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Topic by Topic

Key to comprehension questions

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Topic 1 – ARTICLE: GERMANS CAST AS EUROZONE’S SCAPEGOATS

1. They believe that Germans are forcing difficult economic conditions on them via austerity measures. Also, they don’t feel the Germans are showing them enough solidarity.
2. The Germans disagree. The solidarity tax they pay to former eastern Germany, and the fact that they’ve carried the risk of bail-outs shows their solidarity.
3. The Germans have less wealth than them.
4. Germany undertook painful reforms a decade ago that are now producing good results.
5. Southern countries were unwilling to make the necessary painful reforms, and also they broke various economic rules.
6. Because of Germany’s past history, and they don’t want to be seen as a hated or feared leader that they once were.
7. They are more afraid of Germany doing nothing, than afraid of Germany’s power.

Topic 2 – ARTICLE: OFFSHORING HAS BROUGHT HUGE BENEFITS

1. Production has moved away from rich countries to poor countries.
2. Lower labour costs, increased competition forced companies to relocate in order to survive.
3. Jobs, rising standards of living.
4. Higher profits, getting others to perform dull work, lower prices of goods for western consumers.
5. The less skilled and middle classes.
6. Loss of jobs.
7. IT, back-office work.

Topic 3 – ARTICLE: HOW TO CUT YOUTH UNEMPLOYMENT

1. There are jobs available, but employers can find enough qualified graduates for these jobs.
2. The real shortage is of the right skills, not of jobs.
3. That education will automatically lead to employment.
4. Designing courses, teaching, assessment, and planning future career paths for students.
5. By financing the education of those students who are talented and have a good chance of succeeding.
6. Employers pay education fees for students, help write the curriculum, and guarantee a job after graduating.
7. They are a less expensive way for: providing training to users, preparing young people for jobs, updating the skills of middle-aged workers.

Topic 4 – ARTICLE: ‘NO WORK’ JOBS

1. It is almost unheard of in the rest of Europe or in the US.
2. Low-paid jobs such as care for the elderly, stacking shelves.
3. The employer is not obligated to guarantee certain number of working hours, or pay; and employees aren't obligated to accept the working hours either.
4. Employers benefit most; if workers refuse the job, they may not be given another chance; workplaces can be unfair; this sort of work is very unpredictable and sporadic, thus it puts people's lives "on call".
5. They want to create laws to ban them.
6. It provides jobs for people out of work; hiring flexibility is seen as the key to employment growth.
7. The 26-year-old worker couldn't plan his normal life because work was irregular, and he couldn't earn enough to stay out of debt.

Topic 5 – ARTICLE: DUTCH TAX AVOIDANCE CRACKDOWN

1. Multinational companies.
2. Because they fear that US businesses might move their headquarters out of the Netherlands.
3. It plans to make it more difficult for multinationals to set up shell companies, and to renegotiate tax treaties.
4. To include anti-fraud conditions.
5. Because of the positive fiscal climate; ie, favourable corporate taxes.
6. They are worried that the government will make changes to corporate tax systems that will send foreign investors away.
7. Start a global clampdown on tax avoidance.

Topic 6 – ARTICLE: TEPID, TIMID

1. USA: new controls of GHG emissions; China: launching a pilot carbon-trading scheme; Europe: putting limits on car emissions.
2. The high costs involved; ie, these measures don't accurately calculate the full costs involved.
3. A price on pollution is created as a result of setting a ceiling or cap on the overall quantity of emissions. Firms can trade the emissions permits they receive. Downside: the scheme is complex and weakened by countries like China who don't stick to the rules.
4. Known for always doing the right thing after trying all the "wrong" things.
5. Introduce a carbon tax.
6. It is simpler; it is not as dependent on the ups and downs of emissions; if the tax is high enough it could put a check on the rise of global temperatures.
7. They will not stop global temperatures from rising above the 2C level, which is considered to be safe.

Topic 7 – ARTICLE: GLOBAL NICHE PLAYERS

1. Their nichification for global markets.
2. Innovation, long-term interests, consensus-based management, automation to replace labour.
3. They monitor cows with implanted microchips to maximise yield.
4. By keeping long-established companies in the family and setting up organisations to protect the parent companies.
5. They keep management structures flat (non-hierarchical); democratic decision making; consensus-based management.
6. It is characterized as having the most skilled “low-skilled” workers.
7. They are passionate about replacing simple and meaningless jobs with machines and using people for more meaningful work instead.

Topic 8 – ARTICLE: THE LURE OF SHADOW BANKING

1. As a watchdog to guard against financial crises in the future.
2. Lending money that is done by anything other than a bank.
3. Trust companies that give loans, peer-to-peer lending, money-market funds, Vodaphone.
4. Shadow banks aren’t regulated like regular banks.
5. This increases competition, which is good for the client; also, non-banks are more flexible and can help people manage their money more efficiently.
6. To make sure they don’t borrow more in the short term than they can lend out in the long-term (maturity mismatch); to manage the risks of debt (leverage).
7. Because of banking restrictions such as: they can’t lend money to certain industries, or offer high returns on money deposits.

Topic 9 – ARTICLE: GROWING APPETITE FOR GREEN BONDS

1. Green bonds or climate bonds.
2. Investing in renewable energy projects that slow carbon emissions.
3. They have maturity dates ranging from 3-25 years and investors receive a fixed rate of interest during the lifetime of the bond.
4. Because investors from these regions don’t have to exchange currencies to buy the bonds.
5. The bonds are backed by big banks.
6. There is no benchmark index to track performance; limited offerings; they are low-yielding; they lack liquidity.
7. The dilemma is to decide what to set their limit at based on the impact of their investment and the return they receive on that investment.

Topic 10 – ARTICLE: COME ON, TTIP

1. GDP would increase in both places.
2. They believe that it's not practical at this time since tariffs are already low.
3. Farmers and airplane makers like Boeing and Airbus who battle over subsidies.
4. The EU has opened up its markets to the US for importing live pigs and treated beef.
5. Pharmaceutical companies, electric cars, IT companies like Google and Amazon.
6. More jobs, more investment, more growth, and more demand from abroad.
7. It could lead to new trade agreements with Asia, and this could lead to a new round of global trade talks.

Topic 11 – ARTICLE: ON THE INTERNET, EVERYTHING IS FOR HIRE

1. People rent products and services directly from each other via the Internet.
2. The Internet makes shared goods much cheaper; also there is much more information available about products and people, therefore more options.
3. It quickly matches up owners and renters; it allows people to check up on people and build trust; GPS helps renters find locations quickly; online paying systems can handle billing.
4. It allows anyone to become a retailer on line without having to own a store or business.
5. They can provide their own services that function just like a taxi service, hotel or car rental.
6. Things that are expensive to buy, and people who don't need them all the time.
7. A bedroom and car, both of which often sit empty and unused.

Topic 12 – ARTICLE: PERSONALITY, SOCIAL MEDIA AND MARKETING

1. Posted junk mail led to more sales – 3% vs .01% for electronic junk mail.
2. Junk mail annoys people, creates landfills, and fills up spam filters on computers.
3. They analyse the data and direct their advertising campaigns based on this information to certain groups.
4. Studying their demographics and existing buying habits.
5. Analysing the personalities, values and needs of their customers – psychological profiling.
6. He has designed software for Twitter that analyses words that indicated personality, values and needs.
7. It looks at people as individuals rather than just as demographical statistics.

Topic 13 – ARTICLE: HUNGARY WELCOMES EU DEFICIT PROCEDURE EXIT

1. Because they have made strong efforts to reduce the budget deficit.
2. Since Hungary joined the EU in 2004. Reason: Due to debt levels exceeding the 3% and 60% limits.
3. The government has put a freeze on budget expenditures and lowered its deficit projections to below 3% for 2014.
4. Painful austerity measures that will come and which they feel the poor will have to pay for.
5. Increase spending, especially just before the 2014 elections.
6. Varga said that spending will be disciplined and no new directions will be taken after leaving the EDP.
7. It could attract investors, and be upgraded by rating agencies.

Topic 14 – ARTICLE: BRAZIL'S MEDIOCRE ECONOMY

1. He brought inflation down through his Real Plan, which brought about economic reform.
2. The Central Bank targeted inflation, public accounts were kept transparent, public debt was reduced, foreign trade and private investment was encouraged.
3. Brazil imitated Chinese state capitalism: it started spending without limit, gave tax breaks to favoured industries, didn't cut spending, and increased tariffs on imports.
4. They have become more uncertain and confused, and therefore by inference unwilling to invest, which has contributed to Brazil's poor economic performance.
5. A huge domestic market, strong farming and energy industries.
6. Factors like: consumption is down, Chinese are not importing as much Brazilian ore, interest rates are no longer as low as they were (ie. cheap money is running out), the Real has depreciated).
7. To curb spending.

Topic 15 – ARTICLE: THE MARCH OF PROTEST

1. High bus fares, a building project, higher fuel prices, favouritism of political appointments.
2. In the eurozone: the austerity measures that have been introduced.
3. People's feelings of discontent about something.
4. The failure of the government on every level.
5. Against State spending cuts in Greece, poor education and inequality in England, poor standards of living in Brazil.
6. Young immigrants who feel excluded from the prosperity around them, not having equal chances for success in life.
7. It is becoming more difficult to decide what groups in society to give money too, because everyone wants something different.
8. Social instability doubles when the public spending falls by 5% of GDP.