**PART (1): READING: (Total: \_\_\_\_\_\_ / 15 marks)**

***Read the following article and answer the questions that follow:***

**Aiming to Build Customer Loyalty in Hands-On Activities**

Back in 2008, still early in the economic crisis, [Butter Lane Cupcakes](http://butterlane.com/) opened **its** doors in the East Village of Manhattan. With business slow, the co-founders, Pam Nelson, Maria Baugh and Linda Lea, decided **they** needed to try something different to get people into the shop, and they hit on the idea of offering classes in cupcake making.

At first, the classes attracted about four attendees, who paid $20 apiece to learn how to make a basic batter and frosting. “Through word-of-mouth, the classes started filling up and we were getting 10 people a night,” Ms. Nelson said. The owners expanded to the space next door and then decided to try a Groupon promotion offering half-price classes in the hopes of selling a few hundred coupons. They sold 9,000.

Even with the Groupon discount, Ms. Nelson said, the shop managed to make money on the classes. “That first seat is expensive,” she said, “because you are paying for the instructor, the room, the oven and utilities, but every seat after that, the marginal costs are lower, so you’re highly motivated to fill the room.”

Even without the discounts, she said, the room kept filling. “We held two or three classes a day and were sold out for five months, so we decided to make the classes into a whole other part of the business,” she said. The company’s overall revenue increased — **it** was about $1 million last year — and there is now a shop in Brooklyn, too. This year about 40 percent of Butter Lane’s revenue will come from classes.

Although it may seem counterintuitive for a cupcake seller to teach customers to make **their** own, Ms. Nelson said the classes actually increased sales of the store’s baked goods. “We’ve created experts who bring their friends in and explain how we use, for instance, real vanilla beans,” **she** said. Plus, she added, they have proprietary flavors that they do not teach in the classes. “What’s really wonderful is that once these people take a class, they feel they are a part of the brand,” she said. “They become our ambassadors.

***Give short answers to the following questions.*  (5 marks / 1 mark each)**

Q1: Why did Butter Lane decided to run cupcake classes?

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Q2: What is the role of Groupon coupons?

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Q3: Give 2 advantages of running cupcake-making classes to the Butter Lane business.

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Q4: How many classes did Butter Lane hold each day?

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Q5: What was the overall revenue of Butter Lane last year?

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***Are the following statements True or False?* (2 marks / ½ mark each)**

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| Q6: The cupcake class cost was $20 for 4 people. | T | F |
| Q7: Butter Lane sold 900 Groupon vouchers. | T | F |
| Q8: Butter Lane classes were sold out for five months. | T | F |
| Q9: This year, about 40 percent of Butter Lane’s revenues will come from classes. | T | F |

***Find the suitable words in the text that mean the following:* (3 marks / 1 mark each)**

Q10: a time of intense difficulty or danger. (paragraph 1 – 1 word) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q11: people who attend events or gatherings. (paragraph 2 – 1 word) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q12: a company’s income (paragraph 4 – 1 word) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***What do the following words refer to in the text:* (5 marks / 1 mark each)**

Q13: **its** – paragraph 1? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q14: **they** – paragraph 1? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q15: **it** – paragraph 4? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q16: **their** – paragraph 5? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q17: **she** – paragraph 5? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**PART (2): VOCABULARY: (Total: \_\_\_\_\_\_ / 5 marks)**

***Complete the following sentences using the vocabulary items in the box. Each word can only be used once.***

mortgage / overdrawn / bankrupt / overheads / installments

1. After loosing in a number of investments, the company closed its doors because it went \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
2. This product costs $500 if you pay it in full, but you can also own it by paying two easy \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of $250.
3. After paying all its \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, including its electricity bills and its employees salaries, the company’s profit was high.
4. After using my card to pay for my last purchase, my account is now \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, as I didn’t have enough money in it.
5. I bought the house after I obtained a 30-year \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ from the bank.

**PART (3): GRAMMAR: (Total: \_\_\_\_\_\_ / 5 marks)**

1. While they \_\_\_\_\_\_\_\_\_\_\_\_ to play the match, they heard a thunderstorm.

a. started b. were starting c. have started

1. He \_\_\_\_\_\_\_\_\_\_\_\_ in a queue when the robbers rushed in.
   1. was standing b. stood c. had stood
2. He \_\_\_\_\_\_\_\_\_\_\_\_ his leg yesterday.
   1. break b. broken c. broke
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ the car last week?
4. Did you buy b. Were you buy c. You bought
5. They \_\_\_\_\_\_\_\_\_\_\_\_ their homework, when the teacher arrived.
6. was doing b. are doing c. were doing

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|  | **Vocabulary item** | **Definition** |
| **1** | **overdrawn** |  |
| **2** | **broke** |  |
| **3** | **debit** |  |
| **4** | **attitude** |  |
| **5** | **hire purchase** |  |
| **6** | **mortgage** |  |
| **7** | **instalment** |  |
| **8** | **cash flow** |  |
| **9** | **outgoings** |  |
| **10** | **overheads** |  |
| **11** | **bankrupt** |  |
| **12** | **to be insolvent** |  |
| **13** | **to wind up a company** |  |
| **14** | **to meet your liabilities** |  |
| **15** | **biography** |  |
| **16** | **innovative** |  |
| **17** | **crucial** |  |
| **18** | **funding** |  |
| **19** | **entrepreneurs** |  |

***Write and email using your own name.*** You are a manger asking your secretary, Mariam, to send you a list of all the workshops your company provides. You need this immediately. She needs to send this no later than tomorrow morning. She also needs to contact all senior staff and inform them about the meeting next Tuesday. You have enclosed the agenda in your email. Your secretary needs to know that you will be going on holiday next week. ***Remember to use abbreviations and acronyms.***

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**The past continuous**

**Use**

* The Past Continuous tense is used to express continuous, ongoing actions which took place in the past.

He *was traveling* in Europe last summer.

They *were playing* tennis yesterday afternoon.

* The Past Continuous tense is frequently used to refer to an ongoing action which was taking place when something else occurred in the past.

I *was washing* the dishes when the telephone rang.

We *were entertaining* friends when the parcel arrived.

**The past perfect**

**Use**

* The Past Perfect tense is used to refer to a non-continuous action in the past, which was already completed by the time another action in the past took place.

She *had heard* the news before I saw her.

I *had finished* my work by the time the clock struck twelve.

***Complete the following sentences with the correct form of the verb in brackets. You can use either the past continuous or the past perfect.***

1. When I arrived at the party, everybody (dance) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a. was dancing b. danced c. were dancing

1. While they (start) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, they heard a thunderstorm.

a. started b. were starting c. have started

1. After the referee (whistle) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the players began playing.

a. had whistled b. was whistling c. whistled

1. He (stand) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in a queue when the robbers rushed in.

a. stood b. was standing c. had stood

1. Before he polished his shoes, he (clean) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ them thoroughly.

a. cleaned b. was cleaning c. had cleaned

1. While the teacher (dictate) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ the questions, the principal opened the class door.

a. was dictating b. dictated c. had dictated

1. After the orchestra (finish) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ the concert, they got a standing ovation.

a. finished b. were finishing c. had finished

1. \_\_\_\_\_\_\_\_\_\_ she \_\_\_\_\_\_\_\_\_\_ (look) at you when I phoned?

a. Was / looking b. Were / looking c. Has / looked

1. There (be) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ an accident before we got there.

a. was b. had been c. was being

1. He (weed) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the garden all day yesterday.

a. was weeding b. had weeded c. weeded

1. She (press) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ while I (sew) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a. was pressing /was sewing b. pressed / sewed

c. had pressed / had sewn

1. His letter came a few minutes after you (leave) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a. left b. had left c. were leaving

1. Before we played in the playground, we (do) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ our homework.

a. did b. had done c. were doing

1. When my sister called I (do) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ my homework.

a. was doing b. did c. were doing

1. The mountaineers (sleep) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the tent when their guide got back.

a. slept b. has slept c. were sleeping

1. After the visitors (eat) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ lunch, they got ready to start travelling.

a. ate b. were eating c. had eaten