
Supplementary Exercises for

Chapter 3

Borders and Barriers

I. Questions on the text:

1. What are the relationships between borders and barriers according to the article?
2. Why does the writer say that the European currencies are administrative characteristics defining national economies?
3. What are the barriers to the integration of Europe's equity market?
4. What are the two strands of research concerning the impact of the introduction of a single currency, euro, in Europe?
5. Could you summarize some of the notable achievements the euro has prompted?
6. Why is it difficult to integrate Europe's equity markets?
7. What are the basic differences in the legal concepts that define securities between continental Europe and America?
8. According to the author, what should Europe's governments do to realize a single financial market?

II. Read the following text and choose the best sentence from A to H below to fill in each of the gaps in the text.

Countdown for the Euro

In a few months the biggest currency changeover ever will take place, as twelve European countries introduce the Euro on 1 January 2002. 1) _____ This report by Holger Steltzner also examines the effects of the currency changeover on the Euro-countries' fiscal relations to non-Euro countries.

Some 2,000 years have passed since a common currency was accepted from the Mediterranean to northern Europe. In the Roman Empire, the same coins could be used to pay for goods and services throughout much of Europe. 2) _____ After the fall of Rome, the idea of a united Europe was rekindled in the ninth century under Charlemagne in France – and with him came the

“Charlemagne pound,” which became the currency of almost the whole of Europe for 400 years. In our own time, the dream of a united Europe was born among the ruins left by two world wars.

June 21, 1948 was a very special Monday. It was the day after the currency reform, the day that saw the birth of the deutschmark and a new economic system, even a new Germany. 3) _____ The previous Friday, people had had to wait in line among the ruins to obtain their daily bread. This Monday, however, all the shop windows were full. Mouth-watering food items that many people had not seen in years were suddenly readily available in exchange for the new deutschmark.

Fifty years later, another Monday – January 4, 1999 – saw yet another change of currency. 4) _____ Nonetheless, this Monday turned out to be rather unspectacular. Although it represented the beginning of European monetary union, nothing very much changed in people’s everyday lives. The euro was still no more than an accounting unit – people were only forced to deal with the new currency when they studied share prices in the newspapers or checked the details of their securities accounts. 5) _____

Yet again on a Monday, on December 31, 2001, it will be time to bid farewell to the national currency. For, from January 1, 2002 onwards, people will finally be able to use the euro to pay for goods in the shops. 6) _____ The changeover process is intended to be largely complete by the end of February. By then at the latest, the euro will have become a concrete and tangible currency for everyone in the euro-zone. The old deutschmark, lira and franc banknotes will not lose their value, and people will still be able to exchange them for euros in banks at any time, but they will no longer be accepted in shops.

- A. This date also marked the end of the depression of the immediate postwar period and the beginning of Germany’s economic miracle.
- B. The changeover, which is being co-ordinated by the European Central Bank, together with the EU Commission, national governments and national central banks, will require tremendous logistical organization, as well as an enormous publicity campaign to strengthen EU citizens’ support for the Euro.
- C. This was the day of the euro’s launch and the day it became legal tender.



- D. The exchange of wares and cultures between highly diverse peoples flourished during this imperial age.
- E. During the first few weeks of next year, people will have to find room in their wallets and purses for their familiar national banknotes alongside their new euro bills.
- F. The day was also rather undramatic because the old exchange rates were not changed by the launch of the euro.

III. E-C Translation:

1. Whereas the single currency will have the important effect of removing the barrier that is currently being imposed by different currencies, by itself it does not change much else. These currencies are simply administrative characteristics defining national economies. Although in future they will no longer exist, nothing else in this particular category of differences will disappear in their wake.
2. The arrival of the ten new member countries could help to give the EU a new role. Their injection of economic dynamism will itself increase the EU's attractiveness as a model. But they also have both more experience of, and more interest in, the former communist and ex-Soviet countries. On April 27th, after long debate, the EU and Russia extended their existing economic and political agreement to the ten new members of the Union. But what might really make a difference would be to get Russia and others, even in the Arab world, to observe an enlarged EU that was rediscovering its earlier successes.

Key to Exercises

1. Exercise II:

1 B 2 D 3 A 4 C 5 F 6 E

2. Exercise III:

1. 虽然统一货币将消除目前由多种货币所产生的壁垒，但也仅此而已，并不能带来更多的变化。这些货币只是体现了（欧洲）各国经济在管理方面的不同特征。虽然今后这些货币不再存在，



但其他方面的差异并不会因此而消失。

2. 十个新成员国的到来可促使欧盟扮演一个新的角色。他们的经济活力的注入将自会增加欧盟作为一个典范的吸引力。而且同时他们与前共产主义和前苏维埃国家会有更多的接触并予以更多的关注。4月27日，长时间的辩论之后，欧盟和俄罗斯将他们之间现有的经济政治协定范围扩展至欧盟新十国。但真正不同反响的是让俄罗斯及其他国家，甚至包括阿拉伯世界，看到一个再造辉煌的扩大了欧盟。