

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

- | A | B |
|-------------------|---|
| 1. in isolation | A. those who want to borrow money in order to buy capital goods or increase the scale of business |
| 2. saver | B. separately; alone |
| 3. investor | C. the ease and speed with which savings in non-monetary forms can be turned into cash. |
| 4. market maker | D. the place where securities are bought and sold |
| 5. liquidity | E. the time which elapses before a deposit or loan is due to be repaid. |
| 6. stock exchange | F. the end-user of financial system whose current spending is less than their income and who have money available to lend to others |
| 7. maturity | G. professional dealers whose function is to ensure that lenders and borrowers are always able to find a counterpart for their deal |
| 8. as a whole | H. whose main role is to help organized market to function properly. |
| 9. broker | I. as one thing or piece and not as separate parts |

Cloze

Global financial system faces growing risks. The IMF's semi-annual assessment of the state of global financial markets is a rather contradictory document. It opens by asserting that the "resilience of the global financial system has further improved in the last six months" because of "continued improvement" in the corporate, financial and household sectors in many countries.

1. _____

According to the Global Financial Stability report, benign conditions, including low interest rates and low credit risks, have helped strengthen the financial system over the past six months. But they have also led to the growth of complacency, always a source of danger. At present "risk premiums for inflation and credit risks leave little or no margin for error in terms of financial asset valuations".

2. _____

Among the risks it identifies are a continued widening of the US current account deficit—now running at \$665.9 billion per year, or 5.7 percent of GDP—continued rises in oil and other commodity prices, feeding through to the general inflation rate and "negative surprises" for corporate earnings and credit quality.

There is no visible sign of a sustained decline in capital inflows into the US. But the report warns that “undue delays” in addressing the present global imbalances or “serious doubts” about the willingness of central banks to continue to accumulate dollars and thereby fund the US deficit “could spark strong incentives for investors, private and possibly even public, to reduce future dollar purchases or even reduce their existing dollar holdings.” 3_____

While it does not mention it by name, the report’s authors clearly had General Motors in mind when they noted that another area of concern was “the downgrading of a major global company to sub-investment grade for reasons that may not be linked to negative events in the global economy.” 4_____

Over the past decade and a half, the global financial market has seen rapid growth of complex financial instruments aimed at spreading risk and increasing stability. 5_____ These instruments, the report notes, rely on quantitative mathematical models for value, assessments and pricing. “Therefore, there is a risk that models that are overly similar in their construction could cause investors to rush to exit at the same time, leading to market liquidity shortages.”

- A. The threat to global financial stability was not because LTCM was a “rogue trader” but the reverse.
- B. A combination of “low risk premiums, complacency and untested elements of risk management systems with complex financial instruments could ultimately become hazardous to the financial markets.”
- C. However, it then devotes considerable space to outlining the growing dangers posed by the increasing complexity of the entire structure.
- D. But, in a period of market fluctuations, this process could itself become a source of greater instability.
- E. Its investments, based on complex mathematical models, were very close to those of other funds.
- F. Credit rating agencies have threatened to reduce GM debt to “junk bond” status—a move that could lead to financial turbulence as investment funds are forced to sell off GM bonds and shares.
- G. This could trigger a further significant decline in the dollar, sparking an increase in interest rates, which would dampen economic demand in the US.

Translation

Translate the English into Chinese.

"Financial ecology" does not refer to the internal operation of the financial institutions. Instead, it refers to the external environment, or the basic conditions for financial operations. The legal framework, including the laws and regulations that protect the interests of investors and depositors, the accounting standards and the bankruptcy law, is a key component of financial ecology. Concerted efforts from all sections of the society are needed to improve financial ecology. First, efforts should be made to improve the legislation and law enforcing system. Bankruptcy law is of utmost importance. With well-developed bankruptcy law, the lenders will be able to resort to legal procedures to protect their rights. Second, the reform of the corporate sector including the state-owned enterprises should be accelerated. Third, steps need to be taken to establish and improve the social credit system. Fourth, the accounting, auditing and information disclosure

standards should be improved. Fifth, the intermediary agencies need to improve their services.

Translate the Chinese into English.

我国的人民币汇率政策主要考虑本国的对外经济、国际收支平衡等方面因素，而不是个别国家的贸易逆差或者顺差。我国的国际收支平衡情况来看，我们有一点经常项目顺差，不算很大。同时，我们也需要对人民币汇率机制进行改革，不断完善人民币汇率的形成机制，使我国在中长期更好地适应对外开放的新形势，保持金融稳定。我们将积极稳妥、有计划分步骤地推进人民币汇率机制改革，并选择合适的时机出台。当然，由于中国经济在世界经济中的作用变得比以前大了，作为一个负责任的大国，我们会考虑这项改革对地区和全球经济的影响。

Key

Match: BFAGCDEIH

Cloze: C B G G D

Translation:

1. “金融生态”它指的主要不是金融机构的内部运作，而是金融运行的外部环境，也就是金融运行的一些基础条件。法律制度环境是金融生态的主要构成要素，比如法规能否很好地保护投资者、存款者的权益，会计准则是否足够高，《破产法》是否完善，是否有利于建立和维护良好的金融秩序等。改善金融生态需要社会各方面的共同努力。一是要建立良好的法律和执法体系，在法律体系中，《破产法》是至关重要的，因为它涉及到贷款人能否运用最后手段，使破产起诉成为制约借款人的最终底线；二是要加快企业客户包括国有企业的市场化改革；三是要建立和完善社会信用体系；四是要提高会计、审计和信息披露等标准；五是要提升中介机构的专业化服务水平。

2. In setting the exchange rate policy, we will mainly take into consideration of China's domestic economic situation and balance of payments, rather than the bilateral trade deficits or surpluses with some individual countries. Regarding China's international balance of payments, our current account is in moderate surplus. At the same time, we need to reform the mechanism for determining the RMB exchange rate so that we can maintain financial stability in the medium- and long term as we continue to integrate with the world economy. We will make active and steady efforts to push ahead with the reform of the RMB exchange rate regime on a well-planned and step-by-step basis. Relevant policy measures will only be taken at proper time. Given that China is playing an increasingly important role in the global economy, we will assume a responsible attitude and take into consideration the impact of RMB exchange rate reform on the regional and global economy.