

UNIVERSITE PARIS 1 PANTHEON-SORBONNE
UFR 06 / SGEL
LICENCE DE GESTION ET ECONOMIE D'ENTREPRISE, Semestre 3

Partiel d'anglais appliqué à la gestion

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Maître de conférences

Date : 28 janvier 2010
Durée: 2 heures

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

PART I: Reading

*A. Read the text below entitled **Wall St. Ends Higher After 3-Day Fall, but Concerns Persist** and address the ensuing exercises.*

Wall St. Ends Higher After 3-Day Fall, but Concerns Persist

Wall Street **shares** closed higher on Monday as **investors** tried to look beyond the blistering losses of the previous week. Talk of the potential for more steep declines lingered, however, as **traders** nervously studied data on the fragile housing market and reports of more layoffs.

On Monday, investors seemed eager to forget the jitters of last week, when the Dow Jones industrial average fell to its lowest level since November and the overall market declined about 5 percent over three days. Those sudden losses stirred talk that a market correction- a decline of 10 percent or more- could be at hand. Some of the market's worst performers last week -bank and materials stocks- helped lead gains on Monday, suggesting that investors believed the recent skepticism was overdone.

The Dow Jones industrial average rose 0.23 of a percent, or 23.88 points, to 10,196.86. The broader Standard & Poor's 500-stock index increased 0.46 of a percent, or 5.02 points, to 1,096.78. The Nasdaq composite index climbed 0.25 of a percent, or 5.51 points, to 2,210.80 in part because of a 2.59 percent gain for Apple before its earnings report.

The mood on Wall Street was restrained and trading was light as investors awaited several important economic events this week – the State of the Union address from President Obama, an announcement on interest rates and a report on the rates of economic expansion. “What they're saying is the world's not going off of the cliff,” said Doug Roberts, chief investment strategist for Channel Capital Research. “But people are still wondering, 'We've kind of stabilized the economy now, but where's the rebound going to be?’”

Investors were relieved at indications that the Federal Reserve chairman, Ben S. Bernanke, might have an easier path to a second term than was thought last week, when a wave of populist discontent threatened to endanger his confirmation. After two Democratic senators announced they would vote against him, traders worried Mr. Obama might face pressure to nominate a Fed chief who would be tougher on Wall Street. But nerves seemed to calm a bit over the weekend when the White House reaffirmed its belief that Mr. Bernanke would be confirmed.

“**The market** does not like uncertainty, and the odds look good for his confirmation now”, said Linda A. Duessel, a strategist at Federated Investors. “The concern is ongoing about whether the Fed will remain independent or whether it will be a political situation.”

Persistently high unemployment remains a worry on Wall Street. The jobless rate remains at 10 percent, and reminders are frequent that businesses are finding it hard to survive without slimming down. Wal-Mart, the nation's largest **retailer**, said on Sunday it was cutting about 11,200 jobs at its Sam's Club warehouses. Ericsson, the maker of mobile phone equipment, said on Monday that it planned to cut 1,500 jobs this year, mostly in Sweden.

While unemployment remains a concern, investors are also closely watching developments in the housing sector. On Monday, a report revealed persistent weaknesses in the housing market, as sales of existing homes in December tumbled 16.7 percent from November. The results were far worse than expectations of a 9.8 percent drop, and raised concerns that the housing market might not rebound without more government support. Even amid enthusiastic trading Monday, uncertainties abounded.

When the Fed meets on Wednesday to set interest rates, it is expected to keep rates at exceptionally low levels to spur lending. That evening, Mr. Obama will deliver his State of the Union address, and he faces increased pressure to provide details on his plans for bolstering economic growth. The government will report the economy's fourth-quarter rate of expansion, measured by gross domestic product, on Friday.

Overseas, stocks were down on Monday. The Nikkei in Japan closed 0.74 percent lower, and the Hang Seng in Hong Kong fell 0.62 percent. The FTSE 100 in London dropped 0.8 percent, the CAC 40 in Paris declined 1.02 percent, and the DAX in Frankfurt was off 1.12 percent. Oil gained 72 cents, to \$75.26 a barrel, and the dollar weakened slightly against the euro, but gained against the yen. Gold climbed to \$1,098.40 an ounce after three days of losses. Interest rates were slightly higher. The treasury's 10-year note fell 5/32, to 97 30/32, and the yield rose to 3.63 percent, from 3.61 percent late Friday.

Javier C. Hernandez, *The New York Times*, January 25, 2010

B. Vocabulary (5 points)

a) definitions: *Define or explain the following concepts in English as they are used in the text. Do not translate them into French.*

1. shares (paragraph 1, line 1):
2. investors (paragraph 1, line 1):
3. traders (paragraph 1, line 3):
4. The market (paragraph 5, line 7):
5. retailer (paragraph 6, line 3)

b) synonyms: *Find in the text verbs expressing the following trends. Give the line reference of the verb you have selected.*

6. an increase (3 verbs):
7. a decrease (3 verbs):
8. a significant decrease (1 verb):
9. an increase that follows a decrease (1 verb):

c) collocations:

10. Find the names of stock indexes quoted in the text and say which marketplaces and which countries they are associated with. Select only those located outside the USA.

C. Comprehension (5 points)

Answer the following questions to show your understanding of both the text and the subject. Give as much information as possible in your answers.

1. What is Wall Street and how different is it from Nasdaq?
2. What is the Dow Jones industrial average?
3. Why is Standard and Poor's referred to as "broader" (paragraph 3, line 2)?
4. Which stock indexes quoted in the text have figures attached to their names and what do the figures represent?
5. What uncertainties surround the market?

PART II. Grammar (5 points)

Make correct sentences with the verbs below in the simple past tense to describe the **market trend** requested. Use a different verb in each sentence.

to crash, to deteriorate, to get better, to get worse, to go down, to go up, to hit bottom, to improve, to surge, to plunge, to plummet, to rally, to recover, to reach a peak, to peak, to rocket, to slip, to shoot up

1. an increase
2. an increase
3. a significant increase
4. a significant increase
5. an increase that follows a decrease
6. an increase that follows a decrease
7. a decrease
8. a decrease
9. a significant decrease
10. a significant decrease

PART III. Writing (5 points)

The market does not like uncertainty. (paragraph 5, line 7)

Do you agree with the assertion or otherwise? Argue your point in a minimum of 250 words. Write coherently in continuous paragraphs. When you finish, count and write the number of words you have used in your essay. You lose 1 point if you fail or forget to do so.

Good luck!

Key to answers and guidelines for marking

Part I. B: Vocabulary (5 points)

a) definitions

1. *shares* : parts or portions of the (equity) capital of a company: other words are stocks, securities, or equities
2. *investors*: buyers of stocks who usually resell at a profit. They can be individuals (small investors) or institutions such as banks, pension funds or insurance companies also known as institutional investors.
3. *traders*: people or companies involved in the activity of buying and selling shares. Those who act as intermediaries are specifically known as stockbrokers.
4. *The market*: in the text, it refers to the stock market also known as the stock exchange. It is a place where stocks are exchanged, in other words bought and sold. In the text, the word market also refers to investors and traders who are the main actors operating on the stock exchange.
5. *retailer*: a person or a company involved in the activity of selling products or services in small units directly to the final consumer.

b) synonyms

6. 3 of the following verbs: closed higher (paragraph 1, line 1), rose (paragraph 3, line 1), increased (paragraph 3, line 3), climbed (paragraph 3, line 3), gained (paragraph 9, line 4), were slightly higher (paragraph 9, line 5)
7. 3 of the following verbs: fell (paragraph 2, line 2), declined (paragraph 2, line 2), were down (paragraph 9, line 1), dropped (paragraph 9, line 2), closed lower (paragraph 9, line 1), was off (paragraph 9, line 3), weakened (paragraph 9, line 4)
8. tumbled (paragraph 7, line 3)
9. rebound (paragraph 7, line 5)

c) collocations (all in the last paragraph)

10. <u>Stock index</u>	<u>stock exchange (marketplace)</u>	<u>country</u>
Nikkei	Tokyo	Japan
Hang Seng	Hong Kong	China
FTSE 100	London	The United Kingdom
CAC 40	Paris	France
Dax	Frankfurt	Germany

Marking: half a point for a correct and thorough answer. Nothing to be awarded otherwise. In items 6 and 7, the 3 verbs must be correct for the half point (0.5 point) to be awarded. In item 10 all the five entries are expected for the half point to be awarded. A quarter of a mark (0.25 point) can be granted if the student only manages to slot in 3 instead of 5 entries.

Part I. C: Comprehension (5 points)

1. Wall Street is the name of the street where the New York Stock Exchange, also known as NYSE or The Big Board is located. It differs from NASDAQ in two respects. First, it is the establishment of the securities industry, the marketplace where the stocks of most prestigious or best known companies are traded. NASDAQ is the the home of Hi-Tech companies' stocks. The other difference is that NYSE has a physical trading floor but Nasdaq doesn't.

2. The Dow Jones industrial average is a stock market index compiled by the Dow Jones Irwin company. The three averages are the industrials, the transportations and the utilities.
3. Standard and Poor's index is referred to as "broader" in comparison with the Dow Jones industrial average. It has more companies listed on (500), operating in extremely varied sectors.
4. The stock indexes which are quoted in the text and which have figures attached to their names are Standard & Poor's 500-stock index, the FTSE 100 and the CAC 40. The figures 500, 100 and 40 represent the number of leading companies listed or featuring respectively on the above indexes.
5. Several uncertainties surround the stock market. The housing market is still fragile and layoffs are looming, laying the ground of massive unemployment. In addition, investors and traders await important economic events this week such as the American president's State of Union address, his government's announcement of its policy on interest rates along with its report on the rate of economic growth. Finally, the market operators await confirmation of the renewal of Ben Bernanke as chairman of the Federal Reserve Bank and want to see how independent the bank would be from government control.

Marking: up to 1 point for a satisfactory answer in terms of both content and form. Nothing to be awarded if the answer is completely flawed. Otherwise, every little effort should be rewarded with a quarter, half or three quarters of a mark (0.25 point; 0.5 point or 0.75 point).

Part II. Grammar (5 points)

The sentences must be built around the following verbs, to be used only once:

1. to get better, to go up, to improve
2. ditto
3. to surge, to reach a peak, to peak, to rocket, to shoot up
4. ditto
5. to rally or to recover
6. ditto
7. to get worse, to go down, to slip
8. ditto
9. to crash, to hit bottom, to plunge, to plummet
10. ditto

Marking: half a point (0.5 point) for each correctly written sentence in terms of well-formedness as well as good verb and tense choices. Nothing to be awarded otherwise. The student's English must be word perfect in this section for half a mark to be awarded.

Part III. Writing (5 points)

1 point to be systematically awarded to a student who has written a minimum of 250 words.

1 point to be systematically withheld for inadequate length or if the student has failed to count the number of words s-he has written.

Up to 2 points for satisfactory substance: some sense in what the student has written, whether or not you agree with his/her stance.

Up to 1 point for writing in good English, i.e good lexical and grammatical choices.

Up to 1 point for good cohesion and coherence.