

**РОССИЙСКАЯ ЭКОНОМИЧЕСКАЯ ШКОЛА
ПРОГРАММА МАСТЕР ФИНАНСОВ
ЭКЗАМЕН ПО АНГЛИЙСКОМУ ЯЗЫКУ (июль 2022 г.)**

Part 1 A. Structure

Directions: Questions 1-15 are incomplete sentences. Beneath each sentence you will see four words or phrases, marked (A), (B), (C), and (D). Choose the one word or phrase that best completes the sentence. Only one answer is correct.

1. Orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, _____ 0.3% last month.

(A) Have increased
(B) Had increased
(C) Increased
(D) Are increasing

2. Rate-sensitive business equipment investment growth is beginning to slow. That is consistent with the view that economic activity is bending _____ breaking under the impact of higher rates.

(A) Rather than
(B) Rather
(C) Than
(D) As opposed

3. The slowdown could be limited by companies _____ labor-saving technologies amid a severe shortage of workers.

(A) Seeking
(B) Being sought
(C) Sought
(D) In seeking

4. That would help to underpin manufacturing, which accounts _____ 12% of the U.S. economy.

(A) At
(B) In
(C) For
(D) None is correct

5. Shipments of core capital goods increased 0.8% last month after climbing 0.2% _____ March.

- (A) In
- (B) On
- (C) At
- (D) -

6. Last month's increase in shares suggested business spending would keep _____, though probably not at the 15.3% annualized pace logged in the first quarter.

- (A) Grow
- (B) Growing
- (C) To grow
- (D) To be growing

7. Gross domestic product declined _____ a 1.4% pace last quarter.

- (A) In
- (B) At
- (C) With
- (D) On

8. Salman Baig, portfolio manager at Unigestion, said: "I _____ surprised if we _____ seeing more language about looking at the data. It's unlikely to be a really meaningful shift at this point, as they are going to want some pretty clear indications that inflation has turned and we are not there yet."

- (A) Won't be, started
- (B) Aren't be, started
- (C) Aren't surprised, will start
- (D) Wouldn't be, started

9. US stocks _____ hard hit this year, with the average stock in the broad-based Russell 3000 down more than 40 per cent from recent highs.

- (A) Was
- (B) Has been
- (C) Have been
- (D) Have being

10. The 10-year Treasury yield, _____ moves with economic growth and interest rate expectations, fell 0.09 percentage points to 2.76 per cent.
- (A) Which
 - (B) What
 - (C) Who
 - (D) When
11. The downbeat updates came after US consumer bellwethers Target and Walmart issued similarly grim outlooks _____ last week.
- (A) In
 - (B) On
 - (C) For
 - (D) –
12. The Fed may pull something off without raising rates _____ they might have expected.
- (A) As many as
 - (B) As many
 - (C) As much as
 - (D) As much
13. German businesses were “hiking their charges for goods and services _____ the higher cost of energy, fuel, raw materials and personnel”.
- (A) By offset
 - (B) To offset
 - (C) Offset
 - (D) In offsetting
14. Boeing reported on its website that it had received 46 aircraft orders last month _____ 53 in March.
- (A) In opposition to
 - (B) Compared to
 - (C) In comparison for
 - (D) Regardless off
15. For years, a 60/40 balanced approach has been the mainstay of investment portfolios, where investors allocate 60 per cent to equities, for capital appreciation, and 40 per cent to bonds, to potentially offer income and risk mitigation. This worked well over the past decades as equities surged in a near-straight line to record highs and interest rates

fell to new lows, firing up bond prices. _____ this model now faces some serious strain.

- (A) Although
- (B) Whereas
- (C) However
- (D) Regardless

Part 1B. Written Expression

Directions: In questions 16-30, each sentence has four highlighted words or phrases. The four highlighted parts of the sentence are marked (A), (B), (C), and (D) beneath. Identify the one highlighted word or phrase that must be changed to correct the sentence. Only one answer is correct.

16. The gloomy performance **marks a sharp contrast to** recent outperformance of ESG funds, when big rallies **in tech stocks** during the pandemic **helped boosting** funds **focused on** environmental, social and governance standards.

- (A) marks a sharp contrast to
- (B) in tech stocks
- (C) helped boosting
- (D) focused on

17. Tech **has typically been** a big part of ESG portfolios because their carbon footprints **tend to be lower than** those of their peers in other industries, and they have policies in place **at issues** such as diversity and human rights, **while making up** an outsized proportion of public markets due to their huge size.

- (A) has typically been
- (B) tend to be lower than
- (C) at issues
- (D) while making up

18. The global head **of responsible investing at** HSBC Asset Management **has drawn** fire after accusing central bankers and policymakers **with** overstating the financial risks of climate change **in an attempt to** “out-hyperbole the next guy”.

- (A) of responsible investing at
- (B) has drawn
- (C) with
- (D) in an attempt to

19. Baillie Gifford, the Scottish fund manager **knowing for** its bullish **stance on** China, **has warned of** the risks to foreign investors from worsening US-China relations and that prospect that Beijing **might impose on** their investment gains.
- (A) knowing for
 - (B) stance on
 - (C) has warned of
 - (D) might impose on
20. Wall Street stocks **rallied for a second day** on fresh signs that inflation **has peaking** and consumer spending **in** the world's biggest economy **is continuing apace**.
- (A) rallied for a second day
 - (B) has peaking
 - (C) in
 - (D) is continuing apace
21. The technology-focused Nasdaq Composite **rose** 2.5 per cent, **despite** it remained **more than** 25 per cent below its all-time **high of last November**.
- (A) rose
 - (B) despite
 - (C) more than
 - (D) high of last November
22. The core personal consumption expenditures price index, **a measure of** underlying inflation **favoured by** the Federal Reserve, **was surged** 4.9 per cent in April from the same month last year, down from 5.2 per cent **in March**.
- (A) a measure of
 - (B) favoured by
 - (C) was surged
 - (D) in March
23. Commodity prices **have soared** this year as pandemic supply chain disruptions **were compounded** by a squeeze on oil and gas supplies over the winter, **pushed** the broad S&P GSCI index in March **to its highest level** since 2008.
- (A) have soared
 - (B) were compounded
 - (C) pushed
 - (D) to its highest level

24. If you **will have** inflation **running higher than 0.5% month to month**, the Fed **will have to** go quite hawkish.
- (A) will have
 - (B) running higher than
 - (C) month to month
 - (D) will have to
25. The money market pullback **may be unsurprising**, | **given** slowing U.S. housing markets and a series of weak data that **pushed Citi's Economic Surprise Index to** one of its steepest four-week declines **at the past 20 years**.
- (A) may be unsurprising
 - (B) given
 - (C) pushed Citi's Economic Surprise Index to
 - (D) at the past 20 years
26. Indeed the macro background **is far from** supportive **into an asset class** now firmly **seen as volatile**, risky - plus vulnerable **in the face of inflation**.
- (A) is far from
 - (B) into an asset class
 - (C) seen as volatile
 - (D) in the face of inflation
27. Last week, bitcoin futures **saw its largest** net long position **since the contract was launched** in 2018, CFTC data showed, **indicating** traders are increasing positioning for a rise **in the price** of the cryptocurrency.
- (A) saw its largest
 - (B) since the contract was launched
 - (C) indicating
 - (D) in the price
28. The strategy **has diversified** Silver Lake's investing **that is focused on** leveraged buyouts and growth investments and **has helped differentiating** it from **its peers**.
- (A) has diversified
 - (B) that is focused on
 - (C) has helped differentiating
 - (D) its peers

29. Dell **has become** a publicly listed company in 2018 **by buying back** the tracking stock **in exchange for** its own shares and up to \$9 billion **in cash**.

- (A) has become
- (B) by buying back
- (C) in exchange for
- (D) in cash

30. Binance said **on Friday** its legal entity in Italy **had registered with** the regulator in the country, as the major cryptocurrency exchange **seeks to gain** traction **on Europe**.

- (A) on Friday
- (B) had registered with
- (C) seeks to gain
- (D) on Europe

Part 2: READING COMPREHENSION

Directions: In this section you will read two passages which are followed by a number of questions about them. You are to choose the one best answer, A, B, C, or D to each question. Only one answer is correct.

JPMorgan shareholders vote disapproval of CEO Dimon's special payout

P1	In an unusual rebuke for Jamie Dimon, CEO of JPMorgan Chase & Co, shareholders on Tuesday clearly disapproved of the special \$52.6 million stock option award directors gave him last year to stay on the job for at least five more years.
4 P2	In an advisory say-on-pay referendum, only 31% of votes cast endorsed JPMorgan executive payments for 2021, according to a preliminary count announced at the company's annual meeting.
	Because of the special award this year two major advisory firms, from which investors take their cue when voting, had recommended "no" votes on pay.
	Institutional Shareholder Services Inc and Glass Lewis & Co criticized Dimon's options as lacking performance criteria for vesting.
	In eight of the last 12 years JPMorgan had won approval from more than 90% of votes cast in its annual compensation ballots.
	Dimon, 66, will keep the award, but such votes are closely followed as a test of investors' attitudes toward executive pay and what payouts they will tolerate.
	Average support for pay packages at S&P 500 companies was 88.3% in 2021, down from 89.6% in 2020 and 90% in 2019, according to consulting firm Semler Brossy.
	In response to the vote, JPMorgan directors pointed out through a spokesman the special award was extremely rare and the first for Dimon in more than a decade.
19	Directors said before the vote that the special award would not be recurring and "reflects the board's desire for him to continue to lead the firm for a further significant number of years."
22	The board said before the vote it made the award in consideration of Dimon's performance, his leadership since 2005 and "management succession planning amidst a highly competitive landscape for executive leadership talent."
P11	If Dimon, a billionaire, keeps working at the bank for five years the options will vest, although he could still receive them if he leaves to work for the government or to run for public office.

	Stock from the options must be held until 10 years after being granted.
	The award was separate from Dimon's usual annual pay package, which was up 10% to \$34.5 million for 2021.
	The board prevailed in its recommendations on all other issues. All directors, including Dimon, were re-elected with more than 92% of the votes cast, according to preliminary figures.
	Two shareholder proposals on fossil fuel financing received only 11% and 15% of votes cast, consistent with weak support recently for initiatives at Bank of America, Citigroup and Wells Fargo, as well as at big oil companies.

31. According to **paragraph 1 and 2 (P1 and P2)**, what was unusual in the actions of JPMorgan Chase & Co shareholders?
- (A) The special \$52.6 million stock option award
 - (B) A rebuke for Jamie Dimon
 - (C) An advisory say-on-pay referendum
 - (D) The company's annual meeting
32. The word “endorsed” in line 4 is closest in meaning to
- (A) approved
 - (B) accumulated
 - (C) dislodged
 - (D) suspended
33. What is the purpose of annual compensation ballots?
- (A) To win approval
 - (B) To keep compensation award
 - (C) To follow a test of executive pay
 - (D) To check investors' positions with regards to executive pay
34. The word “recurring” in line 19 is closest in meaning to
- (A) desirable
 - (B) exceptional
 - (C) unexpected
 - (D) reiterative
35. According to the board of JPMorgan Chase & Co, it can be inferred that the award to Dimon considers
- (A) his performance, long-lasting leadership and highly competitive talent
 - (B) his performance, long-lasting leadership and management succession planning
 - (C) his performance, long-lasting leadership and highly competitive planning execution

- (D) how highly competitive talent is on the market
36. The word “it” in line 22 refers to
- (A) the vote
 - (B) the award
 - (C) the board
 - (D) The performance
37. Which of the following can be inferred from **paragraph 11 (P11)**?
- (A) The options will be vested only if Dimon stays at the bank for five years more
 - (B) The options will be vested only if Dimon goes to work for the government or to run for public office
 - (C) The options will be vested if either Dimon stays at the bank for five years more or goes to work for the government to run for public office
 - (D) None of the answers is correct
38. In the last paragraph, the main idea is that
- (A) Two shareholder proposals on fossil fuel financing were supported
 - (B) Bank of America, Citigroup and Wells Fargo, as well as at big oil companies voted for shareholder initiatives
 - (C) There was weak support of fossil fuel initiatives at Bank of America, Citigroup and Wells Fargo
 - (D) Two shareholder proposals on fossil fuel financing were not supported as well as initiatives at some major banks
39. Which of the statements below is **NOT** mentioned in the text?
- (A) Directors said before the vote that the special award would be recurring and awarded for special leadership talent
 - (B) An advisory say-on-pay referendum cast endorsed JPMorgan executive payments for 2021 by 31% of votes
 - (C) Semler Brossy states that average support for pay packages at S&P 500 companies was 88.3% in 2021 which is lower than both in 2020 and in 2019
 - (D) In response to the vote, JPMorgan directors pointed out that the special executive pay award was the first in ten years
40. The tone of this passage is
- (A) neutral
 - (B) argumentative
 - (C) questioning
 - (D) criticizing

Walmart shares suffer biggest drop since 1987 after guidance cut.

	Stock of world’s largest retailer falls more than 11% as inflation hits profits.
P1	Walmart shares suffered the biggest one-day drop since the eve of the Black Monday stock market crash after the company, cut its earnings guidance following a quarter in which it was wrongfooted by the rapid pace of inflation in the US.
P2	The share price reaction, a particularly severe one by the standards of typically less volatile consumer staple stocks, came after the company revealed profits in its latest quarter had taken an “unexpected” hit owing to higher wages, a jump in fuel costs and softness in general merchandise sales at its US businesses.
9	As the world’s largest retailer, and long-regarded as a bellwether of the American consumer, Walmart’s commentary comes at a time when investors are scrambling to measure the impact of inflation, rising interest rates and supply chain snarls on the US economy.
P4	“US inflation being this high and moving so quickly, both in food and general merchandise, is unusual,” said chief executive Doug McMillon. “We knew that we were up against stimulus dollars from last year, but the rate of inflation in food pulled more dollars away from [general merchandise] than we expected as customers needed to pay for the inflation in food.”
	The company expects the higher staffing costs, affected by the winter wave of the coronavirus pandemic, to be isolated to the first quarter. McMillon said a “timing issue” with fuel costs, which accelerated in the quarter “faster than we were able to pass them through” and were \$160mn higher in the US than the company had forecast, should be resolved by the end of the first half.
24	Issues around US inflation — at its highest level in 40 years and which the Biden administration has dubbed its “top economic priority” — are more likely to persist.
	Walmart executives acknowledged more customers had switched towards cheaper private-label items, particularly in groceries, and away from branded goods. McMillon said inflation in food was running at a double-digit pace and he was “concerned that inflation may continue to increase”.
30	Helped by higher prices for some of its items and consumer demand that remains robust overall, Walmart said it expected net sales for its 2023 fiscal year to increase 4 per cent in constant-currency terms, up from the 3 per cent forecast it provided in February.
34	However, full-year earnings per share would now be down 1 per cent because of the unexpected costs that emerged in the first quarter, it said, having previously guided to a mid-single digit increase.

In the current quarter, Walmart said operating income and earnings per share would each be “flat to up slightly”, having previously forecast an increase in the low to mid-single digits.

41. What preceded Walmart’s biggest one-day drop in shares since 1987 according to **paragraph 1 (P1)**?
- (A) earnings guidance cut
 - (B) the quick inflation in the US
 - (C) Black Monday
 - (D) stock market crash
42. What is the reason of the severe share price reaction according **paragraph 2 (P2)**?
- (A) Because the standards of regular consumer staple stocks are normally less
 - (B) Higher wages, a jump in fuel costs and softness in general merchandise sales at the US businesses
 - (C) Higher wages, a jump in fuel costs and softness in general merchandise sales at the Walmart’s US businesses
 - (D) Because Walmart revealed its profits in the latest quarter
43. The word “a bellwether” in line 9 is closest in meaning to
- (A) a follower
 - (B) a leader
 - (C) an administrator
 - (D) a rival
44. Which of the sentences below is true according to **paragraph 4 (P4)**?
- (A) Customers invested more dollars in general merchandise
 - (B) Since customers were to pay for the inflation in food, there was a decrease in general merchandise sale
 - (C) Although the inflation rate pulled away more dollars from general merchandise, people didn’t want to pay for the inflation in food
 - (D) Owing to high inflation, customers had to redirect their spending away from food purchasing
45. The word “its” in line 24 refers to
- (A) US inflation
 - (B) the highest level
 - (C) the Biden top priority
 - (D) the Biden administration

46. What is the tendency Walmart executives acknowledged?
- (A) Customers chose private-label groceries for their quality
 - (B) Customers stayed away from groceries as they couldn't pay off the inflation rate
 - (C) Customers opted for individually branded products which are cheaper than branded goods
 - (D) None of the answers is correct
47. Walmart expects
- (A) net sales for its 2023 fiscal year to increase by 4 per cent more in constant-currency terms than predicated in February
 - (B) net sales for its 2023 fiscal year to increase by 1 per cent more in constant-currency terms than predicated in February
 - (C) net sales for its 2023 fiscal year to increase to 7 per cent in constant-currency terms
 - (D) net sales for its 2023 fiscal year to increase 3 per cent
48. The word "robust" in line 30 is closest in meaning to
- (A) unstable
 - (B) leading
 - (C) weak
 - (D) strong
49. The word "that" in line 34 refers to
- (A) full-year earnings
 - (B) unexpected costs
 - (C) 1 per cent
 - (D) a mid-single digit increase
50. What is the tone of the whole passage?
- (A) neutral
 - (B) encouraging
 - (C) pathetic
 - (D) judgemental

THIS IS THE END OF THE TEST

THANK YOU!

ОТВЕТЫ

Part 1A.

1. C
2. A
3. A
4. C
5. A
6. B
7. B
8. D
9. C
10. A
11. D
12. C
13. B
14. B
15. C

Part 1B. *Correct answers are indicated in the brackets.*

16. C (helped boost)
17. C (on issues)
18. C (of)
19. A (known for)
20. B (has peaked)
21. B (although)
22. C (surged)
23. C (pushing)
24. A (have)
25. D (in the past twenty years)
26. B (for an asset class)
27. A (saw their largest)
28. C (has helped differentiate)
29. A (became)
30. D (in Europe)

Part 2.

31. B
32. A
33. D
34. D

- 35. B
- 36. C
- 37. C
- 38. D
- 39. A
- 40. A
- 41. A
- 42. D
- 43. B
- 44. B
- 45. D
- 46. C
- 47. B
- 48. D
- 49. B
- 50. A