

## Unit 10

### Financial World

### 金融世界

#### Comprehension questions:

1. What is making banks change?
2. In what way banks and other financial institutions are interwoven?
3. Are commercial banks already allowed to get into the securities business?
4. Is it possible to separate the commercial banking and investment banking?

#### Part A Exercises

- 1) **Directions:** *Listen to the news carefully and match the items in column A with the items in column B according to what you've heard.*

##### Column A

1. World Bank
2. Reminbi
3. Gilt market
4. American real bond yield
5. Direct marketing companies

##### Column B

- a. make unwanted calls and mails
- b. not high
- c. promise to make loans
- d. not pegged
- e. soar

- 2) **Directions:** *Listen to the news carefully and complete the following passage by filling in the words you hear from the tape.*

- (1) The World Bank has committed to lend \_\_\_\_\_ \$3bn a year for the next three years to improve the infrastructure of its rural areas, \_\_\_\_\_ to most of the country's poor.
- (2) From now on the renminbi, or yuan's, exchange rate will be \_\_\_\_\_ according to a \_\_\_\_\_ of currencies.
- (3) The gilt market \_\_\_\_\_ higher for most of the week even though hopes of a second interest rate \_\_\_\_\_ in the UK this year were all but abandoned.
- (4) Yields are \_\_\_\_\_ too low for America, but too high for Germany and Japan, causing the growth \_\_\_\_\_ to persist.
- (5) \_\_\_\_\_ about you are bought and sold by companies you have never heard of, in a trade \_\_\_\_\_ an estimated £2 billion in the UK last year.

#### Part B Exercises

- 1) **Directions:** *Dictation. Listen to the news coverage carefully and complete the*

*following passage by filling in the words you've heard.*

The Guangdong Development Bank (GDB) has been \_\_\_\_\_ by consumers as the most \_\_\_\_\_ brand name on China's bank card market, in terms of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_. In March, GDB's credit cards, surpassing \_\_\_\_\_, began to turn in profits. And GDB's Lady Card, the nation's first credit card \_\_\_\_\_ for women, is what won it the nod from women customers.

GDB issued its first credit card in \_\_\_\_\_ and its \_\_\_\_\_ card for women came in \_\_\_\_\_. Lu Shifeng, General Manager of GDB's Credit Card Center, said the \_\_\_\_\_ of women is yet to be fully exploited. "Before marriage, women, especially working women, are economically \_\_\_\_\_ with a strong desire to spend; even after marriage they are the ones in charge of everyday \_\_\_\_\_."

Amid rising consuming power, women's demand for \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ also grows. This is what prodded GDB to introduce its Lady Card, he said.

According to Lin Xiaohua, Deputy Manager of GDB's Credit Card Center, the bank already had seven years' experience in credit card business before it brought in the Lady Card. "We conducted market investigation and reached a conclusion based on long-time \_\_\_\_\_ users' information... We could identify our target users and know their consuming habits," he added.

**2) Directions:** *Listen to the news coverage again and answer the following questions.*

(1) What are the usual benefits of Lady card?

(2) Lady card comes with a slew of services for women, what are they?

### **Part C Exercises**

**1) Directions:** *Based on what you have heard from the tape, write "T" (true) or "F" (false) for each of the following statements.*

- (1) (        ) Foreign investments rush into China for gold.
- (2) (        ) Royal Bank of Scotland and its partners paid \$3.1 billion.
- (3) (        ) Foreign investors don't like to buy 100% of a Chinese bank

at first.

- (4) (        ) Investment bankers should evaluate their investment in Chinese banks as private equity investment.
- (5) (        ) HSBC and Citigroup have tended to buy into smaller banks because they think smaller banks are healthier in China.

**2) Directions:** *Listen to the news story and choose the right answer to each of the following questions.*

- (1) Which of the following is not true according to the recording?
- A. Chinese banks have poor management.
  - B. China's accounting system is not strict.
  - C. It's not easy to find true value of Chinese banks.
  - D. The bad loan rate has been decreased in China.
- (2) What kind of place is China to foreign investors?
- A. full of chances
  - B. easy to earn big profits
  - C. promising but risky
  - D. hard to do business
- (3) Bank of China sold its 10% shares to
- A. Royal Bank of Scotland.
  - B. Merrill Lynch.
  - C. Li Ka-shing.
  - D. All of the above.
- (4) What is the attitude of investors to such "strategic investment"?
- A. doubtful
  - B. supportive
  - C. confident
  - D. sarcastic
- (5) Which of the following is NOT the way to deliver returns to match the risks in Chinese banks?
- A. buying cheap
  - B. selling high
  - C. adding value
  - D. creating options

### **👤 👤 Acting out**

1. Simulation: Suppose you were a lecturer making a brief introduction to a group of newly enrolled college students about financial system. Prepare a half an hour lecture and role-play the lecture.

2. Research work: As a student majored in finance, you have done some research on Chinese banks and banking system, what problems have you identified and what suggestions can you give?

### **Key to Exercises**

#### **Part A**

1)

1-c            2-d            3-e            4-b            5-a

2)

1. India, home
2. adjusted, basket
3. squeezed, cut
4. arguable, gap
5. Details, worth

#### **Part B**

1)

1. voted
2. popular
3. reputation
4. recognition
5. user satisfaction
6. safety
7. convenience
8. market competitiveness
9. 2 million
10. tailored
11. 1995
12. dedicated
13. 2002
14. spending power
15. independent
16. expense
17. personal financial products
18. individual consumer credit
19. more convenient payment methods
20. accumulated

2)

1. The usual benefits are nationwide use, cash overdraws and no need for guarantors.
2. The Lady card comes with a slew of services for women: exclusive Web pages,

free information, an online club, various insurance plans. Cardholders also have access to travel and entertainment information and can book air tickets, make hotel reservations and even book tickets to music concerts.

**Part C**

1)

1. F      2. T      3. F      4. T      5. F

2)

1. D      2. C      3. D      4. A      5. B