

1.

Complete the second sentence so that it has a similar meaning to that of the first one.  
This sentence is done for you as an example.

- 0 The assistant still hasn't typed the report.  
The report .....  
The report *still needs to be typed by the assistant.*

		Score
1	When you reduce current account deficit, you have to cut public benefits. <b>Reducing current account deficit means</b> .....	
2	Investment ethics has never been such a hot issue. <b>Never</b> .....	
3	I will first give you a short overview of the current situation. <b>What</b> .....	
4	I don't like you being so aggressive in negotiations. <b>I'd</b> .....	
5	No matter how hard he works, he never gets promoted. <b>However</b> .....	
6	The company could have gone down the drain if we hadn't had a new management strategy. <b>But</b> .....	
7	All of us believed he had embezzled company funds. <b>He</b> .....	
8	Last year our sales were promising but since then they have fallen sharply. <b>There</b> .....	
9	Having got rid of the dodgy loans, they started to gain profits again. <b>After</b> .....	
10	I'm afraid we have a negative bank balance this month. <b>We are</b> ....., I'm afraid.	

2.

Read the text below and look carefully at each line. Some of the lines are correct and some have an extra word in them. Tick the lines you think are correct. Write the extra words next to the line which you think is incorrect. The first two lines are done for you as examples.

			Score
0	Stock options are supposed to be a magic potion for innovative	√	
00	companies, the stuff that is spurs employees to work 80 hours	is	
1	a week for the distant promise of a BMW. But as like any powerful		
2	drug, they can produce mostly curious side effects. One of these		
3	complications goes by under the name of “overhang, “ the financial		
4	world’s term for stock is just waiting to be issued and to dilute the		
5	holdings of current shareholders.		
6	Savvy investors scrutinize the overhang number, usually as		
7	expressed as a percentage of total shares that outstanding , and they		
8	often punish those that hang things out too rather far.		
9	A recent study by an executive recruiting firm found that such a tech		
10	companies with overhang levels of some more than 29 percent lost		
	two fifths of their value in 2000, while those with smaller overhang ended the brutal year barely changed.		



**Read the text below and match the statements with the numbered parts they best represent.**

**Write the number of parts in the boxes. There is an extra statement you do not need to use: put an X against it.**

### Time to re-embrace globalisation

1 In turbulent economic times, globalisation has become regarded as a dirty word, tainted by a toxic mix of misinformation, misconception and misanthropy. It is time, in 2009, for leaders in business and government to reset the debate, informing their constituents that free and fair trade is good for the health and wealth of their operations and their nations, especially as governments and businesses navigate through the extraordinary financial turmoil.

2 It seems as if globalisation has been around for ever, but the concept probably didn't crystallise into its current form until the early 1980s. And at that time there was one enormous example of it, one that was then thought threatening: Japan, which was going to globalise the rest of us right out of business. When I joined General Electric in 1982, Japan was the ultimate global threat. Its awesome arsenal of technology innovation, financial acumen and process expertise was going to annihilate American business and we were all going to end up working for a Japanese company – if we even had a job.

3 The best Japanese companies that learnt to become global just happened to be based in Japan. It was Toyota, it was Canon, and they had evolved to become remarkable global enterprises. So we had to get global - and at significant scale - fast. We had to evolve into a truly global economy that happened to be based in America. It sounds simple today, but it was revolutionary and signalled the initial tectonic rumblings of a flattening earth.

4 In the intervening 25 years, international trade, and the global economic integration resulting from it, have raised standards of living in both developed and developing economies, facilitated the flow of ideas and people, spurred innovation, strengthened the rule of law and lifted hundreds of millions of people out of poverty. Is integration always perfect? No, but China and Eastern Europe are examples of adept change.

5 There is a dangerous tendency to resort to protectionism when things get tough. In 1929, American tariffs turned a domestic financial crisis into a global economic crisis that inflicted damage for years to come. And although we've learnt a lot from that mistake over 80 years, you wouldn't know it today. If you put globalisation to a vote in America, Europe – pretty much anywhere – the general public would probably vote it down. Business and government leaders must reset the debate, re-establishing why independent economies and healthy competition are good for the world. At GE, we believe several principles should underpin this debate.

6 Continued economic liberalisation enhances growth. Particularly at a time of global economic duress, market liberalisation can play a role in stimulating growth, saving jobs and enhancing living standards. Comprehensive multilateral, regional and bilateral trade agreements have been critical to spurring such liberalisation in the past and should continue to be pursued actively.

7 All participants in the global economy must live by international trade rules: property rights (including intellectual property) should be protected; markets should be transparent; baseline international labour and environmental standards should be honoured; technical standards should not be used to bar access; governments should refrain from trade-distorting subsidies; and WTO dispute-resolution decisions should be respected.

8 Governments must pursue domestic policies that allow their citizens to thrive in the global economy. The solution to global competition is improved competitiveness, not isolation. Governments should strengthen the health and education of their citizens and build necessary trade-related infrastructure.

9 Developed and developing countries, governments and industry, shareholders and employees – we all share a responsibility to make meaningful contributions to protect and strengthen the international trading system. Thomas Edison, GE's founder, used to say that people don't recognise opportunity because it "usually goes around wearing overalls looking like hard work." To succeed in our swarming global economy, leaders must not resist the challenge but relish the opportunity, especially in these harder times. True leaders must re-embrace globalisation.

	Statements	Paragraph	Score
a)	Each of us should contribute		
b)	Follow suit or vanish		
c)	Free market policy boosts economy internationally		
d)	Global trade must be fair		
e)	No lessons learnt		
f)	Proper economic policies facilitate prosperity		
g)	The archetype of economic menace to the world		
h)	The drawbacks of obstructing free trade		
i)	Several parts of the world derived substantial benefits from going global		
j)	Governments should reconsider the concept of globalisation		

**1.**

**Read the text below and write a summary of it in Hungarian in 300-350 words. Write for an expert audience. Do not translate any part of the text.**

### **The spectre of nationalisation**

#### **There are ways for governments to revitalise banks without taking them over**

It is generally easier to remove a kidney from a dead donor than a live one. When regulators in Scandinavia and America in the early 1990s started extracting the bad assets from their crisis-hit banking systems, it helped that the banks they dealt with were bust or in the government's hands. Today, policymakers are trying to excise toxic assets from banks that are still, at least officially, private and viable. That is a much trickier proposition.

Last autumn, governments around the world poured new capital into private banks and guaranteed their debts to protect them from further losses and help them raise private capital. But continued losses have overwhelmed those initial efforts. Some banks have needed more capital, and a few have been nationalised outright. Moreover, the haphazard implementation of rescues has kept private capital on the sidelines, fearful of being diluted or wiped out. What is needed, the experts say, is a more systematic approach through the creation of a "bad bank" to assume the bad assets, leaving "good banks" to resume lending. (In an Orwellian attempt to hide the nastiness, it may be known in America as an "aggregator bank".)

The good bank/bad bank terminology dates at least back to 1988 when America's Mellon Bank spun off its bad energy and property loans into Grant Street National Bank, which was financed with junk bonds and private equity. Such purely private solutions are not feasible during crises that encompass the entire banking system: there is not enough private capital around. In the early 1990s the governments of Sweden and Finland each nationalised some of their largest banks and set up "bad banks" to dispose of their assets. Around the same time, America created the Resolution Trust Corporation to sell off the loans and underlying collateral of hundreds of failed savings banks, or thrifts. In each case, the assets taken over by the bad bank were equal to about 8% of GDP, according to a study by Daniela Klingebiel of the World Bank.

In this crisis policymakers have adopted piecemeal elements of the good bank/bad bank. In October UBS spun \$60 billion of toxic assets into a fund backed by the Swiss central bank. America will absorb most of the losses on \$306 billion of problem assets at Citigroup and \$60 billion at Bank of America. It is also creating a facility, supported by the Federal Reserve, for asset-backed securities which could relieve banks of bad loans. Britain may insure banks against future losses. Like a bad bank, the aim is to isolate toxic assets, encourage private money to come in and discourage banks from hoarding their capital. But no market value has been put on them (although loss-sharing agreements in part serve that purpose). This spares banks from immediately recognising their losses, but it leaves a fog of uncertainty over the system. Banks will not boost lending if they fear that future loan losses will eat through the rest of their capital.

A bad bank could alleviate these concerns by convincing both banks and investors that the problem assets have either been removed from the banking system or will be as they surface. Paul Miller of Friedman Billings Ramsey, an investment bank, says a government bad bank can pay more for assets than a private investor because its cost of funds is irrelevant it needs no capital and can hold the assets to maturity. It could also develop a professional and uniform approach to valuing and disposing of bad assets while leaving new lending decisions to the good banks.

But a bad bank faces different problems, the most serious of which is setting a price for assets that both it and the seller can agree on. This was less of an issue in the early 1990s, since the assets for the most part came from banks that had already failed or were under

government control. Today, if the bad bank pays above the fair-market value, it would raise the cost to taxpayers, imperil its political legitimacy, and deprive the market of badly needed transparency. If it pays fair value or less, banks might be reluctant to participate. Those that did may have to recognise large, immediate losses, depleting their capital. As a result, setting up a bad bank would entail additional capital injections. To reassure itself that the recipient bank can survive, the government would invest only if the bank can simultaneously raise funds from private investors. Any bank unable to raise private capital, perhaps rendering it insolvent, would be taken over.

But such steps would be time-consuming and could be hit by a loss of market confidence at any moment. America abandoned its original plan to buy toxic assets last October in favour of extra capital because the crisis demanded faster action.

**The nuclear option**

An alternative (or perhaps prelude) to a bad bank would be nationalisation. This would at a stroke end the tension between the goals of private shareholders who want to hoard capital and lend less, and government overseers who want banks to lend more and modify mortgages of homeowners facing foreclosure.

But nationalisation carries huge costs of its own. With the world awash in unwanted bank assets, it could take years for the governments to privatise their banks. Meanwhile politicians would be tempted to turn banks into instruments of industrial policy, propping up politically powerful industries such as car-makers and scrimping on more deserving recipients. Politically motivated lending could result in even larger loan losses in the future, and private banks would be put at a disadvantage. At the other extreme, governments might be so fearful of taxpayer losses that they lend even less than their private counterparts.

Economists have long recognised that banks are special. Through decades-old relationships with millions of households and businesses, they normally (though, sadly, not recently) steer savings to productive and lucrative endeavours. Letting banks collapse would wipe out this critical mechanism; nationalising them could, eventually, do it similar damage.

(1008 words)

The Economist,

<b>Criteria</b>	<b>Points max</b>	<b>Points</b>
Communicative value	<b>10</b>	
Organisation, cohesion	<b>5</b>	
Style, register	<b>5</b>	
Overall impression	<b>5</b>	
<b>Total :</b>	<b>25</b>	

**Read the Hungarian text below. Sum it up in English. Write to an expert audience in 300-350 words. Do not translate any part of the text.**

### **Válságunió**

Észak-Rajna-Vesztfália miniszterelnökeként Jürgen Rüttgers meg akarta menteni a főként az iparból élő tartomány egyik legnagyobb munkaadóját, így elrepült Detroitba és találkozott Rick Wagonerrel, a General Motors (GM) vezérigazgatójával. Megpróbálta rávenni, hogy ne zárják be a csoporthoz tartozó Opel ötezer embert foglalkoztató, személyautókat és furgonokat gyártó bochumi üzemét. Biztos ígéret helyett azonban csak halvány biztatást kapott: a GM nem tervezi Opel-gyárak leállítását – egyelőre. Az Egyesült Államokban a bajok a másodrendű jelzáloghitelekkel kezdődtek. Jóllehet ilyen probléma az Óvilágban alig létezik, Európa mégis meredek lejtőre került, ékes bizonyságaként annak, hogy sorsa elválaszthatatlan a világ más részein bekövetkező fejleményektől. Az európaiak nemrég még azt gondolták, megússzák a pénzügyi vihart. Mára a térséget elérte a recesszió: az első az euró tíz évvel ezelőtti bevezetése óta.

Bár az európai bankoknak nem kellett subprime jelzáloghiteleket leírniuk, kiderült, hogy valami rosszabbat finanszíroztak: subprime országokat. A kelet-európai térség recesszióba került, miután a nyugati bankok leállították az olcsó hiteleket, amelyek előzőleg megalapozták az ázsiai stílusú növekedést. A Lehman Brothers befektetési bank tavaly augusztusi bedőlése Európában ugyanúgy megtette a maga hatását, mint az Egyesült Államokban. A tőzsdék esni kezdtek, a hitelpiacok befagytak, az üzleti bizalom megcsappant. Ám a hullámvölgyben az is megmutatkozik, hogy az EU gazdasági problémái szinte tagországról tagországra különbözőek: exportvisszaesés Németországban és Kelet-Európában, a lakossági fogyasztás stagnálása Franciaországban, ingatlanbuborékok Nagy-Britanniában, Írországban és Spanyolországban.

Annak viszont nincs jele, hogy bármelyik kormány koherens megmentési tervvel rendelkezne. Kiterjedt gazdasági hatalma egyedül az Európai Központi Banknak (ECB) van, eszközei azonban korlátozottabbak, mint az amerikai Fed arzenálja. A vállalatok a bérköltségek csökkentésére kényszerülnek, hogy visszanyerjék versenyképességüket. Az EU az Egyesült Államok messze legnagyobb kereskedelmi partnere, és az ázsiai exportnak is az egyik fő célpontja. Kulcsfontosságú piac a General Electric, a Procter & Gamble, a Toyota, a Sony és még több ezer multi számára, amelyek közül sokan jókora nehézségekkel küzdenek itt. A Honda négy hónapra leállította üzemét az angliai Swindonban; a Ford májusig 850 állást szüntet meg brit gyáraiban; az Alcoa alumíniumgyártó több száz embert bocsát el szerte az EU-ban, s elad német, magyar és olasz érdekeltségeket.

Európa politikai vezetői és jegybankárai elég szűk határok között próbálkozhatnak a növekedés fellendítésével. Az élénkítési akciók – amilyen a régi autók újra cserélése után járó kedvezmény Németországban és Olaszországban – korlátozott hatásúak, és nemigen mutatnak túl az országhatárokon. Az eurózónában az élénkítési programok a GDP 1 százalékát sem teszik ki, és döntően az infrastruktúrára fókuszálnak, kevés jóval szolgálva olyan ágazatoknak, mint a több millió embert foglalkoztató idegenforgalom. Az egyes kormányok nehéz választásokkal szembesülnek a bankok támogatása terén. A kilencvenes évektől osztrák bankok – elsősorban az Erste és a Raiffeisen – megszerezték számos, korábban állami tulajdonú pénzügyintézetet Közép- és Kelet-Európában. Ottani érdekeltségeik mérlegfőösszege mára eléri az osztrák GDP legalább kétharmadát, így az osztrák kormány saját bankjai támogatásával tulajdonképpen azok keleti leányvállalatait pénzeli.

Európának nincsenek egyértelmű mandátummal rendelkező intézményei az ilyen problémák regionális kezeléséhez. „Az ECB például aligha tehetné meg, hogy kereskedelmi értékpapírok vásárlásával adjon lendületet a hitelezésnek, míg a Fednek módja van erre” – mutat rá Mewael F. Tesfaselassie, a kieli egyetemi kutatóintézet, az Institute für Weltwirtschaft munkatársa. A Fed mögött ott áll az amerikai kormány, az viszont nem világos, hogy az ECB kire számíthatna, ha esetleg súlyos tőkeveszteség érné. Az európai jegybank újabb bővítette ugyan a rövid lejáratú hitelek fedezeteként elfogadott értékpapírok körét, ám ez kevésbé javítja a hitelpiaci helyzetet, mint a közvetlen vásárlás.

A gazdasági feszültségek egyre durvábban törnek a felszínre, és a helyzet súlyosbodása láttán néhány elemző már azt pedzegeti, hogy az eurózóna egyik-másik gyengébb tagja – Görögország vagy Írország – inkább kiválik, mint hogy tovább szenvedjen a bérek csökkenésétől és a munkanélküliség növekedésétől. Mértékadó közgazdászörökben ugyanakkor kevesen tartanak igazán a valutaunió felbomlásától. Ennek inkább az ellenkezője történhet: az eddig kívül maradtak, mint Izland és Dánia, a belépést szorgalmazhatják, hogy megvédjék fizetőeszközüket a gyengüléstől.

A válság ezzel együtt a gazdaságirányítás újragondolására készíti az európai vezetőket. Az EU-nak minden bizonnyal egyetlen közös értékpapír-piaci és bankfelügyeletre volna szüksége a most működő országos hatóságok szövevénye helyett. Szó van egy összeurópai betétbiztosítási alap létrehozásáról, megakadályozandó, hogy az ideges magyarok vagy litvánok kivegyék pénzüket a helyi bankokból, és átvigyék Németországba.

Az EU-nak vannak bizonyos versenyelőnyei az Egyesült Államokkal szemben, és van esélye is gyorsabban kilábalni a válságból. A régóta folyó atom-, nap- és szélenergiái beruházásoknak köszönhetően kevésbé hat rá az olajársokk. A fogyasztási hitelek állománya a legtöbb országban viszonylag alacsony, s ez ellensúlyozza a bankrendszerben kialakult egyéb kockázatokat. Végül a konzervatív hitelezési gyakorlat azt eredményezheti, hogy az európai bankok – Nagy-Britannián és Írországon kívül – a megroggyant amerikaiaknál hamarabb nyerhetik vissza hitelnyújtási képességüket. Josef Ackermann, a Deutsche Bank vezérigazgatója szerint az állami segítséget elutasítva nagyobb szabadsággal mozoghatnak a nemzetközi szintén, mint a kormányzati pénzből életben tartott gyengébb riválisok.

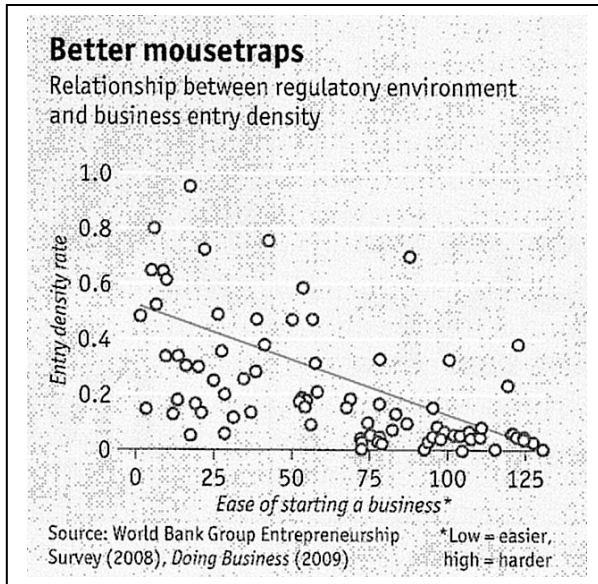
Európa sorsa, akárcsak vállalataié, azon múlhat, ami határain túl történik. Németország és Kelet-Európa nem fog magához térni, amíg nem kap újra több megrendelést autókra és gépekre Oroszországból, a Közel-Keletről, az Egyesült Államokból, és Kínából. Nagy-Britanniának és Írországnak, óriási bankrendszerével, ki kell várnia a globális pénzügyi stabilizációt. Ahogy a válság máshol kezdődött, úgy talán véget érné is máshol kell előbb, hogy Európa talpra állhasson.

2009./12. szám - március 19

Criteria	Points max	Points
Communicative value + mediation	10	
Style, register	5	
Accuracy	5	
<b>Total :</b>	<b>20</b>	

Read the text below, sum it up in your own words and comment on it in English reflecting your point of view. Write to an expert audience in 300-350 words.

An idea whose time has come

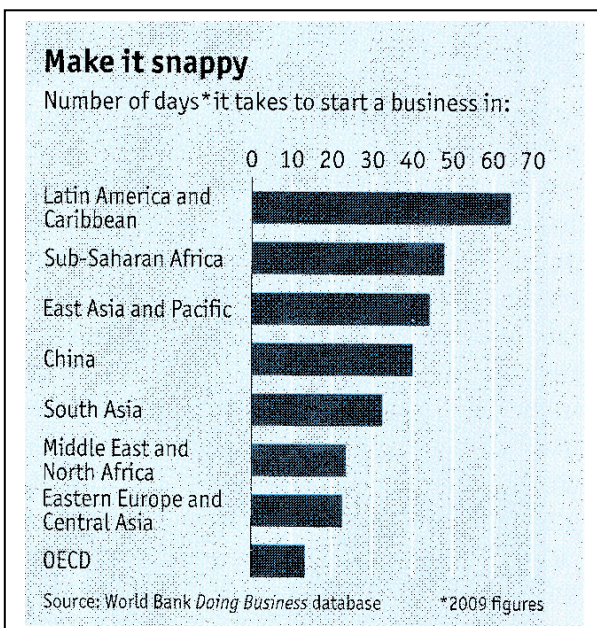


Entrepreneurialism has become cool

Today entrepreneurship is very much part of economics. Economists have realised that, in a knowledge-based economy, entrepreneurs play a central role in creating new companies, commercialising new ideas and, just as importantly, engaging in sustained experiments in what works and what does not. William Baumol has put entrepreneurs at the centre of his theory of growth. Paul Romer, of Stanford University, argues that "economic growth occurs whenever people take resources and rearrange them in ways that are more valuable... [It] springs from better recipes, not just more cooking." Edmund Phelps, a Nobel prize-winner, argues that attitudes to entrepreneurship have a big impact on economic growth.

Another reason for entrepreneurship becoming mainstream is that the social contract between big companies and their employees has been broken. Under managed capitalism, big companies offered long-term security in return for unflinching loyalty. But from the 1980s onwards, first in America and then in other advanced economies, big companies began slimming their workforces. This made a huge difference to people's experience at the workplace. In the 1960s workers had had an average of four different employers by the time they reached 65. Today they have had eight by the time they are 30. People's attitudes to security and risk also changed. If a job in a big organisation can so easily disappear, it seems less attractive. Better to create your own.

Yet another reason for the mainstreaming of entrepreneurship is that so many institutions have given it their support. In 1998 HBS made entrepreneurship one of the foundation stones of business education, partly in response to demand from students.



A welcome mat for business

The world's governments are now competing to see who can create the most pro-business environment. In 2003 the World Bank began to publish an annual report called *Doing Business*, rating countries for their business-friendliness by measuring things like business regulations, property rights and access to credit. It demonstrated with a wealth of data that economic prosperity is closely correlated with a pro-business environment. This might sound obvious. But *Doing Business* did two things that were not quite so obvious: it put precise numbers on things that people had known about only vaguely, and it allowed citizens and investors to compare their country with 180 others.

<b>Criteria</b>	<b>Points max</b>	<b>Points</b>
Communicative value	5	
Organisation, cohesion	5	
Style, register	5	
Accuracy	5	
<b>Total :</b>	<b>20</b>	