

UNIVERSITE PARIS 1 PANTHEON-SORBONNE

ECOLE DE MANAGEMENT DE LA SORBONNE / DEPARTEMENT DES LANGUES

LICENCE DE GESTION ET ECONOMIE D'ENTREPRISE, Semestre 2

Partiel d'anglais appliqué à la gestion

Date : 7 mai 2015

Durée: 2 heures

Enseignant responsable : Jean-Toussaint Pindi, Maître de conférences

Sujet rédigé par Pascal Martin, Chargé de cours, et Ellen Carter, ATER.

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

PART I: Reading

A. Read the text below entitled '**Warning: Stocks Will Collapse by 50%**' and address the ensuing vocabulary and comprehension exercises.

Warning: Stocks Will Collapse by 50%

It is only a matter of time before the stock market plunges by 50% or more, according to several reputable experts.

"We have no right to be surprised by a severe and imminent stock market crash," explains Mark Spitznagel, a hedge fund manager who is notorious for his hugely profitable investments during the 2008 crisis. "In fact, we must absolutely expect it."

Unfortunately Spitznagel isn't alone.

"We are in a gigantic financial asset bubble," warns Swiss adviser and fund manager Marc Faber. "It could burst any day."

Faber doesn't hesitate to put the blame squarely on President Obama's big-government policies and the Federal Reserve's risky low-rate policies, which, he says, "penalize the income earners, those with savings, your parents – why should your parents be forced to speculate in stocks and in real estate and everything under the sun?"

Billion-dollar investor Warren Buffett is rumored to be preparing for a crash as well. The "Warren Buffett Indicator," also known as the "Total Market Cap to GDP Ratio," is breaching sell-alert status and a collapse may happen at any moment.

So with an inevitable crash looming, what are Main Street investors to do? One option is to sell all your securities and stuff your money under the mattress, and another option is to risk everything and ride out the storm.

But according to Sean Hyman, founder of Absolute Profits, there is a third option.

"There are specific sectors of the market that are all but guaranteed to perform well during the next few months," Hyman explains. "Getting out of stocks now could be costly."

How can Hyman be so sure?

He has access to a secret Wall Street calendar that has beaten the overall market by 250% since 1968. This calendar simply lists 19 investments (based on sectors of the market) and 38 dates to buy and sell them, and by doing so, one could turn \$1,000 into as much as \$178,000 in a 20-year time frame.

"But this calendar is just one part of my investment system," Hyman adds. "I have also designed a Crash Alert System that is designed to warn investors before a major correction as well." (The Crash Alert System was actually programmed by one of the individuals who coded nuclear missile flight patterns during the Cold War so that it could be as close to 100% accurate as possible).

34 Hyman explains that if the market starts to plunge, the Crash Alert System will
signal a sell signal warning investors to go to cash.

36 "You would have been able to completely avoid the 2000 and 2008 collapses if
you were using this system based on our back-testing," Hyman explains. "Imagine how
much more money you would have if you had avoided those horrific sell-offs."

38 One might think Sean is being too confident, but he has proven himself correct in
front of millions of people time and time again.

40 In a 2012 interview on Bloomberg Television, Hyman said that the retail
electronics business Best Buy would drop down to \$11 a share and then it would rally
42 back up to \$40 a share over the next few months. The stock did exactly what Hyman
said.

44 Then, during a Fox Business interview with Gerri Willis in early 2013, he said
that the market would rally to new highs of 15,000 despite the massive sell-off that was
46 haunting investors. The stock market almost immediately rallied and hit Hyman's
targets.

48 "A lot of people think I am lucky," Hyman said. "But it has nothing to do with
luck. It has everything to do with certain tools I use. Tools like the secret Wall Street
50 calendar and my Crash Alert System."

52 With more financial uncertainty than ever, thousands of people are flocking to
Sean Hyman for his guidance. He has over 114,000 subscribers to his monthly
newsletter, and his investment videos have been seen millions of times.

Source: adapted from News Max Finance, 3 Oct 2014; <https://www.newsmax.com/Finance/MKTNews/Stock-Collapse-Crash-Alert/2014/09/23/id/596321/>

B. Vocabulary (5 points)

a) Find a word in the text that corresponds to the following definitions from your textbook. You must give the line reference of the word or words you have selected. (2.5 points)

1. Sharp decline in economic activity and stock prices
2. Item of value that an individual or a firm owns
3. A fund of money put by as a reserve
4. General name for stocks and shares of all types
5. Firm, company or other form of enterprise

b) Find a word or words in the text that mean the same as the following. You must give the line reference of the word or words you have selected. (2.5 points)

6. To invest in ways that could produce a large profit but that are also risky
7. Passed as information from person to person but not yet proven to be true
8. Involving heavy expense or sacrifice
9. Recovery of price after a decline
10. People who sign up to receive something regularly

C. Comprehension (5 points)

Say whether the statements below are **True** or **False** according to the text.
You must justify your answer with a line number (or numbers) from the text.

1. Mark Spitznagel made money during the 2008 collapse.
2. Warren Buffett says a crash is inevitable.
3. The Crash Alert System is not the only tool to predict an imminent market fall.
4. In a crash, some stock prices fall more than others.
5. If you invest \$1,000 in Hyman's system today, you will have \$178,000 in two decades.
6. Hyman used his system in 2000 and 2008 to avoid his investments losing value.
7. Best Buy's stock immediately increased after Hyman mentioned it on television.
8. Hyman publicly predicted a stock market peak.
9. Hyman believes he is lucky.
10. Millions of people are using Hyman's investment system.

PART II. Grammar (5 points)

a) Complete the following sentences using *much*, *many*, *few*, *a few*, *little*, or *a little*.
(2.5 points)

1. How ___ money did we lose when the stock market crashed?
2. Could you come back in two minutes? I need ___ more time to finish the report.
3. The economy is improving: only ___ companies went bankrupt last quarter.
4. The company received so ___ complaints that it had to withdraw the product.
5. How ___ potential buyers have been invited to the product launch?
6. We have nearly sold out; the last ___ boxes are on that shelf.
7. Quite ___ customers have paid for our new service.
8. It was a terrible interview; there is ___ chance I will be offered that job.
9. White-collar workers use computers ___ more than blue-collar workers.
10. The product is perfect but we can still improve its packaging ___.

[Grammar section continued on the next page]

b) Using the verb in brackets, complete each sentence with an infinitive ('to' + verb) or gerund (-ing). (2.5 points)

Example: I enjoy ___ chocolate (eat) → I enjoy eating chocolate
I want ___ chocolate (eat) → I want to eat chocolate

11. I recommend ___ that report before the meeting. (read)
12. The board of directors decided ___ the new stock issue. (cancel)
13. The SEC plans ___ companies more closely in the future. (regulate)
14. Investment banks attempt ___ bonds to other security dealers. (sell)
15. Cooperative members like ___ ownership and control. (share)
16. Trade unions hope ___ their members' pay and conditions (improve)
17. Barter involves ___ goods or services rather than money. (exchange)
18. Unemployed workers worry about ___ their families. (support)
19. Frequent strikes threaten ___ a country's economy. (harm)
20. In a recession, companies put off ___ new employees. (hire)

PART III. Writing (5 points)

Write an essay of between 200 and 300 words on the statement:
'A stock market crash can be predicted'.

You must provide a definition of 'stock market crash' and say whether you agree or disagree with the statement, supporting your opinion with arguments.

Provide a word count at the end of your essay. You lose 1 point if you fail to do so and/or if you write more or fewer words than required.

Key to answers and guidelines for marking

Part 1:

B: Vocabulary

a) definitions

1. Crash (lines 3, 13, 16, 29, 30, 33, 50)
2. Asset (line 7)
3. Savings (line 11)
4. Securities (line 17)
5. Business (lines 41, 44)

Marking: Half a mark for a correct answer coupled with the correct line references.

Quarter of a mark for a correct answer without correct line reference(s). Nothing to be awarded otherwise.

b) synonyms: answers

6. speculate (line 12)
7. rumored (line 13)
8. costly (line 22)
9. rally / rallied (line 41; 45; 46)
10. subscribers (line 52)

Marking: Half a mark for a correct answer coupled with the correct line references.

Quarter of a mark for a correct answer without correct line reference(s). Nothing to be awarded otherwise.

C: Comprehension (5 points)

Answers

1. TRUE: line 4-5 "his hugely profitable investments during the 2008 crisis"
2. FALSE: line 13 "Buffett is rumored to be preparing for a crash"
3. TRUE: 14-15 "the 'Warren Buffet Indicator', also known as the 'Total Market Cap to GDP Ratio' is breaching sell-alert status..."
4. TRUE: 20-21 "There are specific sectors of the market that are all but guaranteed to perform well during the next few months"
5. FALSE: line 26-27 "one could turn \$1,000 into \$178,000 in a 20-year time frame"
6. FALSE: 35-36 "you would have been able to avoid the 2000 and 2008 collapses if you were using this system based on our back-testing"
7. FALSE: line 41-42 "Best Buy would drop down to \$11 a share and then..."
8. TRUE: 45-46 "the market would rally to new highs of 15,000..."
9. FALSE: line 48-49 "it has nothing to do with luck"
10. FALSE: line 51-53 "thousands of people are flocking to Sean Hyman for his guidance"

Marking: Half a mark if **both** the answer (T or F) **and** the justification are correct.

Nothing to be awarded if the answer is correct but the justification wrong, or if the answer is wrong but the justification correct. Nothing to be awarded either if there is a blank or if both the answer and the justification are wrong: see table for details:

Answer (T/F)	Justification	Mark
Correct	Correct	0.5
Correct	Incorrect	0
Incorrect	Correct	0
Incorrect	Incorrect	0

Part II: Grammar (5 points)

a) quantifiers: Answers

1. How much money did we lose when the stock market crashed?
2. Could you come back in two minutes? I need a little more time to finish the report.
3. The economy is improving; only a few companies went bankrupt last quarter.
4. The company received so many complaints that it had to withdraw the product.
5. How many potential buyers have been invited to the product launch?
6. We have nearly sold out; the last few boxes are on that shelf.
7. Quite a few customers have paid for our new service.
8. It was a terrible interview; there is little chance I will be offered that job.
9. White-collar workers use computers much / a little more than blue-collar workers.
10. The product is perfect but we can still improve its packaging a little.

Marking: Quarter of a mark for a correct answer. Nothing to be awarded otherwise.

b) Infinitive / Gerund: Answers

11. I recommend reading that report before the meeting.
12. The board of directors decided to cancel the new stock issue.
13. The SEC plans to regulate companies more closely in the future.
14. Investment banks attempt to sell bonds to other security dealers.
15. Cooperative members like sharing ownership and control.
16. Trade unions hope to improve their members' pay and conditions
17. Barter involves exchanging goods or services rather than money.
18. Unemployed workers worry about supporting their families.
19. Frequent strikes threaten to harm a country's economy.
20. In a recession, companies put off hiring new employees.

Marking: Quarter of a mark for a correct answer. Nothing to be awarded otherwise.

Part IV. Essay writing (5 points)

Marking: **1 point** to be systematically awarded for requisite length. Please make sure that the student has counted the number of words used in the essay and that the word count is genuine or accurate. This point is to be withheld if the essay is too long or not long enough or again if the student has failed to provide the word count.

Up to 2 points to be awarded for satisfactory substance. The breakdown of points is as follows:

- up to 0.5 point for a satisfactory explanation or definition of the expression 'stock market crash'.
- up to 0.5 point if the student gives their own point of view.
- up to 1.0 point if the student gives arguments to support their point of view

Up to 2 points to be awarded for the standard of English. The breakdown of points is as follows:

- up to 0.5 point for a good sequencing of ideas (*coherence*)
- up to 0.5 point for a good use of link words (*cohesion*)
- up to 0.5 point for good spelling and for a good choice of words, especially an adequate use of specialist terms (*vocabulary*)
- up to 0.5 point for good sentence construction (*grammar*)

Please note that *up to* means that you should feel free to award less if warranted: a quarter of a mark instead of half a mark, for example.