

Business Decisions: When Holding On Hurts More Than Letting Go — Answer Key

B2 Business English | Fluency Space | Answers for Exercises C, D & E

Exercise C — Key Words from Context

Answers to the matching and example-sentence gap in the vocabulary exercise. Some forms change slightly to fit the example sentence (e.g. tense, form).

No.	Answer
1	to justify
2	persistence
3	on the other hand
4	to see it through
5	to put something off
6	the worst-case scenario
7	stubborn
8	to cut your losses
9	from a...perspective
10	to set a milestone
11	to press on
12	to outweigh

Exercise D — Comprehension Questions

Model answers only — learners' own wording will vary. Look for the key facts below rather than exact phrasing.

1. According to the text, what is the sunk-cost fallacy, and why is it dangerous for businesses and careers?

Model answer: The sunk cost fallacy is continuing to invest time, money or effort into something only because you have already invested a lot, rather than because it still makes sense. It is dangerous because it can damage a company's cash flow, anger investors, and in the worst-case scenario lead to bankruptcy, while also causing missed opportunities elsewhere.

2. What are some of the 4 possible negative consequences for businesses that continue to invest in failing projects?

Model answer: Poor cash flow, angry investors, bankruptcy in the worst-case scenario, and missing other, better opportunities elsewhere.

3. What do we learn in the text about young companies?

Model answer: Many successful startups began with one idea which changed into something different once the founders accepted that the original plan was not working — suggesting that early change can lead to growth rather than failure.

4. What phrase is used in the text to suggest that someone disagrees with you?

Model answer: “I’m afraid I can’t go along with you there...”

5. What strategies are suggested to help people break free from the sunk cost fallacy? Mention at least two?

Model answer: Any two of: setting regular milestones or ‘reality checks’; asking whether you would start the project today if you hadn’t already invested; bringing in outside advisors with no emotional attachment; accepting that changing direction is strategy, not failure; and having an exit plan before you start.

Exercise E — Gap Fill Answers

“A Difficult Decision” — correct form of each key word/phrase, in order.

No.	Answer
1	press on
2	justify
3	cut our losses
4	see
5	perspective
6	outweigh
7	stubborn
8	on the other hand

Role-Play (Page 6)

This section is open-ended and has no fixed answers. Encourage learners to use today's target vocabulary naturally in their role-play discussion and in reaching their final group decision.