Musk weighs combining Tesla and SpaceX

LEVEL C1


Photo: SpaceX / Unsplash

I. WARM-UP

1. What risks and benefits can a big corporate merger create?
2. When should a founder step back from a decision?
3. How do share prices react to major announcements?

II. KEY VOCABULARY

merger
the joining of two companies to form one business

shareholder
a person or organisation that owns shares in a company

committee
a small group chosen to study an issue and make recommendations

valuation
an estimate of how much a company is worth in money terms

scrutiny
careful and critical examination by the public or authorities

revenue
money a company earns from its business activities

profitable
making more money than it spends; producing a profit

approval
official agreement to a plan or decision

III. READING

Elon Musk said he is considering a merger of Tesla and SpaceX, and special committees at both companies are examining it. He called himself a 'conflicted party' and stressed that any deal would require shareholder approval. The committees have not agreed terms, and a merger is not guaranteed.

Tesla's valuation is about $1.5 trillion and SpaceX's $2 trillion, so a deal would be among the largest. After Musk's remarks, SpaceX shares rose 8% after-hours, while Tesla gained 2%.

SpaceX builds rockets and the Starlink satellite network, and its Starshield service is under scrutiny over alleged limits on Ukraine's access. Meanwhile, Starlink reported revenue of $5.2bn in the three months to 30 September, up from $3bn a year earlier.

In the first nine months, SpaceX revenue rose to $27bn, yet it was not profitable overall, posting a $1.1bn loss; it made $4.4bn in the most recent quarter. Musk said a merger could align work on chips, AI and software.

Recently, SpaceX acquired xAI and X before its market debut, and Tesla and SpaceX launched Terafab to manufacture chips. Ultimately, shareholders would decide, and at least 50% of Tesla's investors would need to approve a deal.

Reading text adapted from reporting by **BBC News***: "Elon Musk confirms he is considering merging...". Original article linked at theenglishwire.com.*

IV. COMPREHENSION QUESTIONS

1. What step have Tesla and SpaceX taken toward a possible merger?
2. Who would make the final decision, and what approval threshold is named?
3. What are the latest valuations of Tesla and SpaceX?
4. How did SpaceX and Tesla shares move after Musk's comments?
5. What recent moves show Musk bringing his companies closer together?

V. DISCUSSION

1. Should two firms with different goals merge if synergies look strong? Why?
2. How much influence should a founder have in deals that affect their wealth?
3. Do the figures given make a merger look prudent or risky? Explain.
4. What safeguards should protect customers and governments after such a merger?

VI. GRAMMAR FOCUS

Formal multiword connectors

Use fixed, formal connectors to link ideas: contrast, reason, condition, purpose, degree. Learn the forms: notwithstanding the fact that; in the event that; on the grounds that; by virtue of; with a view to; insofar as.

"Shares rose, **notwithstanding the fact that** *a merger isn't guaranteed."*

"Plans could align, **insofar as** *both firms share goals."*

VII. GRAMMAR EXERCISE

Circle the correct option in each sentence.

1. Firms invest (with a view of / with a view to) scaling AI. _____
2. Talks may stop (on the grounds that / on grounds of) risk rose. _____
3. Shares climbed (by virtue that / by virtue of) Musk's remarks. _____
4. Plans change (in the event of / in the event that) a failure. _____
5. Notes help, (insofar as / insofar that) they clarify terms. _____

Teacher's Notes

TEACHERS ONLY

These notes are designed to help you get the most out of this lesson. Please do not share this page with students.


Photo: SpaceX / Unsplash

I. LESSON GUIDE

- Timing: 8-10 minutes warm-up, 10 minutes vocabulary, 12-15 minutes reading, 10 minutes comprehension, 10 minutes grammar, 12-15 minutes discussion.
- Pre-teach or concept-check merger, shareholder approval, valuation, scrutiny to support the C1 text's finance focus.
- Run a jigsaw read: half the class tracks ownership and decision-making; half tracks revenues and market reaction; compare notes before the questions. The story mentions war-related network limits, so flag potential sensitivity and invite students to comment on the news, not personal experiences.
- Differentiate: stronger students quantify risks/benefits using the figures; others summarise each paragraph's key point in one sentence.

II. DISCUSSION FACILITATION TIPS

1. Push for concrete reasons beyond "bigger is better"; ask for a risk and a benefit each.
2. Elicit examples of founder-led firms; then discuss checks like committees and votes.
3. Have students cite at least two numbers from the text to justify their view.
4. List possible stakeholders on the board and ask pairs to propose one safeguard each.

III. EXTENSION ACTIVITIES

Debate: In teams, prepare and deliver a 90-second case for or against the merger using data from the text.

Writing: Write a 120-word shareholder note summarising the merger case and key risks, using figures from the article.

IV. ANSWER KEY OVERVIEW

Comprehension questions: short factual answers from the text.

Grammar exercise: Formal multiword connectors

Discussion: open-ended. Accept any reasonable ideas supported by examples and reasoning.

Answer Key

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IV. COMPREHENSION QUESTIONS

1. What step have Tesla and SpaceX taken toward a possible merger?
   They formed special committees to examine the merger.
2. Who would make the final decision, and what approval threshold is named?
   Shareholders would decide, and at least 50% of Tesla's investors would need to approve.
3. What are the latest valuations of Tesla and SpaceX?
   Tesla about $1.5 trillion and SpaceX about $2 trillion.
4. How did SpaceX and Tesla shares move after Musk's comments?
   SpaceX rose 8% after-hours; Tesla gained 2%.
5. What recent moves show Musk bringing his companies closer together?
   SpaceX acquired xAI and X, and Tesla and SpaceX launched Terafab to make chips.

V. DISCUSSION

Open answers. Accept any reasonable ideas supported by examples and reasoning.

VI. GRAMMAR FOCUS

Key point: Use fixed, formal connectors to link ideas: contrast, reason, condition, purpose, degree. Learn the forms: notwithstanding the fact that; in the event that; on the grounds that; by virtue of; with a view to; insofar as. (Examples constructed.)

"Shares rose, **notwithstanding the fact that** *a merger isn't guaranteed."*

"Plans could align, **insofar as** *both firms share goals."*

VII. GRAMMAR EXERCISE

Circle the correct option in each sentence.

1. Firms invest (with a view of / with a view to) scaling AI. **with a view to**
2. Talks may stop (on the grounds that / on grounds of) risk rose. **on the grounds that**
3. Shares climbed (by virtue that / by virtue of) Musk's remarks. **by virtue of**
4. Plans change (in the event of / in the event that) a failure. **in the event of**
5. Notes help, (insofar as / insofar that) they clarify terms. **insofar as**