

UNIVERSITE PARIS 1 PANTHEON-SORBONNE
ECOLE DE MANAGEMENT / DEPARTEMENT DES LANGUES
LICENCE DE GESTION ET ECONOMIE D'ENTREPRISE, Semestre 1

Partiel d'anglais appliqué à la gestion

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Sujet rédigé par C. Peynaud, PRAG

Durée : 2 heures

No documents allowed. Write your answers on the official answer sheets provided.

PART 1. Reading

A. Read the following text.

The Economist, Oct 12th 2013

The gated globe

Governments are putting up impediments to globalisation. It is time for a fresh wave of liberalisation.

5 IMAGINE discovering a boost for the world's economy. It would revitalise firms, increasing sales and productivity. It would facilitate access to credit and it would increase the range and quality of goods in the shops while keeping their prices low. What economic energy drink can possibly deliver all these benefits?

Globalisation can. Yet in recent years the trend to greater openness has been replaced by an enthusiasm for building barriers—mostly to the world's detriment.

The worst did not happen...

10 Not so long ago, the twin forces of technology and economic liberalisation seemed destined to bring ever more capital, goods and people across borders. When the global financial crisis started in 2008, that was replaced by fears of a replay of the 1930s. They were not realised, at least in part because the world had learnt the lesson: protectionism makes a bad situation worse.

15 Yet a subtler change took place: free globalisation has been replaced by more selective actions. As our special report shows, policymakers have become choosier about whom they trade with, how much access they give foreign investors and banks, and what sort of capital they admit. They have not built impermeable walls, but they are erecting gates.

20 That is most obvious in capital markets. Global capital flows fell from \$11 trillion in 2007 to a third of that last year. The decline has happened partly because banks wanted to protect their financial systems. Carefully used, capital controls can make financial systems less vulnerable to contagion, and crises less damaging. But governments must not forget the benefits of financial openness. Competition from foreign banks forces domestic ones to compete harder. Protecting banks and imposing capital controls protects from contagion, but also traps savings in countries with little use for them.

25 Fortunately, the World Trade Organisation (WTO), the trade watchdog, prevents most forms of protectionism, but governments have developed sneaky methods of avoiding its anger. New limitations—subsidies to domestic firms, for instance, local content requirements—have gained

30 popularity. According to Global Trade Alert, a monitoring service, at least 400 new protectionist measures have been put in place each year since 2009, and the trend is on the increase.

Big emerging markets like Brazil, Russia, India and China have displayed a more interventionist approach to globalisation that relies on industrial policy. It enjoys more respectability than tariffs and quotas, but raises costs for consumers and puts more efficient foreign firms at a disadvantage.

35 But the fate of globalisation depends most on America. Over the past 70 years it has used its influence to push the world to open up. Now that influence is threatened by China. Barack Obama's decision to skip an Asia-Pacific leaders' summit in Bali to battle the government shutdown at home was a symbolic one: China's and Russia's presidents managed to attend. Mr
40 Obama must reassert America's economic leadership by concluding a TPP (Trans-Pacific Partnership), even one with imperfections, and force it through Congress. The moribund world economy needs some of the magic that globalisation can deliver.

B. Vocabulary (5 points)

a. Define the following words from the text in ENGLISH (2.5 points)

1. Globalisation (l. 1)

2. productivity (l. 4)

3. protectionism (l.12)

4. WTO (l.22)

5. subsidies (l.25)

b. Fill in the blanks with the following words (2.5 points)

global / investment / developed / output / resources / markets / advantage / trade / developing / interdependence

Write only the number of the word and the answer.

What are the benefits of open (1)_____?

(2) _____ and foreign direct (3) _____ are major engines of growth in (4) _____ and (5) _____ countries. Trade has consistently been stronger than domestic (6) _____. Trade - and market integration has led to deeper forms of economic (7) _____ among nations, as a growing number of developing and former centrally-planned economies have become more closely linked to the (8) _____ economy.

The case for open markets rests on solid foundations. One of these is the fact that when individuals and companies engage in specialisation and exchange, a country will exploit its comparative (9) _____. It will devote its natural, human, industrial and financial (10) _____ to their highest and best uses. This will provide gains to firms and consumers alike.

OECD, October 1999, «Open Markets Matter: The Benefits of Trade and Investment Liberalisation»

C. Comprehension (5 points)

a. TRUE or FALSE. Justify your answers by quoting the text. (2.5 points)

1. The author defends the idea that protectionism is the right solution to the crisis. T/F
2. Most countries in the world have put up protectionism measures in recent years. T/F
3. Trade between countries has been completely abandoned after the crisis. T/F
4. The decrease of capital flows represents both a protection and a threat for banks. T/F
5. Many countries use new forms of protectionism. T/F

b. Explain the following extracts from the text IN YOUR OWN WORDS. (2.5 points)

Explain BRIEFLY what these extracts mean in the context of this article.

1. "The gated globe" (title)
2. "When the global financial crisis started in 2008, that was replaced by fears of a replay of the 1930s." (l. 11-12)
3. "protectionism makes a bad situation worse." (l.13-14)
4. "Yet a subtler change took place" (l. 15)
5. "governments have developed sneaky methods of avoiding its anger." (l.27)

PART 2. Grammar (5 points)

Complete the following sentences with a modal from the following list. Put the following verb in the right form, with the appropriate tense.

Mustn't / don't have to / must / have to / should

1. If we sign the contract we'll put our market position at risk. We _____ (sign) it.
2. You _____ (complete) your own report, it was a waste of time. That's what we pay our consultancy company for.
3. Your performance is improving but it's still not enough. You _____ (put in) still a bit more effort.
4. The deadline was tight. We _____ (submit) the report by 31st December.
5. You _____ (tell) him about the result of the survey. It is confidential.
6. We were in trouble. We _____ (contact) our lawyer.
7. He can work independently. I think we _____ (give) him more autonomy in his work.
8. You _____ (come) in tomorrow. There's going to be a system test so nobody can do any work anyway. Take the day off and have a nice time with your family.
9. If you lose your password, you _____ (use) your colleague's - ask the operator for another one.
10. "I'm sorry, I really _____ (go) now. I have a meeting in ten minutes."

PART 3. Essay (5 points)

It is said in the article that “the WTO [...] prevents most forms of protectionism” (line 26). Discuss this WTO policy. Give examples.

You should provide definitions of free trade and protectionism and explain the advantages and drawbacks of both strategies.

200 words (+/- 10%)

Answer key

B. Vocabulary (5 points)

a. Define the following words from the text in ENGLISH (2,5 points)

1. Globalisation (l. 1): *The process of worldwide economic integration.*
2. Productivity (l. 4): *The relation between the amount produced (output) an one unit of land, labour or capital used (input) to produce that output.*
3. Protectionism (l.12): *The imposition of duties or quotas on imports in order to protect domestic industry against foreign competition.*
4. WTO (l.22): *World Trade Organisation, an international organisation based in Geneva that monitors and enforces rules governing international trade (successor of the GATT, created in 1947)*
5. Subsidies (l.25): *Economic benefit or financial aid provided by a government to support a desirable activity.*

0.25 point for the content of the definition

0.25 point for the quality of English

b. Fill in the blanks with the following words (2,5 points)

global / investment / developed / output / resources / markets / advantage / trade / developing / interdependence

Write only the number of the word and the answer.

- | | | |
|---------------|--------------------|--------------|
| 1. markets | 5. developing | 9. advantage |
| 2. Trade | 6. output | 10 Resources |
| 3. investment | 7. interdependence | |
| 4. developed | 8. global | |

0.25 point for the right word with the correct spelling.

C. Comprehension (5 points)

a. TRUE or FALSE. Justify your answers by quoting the text. (2,5 points)

1. The author defends the idea that protectionism is the right solution to the crisis. T/F
1 **FALSE:** It is time for a fresh wave of liberalisation. (l. 1-2)
2. Most countries in the world have put up protectionism measures in recent years. T/F

TRUE: “in recent years the trend to greater openness has been replaced by an enthusiasm for building barriers—mostly to the world’s detriment.” (l.7-8)

3. Trade between countries has been completely abandoned after the crisis. T/F

FALSE: “They have not built impermeable walls, but they are erecting gates.” (l.18)

4. The decrease of capital flows represents both a protection and a threat for banks. T/F

2 **TRUE:** Protecting banks and imposing capital controls protects from contagion, but also traps
3 savings in countries with little use for them. (l.23-25)

5. Many countries use new forms of protectionism. T/F

TRUE: “New limitations—subsidies to domestic firms, for instance, local content requirements—have gained popularity.” (l.27-19)

0.25 point for the right answer (true-false)

0.5 point for the right answer and the right quote.

Nothing to be awarded for a wrong answer with the right quote.

b. Explain the following extracts from the text IN YOUR OWN WORDS. (2,5 points)

Explain BRIEFLY what these extracts mean in the context of this article.

1. “The gated globe” (title)

Most countries have recently chosen to limit their international exchanges and now select the countries they implement free trade agreements with.

2. “When the global financial crisis started in 2008, that was replaced by fears of a replay of the 1930s.” (l. 11-12)

After the beginning of the crisis in 2008, many countries were afraid that the crisis might become as serious as the crisis in the 1930s. That is why they tended to become more protectionist than before.

3. “protectionism makes a bad situation worse.” (l.13-14)

Protectionism cannot help solve the crisis as countries need to exchange for their economic situation to improve. In the 1930s, protectionism made the situation even worse.

4. “Yet a subtler change took place” (l. 15)

After the 2008 crisis, countries did not implement complete protectionism but they were more subtle: they implemented measures that favoured their home economy, like subsidies to some of their home companies.

5. “governments have developed sneaky methods of avoiding its anger.” (l.27)

The WTO recommends that protectionism be avoided, but countries found ways to circumvent the WTO rules by putting into place slighter protectionist policies.

0.25 point for a good understanding of the extract.
0.25 point for an answer expressed in correct English.
Nothing to be awarded if the extract has not been understood.

PART 2. Grammar (5 points)

Complete the following sentences with a modal from the following list. Put the following verb in the right form, with the appropriate tense.

Mustn't / don't have to / must / have to / should / should not

11. Mustn't sign
12. Did not have to complete
13. Should / must put in
14. Have to submit
15. Should not have told
16. Should have contacted
17. Should give.
18. Don't have to come
19. Mustn't use
20. Must go

0.25 point for the right modal
0.25 point for the correct form of the verb.

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PART 3. Essay. (5 points)

English -----	/2
<i>(Grammar, use of the specialized vocabulary)</i>	
Structure of the essay -----	/1
<i>(Introduction, several parts, conclusion)</i>	
Content -----	/2
<i>(Quality of the arguments, presence and relevance of the examples)</i>	

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