea; he just needed money and the cooperation of some very important people. One of them was Jim Henson, creator of The Muppets on PBS TV's *Sesame Street*. Egan's idea was to dress actors in Muppet costumes, put them in a stage show and send them on tour.

Henson liked Egan and he liked the idea. So did the people at Children's Television Workshop, which owned the name *Sesame Street*. Egan got the money from a venture capitalist and a second mortgage on his farm home. He hired a producer, cast and crew. *Sesame Street Live*, so named to distinguish the road show from the TV series, was ready to go.

Though the show opened to rave reviews, when Egan took it on the road to 30 to 35 cities, the story changed. "Each city was a struggle," he recalls. "People weren't sure if it was a puppet show, a Muppet show, a movie or what. For the next ten weeks, we died."

Egan had the necessary licenses, money and a show. What he lacked was an audience. The end of a dream? Hardly.

Sometimes it's whom you know. When a friend secured Egan four weeks at New York's Madison Square Garden, *Sesame Street Live* drew 100,000 people.

It is now in its 22nd season. Egan says it's "the longest -running children's tour" - anywhere, ever - and has been seen by more than 46 million kids and adults here and abroad.

But *Sesame Street Live* is just one of the success stories at Egan's company, VEE Corporation. It runs two other tours, *Bear in the Big Blue House Live* and *Dragon Tales Live*. Company artisans also market their skills by creating costumes, exhibits and sets on order. Clients have included NBA's All-Star Jam Session, General Mills, Target stores, Radio City Music Hall, and the New Jersey Nets, which ordered a full-body costumes for use as a team mascot.

VEE creatures, costumes and other larger-than-life objects appear in a variety of venues like shopping malls, corporate meetings, cruise ships, halftimes and parades.

The company's original staff consisted of Egan and three others, and expanded to eight within seven months. In 20 years, it has grown to 280, on its way to about 375. So, ask Egan how to succeed in business and he comes right to the point. "Find something you're good at. Know the business. Be dedicated to what you do. Don't listen to other people who say you'll fail within six months. Take a risk. And once you do, walk, don't run. Ten shows in the past ten years tried to do what we do with massive amounts of money, and lost the whole shooting match within six weeks."

And no one would argue with the man who escaped unemployment in 1980 with the help of fuzzy, feathery characters like Big Bird, Elmo and Oscar the Grouch. "I'm fortunate - not lucky, fortunate," he says, "that people believed how sincere I was when I told them I wanted to do this."

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Fifty Problem Solving Strategies Explained

Introduction

The comprehensive nature of the list of problem solving strategies allows individuals to use a checklist approach to problem solving. It

also could facilitate training others in problem solving. The classification of the strategies into types may facilitate the development of new strategies that fit into a specific category. The explanations and examples given could serve as a valuable supplement to other explanations and examples available in books and on the web. The strategies on this list are in themselves not original. The original aspects of this list are (a) putting all these specific strategies together, (b) organizing them into the types described below, and (c) giving each type of strategy a fresh explanation with new examples.

Problem Solving Strategies Listed by Type

Strategies to help you understand the problem

Clarify the problem

Identify key elements of the problem

Visualize the problem or a relevant process or situation

Draw a picture or diagram of the problem or a relevant process or situation

Create a model of the problem or a relevant process

Imagine being the problem, a key process, or the solution

Simulate or act out a key element of the problem

Consider a specific example

Consider extreme cases

Change perspective

Consider levels and systems

Strategies to help you simplify the task

Simplify the problem

Solve one part at a time

Redefine the problem

Strategies to help you determine the cause of the problem

Collect information about what happens before, during, and after the problem

Organize information into a table, chart, or list and look for a pattern

Try to make the problem worse

Compare situations with and without the problem

Consider multiple causes and interactions

Consider non-linear effects

Strategies involving the use of external aids to help you identify possible solutions

Ask someone, especially an expert

Seek the answer in written material

Use a tool or technology

Apply a theory

Apply the scientific method

Use mathematics

Use a formula

Strategies involving the use of logic to help you identify possible solutions

Reason by analogy in using what you have learned about similar problems

Use deductive reasoning

Use inductive reasoning

Question assumptions

Strategies using a possible solution as a starting point to help you solve a problem

Guess, check, and adjust

Work backward

Strategies to help you determine which possible solution is best

Estimate the likely costs and benefits of possible solutions

Choose one or more options to implement

Implement the best solutions and collect information about the effects of it

Strategies to help you function optimally while problem solving

Think of options without immediately evaluating them

Set a goal with a purpose you value

Avoid distraction

Work in a new setting

Adjust time limit to optimum
 Work with someone
 Create a positive mood with an optimum arousal level
 Think of the problem as a challenge or opportunity
 Think confidently
 Take a break
 Persist
 Strategies to help you solve multiple problems
 Adopt a problem solving orientation
 Apply triage
 Solve one problem at a time
 Back to top

Problem Solving Strategies Explained, with Examples

Strategies to help you understand the problem:

Clarify the problem. It is easier to solve a specific problem than a vague one. So clarify the problem before you start looking for a solution. If your problem is that your spouse tells you that you are not supportive enough, find out what he or she means by supportive. If your problem is that your mother can't get the new VCR to work, determine what doesn't happen that she wants to happen. If your problem is a math homework question, read carefully the question (usually at the end it says that the answer supposed to be in meters or centimeters, rounded or not, square or not, etc.

Identify key elements of the problem. Problems come to us with varying amounts of important and useless information. Focusing on useless information distracts us and wastes time. So identify the key elements of the problem before you start looking for a solution. If the problem is that of a couple who come to you for counseling because they argue continually, ask them what they argue about, when, and where. If the problem is that your bike squeaks when you ride it, determine what part squeaks.

Visualize the problem or relevant process or situation. Sometimes we can see the problem and all its important details right in front of us. This helps us understand the problem. Other times we can't see important elements because they have already occurred or are not visible. In these cases, it is valuable to visualize important elements of the problem. So, if you want to predict the future of the universe, visualize the big bang and the ensuing events. If you want to open a lock without a key, visualize the lock mechanism. If you want to determine how a murder was committed, visualize events that would explain the physical evidence.

Draw a picture or diagram of the problem or a relevant process or situation. Visualizing a problem can aid understanding. However, we can keep only some much visual information in our minds at once. Hence, it is often useful to draw a picture or diagram. So, if you want to calculate when two airplanes will collide, draw their paths and speeds. If you plan to assault a house where a terrorist holds hostages, draw a picture of the room, doors, windows, hostages, etc. If you want to speed up delivery of goods to retailers, draw a diagram showing the steps in the process.

Create a model of the problem or a relevant process. Creating a model of a problem or relevant process helps us focus on essential elements and gives us the potential to alter the model and see what happens. For instance, if you want to minimize harm to individuals in auto accidents, create a computer model of the structures and forces involved. If you want to build a Mars rover, build a model. If you want to reduce international strife, create a model of causes.

Imagine being the problem, a key process, or the solution. Imagination can help us understand a problem by visualizing it. More understanding can occur in some cases if we go farther and imagine being the problem,

a key process, or the solution. So, if you want to understand space and time, you can imagine, as Einstein did, riding a light beam. If you want to help a person who is very paranoid, you can imagine being that person and seeing the world as he does. If you want to get a hit in a big baseball game, you can imagine going up to bat, seeing the ball clearly, and swinging crisply while you step into the pitch, etc.

Simulate or act out a key element of the problem. Understanding complex or vague problems can be difficult. Simulating or acting out some key element of the problem can be productive. For instance, if you are calculating probabilities of some event happening, you can simulate the situation and observe outcomes yourself. If you want to help someone become more socially successful, you can act as that person does and observe the consequences. If you want to determine why a spacecraft exploded, simulate its flight, and try ways of recreating the explosion.

Consider a specific example. Problems often come to us in the abstract. Creating a concrete example helps us explore the problem just as we might explore a specific example of dinosaur bones to understand dinosaurs. So, if you want to determine what makes a person psychotic, consider real people who have become psychotic. If you want to learn how to calculate the volume of a sphere, use a specific radius, such as one meter, and apply the formula. If you want to determine why frogs are dying right and left in your community, examine dead frogs.

Consider extreme cases. Considering extreme cases is a type of considering a specific example. Here the example is chosen to test the limits of a relevant parameter. Sometimes this gives insight into important processes. So, if you want to determine whether level of intelligence affects retention on a police force, consider officers with the highest and lowest intelligence on the force. If you want to determine what happens to black holes in the long run, consider black holes that continue for infinitely long or black holes that suck up everything in the universe. If you want to determine how temperature affects the flow of electricity, consider a temperature of absolute 0.

Change perspective. If you want to reduce crime in a community, look at crime from the perspective of criminals and victims. If you want to convince a hostage taker to surrender, take that person's perspective. If you want to avoid being bitten by a vicious dog, take the dog's perspective.

Consider levels and systems. If you want to prevent skin cancer, consider events that trigger the cancer at the level of the external environment, the intercellular level, and the intracellular level. If you want to reduce school violence, consider systems such as communities, families, and individuals. If you want to predict the weather, consider local conditions and approaching fronts.

Strategies to help you simplify the task:

Simplify the problem. Some problems overwhelm us with their complexity. In such cases, it may pay off to simplify the problem. So, if you want to solve an equation $(a^2 - 2a + 1) = 0$, simplify it to $(a - 1)^2 = 0$. If you want to determine how far you can drive on the fuel remaining in your tank, you can estimate the amount of fuel and divide by the estimated kilometers per liter. To simplify the task, round the amounts. If you want to protect your country from terrorist attack, identify the countries most likely to aid the terrorists and defend against the potential methods of those countries.

Solve one part at a time. It is sometimes possible to make a problem easier to solve by attacking one part at a time. For instance, if you want to reduce international conflict in the Middle East, choose two countries with continuing conflict and focus on those. If you want to send a human to Mars, send and retrieve information-gathering robots

first. If you want to improve your personality, choose one characteristic to improve at a time, starting, for instance, with your outgoingness.

Redefine the problem. If a problem seems presently unsolvable, consider what value underlies the desire to solve that problem, and redefine the problem into something solvable. For example, if a farmer cannot solve the problem of how to grow a specific crop on his land, he might analyze why he finds growing this crop desirable. If he decides that the reason is that the crop generally has a high profit margin, he might review what other crops have a high profit margin or even consider profitable uses of his land that do not involve farming. He thereby has redefined the problem from raising a certain crop on his land to making a high profit with his land.

Strategies to help you determine the cause of the problem:

Collect information about what happens before, during, and after the problem. Problems are often triggered by something observable and reinforced by something that happens afterward. So if Carrie often has temper tantrums, observe her and the situation carefully to collect information about what happens before, during, and after the tantrum. You may find that pressing her to do difficult schoolwork usually happens before and allowing her to avoid the schoolwork happens after. If Jake often has digestive problems, you might find that nothing special happens before, during, or after. No specific foods seem to trigger the problem, so diet restriction is unlikely to help. If you want to help heart surgery patients avoid depression after their surgery, observe them before, during, and after surgery.

Organize information into a table, chart, or list and look for patterns. Information collected about a problem often becomes easier to search for patterns when put into a table, chart, or list. The patterns may reveal causes of the problem. So, if you want to predict the next time a man will beat his wife, organize information about his prior instances of wife beating and look for a pattern, such as beating being delivered after he suffered an affront and drank heavily. If you want to determine how to prevent auto accidents, put information about causes of past accidents into a table and look for patterns in the aggregated data, such as a high proportion of the accidents being caused by young males who have been drinking and were driving faster than the speed limit. If you want to predict when a stock will rise, chart its price fluctuations over time and events in the past.

Try to make the problem worse. One way to determine whether you know what causes a problem is to try to make the problem worse. This may be worth doing when the supposed solution is so difficult, inconvenient, expensive, or dangerous as to justify caution in trying it. So, if you suspect that eating strawberries is causing your nose to turn red, wait until your nose is its usual color and eat a few strawberries. If you think that a mentally retarded child has tantrums because of changes in his routine, change the routine substantially on a few occasions and observe his behavior.

Compare situations with and without the problem. Comparing situations with and without the problem can sometimes shine light on a difference that causes the problem. So, if you want to eliminate bacterial infections that kill women giving birth, compare the care given women who become infected with those don't. You might see, as a 19th Century researcher did, that the women who are "helped" by physicians who don't wash their hands between patients women become ill and the women who are helped by midwives who do wash their hands do not become ill. If you want to know what causes AIDS, compare people who do and don't have HIV and observe the people for several years. If you want to know what causes violent crime, compare the intelligence of individuals who have and have not been convicted of violent crimes.

Consider multiple causes and interactions. Sometimes two or more variables or influences cause a problem to occur. For instance, level of drunkenness depends on many factors, including the amount of alcohol consumed and the body weight of the person. A harmful level of carbon monoxide gas may flow into a house only if the wind is blowing hard in a certain direction, the heat exhaust pipe is less than a meter above the roof, and the heat is on high. If we do not look for all the causes of a problem, we may never find them. So if you want to determine what causes autism, wood rot in a house, or the cause of someone's death, consider multiple causes and interactions.

Consider non-linear effects. Variables sometimes cause problems in a linear way, e.g., the more lead a child eats, the greater the harm. However, some variables have curvilinear effects. For instance, some arousal aids human performance, while a great deal of arousal impairs performance. So, if you want to determine what causes a problem, consider non-linear effects.

Strategies involving use of external aids to help you identify possible solutions:

Ask someone, especially an expert. If we look hard enough we can usually find someone who knows more about how to solve a particular problem than we do. The fastest way to solve the problem may be to ask that person. So if you don't know how to fix a leaking faucet, or help your child act more outgoing, or improve your job interviewing success, ask an expert.

Seek the answer in written material. Written materials exist that show how to solve many problems. New devices often come with instruction manuals. Libraries and bookstores are loaded with "How To" books. The Internet offers answers to many problems – if we ask the right question and use judgment about which web sites are credible. So if you want to learn how to improve the appearance of your nose, you could look up "cosmetic" or "nose" surgery in an Internet search engine and in a medical encyclopedia in the library.

Use a tool or technology. Some problems require the right tool, which could be a hammer, a computer, or a metal detector. So whenever you have a problem to solve, consider whether some type of technology might help you.

Apply a theory. Good theories can point us in the right direction to find a solution to a problem. For instance, Albert Bandura's social learning theory suggests that if we want to teach a child to act altruistically, we would set an altruistic model in our behavior, talk about our altruistic goals, and reward the child (perhaps with praise) when she acts altruistically. Other theories in fields as different as economics and physics provide possible solutions to various types of problems.

Apply the scientific method. The scientific method has helped to produce many of the great accomplishments of recent human history, such as doubling the average human lifespan, putting a human on the moon, and discovering planets orbiting other stars. The method involves systematically collecting data to test a hypothesis, applying certain types of research design and analysis methods to the data, and being skeptical about the results. For more information, see:

Use mathematics. Mathematics is essential to solving some problems, such as how to put an exploring robot on Mars, how to determine whether one treatment is generally more effective than another for pancreatic cancer, and how to defend an area from enemy missiles. There are many types of mathematics, but even the simplest can be helpful in problem solving. For example, if you want to make yourself happier, you might start by counting the number of days in the next 14 that you feel happy. Then you have a baseline to use as a comparison after you make some

behavioral or situational changes in pursuit of more happiness. If you wanted to determine whether a new treatment for diabetes is better than the usual treatment, you might use a t test to compare the blood sugar levels are of the group of people using the new treatment with a group of people using the usual treatment.

Use a formula. Sometimes, a formula can help solve a problem. The formula could be a recipe, a set of chemicals, pressures, and heat levels, or an established method of doing something else. So, if you want to develop a permanent way of marking the right lens for contact lens wearers, start with the formulas for permanent pens and markers. If you want to create a better toothpaste, start with a typical formula and try altering its components.

Strategies involving the use of logic to help you identify possible solutions:

Reason by analogy, using what you have learned about similar problems. Going through life we solve many problems. Often the problem solving methods we used and the actual solutions we found effective in the past can work to solve a current problem. So, if you have solved before a problem with a neighbor's dog barking all night, the same solution may work with another neighbor who plays loud music all night. In fact, the same solution might be something to try with anyone who is chronically annoying.

Use deductive reasoning. Deductive reasoning involves going from a general rule to an application in a specific instance. So, if we assume that people commit murder only if they have a motive, then we look for murder suspects among people who had a motive. If we start with a premise that people do what they think is in their best interest, we try to provide employees incentives to work productively. If we believe causes must occur prior to effects, we can conclude that a huge grass fire did not cause the high level of asthma attacks that started two days before the fire.

Use inductive reasoning. Inductive reasoning involves drawing on specific instances to form a general rule. So, if you want to know whether your child will leave your yard if left outside alone, one thing you could do would be to set up that situation and covertly observe the child on several occasions. If you want to find out whether eating chocolate causes you acne, eat chocolate every day for two weeks, then not at all for two weeks, then every day again for two weeks, then not at all for two week, and record the state of your skin every day. If you want to know whether a genetically altered microbe will reproduce in field settings, put a specific number of the microbes in field settings and later count the number.

Question assumptions. Our thinking contains many assumptions or beliefs that have never been well tested, such as that our religion or ethnic group is the best one. If you want to reduce inter-group conflict, questioning these assumptions might help. If you want to stop children from starting to use illegal drugs, question the assumption that educating them about the effects of the drugs will discourage use. If you want to develop close relations with your supervisor, you may benefit from questioning your assumption that all supervisors are power hungry and self-centered.

Strategies using a possible solution as the starting point to help you solve a problem:

Guess, check, and adjust. It may work to guess at a solution, especially if the range of possible solutions is limited as in a multiple-choice test. You can check to see whether your guess is right, and then eliminate the option if it is not. As Sherlock Holmes said, once you have eliminated all the possibilities except one, that one must be the

solution. Sometimes guessing can help us even when the range of possible answers is unlimited. For instance, in solving for x in $x + y = 12$ and $2x - y = 3$, if there are no answers from which to choose, and you don't know how to solve simultaneous equations, you can guess at what x is, and if you miss, you can use how much you miss by to make a better second guess, and so on, adjusting your guessing as you go. That, in essence, is how software for structural equation modeling proceeds to a solution.

Work backwards. In solving a printed maze, looking at the goal area and working backward sometimes offers the fastest solution. That may occur because the maze maker did not expect you to use this strategy. Also, if you want to recreate the events involved in a crime, you could start with a possible perpetrator and the available evidence, work backward in time, and see what makes sense.

Strategies to help you determine which possible solution is best:

Estimate the likely costs and benefits of possible solutions. Use deductive and inductive reasoning and the scientific method to estimate the costs and benefits of each possible solution. For instance, if you have a wart on your hand, one option is to buy a commercial product that slowly disintegrates the wart. The costs include the financial cost of buying the product, the time spent in applying it daily, the cost of bandages to cover the area, the inconvenience of wearing bandages, the possible embarrassment of being asked why you are wearing a bandage, and the possibility of a life-long scar. On the benefit side the wart is very likely to be eliminated.

Choose one or more options to implement. Solving a problem usually involves doing something. So, use deductive and inductive reasoning and the scientific method to choose one or more options to implement. This usually involves weighing the costs and benefits of each option according to your values. For instance, if you want to eliminate a wart, you might choose to do nothing and bet on the significant chance the wart will go away on its own and leave no scar. You might choose this approach because you have strong feelings against creating a life-long scar, such as those caused by more active approaches.

Implement the best solution and collect information about the effects of it. Use deductive and inductive reasoning and the scientific method to determine the effects of the chosen option. So, if you want to eliminate a wart, you might wait a year and see whether it goes away on its own. If it doesn't, you could choose a more active option.

Strategies to help you function optimally while problem solving:

Think of options without immediately evaluating them. It is often wise to consider a range of solution options when engaged in problem solving. Several options may solve a problem, but one may solve the problem more completely or cheaply. Individuals may squelch their own good ideas or the good ideas of others by immediately evaluating the ideas. Hence, it may help to brainstorm possible solutions, i.e., record them without first evaluating them. Even a very bad idea might point in a useful direction if it is not pushed aside too quickly.

Set a goal with a purpose you value. Setting a goal with an outcome we value tends to help us achieve more. So, if you have an assignment of math problems to complete, you might set a personal goal of completing all of them correctly for the purpose of earning an "A" on the assignment and in the course so that you can improve your chances of gaining admission to medical school, so you can spend your life helping ill children. If you have a problem of getting your research approved by an ethics board, set a goal of gaining approval so that you can do the research and help others with your findings.

Avoid distraction. Distractions slow the problem solving process. Distractions can include environmental events such as phone calls and machinery noise. Distractions can also include repeated intrusive thoughts ("This is a terrible situation!") and. One way to avoid external distractions is to go somewhere peaceful where no one can find you. Another way is to disconnect the phone and put up a "Do not disturb, please" sign. One way to reduce intrusive thoughts is to tell yourself that you will think about these emotion-laden matters at a specific later time, but for now you are going to yell "STOP!" every time the thought intrudes. Another way to reducing intrusive thoughts is to write them down or to tell someone close to you about them.

Work in a new setting. New settings sometimes prompt new types of thinking that can be useful in solving hard problems. For instance, go sit and think in the quiet park across from your headquarters, in a forest cabin, or in a different library.

Adjust time limit to optimum. Some problems are easy to solve but tedious. It may facilitate efficiency to set an artificially brief time frame for completion, e.g., "I'm going to finish these math problems in 30 minutes." For difficult problems, increasing the time frame for solution may help by reducing distraction-provoking anxiety. So if you are asked to solve a difficult problem, ask for an amount of time that will be sufficient to eliminate time pressure but still not so long as to induce inefficiency.

Work with someone. All else being equal, several people working on a difficult problem tend to produce a better solution than one person. Some efficiency may be lost, so working with someone may best be reserved for very difficult problems. So, if you want to clone a bonobo, work with someone. If you want to end your dependency on tobacco, work with someone.

Create a positive mood with an optimum arousal level. People work better when they have a positive mood and a moderate arousal level. To create a positive mood, you could engage in some activity you greatly enjoy, such as listening to music or reading a book, or you could think back about huge triumphs and outstanding moments in your life. To avoid excessive arousal, you could use a relaxation method such as deep breathing, tensing and relaxing muscle groups, and telling yourself to stay calm.

Think of the problem as a challenge or opportunity. No one wants to have "problems." So we often think of problem solving as an unfortunate, unpleasant task. Such a negative view of the problem solving may impair our performance at the task. In order to keep a positive mood and keep working on a problem, it is helpful to think of the problem as a challenge or opportunity. So, if the barking of your neighbor's dog is driving you batty, look at the situation as an opportunity to practice your assertion skills. If your PC won't come on, look at the situation as an opportunity to challenge yourself, as you might with an anagram. If your investments go sour, think of the situation as a challenge. Do you still have what it takes to make yourself rich through earnings or investment?

Think confidently. Confidence helps us persist in problem solving, and confidence comes most powerfully from problem solving success. So, think about past problem solving successes or solve another problem to boost your confidence about solving a specific problem. Useful thoughts include "I have solved more difficult (or similar) problems," "I know how to approach this problem," and "I can solve this problem if I try hard enough."

Take a break. People can get fixed on a certain way of thinking about a problem or a specific class of possible solutions. It sometimes helps to take a break and think about matters unrelated to the problem in order

to open the mind to new ideas. Some people benefit from sleeping on a problem.

Persist. Persistence in problem solving often pays off. It took many years to build the Great Wall of China. It may take you some time to solve a problem. Your odds of success often go to 0 when you give up. With continued effort, you have a chance. So, whether you want to become a millionaire or you want to eliminate the use of land mines, persist. If one possible solution fails, try another one or try another problem solving strategy. Note though that persistence can become maladaptive if the goal is unrealistic. In some cases, the best course is to accept a problem as presently unsolvable and focus (with persistence) on other, solvable problems.

Strategies to help you solve multiple problems:

Adopt a problem solving orientation. People who look for problems to solve have a decided advantage over others. These individuals can often identify problems when the problems are small enough to be easily solved and when enough time is available to allow the use of good problem solving strategies. For instance, it is far easier to lose a few kilograms of weight than to lose 50 kilos. Individuals who wait for problems to become unbearable or unavoidable before dealing with them may experience unnecessary stress when circumstances force them to tackle a problem. Naturally, looking for problems to solve will tend to lead to more problems solved. A math student who does all the problems in a textbook rather than just the half assigned is an example of that principle. So is an executive who looks for problems that keep her workers from being productive.

Apply triage. Often there are multiple problems a person could try to solve at any one time. Emergency room physicians have developed the custom of triage, which is assessing the urgency of the health problem of each of the current patients. In problem solving, it is wise to consider during triage which problem has (1) the most important outcome, (2) the greatest chance for solution, and (3) the nearest deadline. So, if you lose your 3-year-old child in an outdoor crowd and your 8-year-old child has a headache, you focus on the lost child because the risk of harm is greater with that child. If you have two problems to solve, and one, such as developing a method of time travel, seems currently unsolvable, work on the other problem first. If you have two important problem-solving assignments, with one due tomorrow and one due in a week, focus first on completing the one due tomorrow. Sometimes the problem with the most important outcome is different from the problem with the best chance of solution or the nearest deadline. Then you have to apply your own judgment in weighing the triage considerations.

Solve one problem at a time. When faced with multiple problems, individuals may panic or lose hope and then quit trying. When facing more than one problem, to the extent possible, focus on solving one at a time. So if you are overweight and smoke, choose one of these problems to work on at a time. If you dislike your job and your roommate, choose one to work on. If you want to improve your writing and speaking skills, choose one with which to start.

More Specific Problem Solving Strategies

The strategies in this document tend to be general (broad band). For instance, using mathematics is a general strategy. Within that general category are many specific types of math strategies for problem solving, such as counting occurrences and using specific statistical strategies such as a t test or cluster analysis. Individuals who want to use specific math strategies may have to use other strategies, such as asking experts or searching for written information, to identify the best specific math strategy to use. Specific math strategies are quite

diverse, and no one book stands out as a reference. However, some books include many specific (narrow band) strategies that fall within the other general strategies described in this document. For instance, these books give specific strategies about how to adopt a problem solving orientation and how to gain a different perspective on the problem.

NEGOTIATIONS IN ENGLISH

One of the most important skills anyone can hold in daily life is the ability to negotiate. In general terms, a negotiation is a resolution of conflict. We enter negotiations in order to start or continue a relationship and resolve an issue. Ever before we accept our first jobs or begin our careers, we all learn how to negotiate. For one person it begins with the negotiation of an allowance with a parent. For another it involves negotiating a television schedule with a sibling. Some people are naturally strong at negotiations, and capable of getting their needs met more easily than others. Without the ability to negotiate, people break off relationships, quit jobs, or deliberately avoid conflict and uncomfortable situations.

In the world of business, negotiating skills are used for a variety of reasons, such as to negotiate a salary or a promotion to secure a sale, or to form a new partnership. Here are a few examples of different types of negotiations in the business world:

- Manager and Clerk: Negotiating a promotion
- Employer and Potential Employee: Negotiating job benefits
- Business Partner A and B: Making decisions about investments
- Company A and Company B: Negotiating a merger
- Customer and Client: Making a Sale

The Art of Negotiating

Negotiating is often referred to as an "art". With some people may be naturally more skillful as negotiators, everyone can learn to negotiate. And, as they often say in business, everything is negotiable. Some techniques and skills that aid people in the negotiating process include:

- Aiming high
- Visualizing the end results
- Threatening one's opponent with respect and honesty
- Preparing ahead of time
- Exhibiting confidence

WORK ON YOUR NEGOTIATING SKILLS

An advertisement taken from WORLD TRAVELER, July 2001

It's good for your career!

It's also good for your company. And many people are surprised at how much fun it is to spend two days at a *KARRASS* negotiating seminar. They thought that anything that good for them must be somewhat painful.

Like the negotiating skills we teach, our seminars are a win – win proposition. You win later, when your career and your bottom-line improve, and you win now, when you meet your peers, trade stories and experiences, test your wits against each other, and generally have a good time doing it.

Contrary to common perception, great negotiations do not dominate their adversaries.

In fact, they do not see them as adversaries. On the contrary, we teach you to build solid, long-term relationships that satisfy both parties. Often, price is not the most important issue. Service, reliability, and convenience may count for more. By asking the right kind of questions and delving into the other person's true needs, deals can be made that leave both parties feeling that they got a bargain. We teach you how to achieve true win – win deals.

Can Microsoft, GM and Turner Broadcasting all be wrong?

Despite the enjoyable atmosphere at the KARRASS seminars, we are serious about getting results. Our techniques grew out of the pioneering work of Dr. Chester Karrass, whose books on negotiating are widely considered to be the definitive word on the topic.

After receiving his MBA from Columbia University, Dr. Karrass became a negotiator for the Hughes organization, where he won the first Howard Hughes Doctoral Fellowship Award. He then spent three years conducting advanced research and experiments in negotiation techniques before earning his Ph.D. from the University of Southern Carolina. Dr. Karrass crystallized his findings into a practical course to help business people, and the Karrass seminars were born.

The seminar ends but the learning continues

To ensure that you keep the lessons fresh for years to come, all attendees receive two of Dr. Karrass' hardcover books, the Effective Negotiating Workbook, and a set of 6 program CD's for reinforcement. These materials are not available anywhere else, but they are yours free as a Karrass workshop participant.

Train your team!

In addition to the public seminars listed on the back page, KARRASS specializes in customized "In-House" programs that can be presented at your facility worldwide for as few as eight people. Over 1,100 major corporations have brought this program in-house, and use it on a regular basis. They have trained over 240,000 of their people.

After finishing the KARRASS seminar, many participants are really mad!

They wonder why they didn't take the course sooner. They reflect back on deals botched, clients alienated and profits that never were. But they don't stay mad long. They soon come around to thinking about the future with anticipation of more effective deals and even bigger profits.

Do you qualify for a discount?

The companies listed below have agreements with Karrass that qualify all of their employees plus the employees of their subsidiaries, for a discount on the two-day Effective Negotiating course. (See back for pricing information).

Time is money... don't delay!

The seminar cost is usually earned back within days through the lessons learned, and the earnings continue for your entire career. Call now to reserve your place and take your business relationships to a whole new level of confidence and success. Cal (323) 866-3800.

Here are some impressions of the attendees of the Karrass seminars:

"It was the best seminar I've ever taken. It was an excellent use of my time."

"I am much bolder in my negotiations and my clarity of thought has never been greater."

"I now realize that I can negotiate anything. I use the techniques all the time and have changed my way of negotiating."

And here are the names of some companies that have agreements with Karrass:

Air Products; Alcatel; Bayer; Bell Communications; Bell South; Boeing; Coca Cola USA; Eastman Kodak; IBM; University of California, Siemens; Xerox, etc.

The Karrass workshop is now offered in 75 cities in the USA, Canada and Mexico as well as 25 other cities around the globe. See back panel for schedule.

MANAGERS AND TIME

Why should managers take time management more seriously?

Read the following instructions, do your calculations on a separate piece of paper, then discuss the result with a colleague, fellow student or your boss!

1. Make a note of your annual salary after tax.
2. If relevant, add on any extra bonuses or commissions which you regularly expect to receive.
3. Gross your salary up – ie add on tax, employer's contribution, etc.
4. Add on a rough estimate of the expenses your employer pays you, for example, trips abroad, annual cost of your company car, meals, etc.
5. When you have a total, decide how many days a year you work, ie not 365. Take off holidays, weekends, public holidays. When you arrive at a number, divide your total costs by it.
6. If you normally work 8 hours a day, divide your daily cost by 8. Remember, if you work 9 am to 5 pm, that is a 7 hour day, because you have one hour off for lunch – and nobody gets paid for eating! Now you have your hourly rate.
7. When you have found your hourly rate, divide it by 60 and you will discover how much your employer pays you to do one minute's work. Are you shocked?

To be an effective manager in today's competitive climate you must keep up-to-date with the latest developments in technology. Technology is changing rapidly and the pace of innovation is accelerating. New technologies are being developed all the time, and this puts even more pressure on managers.

A recent seminar in Budapest on the management of time in business concluded that senior managers are not always using their working time efficiently. Managers know that they can replace old or obsolete equipment and that people who leave a company can be replaced. But lost time can never be replaced. So managers must learn to manage time – their own time and the time of other people in the company more carefully.

One speaker at the three-day seminar, Dr. Jaroslav Lentzer of the Prague-based International Management Forum, claimed that some companies were spending over 40% of time on tasks which were unnecessary or which could be completed in less time. He gave the example of one company in the service sector where office staff spent over half the working day

socializing with each other or at "meetings" which had no practical purpose.

"Time", said Dr. Lentzer, "is one of the most important resources a manager has. Most companies know what time their workers arrive in the morning and go home at night. But very few companies know how much time their employees spend on useful work."

He told delegates that effective time management must begin with a study of how a manager uses his or her time at the moment. He gave the example of a Canadian bank which issues each manager with a log-book where they record daily activities. Managers are told to write down everything they do during the working day, including apparently trivial tasks like taking phone messages for colleagues. Managers do this for a four-week period. Then the completed log-book is sent to a time management consultant who carefully examines the information. This helps the bank to decide how effectively each manager is using his time.

Dr. Lentzer thinks that if more companies use this approach they will improve productivity and become more competitive. He says that each manager should answer the following four questions:

1. Am I spending enough time on essential tasks?
2. How much time do I waste each day on trivial or unnecessary work?
3. How much work can I delegate to other people in my department?
4. Do I give a specific amount of time to certain tasks – an hour for a meeting, for example – and stick to it?

The next stage is to draw up a "time – plan". Dr. Lentzer says that managers should spend at least two weeks on the first stage of the plan. "Make sure your colleagues know about the changes," he says. "And more importantly, make sure they know why the plan is necessary. Remember not to cut out minor but necessary tasks like looking through the business press or talking to colleagues."

Don't let the plan become too restrictive. It should still be flexible enough to allow you to make any changes necessary. Maybe you'll find you need more time to talk to customers or to deal with personnel problems.

PRACTICE

Here is the final paragraph of the above article. Complete the gaps with the following:

working day; on the phone; final week; reviewing; once or twice; useful advice; most efficient; spend.

The of your time-plan, says Dr. Lentzer, should be spent the first three weeks and assessing how useful the changes have been. And he has some to give to managers. Try to deal with the important business at the beginning of your and leave minor things until the end. Encourage colleagues to change their working habits to make the use of their time. Cut down the amount of time you spend Make a note of what you are going to say before you make your call. some time a month making sure that your time-plan is working.

Read the first half of the article again and find words with the following meanings:

1. decided

2. out of date
3. machinery
4. aim
5. workforce
6. unimportant

Find the words in the article to complete these partnerships:

1. senior
2. the three-day
3. office
4. improve
5. the business
6. working
7. Prague-
8. effective management
9. the first of the plan
10. with problems

Remember the old business saying "Time is Money". Here are some verbs you can use both with TIME and MONEY: spend; waste; save; have; make; invest;

Use one of the verbs to complete the first gap in the sentence and TIME or MONEY to complete the second one:

1. I think you should your in the New York stock market. That's the best way to get rich!
2. I usually get the train to work. It's a bit more expensive than the bus but it me a lot of every morning because I get to work much earlier.
3. There are too many meetings in our company. We a lot of talking about things. But nothing gets done.
4. I'd love to help you but I just don't the I've got an urgent appointment at head office.
5. Executives at head office have been told to less on travel and entertainment. All departments have to make economies – from the top down.
6. Teresa enjoys her new job, but she doesn't as much as she used to when she was on commission.

The report from the University of London Language in Business programme suggests that personnel and training managers need to think more carefully about the way they plan foreign language training in a company. Complete this section of the report by putting the following partnerships in each gap:

proper facilities; more money; language teachers; language course; enough time; monitor the progress of.

Training managers need to ask themselves a number of questions before implementing a foreign language learning policy:

1. Do staff have to study a new language? Should they have time off work to learn?
2. How can we individual students? Should there be regular tests, for example?
3. Do we have the for language training? Is there a classroom available? Do we need to buy a video?
4. Are sufficiently aware of the needs of the business world? How much do they have to know about the activities of our company?
5. What type of is best for my company? Are modern methods always best or do employees prefer a more traditional approach?
6. Can I justify spending on language training? Does this represent good value for money?

TRAVEL EXPENSES

How much does your company spend on travel? Even small firms are finding that their travel and entertainment budget can account for between five and six per cent of operating costs. For large multi-national companies the costs can be even higher.

In fact many firms have no clear idea of how much they are spending on sending executives to international conferences.

Claudio Rossi, a Milan-based travel consultant, has spent the last year looking at the ways companies deal with their travel expenses. "Very few of the companies I studied could tell me exactly how much they were spending on travel. Only one or two had thought about introducing a system to control expenses."

Mr. Rossi gives the example of Trans Europe ASP, a Danish transport company. "Everyone I spoke to in the firm assured me that regular trips abroad were a vital part of the work of senior executives. Nobody asked themselves if all this travel was necessary and nobody seemed to know how much it was costing the firm."

In fact when Mr. Rossi sat down with Trans Europe's chief accountant they found that travel and entertainment costs together came to a staggering \$2.2m in a year.

Mr. Rossi claims that every medium-sized and large company needs a clear policy on controlling its travel costs. He proposes a four-point plan which companies can introduce over a period of six months to a year.

1. Travel expense audit. Begin by asking yourself how the company spends its travel budget at the moment. How much are we spending? How are expense claims processed? Where can we make the biggest cost savings?
2. Setting up a policy. Once you have decided how much the company can afford to spend you can begin putting your ideas into action. The plan should involve the company's main travel suppliers – travel agents and airlines – as well as those executives who have to travel most frequently.
3. Managing the policy. For larger firms this could mean appointing a full-time travel manager who would be responsible for controlling travel costs and for communicating the policy to other people in the company. This is not a feasible option for most small companies.
4. Policy review. From time to time you might need to change your policy to take account of any new offers in the travel market. Many airlines now offer special deals for companies with frequent travelers.

PRACTICE

Complete the following definitions with words or word partnerships from the article:

1. A company's is the money which it plans to spend on meals with customers, trips abroad, visits, etc.
2. A is a large firm which operates in a number of different countries.
3. A company's are its most important customers.
4. An executive who makes abroad goes there fairly often.
5. If a company considers a practical alternative, it looks at a

Now use the same phrases to complete the gaps in each of these sentences:

1. Last year we lost two of our to the competition. This year we'll be looking more carefully at our pricing structure.
2. I'm afraid that moving to a new office is not for our company. It would cost us far too much money.
3. IBM, BP and Coca-Cola are some of the world's largest
4. In my job I have to make Next month I'll be visiting Japan, Korea and China.
5. We've had instructions from Head Office to reduce our by 20% this year. Senior executives will now have to fly economy class.

DIFFICULT COLLEAGUES

In most companies there are some difficult people. Do you have a problem with difficult people at work? Do you have a colleague who is always late, who is always criticizing your work or who can never decide anything? Recent research suggests that you are not alone. Many managers say that they are spending more and more time dealing with difficult people and trying to stop confrontations at work.

Katerina Gerhardt, a leading management consultant, has spent over three years looking into the problem of conflicts in the office or on the factory floor. Her report lists some of the commonest types of difficult people.

Mr. Angry. This person finds it almost impossible to control his emotions at work. If there is a problem at work he becomes aggressive, and shouts and screams until he gets his way. This behaviour can be very intimidating for other people and can lead to serious problems in a department or in a company.

Ms. Indecisive. She is completely unable to make a decision. She prefers a wait-and-see approach. Even the most trivial questions take weeks or months to decide. Katerina Gerhardt gives several examples of cases where slow decision making has led to losses of important contracts and millions of dollars in revenue.

Mr. Rumour. He is normally an insecure person who feels threatened by colleagues. He may feel that people dislike him or think that his work is poor. His reaction is to talk about people behind their backs and spread rumours about them. This usually creates a bad working atmosphere and can even affect productivity in extreme cases.

Mr. Right. He is convinced that his, and only his, opinions are correct and that his decisions are the right ones. Katerina Gerhardt says that Mr. Right is very common in senior management positions. He is only interested in himself. He diminishes his colleagues' contributions and will only listen to his own opinions. He is usually the worst kind of team leader.

For some people being difficult is a full time job. This can make life impossible for colleagues and can even lead to people leaving the company.

So what's the solution? Katerina Gerhardt says that some types of behaviour are so difficult that no satisfactory solution can be given. However, she does suggest some ways for managers to deal with problem people.

- First of all arrange a meeting with the difficult person. Make sure that you meet somewhere quiet and not in the middle of a busy office with phones ringing and visitors arriving.

- Listen to his or her opinion. Don't give the impression that you are not interested in the reasons for the problem. Try to find some points you can agree on if possible. Emphasize that you are interested in finding a solution to the problem.
- Don't listen to rumour or opinion. Concentrate on the facts of the case. Turn the conversation to specific cases of "difficult" behaviour. Don't repeat vague accusations or second-hand stories from the colleagues in your department.

DEALING WITH PROBLEMS

PRACTICE: Use these partnerships to complete the gaps in the following:

- sorry to hear that
 - writing to complain
 - my sincere apologies
 - with the situation
 - fully satisfied
 - a computer error
1. Let me offer for the delay and assure you that it will not happen again.
 2. I am very sorry to learn that you were not with our Super Business Class service.
 3. Thank you for your letter of April 17. I am your order has not been delivered.
 4. The mistake in our invoice was caused by
 5. I am very unhappy and would like an explanation from you.
 6. I am about four ALS Transformers which I ordered recently from your company.

Now use four of the sentences from the previous exercise to complete this letter and the reply:

Dear Sir/Madam,

.....
I placed my order on March 16, and your sales representative, Miss Ling, told me that they would be delivered before the end of the month. We are now in the middle of April and the goods have not arrived. I have tried to telephone you a number of times, but your secretary said that you were away on a trip.

.....
Otherwise, I shall have to look for an alternative supplier.

Yours sincerely,
Khalid Hamid
Managing Director

Dear Mr. Hamid,

.....
As you may know, the transformers you ordered are produced at our Kunsan plant in Korea. There was a small fire at the factory in february and this caused some loss of production. I am pleased to say that the problem has now been resolved and that the goods you ordered will be sent this week.

.....
Yours sincerely,
Kim Chan-Lee
Sales Department

Use these partnerships to complete the letter:

- an important customer
- for the past two years
- to complain about
- a number of problems
- another distributor
- several days late

Dear Mr. Klein,

I am writing your Overnite Package Delivery service. We have been using this service , and recently we have had Last month, one package of medical supplies arrived and the contents had to be destroyed. Because of this we lost On another occasion, a package was not collected from our warehouse.

I am afraid that unless the quality of the service improves, we will have to look for

Yours sincerely,
R. Shastri
Sales and Export Division

DRESSING FOR BUSINESS

Simon Harris, a senior executive in the London branch of the computer firm Samex Systems, regularly arrives at work wearing jeans, trainers, and a colourful pullover. His secretary, Martine, is often dressed in a bright yellow T-shirt and designer jeans. Samex Systems recently decided to allow its 1,500 employees to leave their pin-stripe suits and smart frocks in the wardrobe and to wear casual clothes to work.

Samex's Human Resources Director, Norma Leaman is responsible for introducing the new policy. "I travel quite a lot to the USA. Many of the companies I visit there no longer have strict dress codes. In fact, many employees wear practically what they like."

Norma decided to introduce casual dress as an experiment in the company. "We started off by allowing people to dress in a more relaxed way once a week. Then we extended it to two days a week. Now most employees can wear more relaxed dress when they like."

There are, of course, still some rules. Dirty or untidy clothes are not allowed. Male employees are told not to wear earrings at work. And for some people there is still a dress code. Sales staff do not go out to visits wearing jeans. Overseas visitors – especially if they come from the Far East – are not welcomed by executives wearing Bermuda shorts and beach shirts.

The fashion for casual dress at work started on the west coast of the United States. American hi-tech companies found that younger employees were happier with a less formal style. "In the information technology industry the division between office and home is not very important," says consultant Luis Rodriguez. Many people work at home wearing the clothes they feel most relaxed in. When they are in the office, they just don't see the need to dress very formally." Rodriguez has carried out a survey on dress among 700 US companies. "We found that about 70% of companies allowed employees to wear casual clothes on some occasions." There are a number of explanations for the more relaxed modern style, according to Rodriguez. "Companies with a higher proportion of women employees tend to be more relaxed about dress codes."

It is also significant that there are many more young people in positions of power. "You now find senior managers in their early thirties or even younger. They just don't like to dress like their grandfathers did."

Even the most traditional companies have been caught up in the new fashion. Take MFD Securities, a City of London investment firm. For many years executives had to wear white shirts, dark suits, and ties. Now they are allowed to wear more casual jackets and trousers. Jeans, however, are not allowed. "Our customers are getting younger and younger," says MFD spokesperson Jan Martin. "Often they are happier dealing with someone of their own age and background. And that means dressing in a more informal way."

However, not all companies are following the trend. A junior executive in a Paris bank recently arrived at work to find four brand new white shirts on his desk. This was his company's way of saying that blue and yellow striped shirts were not acceptable.

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BELGRADE FAIR

FAIRS & EXHIBITIONS

2002 – 2003

SEPTEMBER

31 ST PROTECTION	17 – 21	
24 TH SOLAR	17 – 21	
5 TH COMPUTER SHOW	17 – 21	
4 TH CHEMISTRY WORLD	17 – 21	
1 ST BUSINESS BASE	17 – 21	
1 ST EUMA 2002 (USED MACHINERY)		17 – 21

OCTOBER

43 RD FASHION IN THE WORLD (UFI)		1 – 4
24 TH LEATHER & FOOTWARE	1 – 4	
8 TH COSMETICS, JEWELRY & CLOCKS	1- 4	
32 ND TEACHING AIDS	22- 27	
10 TH BUREAU EXPO	22 – 27	
24 TH PRINTING & PAPER INDUSTRY		22 – 27
6 TH ART – EXPO	22 – 28	
BOOK FAIR	22 – 28	

NOVEMBER

40 TH FURNITURE & EQUIPMENT FAIR		11 – 17
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DECEMBER

29 TH FOOD & EQUIPMENT	3 – 7	
10 TH WINE WORLD	3 – 7	
15 TH EXPO – ZIM	5 – 8	
42 ND NEW YEAR'S FAIR		21 – 30

FEBRUARY

29 TH FASHION	25 – 28	
25 TH LEATHER & FOOTWEAR	25 – 28	

MARCH

32 ND PROTECTION	5 – 8	
25 TH SOLAR	5 – 8	
11 TH PLASTICS, RUBBER & EQUIPMENT		5 – 8

Transition economy

A **transition economy** is an economy which is changing from a planned economy to a free market. Transition economies undergo **economic liberalization**, letting market forces set prices and lowering trade barriers, **macroeconomic stabilization**, where immediate high inflation is brought under control, and **restructuring and privatization**, in order to create a financial sector and move from public to private ownership of resources. These changes often may lead to increased inequality of incomes and wealth, dramatic inflation and a fall of GDP.

Transition process is usually characterised by the changing and **creating of institutions**, particularly **private enterprises**; changes in the **role of the state**, thereby, the creation of fundamentally different **governmental institutions**; and the promotion of private-owned enterprises, markets and independent financial institutions.^[11]

According to Oleh Havrylyshyn and Thomas Wolf of the IMF, transition in a broad sense implies:

- liberalizing economic activity, prices, and market operations, along with reallocating resources to their most efficient use;
- developing indirect, market-oriented instruments for macroeconomic stabilization;
- achieving effective enterprise management and economic efficiency, usually through privatization;
- imposing hard budget constraints, which provides incentives to improve efficiency; and
- establishing an institutional and legal framework to secure property rights, the rule of law, and transparent market-entry regulations.^[12]

Transition indicators

The existence of private property rights may be the most basic element of a market economy and therefore implementation of these rights is the main indicator of transition process.

The EBRD developed set of indicators to measure the progress in transition. The classification system was originally created in the EBRD's 1994 Transition Report, but has been refined and amended in subsequent Reports. The EBRD's overall transition indicators are:

- Large-scale privatization
- Small-scale privatization
- Governance and enterprise restructuring
- Price liberalisation
- Trade and foreign exchange system
- Competition policy
- Banking reform and interest rate liberalisation
- Securities markets and non-bank financial institutions
- Infrastructure reform^[3]

Countries in transition

According to definitions given in the first part of this article, it might be possible to use the term "transition economy" in a wider context, covering a wider range of countries than merely in Central and Eastern Europe. There are countries outside of Europe, emerging from a socialist-type command economy towards a market-based economy (e.g. China). Moreover, in a wider sense the definition of transition economy refers to all countries which attempt to change

their basic constitutional elements towards market-style fundamentals. Their origin could be also in a post-colonial situation, in a heavily regulated Asian-style economy, in a Latin American post-dictatorship or even in a somehow economically underdeveloped country in Africa.^[1]

History

Transition trajectories can be idiosyncratic. Some nations have been experimenting with market reform for several decades, while others are relatively recent adopters (e.g., Republic of Macedonia, Serbia and Montenegro). In some cases reforms have been accompanied with political upheaval, such as the overthrow of a dictator (Romania), the collapse of a government (the Soviet Union), a declaration of independence (Croatia), or integration with another country (East Germany). In other cases economic reforms have been adopted by incumbent governments with little interest in political change (China, Laos). Transition trajectories also differ in terms of the extent of central planning being relinquished (e.g. high centralized coordination among the CIS states) as well as the scope of liberalization efforts being undertaken (e.g. relatively limited in Romania).

When is transition over?

According to the World Bank's "10 Years of Transition" report "... the wide dispersion in the productivity of labour and capital across types of enterprises at the onset of transition and the erosion of those differences between old and new sectors during the reform provide a natural definition of the end of transition."^[4] Mr. Vito Tanzi, Director of the IMF's Fiscal Affairs Department, gave definition that the transformation to a market economy is not complete until functioning fiscal institutions and reasonable and affordable expenditure programs, including basic social safety nets for the unemployed, the sick, and the elderly, are in place. Mr Tanzi stated that these spending programs must be financed from public revenues generated through taxation without imposing excessive burdens on the private sector.^[5]

According to these definitions eight countries, which joined the EU on 1 May 2004 (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia) have completed the transition process.^[6]

Delivery (commerce)

Delivery is the process of transporting goods. Reliable delivery is a key component of many commercial, military and private activities.

Most goods are delivered via some sort of transportation network. Cargo (physical goods) are primarily delivered via roads and railroads on land, shipping lanes on the sea and airline networks in the air. Certain specialized goods may be delivered via other networks, such as pipelines for liquid goods, power grids for electrical power and computer networks such as the Internet or broadcast networks for electronic information.

Most consumer goods are delivered from a point of production (factory or farm) through one or more points of storage (warehouses) to a point of sale (retail store), where the consumer buys the good and is responsible for its transportation to point of consumption. There are many variations on this model for specific types of goods and modes of sale. Products sold via catalogue or the Internet may be delivered directly from the manufacturer or warehouse to the consumer. Small manufacturers may deliver their products directly to retail stores without warehousing. Some manufacturers maintain factory outlets which serve as both warehouse and retail store, selling products directly to consumers at wholesale prices (although many retail stores falsely advertise as factory outlets). Building, construction, landscaping and like materials are generally delivered to the consumer by a contractor as part of another service. Some highly perishable or hazardous goods, such as radioisotopes used in medical imaging, are delivered directly from manufacturer to consumer. Home delivery is often available for fast food and other convenience products, e.g. pizza delivery. Sometimes home delivery of supermarket goods is possible. A milk float

is a small battery electric vehicle (BEV), specifically designed for the delivery of fresh milk.

The general process of delivering goods is known as distribution. The study of effective processes for delivery and disposition of goods and personnel is called logistics. Firms that specialize in delivering commercial goods from point of production or storage to point of sale are generally known as distributors, while those that specialize in the delivery of goods from point of sale to the consumer are known as delivery services. Postal, courier and moving services also deliver goods for commercial and private interests.

Vehicles are often specialized to deliver different types of goods. On land, semi-trailers are outfitted with various trailers such as box trailers, flatbeds, car carriers, tanks and other specialized trailers, while railroad trains include similarly specialized cars. Armored cars, dump trucks and concrete mixers are examples of vehicles specialized for delivery of specific types of goods. On the sea, merchant ships come in various forms, such as cargo ships, oil tankers and fishing boats. Freight aircraft are used to deliver cargo.

Often, passenger vehicles are used for delivery of goods. These include busses, vans, pick-ups, cars (e.g. for mail or pizza delivery) and bicycles (e.g. for newspaper delivery). A significant amount of freight is carried in the cargo holds of passenger ships and aircraft. Everyday travelers, known as a casual courier, can also be used to deliver goods.

Delivery to remote, primitive or inhospitable areas may be accomplished using small aircraft, snowmobiles, horse-drawn vehicles, dog sleds, pack animals, on foot, or by a variety of other transport methods.

Some products are delivered to consumers on a periodic schedule. At the beginning of the 20th century, perishable farm items such as milk, eggs and ice, were delivered weekly to customers by local farms. With the advent of home refrigeration and better distribution methods, these products are today largely delivered through the same retail distribution systems as other food products. Some products, most notably heating fuels, are still delivered periodically.

Contract - Contractual formation



The Carbolic Smoke Ball offer, which bankrupted the Co. because it could not fulfill the terms it advertised

In common law jurisdictions there are three key elements to the creation of a contract. These are **offer and acceptance**, **consideration** and an **intention to create legal relations**. In civil law systems the concept of consideration is not central. In addition, for some contracts **formalities** must be complied with under what is sometimes called a statute of frauds.

One of the most famous cases on forming a contract is Carlill v. Carbolic Smoke Ball Company,¹³¹ decided in nineteenth century England. A medical firm advertised that its new wonder drug, the smokeball, would cure people's flu, and if it did not, buyers would get £100. Lots of people sued for their £100 when it did not work. Fearing bankruptcy, Carbolic argued the advert was not to be taken as a serious, legally binding offer. It was merely an invitation to treat, or mere puff, a gimmick. But the court of appeal held that to a reasonable man Carbolic had made a serious offer. People had given good "consideration" for it by going to the "distinct inconvenience" of using a faulty product. "Read the advertisement how you will, and twist it about as you will," said Lord Justice Lindley, "here is a distinct promise expressed in language which is perfectly unmistakable".

Offer and acceptance

Perhaps the most important feature of a contract is that one party makes an offer for a bargain that another accepts. This can be called a 'concurrence of wills' or a 'meeting of the minds' of two or more parties. There must be evidence that the parties had each from an objective perspective engaged in

conduct manifesting their assent, and a contract will be formed when the parties have met such a requirement.^[4] An objective perspective means that it is only necessary that somebody gives the impression of offering or accepting contractual terms in the eyes of a reasonable person, not that they actually did want to contract.

The case of *Carlill v. Carbolic Smoke Ball Co.* (above) is an example of a 'unilateral contract', where acceptance is the performance of an act or the fulfillment of the condition precedent. In the U.S., the general rule is that in "case of doubt, an offer is interpreted as inviting the offeree to accept *either* by promising to perform what the offer requests *or* by rendering the performance, as the offeree chooses."^[5]

Offer and acceptance does not always need to be expressed orally or in writing. An implied contract is one in which some of the terms are not expressed in words. This can take two forms. A contract which is implied in fact is one in which the circumstances imply that parties have reached an agreement even though they have not done so expressly. For example, by going to a doctor for a checkup, a patient agrees that he will pay a fair price for the service. If he refuses to pay after being examined, he has breached a contract implied in fact. A contract which is implied in law is also called a quasi-contract, because it is not in fact a contract; rather, it is a means for the courts to remedy situations in which one party would be unjustly enriched were he or she not required to compensate the other. For example, say a plumber who accidentally installs a sprinkler system in the lawn of the wrong house. The owner of the house had learned the previous day that his neighbor was getting new sprinklers. That morning, he sees the plumber installing them in his own lawn. Pleased at the mistake, he says nothing, and then refuses to pay when the plumber hands him the bill. Will the man be held liable for payment? Yes, if it could be proven that the man knew that the sprinklers were being installed mistakenly, the court would make him pay because of a quasi-contract. If that knowledge could not be proven, he would not be liable. Such a claim is also referred to as "quantum meruit."^[6]

Consideration and estoppel

Consideration is a controversial requirement for contracts under common law. It is not necessary in civil law systems,^[7] and for that reason has come under increasing criticism. The idea is that both parties to a contract must bring something to the bargain. This can be either conferring an advantage on the other party, or incurring some kind of detriment or inconvenience. Three rules govern consideration.

- consideration must be sufficient, but need not be adequate. For instance, agreeing to buy a car for a penny may constitute a binding contract.^[8] While consideration need not be adequate, contracts in which the consideration of one party greatly exceeds that of another may nevertheless be held invalid for lack of sufficient consideration. In such cases, the fact that the consideration is exceedingly unequal can be evidence that there was no consideration at all. Such contracts may also be held invalid for other reasons such as fraud, duress, unequal bargaining power, or contrary to public policy. In some situations, a collateral contract may exist, whereby the existence of one contract provides consideration for another. Critics say consideration can be so small as to make the requirement of any consideration meaningless.
- consideration must not be from the past. For instance, in *Eastwood v. Kenyon*,^[9] the guardian of a young girl raised a loan to educate the girl and to improve her marriage prospects. After her marriage, her husband promised to pay off the loan. It was held that the guardian could not enforce the promise as taking out the loan to raise and educate the girl was past consideration,

because it was completed before the husband promised to repay it.

- consideration must move from the promisee. For instance, it is good consideration for person A to pay person C in return for services rendered by person B. If there are joint promisees, then consideration need only to move from one of the promisees.

Civil law systems take the approach that an exchange of promises, or a concurrence of wills alone, rather than an exchange in valuable rights is the correct basis. So if you promised to give me a book, and I accepted your offer without giving anything in return, I would have a legal right to the book and you could not change your mind about giving me it as a gift. However, in common law systems the concept of *culpa in contrahendo*, a form of 'estoppel', is increasingly used to create obligations during pre-contractual negotiations.^[10] Estoppel is an equitable doctrine that provides for the creation of legal obligations if a party has given another an assurance and the other has relied on the assurance to his detriment. A number of commentators have suggested that consideration be abandoned, and estoppel be used to replace it as a basis for contracts.^[11] However, legislation, rather than judicial development, has been touted as the only way to remove this entrenched common law doctrine. Lord Justice Denning famously stated "The doctrine of consideration is too firmly fixed to be overthrown by a side-wind."^[12]

Intention to be legally bound

There is a presumption for commercial agreements that parties intend to be legally bound. On the other hand, many kinds of domestic and social agreements are unenforceable on the basis of public policy, for instance between children and parents. One early example is found in *Balfour v. Balfour*.^[13] Using contract-like terms, Mr Balfour had agreed to give his wife £30 a month as maintenance while he was living in Ceylon (Sri Lanka). Once he left, they separated and Mr Balfour stopped payments. Mrs Balfour brought an action to enforce the payments. At the Court of Appeal, the Court held that there was no enforceable agreement as there was not enough evidence to suggest that they were intending to be legally bound by the promise.

The case is often cited in conjunction with *Merritt v. Merritt*.^[14] Here the court distinguished the case from *Balfour v. Balfour* because Mr and Mrs Merritt, although married again, were estranged at the time the agreement was made. Therefore any agreement between them was made with the intention to create legal relations.

The abstraction principle

Germany has a special approach to contracts, which ties into property law. Their 'abstraction principle' (*Abstraktionsprinzip*) means that the personal obligation of contract forms separately to the title of property being conferred. When contracts are invalidated for some reason, e.g. a car buyer was so drunk that he lacked legal capacity to contract,^[15] the contractual obligation to pay can be invalidated separate from proprietary title of the car. Unjust enrichment law, rather than the law of contract, is then used to restore title to the rightful owner.

Formalities and writing

Contrary to common wisdom, an informal exchange of promises can still be binding and legally as valid as a written contract. A spoken contract should be called an "oral contract", but it is often erroneously called a "verbal contract." Any contract that uses words, spoken or written, is a verbal contract. Thus, all oral contracts and written contracts are verbal contracts. This is in contrast to a "non-verbal, non-oral contract," also known as "a contract implied by the acts of the parties", which can be either implied in fact or implied in law.

Most jurisdictions have formal requirements for certain kinds of contracts to be valid. Formalities are especially required for contracts involving large amounts of money, like real estate. For example, in the U.S. a contract is unenforceable if it violates the statute of frauds. An example of the above is an oral

contract for the sale of a motorcycle for US\$5,000 (because in the USA any contract for the sale of goods over US\$500 must be in writing to be enforceable). The point of the *Statute of Frauds* is to prevent false allegations of the existence of contracts that were never made, by requiring formal (i.e. written) evidence of the contract. Contracts that do not meet the requirements of Statute of Frauds legislation are unenforceable, but not void. However, a party unjustly enriched by an unenforceable contract may be subject to restitution for unjust enrichment. Statutes of Frauds are typically codified in state statutes covering specific types of contracts, such as contracts for the sale of real estate.

In Australia, for contracts subject to legislation equivalent to the Statute of Frauds, there is no requirement for the entire contract to be in writing, although there must be a note or memorandum evidencing the contract, which may come into existence after the contract has been formed. The note or memorandum must be signed in some way, and a series of documents may be used in place of a single note or memorandum. It must contain all material terms of the contract, the subject matter and the parties to the contract. In England and Wales, the Statute of Frauds is still in force, but only for guarantees, which must be evidenced in writing, although the agreement may be made orally. Certain other kinds of contract must be in writing or they are void, for instance, for sale of land under s. 52, *Law of Property Act 1925*.

If a contract is in a written form, and somebody signs the contract, then the person is bound by its terms regardless of whether they have read it or not,^[16] provided the document is contractual in nature.^[17] Furthermore, if a party wishes to use a document as the basis of a contract, reasonable notice of its terms must be given to the other party prior to their entry into the contract.^[18] This includes such things as tickets issued at parking stations.

Uncertainty, incompleteness and severance

If the terms of the contract are uncertain or incomplete, the parties cannot have reached an agreement in the eyes of the law. An agreement to agree does not constitute a contract, and an inability to agree on key issues, which may include such things as price or safety, may cause the entire contract to fail. However, a court will attempt to give effect to commercial contracts where possible, by construing a reasonable construction of the contract.^[19]

Courts may also look to external standards, which are either mentioned explicitly in the contract^[20] or implied by common practice in a certain field.^[21] In addition, the court may also imply a term; if price is excluded, the court may imply a reasonable price, with the exception of land, and second-hand goods, which are unique.

If there are uncertain or incomplete clauses in the contract, and all options in resolving its true meaning have failed, it may be possible to sever and void just those affected clauses if the contract includes a severability clause. The test of whether a clause is severable is an objective test - whether a reasonable person would see the contract standing even without the clauses.

Contractual terms

The terms and conditions of a contract are its content. Once the so called essentialia negotii of a contract's formation are established, the question of what the parties of a contract have agreed to.

Different types of statements

Whether a statement is a term of a contract is important because only if a promise is a term of the contract can a party sue for the breach of the contract. Statements can be split into the following types:

- **Puff (sales talk):** If no reasonable person hearing this statement would take it seriously, it is a puff, and no action in contract is available if the statement proves to be wrong. It may also be referred to as "puffery".

- **Representation:** A representation is a statement of fact made to induce another person to enter into a contract and which does induce them to enter into a contract, but it is one that the maker of the statement does not guarantee its truth. If the statement proves to be incorrect, it cannot be enforced, as it is not a term of the contract, but it may prove to be a misrepresentation, whereupon other remedies are available.
- **Term:** A term is similar to a representation, but the truth of the statement is guaranteed by the person who made the statement. The test is an objective test.

Factors that a court may take into account in determining the nature of a statement include:

- **Timing:** If the contract was concluded soon after the statement was made, this is a strong indication that the statement induced the person to enter into the contract.
- **Content of statement:** It is necessary to consider what was said in the given context, which has nothing to do with the importance of a statement.
- **Knowledge and expertise:** In *Oscar Chess Ltd v. Williams*,^[22] a person selling a car to a second-hand car dealer stated that it was a 1948 Morris, when in fact it was a 1939 model car. It was held that the statement did not become a term because a reasonable person in the position of the car dealer would not have thought that an inexperienced person would have guaranteed the truth of the statement.

The parol evidence rule limits what things can be taken into account when trying to interpret a contract.

Terms implied in fact

The Privy Council proposed a five stage test in *BP Refinery Western Port v. Shire of Hastings*:

1. **Reasonableness and equitableness:** The implied term must be reasonable and equitable.
2. **Business efficacy:** The implied term must be necessary for the business efficacy of the contract. For instance, if the term simply causes the contract to operate better, that does not fit this criterion.
3. **Obviousness:** The term is so obvious that it goes without saying. Furthermore, there must be one and only one thing that would be implied by the parties. For example, in *Codelfa Construction Pty Ltd v. State Rail Authority of New South Wales*,^[23] a term regarding the inability of construction company to work three shifts a day could not be implied because it was unclear what form it would have taken.
4. **Clear expression:** The term must be capable of clear expression. No specific technical knowledge should be required.
5. **Consistency:** The implied term may not contradict an express term.

In Australia, the High Court has ruled that the test in *BP Refinery* applies only to formal contracts, while the test in *Byrne and Frew v. Australian Airlines Ltd*^[24] shall apply to informal contracts:

- **Necessity:** The term must be necessary to ensure *reasonable* or *effective* operation of a contract of the nature before the court.
- **Consistency:** The implied term may not contradict an express term (same as for formal contracts).
- **Clear expression:** The term must be capable of clear expression (same as for formal contracts).
- **Obvious:** McHugh and Gummow JJ have stated that it must also be obvious.

Terms implied in law

These are terms that have been implied into standardised relationships. The other difference between this and terms implied in fact is that the test is one of necessity; ^[25] a necessary term is one where the contract is rendered worthless or nugatory if it is without it.

Terms implied by custom or trade

You are generally bound by the custom of the industry that you are in. To imply a term due to custom or trade, you must prove the existence of the custom, which must be notorious, certain, legal and reasonable^{[26][27]}

Course of dealing

If two parties have regularly conducted business on certain terms, it may be reasonable to presume that in future dealings where there is no contract, the parties wish to incorporate the terms of the previous contracts. However, if a party wishes to incorporate terms by course of dealing, the original document must have been contractual in nature, and delivery receipts may not fit this description. In Australia, there is a further requirement that the document was procured after formation.

Good faith

It is common for lengthy negotiations to be written into a heads of agreement document that includes a clause to the effect that the rest of the agreement is to be negotiated. Although these cases may appear to fall into the category of agreement to agree, courts nowadays (at least in Australia) will imply an obligation to negotiate in good faith provided that certain conditions are satisfied^[28]

- Negotiations were well-advanced and the large proportion of terms have been worked out; and
- There exists some mechanism to resolve disputes if the negotiations broke down.

The test of whether one has acted in good faith is a subjective one; the cases suggest honesty, and possibly also reasonably.

"Subject to" contracts

If a contract specifies "subject to contract", it may fall into one of three categories: ^[29]

1. The parties are immediately bound to the bargain, but they intend to restate the deal in a formalised contract that will not have a different effect; or
2. The parties have completely agreed to the terms, but have made the execution of some terms in the contract conditional on the creation of a formalised contract; or
3. It is merely an agreement to agree, and the deal will not be concluded until the formalised contract has been drawn up.

If a contract specifies "subject to finance", it imposes obligations on the purchaser: ^[301]

- The purchaser must seek finance; and
- When offers of finance arrive, the purchaser must make a decision as to whether the offers of finance are suitable.

Once again, there is an element of good faith involved.

This may also refer to contingent conditions, which come under two categories: condition precedent and condition subsequent. Conditions precedent are conditions that have to be complied with before performance of a contract. With conditions subsequent, parties have to perform until the condition is not met. Failure of a condition does not void the contract, it is just regarded as voidable.

Statutory implied terms

The rules by which many contracts are governed are provided in specialized statutes that deal with particular subjects. Most countries, for example, have statutes which deal directly with sale of goods, lease transactions, and trade practices. For example, most American states have adopted Article 2 of the Uniform Commercial Code, which regulates contracts for the sale of goods.

There are also many acts around the world which deal with specific types of transactions and businesses. For example, the states of California and New York in the U.S. have statutes that govern the provision of services to customers by health studios, and the UK has the Sale of Goods Act 1979 which governs the contracts between sellers and buyers.

Setting aside the contract

There can be three different ways in which contracts can be set aside. A contract may be deemed 'void', 'voidable' or 'unenforceable'. Voidness implies that a contract never came into existence. Voidability implies that one or both parties may declare a contract ineffective at their wish. Unenforceability implies that neither party may have recourse to a court for a remedy. Rescission is a term which means to take a contract back.

Misrepresentation

Misrepresentation means a false statement of fact made by one party to another party and has the effect of inducing that party into the contract. For example, under certain circumstances, false statements or promises made by a seller of goods regarding the quality or nature of the product that the seller has may constitute misrepresentation. A finding of misrepresentation allows for a remedy of rescission and sometimes damages depending on the type of misrepresentation.

According to *Gordon v. Selico*^[311] it is possible to make a misrepresentation either by words or by conduct, although not everything said or done is capable of constituting a misrepresentation. Generally, statements of opinion or intention are not statements of fact in the context of misrepresentation.^[321] If one party claims specialist knowledge on the topic discussed, then it is more likely for the courts to hold a statement of opinion by that party as a statement of fact.^[331]

Mistake

A mistake is an incorrect understanding by one or more parties to a contract and may be used as grounds to invalidate the agreement. Common law has identified three different types of mistake in contract: unilateral mistake, mutual mistake, and common mistake.

- A unilateral mistake is where only one party to a contract is mistaken as to the terms or subject-

matter. The courts will uphold such a contract unless it was determined that the non-mistaken party was aware of the mistake and tried to take advantage of the mistake.^[34] It is also possible for a contract to be void if there was a mistake in the identity of the contracting party. An example is in *Lewis v Avery*^[35] where Lord Denning MR held that the contract can only be avoided if the plaintiff can show, that at the time of agreement, the plaintiff believed the other party's identity was of vital importance. A mere mistaken belief as to the credibility of the other party is not sufficient.

- A mutual mistake is when both parties of a contract are mistaken as to the terms. Each believes they are contracting to something different. The court usually tries to uphold such a mistake if a reasonable interpretation of the terms can be found. Although a contract based on a mutual mistake in judgement does not cause the contract to be voidable by the party that is adversely affected. See *Raffles v. Wichelhaus*.^[36]
- A common mistake is where both parties hold the same mistaken belief of the facts. This is demonstrated in the case of *Bell v. Lever Brothers Ltd.*,^[37] which established that common mistake can only void a contract if the mistake of the subject-matter was sufficiently fundamental to render its identity different from what was contracted, making the performance of the contract impossible.

Duress and undue influence

Duress has been defined as a "threat of harm made to compel a person to do something against his or her will or judgment; esp., a wrongful threat made by one person to compel a manifestation of seeming assent by another person to a transaction without real volition."^[38] An example is in *Barton v. Armstrong*,^[39] a decision of the Privy Council. Armstrong threatened to kill Barton if he did not sign a contract, so the court set the contract aside. An innocent party wishing to set aside a contract for duress to the person need only to prove that the threat was made and that it was a reason for entry into the contract; the onus of proof then shifts to the other party to prove that the threat had no effect in causing the party to enter into the contract. There can also be duress to goods and sometimes, the concept of 'economic duress' is used to vitiate contracts.

Undue influence is an equitable doctrine that involves one person taking advantage of a position of power over another person. The law presumes that in certain classes of special relationship, such as between parent and child, or solicitor and client, there will be a special risk of one party unduly influencing their conduct and motives for contracting. As an equitable doctrine, the court has the discretion to vitiate such a contract. When no special relationship exists, the general rule is whether there was a relationship of such trust and confidence that it should give rise to such a presumption.^[40] See *Odorizzi v. Bloomfield School District*.

Incapacity

Sometimes the capacity of either natural or artificial persons to either enforce contracts, or have contracts enforced against them is restricted. For instance, very small children may not be held to bargains they have made, or errant directors may be prevented from contracting for their company, because they have acted *ultra vires* (beyond their power). Another example might be people who are mentally incapacitated, either by disability or drunkenness.^[41] When the law limits or bars a person from engaging in specified activities, any agreements or contracts to do so are either voidable or void for incapacity. The law on capacity can serve either a protective function or can be a way of restraining people who act as agents for others.

Illegal contracts

A contract is *void* if it is based on an illegal purpose or contrary to public policy. One example, from Canada, is *Royal Bank of Canada v. Newell*.^[42] A woman forged her husband's signature on 40 cheques, totalling over \$58,000. To protect her from prosecution, her husband signed a letter of intent prepared by the bank in which he agreed to assume "all liability and responsibility" for the forged cheques. However, the agreement was unenforceable, and struck down by the courts, because of its essential goal, which was to "stifle a criminal prosecution." Because of the contract's illegality, and as a result voided status, the bank was forced to return the payments made by the husband.

In the U.S., one unusual type of unenforceable contract is a personal employment contract to work as a spy or secret agent. This is because the very secrecy of the contract is a condition of the contract (in order to maintain plausible deniability). If the spy subsequently sues the government on the contract over issues like salary or benefits, then the spy has breached the contract by revealing its existence. It is thus unenforceable on that ground, as well as the public policy of maintaining national security (since a disgruntled agent might try to reveal *all* the government's secrets during his/her lawsuit).

Remedies for breach of contract

A breach of contract is failure to perform as stated in the contract. There are many ways to remedy a breached contract assuming it has not been waived. Typically, the remedy for breach of contract is an award of money damages. When dealing with unique subject matter, specific performance may be ordered.

As for many governments, it was not possible to sue the Crown in the U.K. for breach of contract before 1948. However, it was appreciated that contractors might be reluctant to deal on such a basis and claims were entertained under a petition of right that needed to be endorsed by the Home Secretary and Attorney-General. S.1 Crown Proceedings Act 1947 opened the Crown to ordinary contractual claims through the courts as for any other person.

Damages

There are three different types of damages.

- Compensatory damages *which are given to the party which was detrimented by the breach of contract. With compensatory damages, there are two kinds of branches, consequential damages and direct damages.*
- Nominal damages *which include minimal dollar amounts (often sought to obtain a legal record of who was at fault).*
- Punitive damages *which are used to punish the party at fault. These are not usually given regarding contracts but possible in a fraudulent situation.*

Whenever you have a contract that requires completing something, and a person informs you that it will not be completed before they begin your project, this is referred to anticipatory breach. When it is either not possible or desirable to award damages measured in that way, a court may award money damages designed to restore the injured party to the economic position that he or she had occupied at the time the contract was entered (known as the "reliance measure"), or designed to prevent the breaching party from being unjustly enriched ("restitution").

Specific performance

There may be circumstances in which it would be unjust to permit the defaulting party simply to buy out the injured party with damages. For example where an art collector purchases a rare painting and the vendor refuses to deliver, the collector's damages would be equal to the sum paid.

The court may make an order of what is called "specific performance", requiring that the contract be performed. In some circumstances a court will order a party to perform his or her promise (an order of "specific performance") or issue an order, known as an "injunction," that a party refrain from doing something that would breach the contract. A specific performance is obtainable for the breach of a contract to sell land or real estate on such grounds that the property has a unique value.

Both an order for specific performance and an injunction are discretionary remedies, originating for the most part in equity. Neither is available as of right and in most jurisdictions and most circumstances a court will not normally order specific performance. A contract for the sale of real property is a notable exception. In most jurisdictions it is enforceable by specific performance. However, even in this case the defenses to an action in equity (such as laches, the bona fide purchaser rule, or unclean hands) may act as a bar to specific performance.

Related to orders for specific performance, an injunction may be requested when the contract prohibits a certain action. Action for injunction would prohibit the person from performing the act specified in the contract.

Procedure

In the United States, in order to obtain damages for breach of contract or to obtain specific performance or other equitable relief, the aggrieved injured party may file a civil (non-criminal) lawsuit in state court (unless there is diversity of citizenship giving rise to federal jurisdiction). If the contract contains an arbitration clause, however, the aggrieved party must submit an arbitration claim in accordance with the procedures set forth in the agreement.

Many contracts provide that all disputes arising thereunder will be resolved by arbitration, rather than litigated in courts. Customer claims against securities brokers and dealers are almost always resolved by arbitration because securities dealers are required, under the terms of their membership in self-regulatory organizations such as the NASD or NYSE, to require use of brokerage agreements that contain arbitration clauses. ^[43] On the other hand, certain claims have been held to be non-arbitrable if they implicate a public interest that goes beyond the narrow interests of the parties to the agreement (i.e., claims that a party violated a contract by engaging in illegal anticompetitive conduct or civil rights violations). Arbitration judgments may generally be enforced in the same manner as ordinary court judgments. However, arbitral decisions are generally immune from appeal in the United States unless there is a showing that the arbitrator's decision was irrational or tainted by fraud. Virtually all states have adopted the Uniform Arbitration Act to facilitate the enforcement of arbitrated judgments. Notably, New York State, where a sizable portion of major commercial agreements are executed and performed, has not adopted the Uniform Arbitration Act. ^[44]

In England and Wales, a contract may be enforced by use of a claim, or in urgent cases by applying for an interim injunction to prevent a breach. Likewise, in the United States, an aggrieved party may apply for injunctive relief to prevent a threatened breach of contract, where such breach would result in irreparable harm that could not be adequately remedied by money damages.

Third Parties

The doctrine of privity of contract means that only those involved in striking a bargain would have standing to enforce it. In general this is still the case, only parties to a contract may sue for the breach of a contract, although in recent years the rule of privity has eroded somewhat and third party beneficiaries have been allowed to recover damages for breaches of contracts they were not party to. ^[45] A recent example is in England, where the *Contract (Rights of Third Parties) Act 1999* was introduced.

Contractual theory

Contract theory is the body of legal theory that addresses normative and conceptual questions in contract law. One of the most important questions asked

in contract theory is why contracts are enforced. One prominent answer to this question focuses on the economic benefits of enforcing bargains. Another approach, associated with Charles Fried, maintains that the purpose of contract law is to enforce promises. This theory is developed in Fried's book, *Contract as Promise*. Other approaches to contract theory are found in the writings of legal realists and critical legal studies theorists.

Another dimension of the theoretical debate in contract is its place within, and relationship to a the wider law of obligations. Obligations have traditionally been divided into contracts, which are voluntarily undertaken and owed to a specific person or persons, and obligations in tort which are based on the wrongful infliction of harm to certain protected interests, primarily imposed by the law, and typically owed to a wider class of persons.

Recently it has been accepted that there is a third category, restitutionary obligations, based on the unjust enrichment of the defendant at the plaintiff's expense. Contractual liability, reflecting the constitutive function of contract, is generally for failing to make things better (by not rendering the expected performance), liability in tort is generally for action (as opposed to omission) making things worse, and liability in restitution is for unjustly taking or retaining the benefit of the plaintiff's money or work. [46]

Compare with the US context, the Uniform Commercial Code defining "Contract" as "the total legal obligation which results from the parties agreement" [*clatation needed*] and does not attempt to state what act is essential to create a legal duty to perform a promise. The common law describes the circumstances under which the law will recognise the existence of rights, privilege or power arising out of a promise.

Economics and business competition

Merriam-Webster defines competition in business as "the effort of two or more parties acting independently to secure the business of a third party by offering the most favorable terms." [2] Seen as the pillar of capitalism in that it may stimulate innovation, encourage efficiency, or drive down prices, competition is touted as the foundation upon which capitalism is justified. According to microeconomic theory, no system of resource allocation is more efficient than pure competition. Competition, according to the theory, causes commercial firms to develop new products, services, and technologies. This gives consumers greater selection and better products. The greater selection typically causes lower prices for the products compared to what the price would be if there was no competition (monopoly) or little competition (oligopoly).

However, competition may also lead to wasted (duplicated) effort and to increased costs (and prices) in some circumstances. For example, the intense competition for the small number of top jobs in music and movie acting leads many aspiring musicians and actors to make substantial investments in training that are not recouped, because only a fraction become successful. Similarly, the psychological effects of competition may result in harm to those involved.

Three levels of economic competition have been classified. The most narrow form is direct competition (also called category competition or brand competition), where products that perform the same function compete against each other. For example, a brand of pick-up trucks competes with several different brands of pick-up trucks. Sometimes two companies are rivals and one adds new products to their line so that each company distributes the same thing and they compete. The next form is substitute competition, where products that are close substitutes for one another compete. For example, butter competes with margarine, mayonnaise, and other various sauces and spreads. The broadest form of competition is typically called budget competition. Included in this category is anything that the consumer might want to spend their available money on. For example, a family that has \$20,000 available may choose to spend it on many different items, which can all be seen as competing with each other for the family's available money.

Competition does not necessarily have to be between companies. For example, business writers sometimes refer to "internal competition". This is competition

within companies. The idea was first introduced by Alfred Sloan at General Motors in the 1920s. Sloan deliberately created areas of overlap between divisions of the company so that each division would be competing with the other divisions. For example, the Chevy division would compete with the Pontiac division for some market segments. Also, in 1931, Procter & Gamble initiated a deliberate system of internal brand versus brand rivalry. The company was organized around different brands, with each brand allocated resources, including a dedicated group of employees willing to champion the brand. Each brand manager was given responsibility for the success or failure of the brand and was compensated accordingly. This form of competition thus pitted a brand against another brand. Finally, most businesses also encourage competition between individual employees. An example of this is a contest between sales representatives. The sales representative with the highest sales (or the best improvement in sales) over the a period of time would gain benefits from the employer.

It should also be noted that business and economical competition in most countries is often limited or restricted. Competition often is subject to legal restrictions. For example, competition may be legally prohibited as in the case with a government monopoly or a government-granted monopoly. Or tariffs, subsidies or other protectionist measures may be instituted by government in order to prevent or reduce competition. Depending on the respective economic policy, the pure competition is to a greater or lesser extent regulated by competition policy and competition law. Competition between countries is quite subtle to detect, but is quite evident in the World economy, where countries like the US, Japan, the European Union and the East Asian Tigers each try to outdo the other in the quest for economic supremacy in the global market, harkening to the concept of Kiasuism. Such competition is evident by the policies undertaken by these countries to educate the future workforce. For example, East Asian economies like Singapore, Japan and South Korea tend to emphasize education by allocating a large portion of the budget to this sector, and by implementing programmes such as gifted education, which some detractors criticise as indicative of academic elitism.

Dealing with Customer Complaints

When a customer contacts a company to complain about a product or service received, it can be a blessing in disguise. For every person who complains, there can be hundreds who do not bother to complain but who also spread negative comments about the company. In situations where customer complaints occur, the complaint must be dealt with immediately and the cause of the complaint rectified. Some companies are not concerned with quality and often ignore complaints or deal with them dishonestly. Seeking customer satisfaction benefits a company in the long run.

Questions you may have include:

- How should a business deal with a customer complaint?
- How do non-quality companies deal with complaints?
- What are the benefits of satisfying complaints?

This lesson will answer those questions. There is a mini-quiz near the end of the lesson.

Dealing with complaints

When the customer pays for a product or service, it is assumed that the product will work correctly or that the service received is as promised. Ideally, the customer will be satisfied, and there will be no complaints.

Solve customer problem

If there is a problem, and the customer complains about it, the company should quickly answer the complaint and solve the customer's problem. This is often done through the company's customer service activity.

Special bonus

To make sure the customer is completely satisfied, some companies will provide some special service or a reduced price on another product. This is done to assure the customer will come back for more business. Many retail stores have a generous return policy to satisfy dissatisfied customers.

Dishonest customers

Unfortunately, there are dishonest customers who will make false claims to get some bonus. Some people will use a product or piece of clothing and then return it, saying they weren't satisfied.

High-end women's clothing stores often will have expensive gowns returned after some important event. The clothes have obviously been worn, but the customer says she is not satisfied or has changed her mind. Usually, the store will refund the money.

Since it is often difficult to tell if the complaint is valid or not, the company will follow the adage, "The customer is always right." But since some dishonest people repeat their crimes, a better adage is, "The customer is always right... once."

Price in customer service

When a company sells a product or provides a service, part of the pricing should include the cost of servicing a certain percentage of defective products or complaints.

Rectify problem

The second thing a company should do upon receiving a complaint is to seek to rectify the problem.

Although a company hopes not to get complaints, they often can be blessing in disguise. Sometimes problems can be caught and fixed before they cause serious negative feedback or even legal problems.

It is in the company's best interest to solve any problems and try to make sure that they don't happen again. It is foolish for a company not to use customer complaints to initiate a corrective action.

Not dealing with complaints

Businesses that don't bother about satisfying their customers usually get more customer complaints. Answering them can, of course, cost the company money. Some companies will try to mollify angry customers but many don't even bother.

Making money off complaints

One software company holds weekly staff meetings to build morale and allow for status reports from each department. One part of their meetings is the report on how many customer problems they rectified the past week. If the number increased, the group was given praise.

When asked why they praise increased problem calls, as opposed to working to fix those problems in the software or documentation, the owner said that they charge for each call, so it is a way to increase their income.

In other words, instead of making the customer completely satisfied with the product, they preferred some dissatisfaction, so they could fix the problem and make extra money from it.

This software package was a high-ticket, expensive application that was mainly sold to small companies. They also charged \$50 for a user manual for the software.

Since the customers made a substantial investment in the software, they wanted to continue using it. But I wonder how much ill-will was created, even if the application usually performed well.

Story of couple on vacation

There is an old story about this couple who went on vacation and stayed overnight at a well-known hotel. They had an uncomfortable night's sleep and woke to find their bed infested with bedbugs! They were naturally outraged and vowed to write a nasty letter of complaint to the owner of the hotel, which they did when they got home.

Reply from president

Several weeks later, they received a reply from the hotel owner:

Dear Guests –

I was extremely disturbed to hear about your unfortunate experience at one of our hotels. Let me assure you that I personally have looked into the matter and have fired the person responsible.

We pride ourselves on having the best accommodations available, and just the thought of allowing insects in any of our hotels makes my blood boil.

Enclosed you will find a coupon allowing you to stay at one of our hotels for two nights, free of charge.

Please, again, accept my sincerest apologies.

Yours truly,
Hotel Owner

Stuck to the letter was a note, which apparently was accidentally left behind by the secretary. It said, "Mary – Send these people the **bug letter**."

Message given

Instead of solving the problem, the hotel owner simply used a form letter that he sent to the numerous people complaining about the condition of his hotel. It is unlikely these people would ever go to his hotels again. And they would tell their friends about the situation, too.

Complaints that fall on deaf ears

Have you ever experienced poor service or purchased a defective product and complained about it, only to have your complaints fall on deaf ears? Many companies that have plenty of business feel they don't need to bother with complainers.

These businesses become very independent, especially if they have a product or service in demand. Some continue to succeed, even though they ignore customer complaints, but many will pay the price of lost business and degraded reputation in the long run.

Apology mollifies customer

A company that responds and apologizes mollifies the complaining customer. But some of these companies never rectify the problem, like the hotel in the above

story. The act of responding to the customer and apologizing is good business. Not fixing the problem is risky, though, and may backfire on the company.

Could be sued

The bug letter story originated some 30 years ago. In today's litigation crazed society, the hotel would have been sued for millions. Perhaps that is not so bad, if it is a case of ignoring problems. But if it was an honest mistake, such litigation can be destructive to the business as well as to society. We all pay more for things, because businesses must insure themselves against nuisance lawsuits.

Benefits of satisfying customer complaints

There are numerous benefits for a company to properly deal with customer complaints.

Satisfied customer

First of all, it will help to satisfy the customer, so you will get repeat business or referrals. In fact, in some cases, effectively dealing with a customer complaint can lead to a more loyal customer than others who may not complain or have problems.

Can rectify problems

Another benefit of dealing with complaints is that you can see weaknesses in your process or products that can be rectified. This will prevent possible future complaints or problems down the line. It is an effective form of customer feedback, although one you hope to eliminate.

Major concern about complaints

For every formal complaint you receive, there may be 10 other customers who were dissatisfied and who felt like complaining, but who never did. Instead, they change brands and tell their friends of the dissatisfaction. It is said that an unhappy customer will tell 13 people about his or her dissatisfaction. That is not the type of word-of-mouth advertising you want.

The company goal should be to get no complaints at all.

In conclusion

Quickly and properly solving customer complaints can help your business grow and prosper. Ignoring complaints or dealing with them in a dishonest manner can result in loss of business or even lawsuits.

POSTUPAK PREBACIVANJA DIREKTOG U INDIREKTI GOVOR

Direktni govor je kada navodite od reči do reči nečije reči, dok indirektni govor podrazumeva da pričate nešto što vam je neko rekao ili vas je nešto pitao.

Prebacivanje izjavnih rečenica

Pogledajmo dve rečenice

1. 'I am watching TV now'.

He said _____

He says _____

Najpre prilikom prebacivanja direktnog u indirektni govor dolazi do određenih promena:

1. Promena u vremenima

SIMPLE PRESENT (prosto sadašnje)	- SIMPLE PAST (prosto prošlo)
PRESENT CONTINUOUS (trajno sadašnje)	- PAST CONTINUOUS (trajno prošlo)
SIMPLE PAST (prosto prošlo)	- PAST PERFECT (pluskvanperfekat)
PRESENT PERFECT (sadašnji perfekat)	- PAST PERFECT (pluskvanperfekat)
WILL	- WOULD
CAN	- COULD
MAY	- MIGHT

2. Promena u licima

I	HE/SHE
WE	THEY
YOU	I

3. Promena u prilozima

NOW	THEN
THIS	THAT
THESE	THOSE
AGO	BEFORE
TOMORROW	NEXT DAY, FOLLOWING DAY
TODAY	THAT DAY
TONIGHT	THAT NIGHT
YESTERDAY	THE DAY BEFORE

Napomena!!!

Kako bi povezali ove dve rečenice, odnosno kako bi direktnu rečenicu povezali sa početkom indirektnu uvodimo svezu THAT koja dolazi nakon he said, ili he told me.

Tako da će rečenica izgledati

'I am watching TV now'.

He said THAT he was watching TV then.

Objašnjenje: Kao što viditi najpre smo povezali rečenice svezom THAT I pošto nam je početak rečenice u PAST TENSU onda dolazi do pomeranja I u vremenu, licu i prilogu.

'I am watching TV now'.

He says THAT he is watching TV then.

ALI KADA NAM NA POČETKU REČENICE NIJE PAST TENSE ONDA NEMA POMERANJA U VREMENIMA!!!!!!!

UVEK SE REČENICA ZAPOČINJE SA TELL ili SAY

Prebacivanje direktnih pitanja u indirektna

Pre nego li krenemo sa prebacivanjem direktnih pitanja u indirektna, najpre da se podsetimo da postoje dve vrste pitanja a to su YES/NO pitanja i WH pitanja. Primeri:

Are you a student? – YES/NO

What do you do? - WH

Ovakva pitanja se prebacuju u indirektni govor na različit način.

Prebacivanje YES/NO pitanja

Are you a student?

He asked me if I was a student.

He asks me if I am a student.

Kao što vidite da bi povezali He asked sa pitanjem a pošto ne postoji upitna reč uvodi se sveza IF, zatim ukoliko rečenica baš kao I kod izjavnih rečenica započinje PAST TENSOM onda dolazi do svih gore navedenih pomereanja: pomeranja vremena, priloga I lica. Tako da pitanja postaju izjavne rečenice.

NAPOMENA!!! KAKO NE BI POGREŠILI PRILIKOM PREBACIVANJA UVEK NAKON SVEZE IF STAVITE SUBJEKAT

Prebacivanje WH pitanja

'Where do You go after school'?

He asked me where I went after school.

He asks me where I go after school.

Kao što vidite da bi povezali He asked sa pitanjem a pošto postoji upitna reč, sveza će upravo biti ta upitna reč, zatim ukoliko rečenica baš kao I kod izjavnih rečenica započinje PAST TENSOM onda dolazi do svih gore navedenih pomereanja: pomeranja vremena, priloga I lica. Tako da pitanja postaju izjavne rečenice.

NAPOMENA!!! KAKO NE BI POGREŠILI PRILIKOM PREBACIVANJA UVEK NAKON SVEZE IF STAVITE SUBJEKAT I UVEK SE REČENICA ZAPOČINJE SA ASK, WANT TO KNOW, WONDER

Prebacivanje molbi i zapovesti

"Go to bed!"

She told me to go to bed.

"Don't be late!"

She ordered me not to be late.

Prilikom prebacivanja molbi i zapovesti iz direktnog u indirektni govor **POTVRDNE REČENICE** (zapovesti) **ĆE UVEK BITI TO INFINITIVI** što znači da će posle She told me d aide **TO + INFINITIV GLAGOLA**. Kao što vidite ne dolazi do pomeranja u vremenima I o tome ne morate da vodite računa, ali vodite računa o pomeranju lica I priloga. **NEGATIVNE REČENICE** (zabrane) će postati **NOT TO INFINITIVI** što znači da će nakon She told me ići **NOT + TO + INFINITIV GLAGOLA**, takođe ne dolazi do promena u vremenima, već samo u licima I priložima.

UVEK SE VREČENICA ZAPOČINJE SA TELL ili ORDER, nekada može i sa **ASK** ali u tom slučaju ask ne znači pitati već ask znači zamoliti.

PREBACIVANJE AKTIVNE REČENICE U PASIV

Postoje nekoliko koraka koja se moraju slediti prilikom prebacivanja aktivne rečenice u pasivnu. A to su:

Recimo imamo dve rečenice:

Shakespeare wrote Hamlet.

He watches TV.

1. Prvi korak u prebacivanju je taj da najpre moramo naći objekat u aktivnoj rečenici, u ovom slučaju to su Hamlet i TV, i objekat stavljamo na prvo mesto u pasivnoj rečenici, tj. na mestu subjekata. O-S

Hamlet

TV

2. Zatim posmatramo u kom vremenu nam je rečenica i onda pomoćni glagol TO BE stavljamo u to vreme na drugom mestu u rečenici. Pošto je u našem slučaju prva rečenica u prosto prošlom a druga u prosto sadašnjem u prvoj rečenici ćemo staviti glagol TO BE u prosto prošlo a u drugoj u prosto sadašnje.

Hamlet was

TV is

Napomena!!! Kako izgleda glagol TO BE za određena vremena?

Za prosto sadašnje (AM/IS/ARE)

Za prosto prošlo (WAS/WERE)

Za perfektivna vremena (BEEN)-isto za sva lica

Za buduća vremena (BE) -isto za sva lica

Za trajna vremena (BEING) -isto za sva lica

3. Potom stavljamo glagol aktivne rečenice u Past Participle.

Šta je Past Participle? Past Participle za pravilne glagole izgleda tako što se na glagol doda nastavak ED, a za nepravilne prepisujemo glagol iz III kolone iz liste nepravilnih glagola. (WATER- WATERED - pravilan

GO – GONE – nepravilan)

Hamlet was written

TV is watched

4. I na kraju posmatramo subjekat i ako on nije people, you, we they stavljamo ga uz predlog BY za vršioca radnje i on dolazi na kraju rečenice.

Hamlet was written by Shakespeare.

TV is watched by him.

NAPOMENA!!! Prilikom prebacivanja aktivnog pitanja u pasivno lakše će Vam biti da ako od pitanja napravite potvrdnu rečenicu i nju prebacite u pasiv pa zatim napravite pitanje.

Ukoliko naidete na primere koji imaju dva objekta. Jedan od ta dva objekta je direktni a drugi indirektni objekat. Da ne biste pogrešili uvek započinjite rečenicu objektom na kome se vrši radnja.

TENSE	FORM	USAGE	ADVERBS	VERB FORMS
PRESENT CONTINUOUS	<u>Affirmative:</u> S + TO BE(present) + V + ING	To describe something that is happening at the moment <i>(I am watching TV now)</i> To talk about definite arrangement in the future <i>(We are having meeting tomorrow)</i>	Now, at the moment, these days, look, listen	<u>TO BE (present)</u> I - AM You, We, They - ARE He, She, It - IS
	<u>Interrogative:</u> TO BE(present) + S + V + ING			
	<u>Negative:</u> S + TO BE(present) + NOT + V + ING			
SIMPLE PRESENT	<u>Affirmative:</u> S + V (he/she/it) (es)	To talk about customs <i>(They drink tea at 5 o'clock)</i> To talk about habits <i>(She usually grumbles)</i> To talk about routines <i>(I go to work every day)</i>	Usually, sometimes, from time to time, often, every day, every month, every year	<u>DO/DOES</u> I, We, You, They – DO He, She, It - DOES
	<u>Interrogative:</u> DO (I, you, we, they) + V DOES (he, she, it) + V			
	<u>Negative:</u> S + DO/DOES + NOT + V			
SIMPLE PAST	<u>Affirmative:</u> S + V + (regular Ed Irregular IIc)	To talk about past action or event that is finished <i>(I watched TV last night)</i>	Yesterday, ago, Last night, last year, last month	<u>DO (past)</u> I, You, He, She, It, We, You, They - DID
	<u>Interrogative:</u> DID + S + V			
	<u>Negative:</u> S + DID + NOT + V			
PAST CONTINUOUS	<u>Affirmative:</u> S + TO BE (past) + V + ING	To talk about something that was in progress at a specific time in the past. <i>(I was writing the book all day yesterday)</i> To talk about something that was in progress at the time something else happened or interrupted it. <i>(I was watching TV when the phone rang)</i>	While, yesterday, last night, last month, last year all day yeasterday	<u>TO BE (past)</u> I, He, She, It – WAS You, We, They - WERE
	<u>Interrogative:</u> TO BE (past) + S + V + ING			
	<u>Negative:</u> S + TO BE(past) + NOT + V+ING			
PRESENT PERFECT	<u>Affirmative:</u> S + TO HAVE + V + (regular Ed Irregular IIIc)	To talk about past action which has a result in present. <i>(I have lost my keys)</i> To talk about an action which began in the past and continuous to the present <i>(She has known him for ten years)</i>	Ever, never, since, for, just, yet	<u>HAVE (present)</u> I, You, We, They - HAVE He, She, It – HAS
	<u>Interrogative:</u> TO HAVE + S + V + (regular Ed Irregular IIIc)			
	<u>Negative:</u> S+TO HAVE+NOT+V+(regular Ed Irregular IIIc)			

PRESENT PERFECT COUNTINUOUS	<u>Affirmative:</u> S+TO HAVE+BEEN+V + ING	A state which lasts up to the present moment and to emphasize duration <i>(I have been working here since 1999)</i>	For, since	<u>HAVE (present)</u> I, You, We, They - HAVE He, She, It – HAS
	<u>Interrogative:</u> TO HAVE+S+BEEN+V + ING			
	<u>Negative:</u> S+TO HAVE+NOT+BEEN+V+ ING			
PAST PERFECT	<u>Affirmative:</u> S+TO HAVE(past)+V+(regular Ed Irregular IIIc)	To talk about one past action that happened before another past action. <i>(When I arrived, the film had already started)</i>	Already, before, as soon as,	<u>HAVE (past)</u> I, You. He, She, It, We, You, They - HAD
	<u>Interrogative:</u> TO HAVE(past)+S+V+(regular Ed Irregular IIIc)			
	<u>Negative:</u> S+TO HAVE(past)+V+(regular Ed Irregular IIIc)			
GOING TO	<u>Affirmative:</u> S + TO BE (present) + GOING TO + V	To talk about future actions or plans <i>(I am going to finish this grade)</i>	Tomorrow, next week, next month, in two days, in three months, in five years	<u>TO BE (present)</u> I – AM You, We, They- ARE He, She, It – IS
	<u>Interrogative:</u> TO BE + S + GOING TO + V			
	<u>Negative:</u> S + TO BE + NOT + GOING TO + V			
SIMPLE FUTURE	<u>Affirmative:</u> S + WILL + V	To make a prediction or express an opinion about future <i>(Radnicki will win the match)</i>	Tomorrow, next week, next month, in two days, in three months, in five years	<u>WILL</u> I, You. He, She, It, We, You, They - WILL
	<u>Interrogative:</u> WILL + S + V			
	<u>Negative:</u> S + WILL + NOT + V			

V – Verb

S – Subject

C – column in the list of irregular verbs