

对外经济贸易大学

2000-2001 学年第一学期

ENG353 《金融英语阅读》期末考试试卷 (A)

本试卷适用于：全校三年级各专业的学生 (99 级)

学号： _____

姓名： _____

班级： _____

成绩： _____

1. Translate the following financial terms.(20%)

- 1) IDA
 - 2) SDR
 - 3) IFC
 - 4) OECD
 - 5) Clipping
 - 6) Laissez-faire
 - 7) Debasement
 - 8) MIGA
 - 9) Convertible paper money
 - 10) in arrears
- 1) 扶贫 (工作)
 - 2) "大一统"银行系统
 - 3) 垂直管理体制
 - 4) 霸权
 - 5) 金本位制崩溃
 - 6) 互惠主义
 - 7) 银根紧缩
 - 8) 差别价格
 - 9) 收益差
 - 10) 空头交易

2. Paraphrase the underlined words in English according to the text. (15%)

- 1) The IFC's policy is to favor joint ventures that have some local capital committed at the outset, or at least the probability of local capital involvement in the foreseeable future.
- 2) To date, there have been no defaults on loans made by the World Bank.
- 3) Rugged individualistic liberalism based upon Anglo-Saxon roots knew, rendering their liberal ideology rigid and dogmatic.
- 4) The value of a commodity or token used as money also fluctuates, and when there is inflation, its value persistently falls.
- 5) They put their reputation on the line when they endorse a company's report.

3. Please translate the following sentences into either Chinese or English (20%)

- 1) The "whole earth" approach to political economy--a *world view*--remains the exception and not the rule. Economists note that their discipline was traditionally called "political economy," the queen of the social sciences dating back at least to Adam Smith's *Wealth of Nations*, published in 1776.
- 2) Barter can take place only when there is a double coincidence of wants. A double coincidence of wants is a situation that occurs when person A wants to buy what person B is selling and person B wants to buy what person A is selling.
- 3) 政府对国际贸易中的小汽车和多数其它商品进行调控。他们对进口征收税款，称为关税，同时建立配额制，以对可能进口的数量进行限制。
- 4) 货币是为人们广为接受的，作为商品和服务支付手段的任何商品或辅币，货币有四种职能：交换媒介、价值尺度、储藏手段、延期支付手段。

4. Please fill in the following blanks with ONE appropriate word in each blank. (15%)

The balance of _____ is a statistical record of _____ the economic transactions between residents of the reporting country _____ residents of the rest of the world during a given _____ period. The usual reporting period _____ all the statistics included in the account is one year. _____, some of the statistics that make _____ the balance of

payments are published _____ a more regular monthly and quarterly basis. Without _____ the balance of payments is one of the _____ important statistical statements for any country. It reveals how many goods and _____ the country has been exporting and _____ and whether the country has been _____ from or lending money to the rest of the world. _____ addition, whether or _____ the central monetary authority (usually the central bank) has added to or reduced its reserves of foreign currency is reported in the statistics.

5. Please read the following 2 articles and briefly answer the questions given. (20%).

Article 1

Compared with the central banks of some other countries, the Federal Reserve System of the United States which has a history of only about 80 years, is relatively young.

The “Federal Reserve Act” passed by American Congress in 1913 aims at providing a relatively secure and flexible banking and monetary system. Today, the Federal Reserve System is an institution with regional dispersion. In terms of ownership and control, there are representatives of government interests as well as private interests. This is a recognition of a long-standing conviction: the participation of private sector is essential to the creditability and management of the Central Bank.

Currently, the Board of Governors of the Federal Reserve System consists of seven members, appointed by the President, subject to Senate approval. Each member must come from a different geographical region.

In order to maintain a balance between central supervision in Washington and participation of various regions as well as private sector, Congress established 12 regional Federal Reserve Bank, each providing service for a geographical region. As an independent institutional entity, the regional bank, with a board of directors and member banks as shareholders, is an important aspect of the Federal Reserve Act.

There are three basic functions for the central bank:

Firstly, the responsibility of the central bank is the formulation and execution of monetary policy, with the twin goals of promotion of price stability at home and stimulation of genuine growth of economy. These goals are still be the core of central bank policies.

Another important responsibility of a central bank is the supervision or participation in supervision, to a certain degree, of the member banks and financial institutions. A sound banking and financial structure is crucial to an effective monetary policy. Confidence in the health and soundness of the banking and financial system will facilitate the mobilization of social savings which, in turn, will be used in productive investment, thus promoting economic growth.

The third major function of the central bank is the supervision of the clearing mechanism. A reliable clearing mechanism which can settle inter-bank transaction with high efficiency is crucial to a well-operated financial system.

Why does it matter whether there is certain degree of independence for a central bank?

Generally speaking, the greater the independence of the central bank, the less likely it will become the target of short-term political pressure. The central bank under direct regular government control seems inevitable to carry out a relaxed credit policy, especially at a time of approaching election. What is even worse, it directly provides capital to cover the government's deficit.

Although these policies may be remedy to the critical situation of some short-term problems, they will in the end produce an upward swing of inflation and lead to an inevitable tightening of credit in the future. Independence is also conducive to the central bank in its execution of the supervisory responsibility and makes it possible for the central bank to resist the pressure for relaxing or tightening regulation standard, depending on in which direction the political wind blows.

1) Please translate the underlined parts of the second paragraph into Chinese.

Today, the Federal Reserve System is an institution with regional dispersion. In terms of ownership and control, there are representatives of government interests as well as private interests.

2) What is the significance of setting up the regional banks?

3) What is the most important part in the central bank's policies?

4) Can you use another proper word or term to replace the underlined word "clearing" in the 8th paragraph?

5) According to the text, why is independence so important for the central bank?

Article 2

Recessions are deflationary events. They open up a gap between aggregate supply and demand that both reduces cost pressures and curtails pricing leverage. The outcome usually takes the form of a cyclical disinflation---a temporary easing in the inflation rate that then begins to reverse itself in the subsequent recovery. Deflation is the extreme of disinflation. It represents the rare occurrence of an outright contraction in the aggregate level—a lethal result for the real economy and financial markets. Unfortunately, that's where the risks now lie. There is a growing chance, in my view, that both the world and the US economy could experience a whiff of deflation over the next couple of years.

The world is not exactly lacking in modern-day examples of deflation. That's especially the case in Asia, which accounts for about one-third of global output. The price level in Japan, the second largest economy in the world, has contracted in five of the past six years. Our latest forecast calls for at least another two-year of Japanese deflation over the 2001-2 interval, with that nation's CPI projected to fall at a 1.1% average rate over that interval. Greater China, increasingly the price setter at the margin for Asia ex Japan, has also had a brush with deflation. For the PRC, the CPI

declined by an average of about 1% in both 1998 and 1999 and, at present, is barely hovering in positive territory--+1.0% in August 2001. Hong Kong is in the midst of its third consecutive year of deflation, and our latest estimates call for an increase of just 0.3% in the aggregate Taiwanese price level in 2001. At the same time, Singapore, which had a whiff of deflation in 1998, saw its CPI slow to a 29-month low of 0.5% in September 2001.

Outside of Asia, deflation is the exception—not the rule. One of those exceptions is Argentina, which is in the midst of a third consecutive year of outright deflation. Another exception could well be the United States. Two reasons come to mind—the first being the impacts of the business cycle. Downside risks to inflation are not arrested when recessions are over. Indeed, policy stimulus or not, deflationary pressures typically intensify well into the first year of economic recovery. Over the past seven business cycles, the chain-weighted GDP price index slowed from an average of 4.4% in the year prior to recession to 2.9% in the year following recession. That means the typical recession has knocked an average of 1.5 percentage points off the US inflation rate. Applying this norm—1.5 percentage points of disinflation—to the current pre-recession trend of 2.3% inflation in the year ending 2001 would produce a 0.8% inflation rate in the year following this downturn. To be sure, this mechanistic rule of thumb simplifies a very complex story and masks a good deal of variability in disinflation cycles of the past. But with the US economy entering this recession with a very low inflation rate, a surprisingly close call with deflation could well be in the cards for the United States at some point over the next couple of years.

A second, and perhaps more important reason to worry about US deflation is the legacy of America's popped asset bubble. In the rush to focus on the recessionary shock of 11 September, financial market are losing sight of what I continue to believe is the single most disruptive macro force in the US economy—the excesses associated with the Nasdaq bubble. The capacity overhang is a case in point. In earlier boom-bust capital spending cycles, the business fixed investment share of GDP went from more than 13% down to about 10%. In the current instance, this share has gone from around 13% to just 11.9% in 2001. That means businesses might be only about half way through the pruning of excess investment. Lingering investment excesses are a classic manifestation of an overhang of aggregate supply that puts ongoing pressure on the overall price level. The same is true of the excesses of household debt, the shortfall of personal saving, and a massive current account deficit. They all speak of a US economy that lived beyond its means as the asset bubble expanded. Now that the bubble has popped, a purging of those excesses is in order—an outcome that has the potential to trigger a lingering series of deflationary after shocks on the demand side of the equation as well. Just ask Japan.

Questions:

1. What are the differences among inflation, disinflation and deflation?
2. What does the writer think of the present economical situation of the United States?

Why does he think so?

3. Which Asian countries determine the price in this area?
4. Is deflation a widespread phenomenon in the American continent? Why or why not?
5. What does the sentence “a surprisingly close call with deflation could well be in the cards for the United States at some point over the next couple of years.” Mean?

6. Please summarize the following article in no more than 120 words (10%)

European finance officials fear they may have underestimated how many euro coins will be needed in the first days of next year - and there are also doubts about whether they will all be effectively distributed.

Indeed, while notes represent the security risk as the euro completes its transformation from abstract currency to hard cash, in many ways it is the coins that are the real headache.

The problem is threefold. Shipping coins is an arduous task because there are so many of them and they weigh so much - more than 50bn across the eurozone, weighing up to 8.5 grams apiece.

Putting them into the pockets and purses of people is also difficult. While almost everyone will get notes from automatic cash dispensers, the distribution of coins largely rests on getting hold of special kits and being handed the right change from often poorly-trained retailers - even for purchases paid for in the old "legacy" currencies.

All that is complicated by the final problem - no one really knows how many coins people will want. The difficulty is that while many people keep stashes of notes hidden away - now being returned to the banks, with a consequent drop in the amount of cash in circulation - the proportion of coins left dormant is even greater.

The French government estimates that the number of coins the country uses to buy things on a day-to-day basis is 2.5bn. But the total number in circulation is anything between 6bn to 8bn, the discrepancy accounted for by piles of unused coins on shelves, in piggy banks and down the sides of sofas.

Hence the uncertainty over how many coins people feel they will need. In response, the French have increased the initial distribution of coins from 3.5bn to more than 5bn. Eventually they plan to circulate 6.5bn. Similarly, Belgium has upped the number of "minikit" collections of coins that will be the easiest way for people to get their hands on the new currency. The country had initially planned to issue 4m minikits - about

one for each household. It is now making 5.5m available.

The Belgian government compliments itself that it has distributed two-thirds of the coins it needs to, but in France the task is made more difficult by the threat of strike action. Bank of France workers plan to strike on December 14, just as packs of the coins should become available to the public, while private sector bank employees threaten a strike on January 2, the first business day after the changeover.

In the wake of a blockade by workers at one mint, Laurent Fabius, France's finance minister, admitted last week to a "slight delay" in sending out coins to supermarkets, but says it will be resolved by December 15.

He even brushes aside worries about scarcity in the early days of next year. "If there aren't enough coins, that's not necessarily negative," he said. "Obviously people will pay in euros from January 1, but they can also go on paying in francs." But not indefinitely: French franc notes and coins will stop being legal tender on February 17.