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ОДЕСЬКИЙ НАЦІОНАЛЬНИЙ УНІВЕРСИТЕТ
імені І. І. МЕЧНИКОВА
ФАКУЛЬТЕТ РОМАНО-ГЕРМАНСЬКОЇ ФІЛОЛОГІЇ
КАФЕДРА ІНОЗЕМНИХ МОВ ПРОФЕСІЙНОГО СПРЯМУВАННЯ

LISTENING AND READING PRACTICE

МЕТОДИЧНІ ВКАЗІВКИ

до практичних та самостійних занять

з навчальної дисципліни

«Іноземна мова (за професійним спрямуванням)»

для здобувачів першого (бакалаврського) рівня

вищої освіти спеціальності

072 «Фінанси, банківська справа та страхування

та фондовий ринок»

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Укладач:

Т. Л. Караваєва, кандидат філологічних наук, доцент, доцент кафедри іноземних мов гуманітарних факультетів Одеського національного університету імені І. І. Мечникова

Рецензенти:

О. В. Григорович, кандидат педагогічних наук, доцент, доцент кафедри іспанської філології Одеського національного університету імені І. І. Мечникова;

Г. В. Ткаченко, кандидат філологічних наук, доцент, доцент кафедри іноземних мов природничих факультетів Одеського національного університету імені І. І. Мечникова.

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L80 Listening and Reading Practice : методичні вказівки до практичних та самостійних занять з навчальної дисципліни «Іноземна мова (за професійним спрямуванням)» для здобувачів першого (бакалаврського) рівня вищої освіти спеціальності 072 «Фінанси, банківська справа та страхування та фондовий ринок» / уклад.: Т. Л. Караваєва. – Одеса : Олді+, 2023. – 56 с.

Методичні вказівки до практичних та самостійних занять укладено відповідно до робочої програми навчальної дисципліни «Іноземна мова (за професійним спрямуванням)», яка є обов'язковою дисципліною для здобувачів першого (бакалаврського) рівня вищої освіти спеціальності 072 «Фінанси, банківська справа та страхування та фондовий ринок».

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ПЕРЕДМОВА

Пропоновані методичні вказівки «Listening and Reading Practice» розроблені до практичних та самостійних занять з навчальної дисципліни «Іноземна мова (за професійним спрямуванням)», зокрема для змістового модуля «Мовленнєва практика та аудіювання: спілкування іноземною мовою в професійній сфері» для здобувачів першого (бакалаврського) рівня вищої освіти спеціальності 072 «Фінанси, банківська справа та страхування та фондовий ринок».

Метою курсу «Іноземна мова (за професійним спрямуванням)» є формування у здобувачів умінь усного спілкування англійською мовою в межах визначеної тематики, у тому числі професійної, відповідно до потреб міжкультурного спілкування та професійної підготовки за фахом.

Мета вказівок полягає в розвитку ключових навичок аудіювання та читання, спрямованих на покращення розуміння англійської мови, розширення словникового запасу та удосконалення навичок виокремлення необхідної інформації.

Методичні вказівки складаються з 5 розділів які містять спеціально розроблені вправи для покращення лексичного запасу та розуміння тексту та додатку, який містить перевірочний тест.

UNIT 1. FINANCIAL LITERACY
PART I. LISTENING COMPREHENSION

Pre-listening tasks

Proper Names and Abbreviations:

Washington, D.C. Idaho;

NAACP, K-12 schools, Black and Hispanic student;

Council for Economic Education, Capital City Public Charter School,

Next Gen Personal Finance Schools;

Tonica Tatum-Gormes, Laina Cox.

Pay attention to subjects at American schools. Guess what is taught at them.

Advanced Algebra with Financial Applications, Economics classes.

1. Read the following words and their definitions and translate them into Ukrainian.

1.	management (n.)	— the act or art of controlling and directing
2.	graduate (v.)	— to grant or receive an academic degree or diploma
3.	literacy (n.)	— the quality or state of being literate, especially the ability to read and write
4.	millennial (adj.)	— of, relating to, or belonging to the generation of people born in the 1980s or 1990s
5.	earnings (n.)	— the amount of money that someone is paid for working; a company's profits in a particular period
6.	budgeting (n.)	— the process of calculating how much money you must earn or save during a particular period of time, and of planning how you will spend it
7.	saving (n.)	— the money that you keep in an account in a bank or similar financial organization; an amount of money that you do not need to spend

8.	invest (v.)	— to put money, effort, time, etc. into something to make a profit or get an advantage
9.	calculus (n.)	— an area of advanced mathematics in which continuously changing values are studied
10.	inflation (n.)	— an increase in prices over time, causing a reduction in the value of money

(<https://dictionary.cambridge.org/dictionary/english/>)

Listening and comprehension tasks

II. Listen to the story and fill in the gaps.

More US States Teach Financial Education in High Schools

An increasing number of American states are requiring that students **1.** education in order to complete high school. At the same time, states are hoping to improve math skills among students in the United States.

Capital City Public Charter School in Washington, D.C. has a course called Advanced Algebra with Financial Applications. The school has offered the math class for more than 10 years. The class provides students with basic knowledge about **2.** and helps them sharpen their math skills. Classes discuss credit, **3.**, and loans, for example, and connect these ideas with methods of math for **4.**, budgeting and more.

The high school may be a leader in **5.**, but in recent years, many others have offered similar courses.

Since 2020, nine U.S. states have passed laws or policies requiring schools to provide personal finance education before students can **6.** from high school. The U.S. **7.**, Council for Economic Education, says 30 states now have such policies in place.

The increase comes as educators are trying to improve students' math skills, which dropped during the pandemic and have not fully recovered. At the same time, a general dislike or **8.** remains a barrier among young people.

Tonica Tatum-Gormes teaches the course at the Washington school. She said students get more interested in math when they see how it connects with their **9**.

Students begin to understand that ““yes, I need to learn decimals, and I need to learn fractions, and I need to learn percentages because I have to manage my money and I have **10**.,” Tatum-Gormes said.

Supporters say personal finance courses help students learn how **11**. and develop an interest in math as a result.

The Council for Economic Education says financial education should include exploring subjects like earning, budgeting, saving, investing, and managing credit and financial risk. Experts say the class does not have to be taught by a traditional math teacher.

Idaho is one of the states where a new financial literacy requirement is in place.

The new program will give students the chance to use skills from their algebra, calculus, and economics classes in real life. In the class, they will calculate their future student loans, rent payments, and income requirements.

Experts say the 2007-2008 financial crisis, pandemic-linked economic insecurity and current high inflation may have increased Americans’ desire for stronger financial knowledge. Less than one-fourth of **12**. show basic financial literacy, the Council for Economic Education says.

III. Listen to the text again and decide whether the statement is true or false; correct those that are wrong.

1.	States are hoping to improve computer skills among students in the United States.	T/F
2.	The educators are trying to improve students’ math skills, which dopped during the war time and have not fully recovered.	T/F
3.	The Council for Economic Education says financial education could include exploring subjects like earning, budgeting, saving, investing, and managing credit and financial risk.	T/F
4.	In the class the students can calculate their future loans, rent payments, and income requirements.	T/F

5.	It found that in schools with mainly Black and Hispanic student populations, only seventeen percent of students have access to a half-school year personal finance course.	T/F
6.	Students get more interested in math when they see how it connects with their future financial well-being.	T/F
7.	Experts say the class does not have to be taught by a traditional math teacher.	T/F

IV. Find synonyms and antonyms of the following words.

		synonyms	antonyms
1.	to graduate		
2.	to increase		
3.	to improve		
4.	to recover		
5.	to include		
6.	insecurity		
7.	literacy		

V. Explain the following notions.

1. personal finance
2. money management
3. financial well-being
4. non-profit organization
5. income requirements
6. to make smart money decisions

VI. Comprehension Questions.

1. What's the name of the course offered at Capital City Public Charter School in Washington, D.C.?
2. What topics are covered in the financial education class at the Washington school?

3. How many U.S. states have passed laws or policies requiring personal finance education in high schools since 2020?
4. How does personal finance education at the Washington school help students become more interested in math?
5. Why do experts believe there is an increased demand for stronger financial knowledge in the United States?

VII. INTERNET: Search the Internet and find out more about financial literacy.

Share what you discover with your partner(s) in the next lesson.

PART II. READING COMPREHENSION

Read the text and be ready to discuss.

TEXT 1. WHAT IS FINANCIAL LITERACY?

Financial literacy is the ability to understand and effectively use various financial skills, including *personal financial* management, *budgeting*, and *investing*. When you are financially literate, you have the foundation of a relationship with money, and it is a lifelong journey of learning. The earlier you start, the better off you will be, because education is the key to success when it comes to money.

Key takeaways

The term “financial literacy” refers to a variety of important financial skills and concepts.

People who are financially literate are generally less vulnerable to financial fraud.

A strong foundation of financial literacy can help support various life goals, such as Savings for education or retirement, using debt responsibility and running a business.

Key aspects to financial literacy include knowing how to create a budget, plan for retirement, manage debt, and track personal spending.

Financial literacy can be obtained through reading books, listening to podcasts, subscribing to financial content, or talking to a financial professional.

Here are several practical strategies to consider.

Create a Budget

Track how much money you receive each month against how much you spend on an Excel sheet, on paper, *or with a budgeting app*. Your budget should include income (paychecks, investments, alimony), fixed expenses (rent/mortgage payments, utilities, loan payments), discretionary spending (nonessentials such as eating out, shopping, and travel), and savings.

Pay Yourself First

To build savings, *this reverse budgeting strategy* involves choosing a savings goal, such as paying for higher education, deciding how much you want to contribute toward it each month, and setting that amount aside before you divvy up the rest of your expenses.

Pay Bills Promptly

Stay on top of monthly bills, making sure that payments consistently arrive on time. Consider taking advantage of automatic debits from a checking account or bill-pay apps and sign up for payment reminders (by email, phone, or text).

Get Your Credit Report

Once a year, consumers can request a free credit report from the three major *credit bureaus*—Equifax, Experian, and TransUnion—through the federally created website AnnualCreditReport.com. Review these reports and dispute any errors by informing the credit bureau of inaccuracies. Because you can get three of them, consider spacing out your requests throughout the year to monitor yourself regularly.

In a 2021 survey by the Federal Reserve, 22% of adults in the United States reported not being OK financially and not living comfortably financially.

Check Your Credit Score

Having a good *credit score* helps you obtain the best interest rates on *loans* and credit cards, among other benefits. Monitor your score via a *free credit monitoring service* (or, if you can afford to and want to add an extra layer of protection for your information, use one of the *best credit monitoring services*). In addition, be aware of

the financial decisions that can *raise or lower your scores*, such as *credit inquiries* and *credit utilization ratios*.

Manage Debt

Use your budget to stay on top of debt by reducing spending and increasing repayment. *Develop a debt reduction plan*, such as paying down the loan with the highest interest rate first. If your debt is excessive, contact lenders to renegotiate *repayment, consolidate loans*, or find a debt counseling program.

Invest in Your Future

If your employer offers a 401(k) retirement savings account, be sure to sign up and contribute the maximum to receive the *employer match*. Consider opening an individual retirement account (IRA) and creating a *diversified investment portfolio* of stocks, fixed income, and commodities. If necessary, seek financial advice from professional advisors to help you determine how much money you will need to retire comfortably and develop strategies to reach your goal.

Why Is Financial Literacy Important?

Being financially literate from a young age gives an individual the tools and resources they need to be financially secure later in life. The lack of financial literacy can lead to a number of pitfalls, such as accumulating unsustainable debt burdens, either through poor spending decisions or a lack of long-term preparation. This, in turn, can lead to poor credit, bankruptcy, housing foreclosure, or other negative consequences.

How Do I Become Financially Literate?

Becoming financially literate involves learning and practicing a variety of skills related to budgeting, managing and paying off debts, and understanding credit and investment products. Basic steps to improve your personal finances include creating a budget, keeping track of expenses, being diligent about timely payments, being prudent about saving money, periodically checking your credit report, and investing for your future.

What Are Some Popular Personal Budget Rules?

Two commonly used personal budgeting methods are the *50/20/30* and

70/20/10 rules, and their simplicity is what makes them popular. The former entails dividing your after-tax, take-home income pay into three areas: needs (50%), savings (20%), and wants (30%). The 70/20/10 rule also follows a similar blueprint, recommending that your after-tax, take-home income be divided into segments that cater to expenses (70%), savings or reducing debt (20%), and investments and charitable donations (10%).

What Are the Principles of Financial Literacy?

There are five broad principles of financial literacy. Though other models may list different key components, the overarching goal of financial literacy is to educate individuals on how to earn, spend, save, borrow, and protect their money.

The Bottom Line

Financial literacy is the knowledge of how to make smart decisions with money. This includes preparing a budget, knowing how much to save, deciding favorable loan terms, understanding impacts to credit, and distinguishing different vehicles used for retirement. These skills help individuals make smarter decisions and act more responsibly with their personal finances.

(<https://www.investopedia.com/terms/f/financial-literacy.asp>)

UNIT 2. FINANCIAL CRISIS

PART I. LISTENING COMPREHENSION

Pre-listening tasks

Proper Names and Abbreviations:

Sri Lanka, Ecuador, El Salvador, Panama, Zimbabwe, Asia, Colombo, China
Moody's Analytics, Mark Zandi, House Speaker Kevin McCarthy,
President Joe Biden, Treasury Secretary Janet Yellen

Pay attention to the following organizations. What do you know about them?

- ❖ the International Monetary Fund
- ❖ the U.S. treasury
- ❖ the Federal Reserve.

1. Read the following words and their definitions and translate them into Ukrainian.

1.	to spare (v.)	— to prevent something from harm
2.	to currency (n.)	— the type of money used in a particular country
3.	to demand (v.)	— to ask for something forcefully, in a way that shows that you do not expect to be refused
4.	to default (v.)	— to fail to pay interest or other money that is owed
5.	to solve (v.)	— to find an answer to a problem
6.	to estimate (v.)	— to say what you believe the cost, size, value, etc. of something is, although you do not know for certain
7.	stock market (n.)	— the activity of buying and selling shares in particular companies, and the people and organizations involved in this
8.	household (n.)	— a group of people, often a family, who live together in a house or flat
9.	securities (n.)	— investment in a company or in government debt that can be traded on the financial markets and produces an income for the investor
10.	borrowing (n.)	— the act of borrowing money or amount of the money that a person, company, government, etc. borrows.

<https://dictionary.cambridge.org/dictionary/english/>

Listening and comprehension tasks

II. Listen to the story and fill in the gaps.

Failure of US to Pay Debt Raises Fears of Financial Crisis

The United States government has a history of paying its **1.** on time. Many people, however, are worried about what would happen if the U.S. defaults on **2.** that it owes lenders.

Default means to fail to do what rule or law requires. In **3.** , it means being unable or unwilling to pay back loans.

“ No corner of the global **4.** will be spared” if the U.S. government defaulted and the problem were not solved quickly, said Mark Zandi. He is chief economist at Moody’s Analytics, a risk **5.** business.

The Associated Press reports that Zandi and two of his co-workers suggested that, even if the U.S. did not pay its **6.** for only a week, 1.5 million jobs in the U.S. could be lost.

If the default were to last longer into the summer, Zandi’s team’s research suggests 7.8 million jobs could be lost. And they estimate a huge **7.** in the stock market would cause a \$10 trillion loss in household wealth.

The reason people are talking about default is because U.S. law limits the amount of debt securities the government can hold at one time. It is called the **8.** debt limit.

House Speaker Kevin McCarthy, who is a member of the Republican Party, has been meeting with President Joe Biden, a Democrat, to discuss the problem. The two met on Monday. Republicans want to pull back government **9.** increases and place limits on future spending. In return, they have said they would increase the debt **10.** which is what the president wants.

Congress has raised, changed, or extended the borrowing limit 78 times since 1960, most recently in 2021.

The U.S. government borrows money from the public and from other countries by offering bonds and other **11.** that investors buy from the U.S. treasury.

The public buys the securities because they pay interest or increase in value

over time. But, if the U.S. defaults, that might mean some investors might not get money the U.S. government owes them.

Treasury Secretary Janet Yellen has warned that the government could default as soon as June 1 if **12.** do not raise or suspend the borrowing limit. She called June 1 a “hard deadline,” meaning an important time limit.

Governments and international businesses use U.S. securities to secure credit and protect against bank losses. They also use and keep U.S. dollar securities for trade.

Because of the trust in U.S. securities, international bank officials give U.S. government debt a risk rating of zero. Foreign governments and private **13.** hold nearly \$7.6 trillion of the debt. That is about 31 percent of the U.S. securities in financial markets.

The high demand for the U.S. dollar makes it more secure than other currencies. Because of demand around the world, the U.S. can borrow money.

U.S. dollars make up 58 percent of all foreign money held by the world’s central banks. The International Monetary Fund says the euro is second, at 20 percent, and China’s yuan is less than three percent.

Researchers at the Federal Reserve have said that from 1999 to 2019, 96 percent of trade in the Americas used U.S. dollars. And 74 percent of trade in Asia used dollars.

Buyers in some weak **14.** demand payment in dollars instead of their own country’s currency. For example, in Sri Lanka earlier this year, shippers refused to release 1,000 containers of urgently needed food unless they were paid in dollars. The shipments stayed in Colombo, the capital, because the importers were not able to get dollars to pay for the food.

Some countries also use the U.S. dollar as their **15.** currency. In 2000, Ecuador responded to an economic crisis by replacing its own currency with the U.S. dollar. El Salvador, Panama, and Zimbabwe are among the countries using the U.S. dollar as currency.

Zandi and his coworkers think that if the U.S. defaults, people might still hold

onto dollars near the beginning of the financial crisis. That's because the U.S. will likely continue to pay some of the money it owes. They think the dollar may still be considered safer than other currencies.

But people might start **16.** money into private money market funds or the bonds of top U.S. corporations. Zandi said growing doubts would decrease the dollar's value and keep that value down.

A high **17.** of the dollar can have negative effects in some countries. It can make their currencies less valuable. It can also make it more likely for people and businesses to invest outside of their country.

However, there is not yet any other clear choice besides the dollar. The euro is far behind the dollar. China does not permit its yuan to trade freely in foreign **18.** markets.

The debt limit issue is likely to increase questions about the **19.** power of the United States and the dollar.

III. Listen to the text again and decide whether the statement is true or false; correct those that are wrong.

1.	Mark Zandi is the chief economist at Moody's Analytics.	T/F
2.	House Speaker Kevin McCarthy and President Joe Biden belong to the same political party.	T/F
3.	The U.S. has raised the public debt limit 78 times since 1960.	T/F
4.	The U.S. government borrows money exclusively from foreign countries.	T/F
5.	Treasury Secretary Janet Yellen warned that the government could default as soon as July 1.	T/F.
6.	International bank officials give U.S. government debt a risk rating of ten.	T/F.
7.	El Salvador currently uses its own currency, separate from the U.S. dollar.	T/F

8.	The U.S. dollar makes up the majority of all foreign money held by the world's central banks.	T/F
9.	If the U.S. can't pay its bills, it could make the US dollar worth less and people might want to invest more in the USA.	T/F
10.	The debt limit issue is not expected to raise questions about the financial power of the United States and the dollar.	T/F

IV. Find synonyms and antonyms of the following words.

		synonyms	antonyms
1.	to fail		
2.	huge		
3.	to borrow		
4.	to suspend		
5.	weak		
6.	to refuse		
7.	to permit		

V. Explain the following notions.

1. hard deadline
2. to raise the borrowing limit
3. financial power
4. risk advising business
5. to decrease the value
6. the public debt limit

VI. Comprehension Questions.

1. What does the term "default" mean in the context of finance, and how does it relate to the United States government's situation?
2. According to Mark Zandi, what potential consequences could arise if the U.S.

government defaults on its debt?

3. What are the key points of disagreement between House Speaker Kevin McCarthy and President Joe Biden regarding the debt limit issue?

4. How does the US government borrow money and why do investors buy US Treasury securities?

5. What are the potential long-term effects of a U.S. default on the dollar's status as a global currency?

VII. INTERNET: Search the Internet and find out more about financial crises of the 21st Century. Share what you discover with your partner(s) in the next lesson.

PART II. READING COMPREHENSION

Read the text and be ready to discuss.

TEXT 1. FINANCIAL CRISIS

Definition: Financial Crisis refers to a situation in which there is an acute decline in the value of assets. Also, the businesses and consumers are not able to pay off their debts and the banks face liquidity shortages. It is related to a **bank run** – a situation in which many investors sell their assets or withdraw money from their accounts, as they feel like the value of their deposits will go down if they continue to keep it in the financial institution.

Financial Crisis reflects a situation in which various financial assets including stocks, real estate, fuel etc. lose a considerable amount of their face value. A period of economic boom and large scale credit extension to borrowers precedes this phase.

Important: Credit panic and stock market crash or stoppage in the functioning of financial intermediaries are the common indicators of the financial crisis. Also, it may result in a recession. It tends to damage the real economy as it disrupts the normal flow of credit and insurance.

Financial Crisis is a combination of events like:

1. Considerable changes in credit volume and asset prices
2. Drastic disruption in financial intermediation and supply of external financing

3. Large-scale balance sheet problems

4. Need for large-scale government support

Because a financial crisis is an amalgam of multidimensional events. Hence, one cannot characterize it through a single indicator.

Assets and credit booms which later turn into busts are the prior stages of the financial crisis.

What is the real and financial sector implication of this crisis?

It has both financial and real effects, wherein financial effects are reflected in:

- The deceleration in GDP growth
- Decrease in reserves
- Fall in equity prices

As against, the real effects of the crisis can be seen in:

- Large output losses
- Various macroeconomic variables like consumption, production and investment also experience a decline.

Types of Financial Crisis

Financial Crises can take many forms. However, it is majorly classified into four types, which we have discussed here in detail:



Currency Crisis

It implies a situation in which there is an abrupt and acute fall in the value of the currency of a country along with volatile markets and a lack of confidence in the economy. In this, the country faces a continuous and frequent rise and fall in the value of the currency.

It may or may not be predictable. Factors like government, investors, central banks or a combination thereof, often trigger the financial crisis. It is caused due to the chronic balance of payments deficits. It results in economic damage on a large scale and capital loss.

Sudden Stop Crisis

It implies a sudden stop or decline in the supply of foreign capital or private capital into the economy which jeopardizes the ability of the economy to pay its external trade and financial needs.

Debt Crisis

It implies a condition prevalent in the economy wherein the nation is not able to repay its government debt. It arises when the revenue earned through taxes is less in comparison to expenditures in a long term.

You must be aware of the fact that every government finances its expenditures by arranging money from the tax revenues. And if tax revenues are inadequate, the government can offset this loss by selling treasury bills in the open market to investors.

Banking Crisis

This situation arises when a number of banks face severe issues relating to solvency and liquidity, at the same time.

To be precise, a banking crisis takes place when the corporate sector and finance sector of an economy encounters multiple frauds, scams and defaults. Due to this the banking system of the economy collapses. And the banks and financial institutions face difficulty in the repayment of contracts in a timely manner. Hence, there is a rise in **non-performing assets**, i.e. NPAs. As a result of which the overall banking system capital is drained.

A word from Business Jargons

Prediction of the financial crisis is itself a big challenge, but if it can be predicted correctly, it can help in implementing various measures to prevent such crises or mitigating the loss or damage that the crisis may cause to the economy,

(<https://businessjargons.com/financial-crisis.html>)

UNIT 3. BANKS

PART I. LISTENING COMPREHENSION

Pre-listening tasks

Proper Names and Abbreviations:

Washington, California, Seattle; the Silicon Valley Bank, Mutual Seattle, Signature Bank, FDIC California bank;

the Federal Deposit Insurance Corporation (the FDIC), the Treasury Department, the U.S. Federal Reserve.

Pay attention to the following organizations. What do you know about them?

- ❖ the International Monetary Fund
- ❖ the U.S. Treasury.

I. Read the following words and their definitions and translate them into Ukrainian.

1.	regulator (n.)	— an official or agency that is part of the government that controls a public activity by making and enforcing rules
2.	asset (n.)	— something that is owned and that has value
3.	collateral (n.)	— property that you promise to give a lender if you cannot pay back a debt
4.	deposit (n.)	— an amount of money that is placed in a bank account
5.	regional (n.)	— serving a part of the country that is different because of geography or some other reason from the rest of the country
6.	to collapse (v.)	— to fall down suddenly because of pressure or having no strength or support
7.	account (n.)	— an arrangement with a bank to keep your money there and to allow you to take it out when you need to

8.	intervention (n.)	— involvement in a difficult situation in order to improve it or prevent it from getting worse, or an occasion when this is done
9.	to strengthen(v.)	— to make something more effective or powerful
10.	taxpayer (n.)	— someone who pays taxes

(<https://dictionary.cambridge.org/dictionary/english/>)

Listening and comprehension tasks

II. Listen to the story and fill in the gaps.

US Finance Officials Take Over Two Failed Banks

President Joe Biden told Americans Monday that the nation’s financial system is safe. Biden made the comments after **1.** ... of two large banks with ties to the computer technology industry.

U.S. regulators closed the Silicon Valley Bank on Friday after a run on the bank. A bank run happens when too many account holders **2.** their money at the same time and the bank cannot honor their requests. The bank’s failure is the second largest in U.S. history, after the 2008 failure of Washington Mutual, based in Seattle.

New York-based Signature Bank failed on Monday. The bank had more than \$110 billion in assets. That makes its failure the third largest in U.S. history.

Biden said he would seek to hold those responsible accountable. He also called for better oversight and regulation of large banks. He promised no losses would be paid for by **3.** “We must get the full accounting of what happened,” he said.

Biden also said the **4.** ... of the banks should be removed. “If the bank is taken over by the FDIC, the people running the bank should not work there anymore,” he said. Biden was talking about the Federal Deposit Insurance Corporation. That agency guarantees bank **5.** ... of member banks up to \$250,000.

The Treasury Department, the U.S. Federal Reserve and FDIC said Sunday that all Silicon Valley Bank members would be **6.** ... and would be able to get their money.

Under the plan, account holders at Silicon Valley Bank and Signature Bank will be able to withdraw their money on Monday. That includes those whose holdings are over the \$250,000 limit. News reports say many of the bank’s account holders had more than the amount guaranteed by the government.

Silicon Valley Bank began to fail when it had **7.** some of its holdings at a loss to meet its customers’ withdrawal requests. Under the central bank’s new program, banks can offer certain **8.** ... as collateral to borrow for an emergency.

The Treasury said it had set aside \$25 billion to deal with **9.** However, central bank officials said that they do not expect to have to use any of that money. That is because the investments provided as collateral have a very low risk of **10.** Sunday’s steps represented the biggest government **11.** ... in the banking system since the 2008 financial crisis. But the actions are limited compared with what was done 15 years ago.

Bank stocks continued to drop in value on Monday. Some investors are worried that interest rate increases might hurt the banking industry.

The most pressure is on **12.** ...banks. They are smaller than very large banks that some people consider “too-big-to-fail.” Problems at big banks helped cause the financial crisis in 2007 and 2008.

Shares of another California bank, First Republic Bank, dropped 64.1 percent at the start of trading on Monday. The bank said Sunday it had strengthened its finances with money from the Federal Reserve and JPMorgan Chase Bank.

III. Listen to the text again and decide whether the statement is true or false; correct those that are wrong.

1.	President Joe Biden told Americans Monday that the nation’s financial system is danger.	T/F
2.	Under the plan, account holders at Silicon Valley Bank and Signature Bank will be able to withdraw their money	T/F
3.	Biden called for better oversight and regulation of large banks.	T/F
4.	Bank stocks continued to drop in value.	T/F

5.	Some investors are worried that interest rate decreases might hurt the banking industry.	T/F
6.	Problems at big banks helped cause the financial crisis in 2007 and 2008.	T/F
7.	Problems at big banks helped cause the financial crisis in 2007 and 2008.	T/F

IV. Find synonyms and antonyms of the following words.

		synonyms	antonyms
1.	failure		
2.	responsible		
3.	low risk		
4.	to continue		
5.	to drop		
6.	at the start		
7.	to strengthen		

V. Explain the following notions.

1. in assets
2. to guarantee bank deposits
3. government intervention
4. to borrow for an emergency
5. bank stocks
6. interest rate
7. to consider “too-big-to-fail”

VI. Comprehension Questions.

1. What led to the closure of Silicon Valley Bank and what is the significance of the event in the context of US banking history.
2. What is the role of the Federal Deposit Insurance Corporation and how does it relate to the situation of the failing banks?
3. Why does President Biden suggest removing the management of the failed banks if the FDIC takes over?
4. What actions did Silicon Valley Bank take to address its financial difficulties?
5. What new program did the central bank introduce to help banks in emergency situations?
6. Why are bank stocks dropping and why are some investors worried about the banking industry?
7. How do smaller banks differ from very large banks and how did problems at big banks contribute to the 2007-2008 financial crisis?

VII. INTERNET: Search the Internet and find out more about reasons of bank failures. Share what you discover with your partner(s) in the next lesson.

PART II. READING COMPREHENSION

Read the text and be ready to discuss.

TEXT 1. AFTER TWO HISTORIC US BANK FAILURES, HERE'S WHAT COMES NEXT

WASHINGTON (AP) — Two large banks that cater to the tech industry have collapsed after a bank run, government agencies are taking emergency measures to backstop the financial system, and President Joe Biden is reassuring Americans that the money they have in banks is safe. It's all eerily reminiscent of the financial meltdown that began with the bursting of the housing bubble 15 years ago. Yet the initial pace this time around seems even faster.

Over the last three days, the U.S. seized the two financial institutions after a bank run on Silicon Valley Bank, based in Santa Clara, California. It was the largest bank failure since Washington Mutual went under in 2008.

How did we get here? And will the steps the government unveiled over the weekend be enough?

Here are some questions and answers about what has happened and why it matters:

WHY DID SILICON VALLEY BANK FAIL?

Silicon Valley Bank had already been hit hard by a rough patch for technology companies in recent months and the Federal Reserve's aggressive plan to increase interest rates to combat inflation compounded its problems.

The bank held billions of dollars worth of Treasuries and other bonds, which is typical for most banks as they are considered safe investments. However, the value of previously issued bonds has begun to fall because they pay lower interest rates than comparable bonds issued in today's higher interest rate environment.

That's usually not an issue either because bonds are considered long term investments and banks are not required to book declining values until they are sold. Such bonds are not sold for a loss unless there is an emergency and the bank needs cash.

Silicon Valley, the bank that collapsed Friday, had an emergency. Its customers were largely startups and other tech-centric companies that needed more cash over the past year, so they began withdrawing their deposits. That forced the bank to sell a chunk of its bonds at a steep loss, and the pace of those withdrawals accelerated as word spread, effectively rendering Silicon Valley Bank insolvent.

WHAT DID THE GOVERNMENT DO ON SUNDAY?

The Federal Reserve, the U.S. Treasury Department, and Federal Deposit Insurance Corporation decided to guarantee all deposits at Silicon Valley Bank, as well as at New York's Signature Bank, which was seized on Sunday. Critically, they agreed to guarantee all deposits, above and beyond the limit on insured deposits of \$250,000.

Many of Silicon Valley's startup tech customers and venture capitalists had far more than \$250,000 at the bank. As a result, as much as 90% of Silicon Valley's deposits were uninsured. Without the government's decision to backstop them all,

many companies would have lost funds needed to meet payroll, pay bills, and keep the lights on.

The goal of the expanded guarantees is to avert bank runs — where customers rush to remove their money — by establishing the Fed’s commitment to protecting the deposits of businesses and individuals and calming nerves after a harrowing few days.

Also late Sunday, the Federal Reserve initiated a broad emergency lending program intended to shore up confidence in the nation’s financial system.

Banks will be allowed to borrow money straight from the Fed in order to cover any potential rush of customer withdrawals without being forced into the type of money-losing bond sales that would threaten their financial stability. Such fire sales are what caused Silicon Valley Bank’s collapse.

If all works as planned, the emergency lending program may not actually have to lend much money. Rather, it will reassure the public that the Fed will cover their deposits and that it is willing to lend big to do so. There is no cap on the amount that banks can borrow, other than their ability to provide collateral.

HOW IS THE PROGRAM INTENDED TO WORK?

Unlike its more byzantine efforts to rescue the banking system during the financial crisis of 2007- 08, the Fed’s approach this time is relatively straightforward. It has set up a new lending facility with the bureaucratic moniker, “Bank Term Funding Program.”

The program will provide loans to banks, credit unions, and other financial institutions for up to a year. The banks are being asked to post Treasuries and other government-backed bonds as collateral.

The Fed is being generous in its terms: It will charge a relatively low interest rate — just 0.1 percentage points higher than market rates — and it will lend against the face value of the bonds, rather than the market value. Lending against the face value of bonds is a key provision that will allow banks to borrow more money because the value of those bonds, at least on paper, has fallen as interest rates have moved higher.

As of the end of last year U.S. banks held Treasuries and other securities with about \$620 billion of unrealized losses, according to the FDIC. That means they would take huge losses if forced to sell those securities to cover a rush of withdrawals.

HOW DID THE BANKS END UP WITH SUCH BIG LOSSES?

Ironically, a big chunk of that \$620 billion in unrealized losses can be tied to the Federal Reserve's own interest-rate policies over the past year.

In its fight to cool the economy and bring down inflation, the Fed has rapidly pushed up its benchmark interest rate from nearly zero to about 4.6%. That has indirectly lifted the yield, or interest paid, on a range of government bonds, particularly two-year Treasuries, which topped 5% until the end of last week.

When new bonds arrive with higher interest rates, it makes existing bonds with lower yields much less valuable if they must be sold. Banks are not forced to recognize such losses on their books until they sell those assets, which Silicon Valley was forced to do.

HOW IMPORTANT ARE THE GOVERNMENT GUARANTEES?

They're very important. Legally, the FDIC is required to pursue the cheapest route when winding down a bank. In the case of Silicon Valley or Signature, that would have meant sticking to rules on the books, meaning that only the first \$250,000 in depositors' accounts would be covered.

Going beyond the \$250,000 cap required a decision that the failure of the two banks posed a "systemic risk." The Fed's six-member board unanimously reached that conclusion. The FDIC and the Treasury Secretary went along with the decision as well.

WILL THESE PROGRAMS SPEND TAXPAYER DOLLARS?

The U.S. says that guaranteeing the deposits won't require any taxpayer funds. Instead, any losses from the FDIC's insurance fund would be replenished by a levying an additional fee on banks.

Yet Krishna Guha, an analyst with the investment bank Evercore ISI, said that political opponents will argue that the higher FDIC fees will "ultimately fall on small

banks and Main Street business.” That, in theory, could cost consumers and businesses in the long run.

WILL IT ALL WORK?

Guha and other analysts say that the government’s response is expansive and should stabilize the banking system, though share prices for medium-sized banks, similar to Silicon Valley and Signature, plunged Monday. “We think the double-barreled bazooka should be enough to quell potential runs at other regional banks and restore relative stability in the days ahead,” Guha wrote in a note to clients.

Paul Ashworth, an economist at Capital Economics, said the Fed’s lending program means banks should be able to “ride out the storm.” “These are strong moves,” he said.

Yet Ashworth also added a note of caution: “Rationally, this should be enough to stop any contagion from spreading and taking down more banks ... but contagion has always been more about irrational fear, so we would stress that there is no guarantee this will work.”

(<https://apnews.com/article/banks-federal-reserve-silicon-valley-lending-rescue-a04875a164165b50e971ff4576bf4e27>)

UNIT 4. DIGITAL CURRENCY

PART I. LISTENING COMPREHENSION

Pre-listening tasks

Proper Names and Abbreviations:

Britain's Treasury; The U.S Federal Reserve; the European Central Bank;
FTX (stands for "Futures Exchange", a centralized cryptocurrency exchange);
Britain's House of Lords.

Jeremy Hunt; Governor Andrew Bailey; Prime Minister Rishi Sunak; Governor
Mervyn King; Sam Bankman-Fried.

I. Read the following words and their definitions and translate them into Ukrainian.

1.	digital wallet (n.)	– a way of storing a user's digital cash and online shipping information
2.	cash (n.)	– money in the form of bills and coins, rather than checks and credit cards
3.	accessible (<i>adj.</i>)	– able to be reached or easily gotten
4.	profound (<i>adj.</i>)	– felt or experienced very strongly or in an extreme way
5.	fraud (n.)	– the crime of using dishonest methods to take something valuable from another person
6.	obvious (<i>adj.</i>)	– easy to see, recognize or understand
7.	enthusiasm (n.)	– a feeling of energetic interest in a particular subject or activity
8.	benefit (n.)	– a good result or effect
9.	launch (n.)	– an event to celebrate or introduce something new
10.	trusted (<i>adj.</i>)	– deserving of trust, or able to be depended on

(<https://dictionary.cambridge.org/dictionary/english/>)

Listening and comprehension tasks

II. Listen to the story and fill in the gaps.

Britain Moves Closer to Launching Official Digital Currency

The British government is taking another step toward **1.** an official digital currency.

British officials said this week they plan to gather public comments on whether the country should establish a digital version of the pound. The decision comes nearly two years after Britain's Treasury and the central bank, the Bank of England, confirmed they were considering the launch of a **2.**

If created, a digital pound would be issued by Britain's central bank, not by private companies. The Bank of England would set the digital currency's value. Digital currencies are also known as **3.**

British proposals for an official digital currency suggest individuals would not hold **4.** directly with the Bank of England. Instead, they would hold accounts with private digital wallet providers. Holders of the currency would be able to use it to pay for **5.** and services electronically.

Britain's Finance Minister Jeremy Hunt said in a statement, "While cash is here to stay, a digital pound issued and backed by **6.** could be a new way to pay that's trusted, accessible and easy to use."

Hunt added that the **7.** is interested in investigating different possibilities for an official digital currency, while also taking steps to protect the finances of users.

Bank of England Governor Andrew Bailey said all elements of a **8.** system – including privacy issues – need to be considered. Gathering public opinions on creating a digital pound marks the beginning of "what would be a profound decision for the country on the way we use money," Bailey said.

British Prime Minister Rishi Sunak had asked Britain's central bank **9.** the possibilities of a national digital currency while he was serving as finance minister in **10.**

So far, 11 countries have launched digital currencies. The U.S. Federal Reserve and the European Central Bank have both considered launching official digital currencies.

11. of such currencies say they make digital business easier and less costly. Such currencies can also make the financial system available to people who do not hold bank accounts.

But digital forms of currency also present risks, including internet attacks, privacy concerns and the danger that they can be misused by **12.**

The cryptocurrency industry has been hit with a series of problems in recent months. Crypto crashes led to large losses last year. And the collapse of crypto company FTX in November led to fraud charges against FTX **13.** Sam Bankman-Fried.

Former Bank of England Governor Mervyn King recently said he thinks a digital pound would have risks but “no obvious **14.**”

King, who is currently a member of Britain’s House of Lords, added that state-backed digital currencies may be useful in countries that do not have effective banking systems. But he said he does not believe this is the case in Britain.

“We need to be selective and not driven by a **15.** enthusiasm for all things crypto,” King said.

III. Listen to the text again and decide whether the statement is true or false; correct those that are wrong.

1.	The British government is considering launching an official digital currency.	T/F
2.	Private companies would potentially be responsible for issuing the digital pound.	T/F
3.	Digital currencies and cryptocurrencies are the same.	T/F
4.	Individuals would hold accounts directly with the Bank of England if a digital pound is created.	T/F
5	Digital pound holders would be unable to use it for electronic payments.	T/F
6.	Bank of England Governor Andrew Bailey believes that all aspects of a digital currency system need to be considered.	T/F
7.	The collapse of crypto company FTX led to fraud charges against FTX founder Sam Bankman-Fried.	T/F

IV. Find synonyms and antonyms of the following words.

		synonyms	antonyms
1.	effective		
2.	to conclude		
3.	to establish		
4.	accessible		
5.	to investigate		
6.	proposal		

V. Explain the following notions.

1. to launch some currency
2. digital wallet
3. to fraud charges
4. state-backed digital currencies
5. internet attacks

VI. Comprehension Questions.

1. What is the British government considering launching, according to the text?
2. How many countries have already launched digital currencies, according to the text?
3. What potential benefits of official digital currencies are mentioned in the text?
4. What are some of the risks associated with digital currencies as mentioned in the text?
5. What event involving a cryptocurrency company is described in the text?

VII. INTERNET: Search the Internet and find out some facts about creation of cryptocurrencies in different countries. Share what you discover with your partner(s) in the next lesson.

PART II. READING COMPREHENSION

Read the text and be ready to discuss.

TEXT 1. ABOUT E-HRYVNYIA, THE DIGITAL CURRENCY OF THE NATIONAL BANK OF UKRAINE

The National Bank of Ukraine (NBU) has been conducting research on central bank digital currencies (CBDC) and working on creating its own digital form of hryvnia – the e-hryvnia.

The e-hryvnia is an electronic form of the currency of Ukraine issued by the NBU.

According to the regulator, the key purpose of the e-hryvnia is to effectively perform all functions of money and supplement cash and noncash forms of hryvnia.

The e-hryvnia should be easy to use and accessible to all population groups, legal entities, state authorities, banks, and nonbank payment service providers.

Devising and implementing the e-hryvnia in Ukraine will:

- develop the Ukrainian payment infrastructure
- digitalize the economy
- further promote and reduce the price of noncash payments
- improve transparency of settlements
- ensure confidence in the domestic currency in general.

E-hryvnia could have a positive impact on ensuring economic security of the country, strengthen monetary sovereignty of Ukraine and the NBU's capability to maintain price and financial stability as foundation of stable economic growth.

At present, the NBU is considering and processing the following possible options for using the e-hryvnia that will shape its design and main features:

- the e-hryvnia for retail noncash payments with the options for “programmed” targeted money
- the e-hryvnia in the circulation of virtual assets
- the e-hryvnia for cross-border payments.

For reference: In September 2021, the NBU launched the E-Hryvnia Project in order to determine the need for a full-scale issue of the Ukrainian digital hryvnia. In October 2022, Ukrainian Intellectual Property Institute (Ukrpatent) registered the trademark “e-гривня” (Ukrainian) “e-hryvnia”, which is owned by the NBU.

The following e-mail was provided for communication with the E-Hryvnia Project team and proposals on introducing the e-hryvnia: e-hryvnia@bank.gov.ua

TEXT 2. WHY DO WE NEED A DIGITAL EURO?

A digital euro would be an additional payment option to choose from, alongside cash.

The way people pay is changing rapidly and consumers in the euro area increasingly prefer to pay electronically rather than with cash.

This is why, in order to safeguard the role of public money and maintain trust in our currency, we're exploring the benefits of a safe and universally accepted digital euro.

We remain committed to ensuring that cash continues to be accepted everywhere in the euro area too.

The evolution of money

Many aspects of our lives are becoming digitalised, and money is no different. Cash will continue to be a payment option; it will not be replaced. At the same time, to ensure that our currency remains future-proof, it needs to evolve in line with people's payment

preferences. Similar to cash today, a digital euro would bring inclusivity and privacy in the digital era.

Making our lives easier

A digital euro would make our lives easier by giving us the choice to pay with a secure means of payment universally accepted throughout the euro area. Like cash, paying with digital euro would be free of charge for everyone in the euro area.

A stronger Europe

A digital euro would make the euro area more robust. It would support Europe's strategic autonomy and monetary sovereignty, making our payments landscape more competitive and resilient to non-European payment providers. A digital euro would also offer a foundation for further innovation by private payment service providers.

What is central bank money?

The money that we at the ECB create is called central bank money. The cash in your wallet or purse is central bank money. In fact, banknotes and coins are currently the

only kind of central bank money available to the public. Central bank money is also called public money because it is issued by a public institution – the central bank – and is therefore backed by the public sector.

What is private money?

Commercial banks also create money. That's actually what they do when they grant you a new loan and the money appears in your bank account. This kind of money is called private money. This also includes the balance you see on your bank statement and the savings in your account. The payments you currently make with your debit or credit cards, or via an online payment service, are all transfers of private money, because you are using money created by your bank.

A digital euro: bridging the gap

Today, people do not have access to central bank money in digital form. Our aim is to combine the benefits of central bank money and the ease with which people make their payments in today's world. This would allow us to provide you with public money in electronic form, in addition to cash. The way to do this is a central bank digital currency: a digital euro.

UNIT 5. CHINA'S ECONOMY

PART I. LISTENING COMPREHENSION

Pre-listening tasks

Proper Names and Abbreviations:

Europe, Asia, China, London, Shanghai, Beijing;

Chinese Communist Party, Zhongrong International Trust Co., National Bureau of Statistics (NBS), Reuters/

I. Read the following words and their definitions and translate them into Ukrainian.

1.	pressure (n.)	– the act of trying to make someone else do something by arguing, persuading, etc.
2.	payment (n.)	– an amount of money paid, or the act of paying
3.	property (n.)	– the legal right to own and use something
4.	restrictions (n.)	– an official limit on something
5.	customs (n.)	– the government department that deals with taxes on goods coming into and leaving a country
6.	decline (v.)	– to become lower in amount or less in number
7.	lift (v.)	– to move something from a lower to a higher position
8.	bottom (n.)	– the lowest part of something
9.	remain (v.)	– to stay in the same place or in the same condition
10.	percent (n.)	– one part of every 100, or the specified amount of something divided by 100, shown by the symbol %

(<https://dictionary.cambridge.org/dictionary/english/>)

Listening and comprehension tasks

II. Listen to the story and fill in the gaps.

China's Economic Problems Rising

China's exports fell 14.5 percent in July compared with a year earlier. The report

builds pressure on the ruling Chinese Communist Party to support measures to improve China's economy.

In related economic news, a large Chinese financial services company has missed payments on some of its investment products. And a drop in home prices is adding to economic concerns in China.

Zhongrong International Trust Co. holds a lot of property investments. A top official told investors that the company failed to make payments on a number of investment products since late last month.

On Tuesday, customs information was released showing that imports have fallen 12.4 percent. That hurts global exporters who see China as a big market for industrial materials, food and goods.

Exports fell to \$281.8 billion as the decrease sped up from June's 12.4 percent decrease. The value of imports has fallen to \$201.2 billion.

In addition, the country's global trade surplus decreased by 20.4 percent to \$80.6 billion from a record high a year ago.

Chinese leaders are trying to increase business and buyer activity. Economic growth, after COVID-19 restrictions were lifted in December, has decreased earlier than expected.

Economic growth fell to 0.8 percent in the three months ending in June. China reported 2.2 percent of growth from January to March of this year. Those numbers suggest a 3.2 percent yearly growth rate, which would be among China's weakest in 30 years.

Demand for Chinese exports decreased after the American government and governments in Europe and Asia started raising interest rates in 2022. Their goal was to reduce inflation, which had reached levels not seen in many years.

Capital Economics is a research company based in London. It said the decrease in exports was the largest since the start of the COVID-19 pandemic in 2020. It said the decrease was mostly caused by lower prices, while the amount of goods was above levels before 2020.

“We expect exports to decline further over the coming months before bottoming out toward the end of the year,” said Capital Economics in a report. It added that it expects the near-term to remain difficult for the buying of goods in developed economies.

Adding to economic difficulties, China’s new home prices fell in July for the first time this year.

Prices fell 0.2 percent month-on-month across the country and 0.1 percent year-on-year, Reuters found based on National Bureau of Statistics (NBS) data.

But the picture is far worse outside of the country’s largest cities like Shanghai and Beijing. Reuters found that average new home prices in 35 small cities fell for the 17th straight month in June when compared to the year before, based on NBS information.

II. Listen to the text again and decide whether the statement is true or false; correct those that are wrong.

1.	China’s exports increased by 14.5 percent in July compared to the previous year.	T/F
2.	The decrease in exports is primarily attributed to a decrease in the quantity of goods rather than lower prices.	T/F
3.	Zhongrong International Trust Co. faced challenges in making payments on its property investments.	T/F
4.	China’s new home prices increased in July for the first time this year.	T/F
5.	Capital Economics expects an immediate improvement in China’s exports in the coming month.	T/F
6.	China’s leaders are not taking any measures to increase business and buyer activity in response to economic challenges.	T/F
7.	The decrease in demand for Chinese exports is solely attributed to the actions of the American, European and Asia governments.	T/F

III. Find synonyms and antonyms of the following words.

		synonyms	antonyms
1.	decrease (v.)		
2.	significant (adj.)		
3.	to add (v.)		
4.	pressure (n.)		
5.	goal (n.)		
6.	supply (n.)		

IV. Explain the following notions.

1. economic growth
2. top official
3. global exporters
4. property investments
5. missed payments
6. near-term

V. Comprehension Questions.

1. How has the recent economic data increased pressure on the Chinese Communist Party?
2. How does the missed payment by Zhongrong International Trust Co. contribute to the economic challenges facing China?
3. In what ways could the drop in home prices affect consumer confidence and spending in China?
4. What steps are Chinese leaders taking to boost business and buyer activity in response to economic difficulties?
5. What impact has the COVID-19 pandemic had on China's exports according to Capital Economics?

6. How could the decline in exports impact employment and manufacturing industries in China?

VI. INTERNET: Search the Internet and compile the most recent updates on China's economic situation focusing on changes in exports, imports and key economic indicators.

PART II. READING COMPREHENSION

Read the text and be ready to discuss.

TEXT 1. WHAT CHINA'S ECONOMIC PROBLEMS MEAN FOR THE WORLD

There is a saying that when the United States sneezes, the rest of the world catches a cold. But what happens when China is unwell?

The world's second-largest economy, home to more than 1.4 billion people, is facing a host of problems - including slow growth, high youth unemployment and a property market in disarray.

Now the chairman of the country's heavily indebted real estate developer, Evergrande, has been placed under police surveillance and the company's shares have been suspended on the stock market.

While these issues add up to a major headache for Beijing, how much does it matter to the rest of the world?

Analysts believe worries of an impending global catastrophe are overstated. But multinational corporations, their workers and even people with no direct links to China are likely to feel at least some of the effects. Ultimately, it depends on who you are.

Winners and losers

"If Chinese people start cutting back on eating out for lunch, for example, does that affect the global economy?" asked Deborah Elms, executive director of the Asian Trade Centre in Singapore.

"The answer is not as much as you might imagine, but it certainly does hit firms who directly rely on domestic Chinese consumption."

Hundreds of big global companies such as Apple, Volkswagen and Burberry get a lot of their revenue from China's vast consumer market and will be hit by households spending less. The knock-on effects will then be felt by the thousands of suppliers and workers around the world who rely on these companies.

When you consider that China is responsible for more than a third of the growth seen in the world, any kind of deceleration will be felt beyond its borders.

The US credit rating agency Fitch said last month that China's slowdown was "casting a shadow over global growth prospects" and downgraded its forecast for the entire world in 2024.

However, according to some economists, the idea that China is the engine of global prosperity has been exaggerated.

"Mathematically, yes, China accounts for around 40% of global growth," says George Magnus, an economist at the University of Oxford's China Centre.

"But who is that growth benefitting? China runs a huge trade surplus. It exports so much more than it imports, so how much China grows or doesn't grow is really more about China than it is about the rest of the world."

Nevertheless, China spending less on goods and services - or on housebuilding - means less demand for raw materials and commodities. In August, the country imported nearly 9% less compared to the same time last year - when it was still under zero-Covid restrictions.

"Big exporters such as Australia, Brazil and several countries in Africa will be hit hardest by this," says Roland Rajah, director of the Indo-Pacific Development Centre at the Lowy Institute in Sydney.

Weak demand in China also means that prices there will stay low. From a Western consumer perspective, it would be a welcome way of curbing rising prices that does not involve further raising interest rates.

"This is good news for people and businesses struggling to deal with high inflation," Mr. Rajah says. So, in the short-term, ordinary consumers may benefit from China's slowdown. But there are longer term questions for people in the developing world.

Over the last 10 years, China is estimated to have invested more than a trillion dollars in huge infrastructure projects known as the Belt and Road Initiative.

More than 150 countries have received Chinese money and technology to build roads, airports, seaports and bridges. According to Mr. Rajah, Chinese commitment to these projects may start to suffer if economic problems persist at home.

"Now Chinese firms and banks won't have the same financial largesse to splash around overseas," he says.

China in the world

While reduced Chinese investment abroad is a possibility, it is unclear how else China's domestic economic situation will affect its foreign policy.

A more vulnerable China, some argue, may seek to repair damaged relations with the US. American trade restrictions have partly contributed to a 25% drop in Chinese exports to the US in the first half of this year, while US Commerce Secretary Gina Raimondo recently called the country "uninvestable" for some American firms.

But there is no evidence to suggest China's approach is softening. Beijing continues to retaliate with restrictions of its own, frequently blasts the "Cold War mentality" of western countries and appears to maintain good relations with authoritarian leaders of sanctioned regimes, such as Russia's Vladimir Putin and Syria's Bashar Al-Assad.

At the same time, a stream of US and EU officials continue to travel to China every month to keep up talks on bilateral trade. The truth is that few people really know what lies between Chinese rhetoric and Chinese policy.

One of the more extreme readings of this uncertainty comes from hawkish observers in Washington, who say a downturn in the Chinese economy could impact how it deals with Taiwan, the self-governing island that Beijing claims as its own territory.

Speaking earlier this month, Republican Congressman Mike Gallagher - chair of the US House Select Committee on China - said problems at home were making China's

leader Xi Jinping "less predictable" and could lead him to "do something very stupid" with regards to Taiwan.

The idea is that if, as Mr. Rajah argues, it becomes apparent that China's "economic miracle is over", then the Communist Party's reaction "could prove very consequential indeed".

There are, however, plenty of people who dismiss this notion, including US President Joe Biden. When asked about this possibility, he said Mr. Xi currently had his "hands full" dealing with the country's economic problems.

"I don't think it's going to cause China to invade Taiwan - matter of fact the opposite. China probably doesn't have the same capacity as it had before," Mr. Biden said.

Expect the unexpected

However, if there is one lesson to learn from history, it is to expect the unexpected. As Ms Elms points out, few people before 2008 anticipated that subprime mortgages in Las Vegas would send shockwaves through the global economy.

The echoes of 2008 have got some analysts worried about what is known as "financial contagion". This includes the nightmare scenario of China's property crisis leading to a full-blown collapse in the Chinese economy, triggering financial meltdown around the world.

Parallels with the subprime mortgage crisis - which saw the collapse of Wall Street investment giant Lehman Brothers and a global recession - are certainly tempting to make. But, according to Mr. Magnus, they are not completely accurate.

"This is not going to be a Lehman-type shock," he says. "China is unlikely to let their big banks go bust - and they have stronger balance sheets than the thousands of regional and community banks that went under in the US."

Ms. Elms agrees: "China's property market is not linked to their financial infrastructure in the same way that American subprime mortgages were. Besides, China's financial system is not dominant enough for there to be a direct global impact like we saw from the United States in 2008."

"We are globally interconnected," she says. "When you have one of the large engines of growth not functioning it affects the rest of us, and it often affects the rest of us in ways that weren't anticipated."

"It doesn't mean I think we're headed for a repeat of 2008, but the point is that what sometimes appear to be local, domestic concerns can have an effect on us all. Even in ways that we wouldn't have imagined."

By Nick Marsh

Asia business correspondent

(<https://www.bbc.com/news/business-66840367>)

Electronic Resources

1. <https://learningenglish.voanews.com>
2. <https://dictionary.cambridge.org/dictionary/english>
3. <https://www.investopedia.com/terms/f/financial-literacy.asp>
4. www.bbc.com/news/business-66840367
5. <https://apnews.com/article/banks-federal-reserve-silicon-valley-lending-rescue-a04875a164165b50e971ff4576bf4e27>
6. <https://businessjargons.com/financial-crisis.html>

FINANCIAL LITERACY QUIZ 1

Multiple Choice Questions

Time: 15 min

1. We should keep our savings with banks because	a) It is safe b) Earns interest c) Can be withdrawn anytime d) All of above	
2. ATM password to be shared only with	a) Spouse b) Obedient son c) Obedient daughter d) None of above	
3. KYC means	a) Know your customer b) Know your character c) Both of above d) None of above	
4. Loans from money lenders are	a) With High rate of interest b) No proper accounting c) No transparency d) All of above	
5. Life insurance means	a) Insurance of human b) Insurance of life of human and cattle c) Insurance of life of machines d) All of above	

<p>6. General Insurance relates to insurance against</p>	<p>a) Fire b) Theft c) Burglary d) All of above</p>	
<p>7. Bank provides loans for</p>	<p>a) Home b) Car c) Education d) All of above</p>	
<p>8. Which currency note has security thread?</p>	<p>a) Rs.50/- b) Rs.100/- c) Rs.500/- d) All of above</p>	
<p>9. The safest place for keeping money</p>	<p>a) A pit dug in the ground b) An iron box c) Bank d) Money lender</p>	
<p>10. Gold and silver ornaments should be kept in bank lockers</p>	<p>a) It is safe b) No risk of theft c) Both (a) & (b) d) None of above</p>	
<p>11. Bank Pass Book is</p>	<p>a) Issued by Bank b) Contains transaction details of Bank account c) Shows balance in account d) All of above</p>	

<p>12. Banks pays interest on</p>	<p>a) Deposits b) Loans c) Both (a) & (b) d) None of above</p>	
<p>13. Bank charges interest on</p>	<p>a) Deposits b) Loans c) Both (a) & (b) d) None of above</p>	
<p>14. Internet banking refers to</p>	<p>a) Operation of account through internet b) Opening of account through ATM c) Both (a) & (b) d) None of above</p>	
<p>15. In Recurring Deposits,</p>	<p>a) a fixed sum is deposited every month b) period of deposit is a fixed tenure c) interest is paid at FDR rate d) All of above</p>	
<p>16. ATM can be used for</p>	<p>a) Cash withdrawal b) Account enquiry c) Statement of account d) All of above</p>	

<p>17. What is RuPay Debit Card?</p>	<p>a) Domestic debit card b) Introduced by National Payments Corporation of India c) Accepted at all ATMs & PoS machines d) All of above</p>	
<p>18. Aadhaar is</p>	<p>a) 12 digit number card b) Identity proof issued by UIDAI c) Both (a) & (b) d) None of above</p>	
<p>19. PAN means</p>	<p>a) A kind of utensil b) Primary Account Number c) Permanent Account Number d) None of above</p>	

FINANCIAL LITERACY QUIZ 2

Multiple Choice Questions

Time: 15 min

1. Currency notes are issued by	a) RBI b) NABARD c) Public sector banks d) Central Government	
2. Coins are issued by	a) Government of India b) NABARD c) Public sector banks d) State Bank of India	
3. Education Loans	a) Cover tuition fee & expenses b) Are repayable after completion of course c) Granted for studies in India & abroad d) All of above	
4. Who can open a bank account ?	a) Indian citizen b) Non -Resident Indian c) Illiterate d) All of above	
5. What is meant by Aadhaar seeding?	a) Linking of Aadhaar with Bank account b) Duplicate issuance of Aadhaar c) Transfer of Aadhaar d) None of above	

<p>6. What are the benefits attached to PMJDY?</p>	<p>a) Accident insurance cover of Rs.1.00 lac b) Life insurance cover of Rs.30,000/- c) Overdraft facility up to Rs.5,000/- d) All of above</p>	
<p>7. Who can open an account under PMJDY?</p>	<p>a) Minor above the age of 10 years b) Only lady of the house c) Only head of the family d) All of above</p>	
<p>8. Who is Bank Mitra?</p>	<p>a) Banking Correspondents engaged by Banks b) Valuable customer of Bank c) Security guard in a branch d) None of above</p>	
<p>9. What is Atal Pension Yojana (APY)?</p>	<p>a) Provides social security to the unorganized sector b) Encourages workers to voluntarily save for their retirement c) Fixed pension is paid on attaining age of 60 years d) All of above</p>	

10. What is Pradhan Mantri Suraksha Bima Yojana (PMSBY)?	a) Accidental insurance cover b) Life insurance cover c) Overdraft up to Rs.5,000/- d) None of above	
11. What is Pradhan Mantri JivanJyoti Bima Yojana (PMJJBY)?	a) Covers life insurance up to Rs.2 lac b) Accident insurance cover c) Both (a) & (b) d) None of above	
12. Which type of deposits earns higher interest rate?	a) Current account b) Savings Account c) Fixed Deposits d) None of above	
13. Under PMSBY, accidental death claim is available for:	a) Rs.1 lac b) Rs.2 lac c) Rs.3 lac d) None of above	
14. Can illiterate person be issued Debit card?	a) No b) Yes c) Only in case of joint account d) Only in case he is head of family	
15. NEFT stands for	a) National Electric Fund Transfer b) National Electronic Fund	

	Transfer c) National Electrical Fund Transfer d) None of Above	
16. RTGS stands for	a) Real Time Gross Settlement b) Ready Time Gross Settlement c) Ready Time Grocery Settlement d) None of Above	

Навчальне видання

LISTENING AND READING PRACTICE

МЕТОДИЧНІ ВКАЗІВКИ

до практичних та самостійних занять

з навчальної дисципліни

«Іноземна мова (за професійним спрямуванням)»

для здобувачів першого (бакалаврського) рівня

вищої освіти спеціальності

072 «Фінанси, банківська справа та страхування

та фондовий ринок»

Укладач

Каравасва Тетяна Леонідівна

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Тел.: +38 (098) 559-45-45,
+38 (095) 559-45-45, +38 (093) 559-45-45
Для листування: 65101, Україна, м. Одеса, вул. Інглезі, 6/1
E-mail: office@oldiplus.ua

