

LICENCE DE GESTION ET ÉCONOMIE D'ENTREPRISE  
DOUBLE LICENCE GESTION – DROIT, DOUBLE LICENCE GESTION – CINEMA

EXAMEN D'ANGLAIS APPLIQUÉ À LA GESTION

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*No documents are allowed. Please write your answers on the official sheet provided.*

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Durée : 2 heures

**PART I. READING**

*Read the text below and address the ensuing vocabulary and comprehension exercises.*

**AT&T-Time Warner merger is not AOL 2.0**

Wall Street is worried about a lot of things with AT&T's proposed buyout of Time Warner. Ma Bell might be paying too much. Regulators could shoot down the **deal**.

5 There may not be many, if any, cost-cutting opportunities for AT&T (**T**, **Tech30**). The lack of overlap is a reason why the deal might not be too bad for Time Warner employees – including CNN staffers like me. But Wall Street hates the fact that there won't be huge savings that can boost **earnings**.

Still, there is one thing investors don't seem too nervous about. They don't appear to believe a deal could be as much of a headache as the ill-fated marriage between AOL and Time Warner, which was announced back in 2000.

10 The topic of AOL didn't even come up on Monday's analyst call. You'd think at least one Wall Street analyst would ask AT&T to explain why the Time Warner merger is not another disaster waiting to happen.

15 The AOL Time Warner deal is now a textbook case of a **merger** gone wrong. AOL and Time Warner combined at the height of what we now know was a speculative mania for tech **stocks**, especially Internet **companies**.

It was also the end of AOL's glory years in general. As internet access became more readily available from cable and telephone companies -- like AT&T and its Baby Bell offspring -- there wasn't a need for people to pay to have their hands held when going online in the walled garden that was AOL.

20 AOL became obsolete in a world that quickly got taken over by Google and Facebook. That's where all the online ad dollars went.

So Time Warner (**TWX**) inherited an asset in decline. And the plan to marry AOL with Time Warner's cable unit -- which also offered internet access -- never really panned out. That's why AOL Time Warner eventually unravelled.

25 AOL was surgically removed through a spin-off – and ultimately was bought by Verizon ([VZ](#), [Tech30](#)). Time Warner Cable was also spun off – and is now part of Charter Communications ([CHTR](#)). Magazine publisher Time Inc. ([TIME](#)) is now its own separate entity too.

But AT&T isn't buying any of that excess baggage. It is simply inheriting content -- and a lot of it. CNN. HBO. Warner Bros. DC Comics. TBS and TNT.

30 There already is precedent for a supplier of pipes scooping up a company that stuffs said pipes. Comcast owns NBC Universal. And that's a deal that has paid off handsomely for Comcast. Shares of Comcast ([CMCSA](#)) have outperformed the S&P 500, AT&T and Time Warner over the past five years – as well as over the past decade.

Comcast just made a bigger bet on media and entertainment as well with the **purchase** of DreamWorks Animation.

35 Will AT&T-Time Warner wind up being as successful as Comcast? That remains to be seen.

There are legitimate worries about the mountain of debt that AT&T will have once the deal closes too.

But AT&T isn't exactly forging a new path with the Time Warner deal.

40 In addition to Comcast's NBC purchase, Verizon has already dipped its toe in the content world with AOL and hopes to get even bigger with the purchase of Yahoo's core assets.

CFRA Research analyst Tuna Amobi noted Monday that Time Warner will bring AT&T more **diversification** away from the commodity businesses that it currently plays in -- wireless phone plans, broadband access and cable TV.

45 Here's another reason why this might be different than the AOL deal. Having AT&T as a parent should make Time Warner less susceptible (and not more) to the cyclical nature of the media **business**.

If the U.S. economy slows -- which some fear it might if the Federal Reserve starts raising rates later this year and next -- then pure media companies could be hurt. Ad dollars will shrink.

50 But AT&T's slow and steady telecom business should hold up better, which would be good for Time Warner, according to UBS analyst Doug Mitchelson. "The backing of AT&T's more recession resilient communications **businesses** and the sheer size of its cash flows should allow Time Warner to sustain content investment when **competitors** might have to cut costs," Mitchelson wrote in a report.

55 In other words, to quote the Beastie Boys, it could be good for Time Warner that Ma Bell got the ill communications. Sure, I may be talking my own book here, so to speak. I'm an employee (and **shareholder**) of Time Warner. I also have the proverbial 20-20 benefit of hindsight.

But the impending AT&T purchase seems more inevitable and necessary than the AOL-Time Warner merger ever did. Sure, there are lots of questions. But AT&T is simply following the lead of its rivals. That's why this doesn't look like this is AOL 2.0.

Besides, former AOL chief Steve Case and AT&T CEO Randall Stephenson look nothing alike.

## A. VOCABULARY (5 points)

1. Define the following words. Do not provide any synonyms. (2.5 points)

- a) merger, l. 13
- b) companies, l. 15
- c) diversification, l.42
- d) competitor, l. 52
- e) shareholder, l. 55

2. Find the words in the text which are defined below. Give the line number. (2.5 points)

- a) A fund of money put by as a reserve. → *savings*, l. 5
- b) Income derived from an investment or product, sometimes also defined as after-tax net income. → *earnings*, l. 6
- c) An agreement entered into by two or more parties for their mutual benefit, especially in a business or political context. → *deal*, l.2
- d) A type of security that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings. → *stocks*, l. 14
- e) The act of acquiring something through the use of money. → *purchase*, l. 33

## B. COMPREHENSION (5 points)

*Say whether the statements below are true or false. Justify your answer with a relevant sentence or part of a sentence from the text. Provide the line number.*

- 1. The phrase “Ma Bell” is used to refer to AT&T. (T/F) → TRUE, l. 1-2 “Wall Street is worried about a lot of things with AT&T's proposed buyout of Time Warner. Ma Bell might be paying too much.”
- 2. Time Warner's staff will not suffer from the deal. (T/F) → TRUE, l. 4 “the deal might not be too bad for Time Warner employees.”
- 3. The AOL – Time Warner merger was quite the successful merger in 2000. (T/F) → FALSE, l. 13 “The AOL Time Warner deal is now a textbook case of a merger gone wrong.”
- 4. The AOL – Time Warner merger was never signed. (T/F) → FALSE, l. 13-15 “AOL and Time Warner combined at the height of what we now know was a speculative mania for tech stocks, especially Internet companies.”
- 5. Comcast's acquisition of NBC Universal might be topped by the AT&T – Time Warner merger. (T/F) → TRUE, l.35 “Will AT&T-Time Warner wind up being as successful as Comcast? That remains to be seen.”

6. AT&T is opening up an entirely new route with this deal. (T/F) → FALSE, l. 38 “But AT&T isn't exactly forging a new path with the Time Warner deal.”
7. For the journalist, there are many differences between this merger and the AOL – Time Warner one. (T/F) → TRUE, l. 44 “Here's another reason why this might be different than the AOL deal.”
8. Media companies are considered less vulnerable than other sectors to the current economic climate. (T/F) → FALSE, l. 44-6 “Having AT&T as a parent should make Time Warner less susceptible (and not more) to the cyclical nature of the media business.” (OR l. 47-8 “If the U.S. economy slows – which some fear it might if the Federal Reserve starts raising rates later this year and next – then pure media companies could be hurt.”)
9. In 2000, the AOL – Time Warner merger was considered an oddity compared to similar companies' strategies. (T/F) → TRUE, l. 57-8 “But AT&T is simply following the lead of its rivals. That's why this doesn't look like this is AOL 2.0.”
10. With this merger, the strategy is to expand their business activities so as to reduce risks. (T/F) → TRUE, l. 41-2 “Time Warner will bring AT&T more diversification away from the commodity businesses that it currently plays in.”

## **PART II. GRAMMAR (5 points)**

*A. Describing trends – Which of the following sentences suggest a good day, and which suggest a bad day? On your copy, write down the number of the sentence and either (+) for a good day, or (–) for a bad day.*

1. TSLA shares closed down at \$318 on the NASDAQ. (+)
2. Stocks were up sharply at the end of the week. (+)
3. FTSE 100 closes at another record high. (+)
4. S&P500 hit record lows as price oils sank. (-)
5. Dow dips 0.5% as stocks shrugged off the Comey scandal last week. (-)
6. The Dow Jones Industrial Average fell 110.33 points, or 0.5%, to 20,896.61 last week, while the Standard & Poor's 500 index declined 0.3% to 2390.90. (-)
7. The Nasdaq Composite rose 0.3% to 6121.23. (+)
8. Snap shares climb 6% as analyst sentiment remains strong. (+)
9. On Thursday Twitter shares slipped 0.81%. (-)
10. After the JPMorgan upgrade, JNJ stock rose last month. (+)

*B – Rewrite the above sentences using the following verbs. Each verb may be used only once. The correct verb and form will see you awarded the point.*

*To finish, to rise, to register, to plummet, to go down, to plunge, to climb, to go up, to decline, to improve*

## **PART III. ESSAY WRITING (5 points)**

In a **minimum of 200 words** and a **maximum of 300 words**, you are expected to respond in essay form to the following topic:

**Please describe and identify which kind of merger the AT&T – Time Warner one is.**

You will be marked on the substance of your arguments, on how you structure them (punctuation and use of paragraphs), on your personal knowledge of the subject and on the standard of your English. **Be sure to include your word count at the end of the essay.**