

Match the terms in Column A with the explanations in Column B.

A

- 1). fiat money
- 2). exchange rate
- 3). balance of payments
- 4). gold standard
- 5). medium of exchange
- 6). foreign exchange
- 7). international reserve
- 8). monetary policy

B

A. A monetary system that backs its currency with a reserve of gold, and allows currency holders to convert their currency into gold. The U.S. went off the gold standard in 1971.

B. Instruments, such as paper currency, notes, and checks, used to make payments between countries.

C. Any item that is widely accepted in exchange for the goods and services offered to consumers in a given market. One example of a medium of exchange is currency.

D. The regulation of the money supply and interest rates by a central bank, such as the Federal Reserve Board in the U.S., in order to control inflation and stabilize currency. Monetary policy is one the two ways the government can impact the economy. By impacting the effective cost of money, the Federal Reserve can affect the amount of money that is spent by consumers and businesses.

E. From the point of view of financial statements, reserves are provided as an estimate of liabilities that have a good probability of arising, such as bad debt reserve attempts to estimate what percentage of the firm's creditors will not pay (based on previous records and practical experience).

F. Rate at which one currency may be converted into another. also called rate of exchange or foreign exchange rate or currency exchange rate.

G. Money printed by a government as legal tender which is not redeemable and which lacks economic value.

H. The difference between a nation's total payments to, and receipts from, foreign nations during a specific period

Cloze

1_____ For its part, the European Central Bank neither promotes nor hinders the internationalization of its currency. Nevertheless, given the euro area's economic size and the legacy of its national currencies, the euro's role as an "international currency" was both immediate and far-reaching from its inception. The uses of an international currency can be categorized in terms of the same functions associated with domestic money—as a unit of account, a medium of exchange, and a store of value.

2_____ As a parallel currency for cash-based transactions, the euro's use is more difficult to assess because these trades usually go unrecorded and sometimes involve activities in the informal, or underground, economy. Bank data on net currency shipments—euro banknotes sent abroad minus those received—indicate that more than €30 billion, or nearly 10 percent of all euros in circulation, was provided to nonarea residents during the euro changeover from January 2002 through June 2003.

3_____ For example, the share of euro-denominated debt (issued by nonresidents) has risen steadily since 1999 and now accounts for nearly one-third of the outstanding stock of international debt securities, behind only U.S. dollar-denominated debt. In international loan markets, the respective shares of euro and dollar loans to nonresidents are similarly distributed (37 percent and 46 percent).

4_____ In 2003, 51 countries and territories outside the euro area relied on the euro as their reference or anchor currency or as part of a currency basket peg. A number of EU accession countries and countries in the western Balkans and Africa use the euro as the sole anchor currency. Moreover, Russia maintains in its currency basket peg a 60-40 split between the U.S. dollar and the European single currency. 5_____ although the euro has seen its relative share rise steadily from 12.7 percent at end-1999 to 18.7 percent at end-2002. As the currency area's map continues to be redrawn, and backed by the ECB's credibility, the euro's reach in global trade and finance will likely continue to expand.

- A. The euro is used as a settlement currency for about half of the euro area's external trade flows
- B. Euro banknotes and coins have been in circulation since 1 January 2002 and are now a part of daily life for over 300 million Europeans living in the euro area
- C. As a reserve asset, the dominant currency in official holdings of foreign reserves remains the U.S. dollar
- D. On the global stage, the euro has played a role second only to the U.S. dollar
- E. The euro is a symbol of common identity, shared values and the success of

European integration in bringing the peoples and nations of Europe together

F. The euro's most important international role in the private sector has been as a currency of denomination for financial assets

G. In terms of the euro's official uses, reference and intervention currency functions tend to be closely intertwined

Translation

Translate the English into Chinese.

While staying focused on risk control-based supervision, the CBRC is doing its utmost to speed up the restructuring of banking institutions in China.

Currently, the state-owned commercial banks still occupy a dominant share in China's banking industry, accounting for 56 percent of the total banking assets in China. Therefore, the bank reform is centered on the wholly state-owned banks. In fact, notable progress has been made over recent years in reforming the wholly state-owned banks.

First, the banks' risk management has been improved, leading to a more effective control on credit risk and notably improved quality of new loans. Second, the banks' internal control has been further enhanced and internal control capacity has been steadily improved. Third, the banks' IT systems have been upgraded, which has facilitated the provision of quality banking services.

However, to meet the needs of economic and financial development and opening up, the CBRC deems it necessary to further accelerate the reform so as to transform the wholly state-owned banks into modern financial corporate entities with good corporate governance, a sound operational mechanism, well-defined business strategies, strong financial conditions and competitiveness in international market. Subsequently, the qualified wholly state-owned banks will be restructured into state-holding joint-equity banks, and the eligible banks will be further allowed to be listed on the stock market.

Translate the Chinese into English.

美国近年感受到的通货紧缩压力基本上应该算是良性的,反映了全球竞争加剧的状况。但是,日本的通货紧缩则属于比较严重的一类,其诱因是20世纪80年代末泡沫破裂造成需求突然萎缩。1997年至2002年,通货紧缩和经济滞胀导致日本名义GDP萎缩4%。同期,美国的GDP增长了26%。现在,日本经济看来终于要复苏了。截止到2004年第二季度的一年内,日本实际GDP增长几乎达到与美国相同的4.2%,名义GDP上升了1.4%。但是此次好转会比过去十年中两次短暂的复苏更持久吗?

中国的繁荣对日本复苏起了重大作用。去年,日本对中国出口增长了68%,占总出口增长的三分之二、实际GDP增长的四分之一。如果考虑到出口企业资本支出的增加,中国对日本GDP增幅的贡献可达1/3至1/2。以目前的趋势发展,明年某个时候中国(包括香港)将取代美国,成为日本最大的出口市场。

Key

Match: G F H A C B E D

Cloze: D A F G C

Translation:

1. 在加强风险监管的同时，银监会在全力以赴推进银行金融业机构的改革。国有商业银行是我国银行业的主体，资产总和占银行业总资产的 56%。国有独资商业银行综合改革是继续深化银行改革取得积极进展：一是完善了风险管理体制，信贷风险得到进一步控制，新增贷款质量显著提高；二是进一步强化了内控制度，内部控制能力逐步提高。三是加强科技和信息系统建设，提高了综合服务能力。但是，要适应经济金融发展和对外开放的需要，还需要进一步加快国有独资商业银行的改革，目标是将其改造成治理结构完善、运行机制健全、经营目标明确、财务状况良好和具有国际竞争力的现代金融企业。具备条件的国有独资商业银行可改组为国家控股的股份制商业银行，按照市场原则，有条件的可以上市。

2. The deflationary pressures felt in America in recent years may have been largely benign, reflecting increased global competition; but Japan's dose of deflation has been the nastier sort, caused by a collapse in demand when its late-1980s bubble burst. Deflation and economic stagnation caused Japan's nominal GDP to shrink by 4 percent in the five years to 2002. During the same period America's GDP expanded by 26 percent. Now, at last, Japan's economy seems to be reviving. In the year to the second quarter of 2004, real GDP grew by 4.2 percent, almost as fast as in the United States, and nominal GDP rose by 1.4 percent. But will this upturn prove any more sustainable than the two previous recoveries in the past decade, both of which soon fizzled out?

China's boom has played a big role in Japan's recovery. Last year Japan's exports to China rose by 68 percent, accounting for two-thirds of its total export growth and one-quarter of its real GDP growth. If the increase in capital spending by exporters is added in as well, then China accounted for somewhere between one-third and one-half of Japan's GDP growth. On present trends, China (including Hong Kong) will overtake America as Japan's biggest export market some time next year.