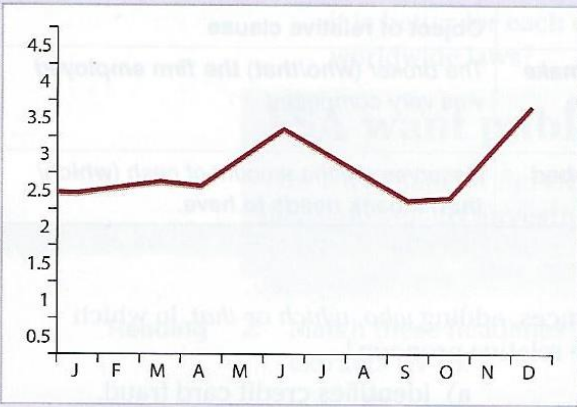


## Module 4: Central banks and banking regulations

### Unit 3: Economic change

#### READING

- 1) Read this extract from the annual report of Watford & Co. Does the graph illustrate interest rates or sales figures?



Month	Interest Rate (%)
Jan	2.5
Feb	2.55
Mar	2.65
Apr	2.5
May	2.8
Jun	3.45
Jul	3.0
Aug	2.7
Sep	2.3
Oct	2.4
Nov	2.6
Dec	3.75

Over the last year we have seen different developments in both interest rates on our loans and our monthly sales figures. Interest rates began in January at 2.5%. They then went up slowly and levelled off in March at 2.65%. There was a modest drop back to 2.5% in April but in May we saw a noticeable increase until they peaked in June at 3.45%. In August they fell suddenly again and bottomed out at 2.3% in September. Then we saw a slight rise to 2.4% in October. Since then they have been climbing steadily and have now finished the year at 3.75%.

Our sales figures have also fluctuated in the past year. We started off in January with figures of €80,000 and this figure grew considerably over the next two months. They reached a peak in March at €120,000, fell slightly and then remained stable through April. Then in May we saw a modest slump to €100,000 but in June they plunged and continued to decrease rapidly until they hit a low at €45,000 in July and stagnated till the end of August. Luckily, they began to recover in September and improved consistently, reaching €75,000 in October. They then soared in November and we ended the year at €115,000 – a substantial improvement.

#### VOCABULARY

- 2) Look at the underlined words in 1 and write them in the correct column. Mark the words as verbs (v), nouns (n) or verb phrases (vp).

going up	going down	reaching the top	reaching the bottom	staying the same	moving up and down

#### STUDY TIP

Some verbs can also be used as nouns: *fall, drop, rise, increase, decrease, slump*

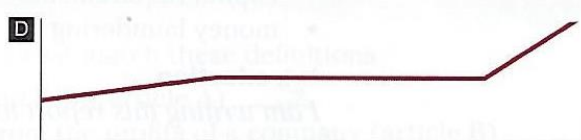
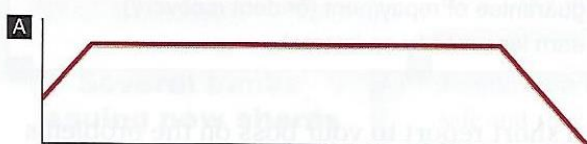
Compare:

*Profits **rose** substantially in 2019.* (verb)

*There was a substantial **rise** in profits.* (noun)

3) Match descriptions 1 - 4 to diagrams A - D:

1. Interest rates remained stable for a time and then fluctuated till they rose noticeably and peaked.
2. There was a substantial rise in profits, which then stagnated till they slumped and hit a low.
3. We saw a gradual decrease in spending, which levelled off for a time, then climbed rapidly.
4. Sales figures soared, then went down moderately and then decreased rapidly.



STUDY TIP

When you change the verb into a noun, e.g. *to rise* – *a rise*, you also need to change the qualifier (i.e. how the profits rose – moderately? significantly?)

Compare:

*The profits **rose significantly** in 2019.* (verb + adverb)

*There was **a significant rise** in profits in 2019.* (adjective + noun)

SLOVAK CORNER

Slovné druhy fungujú rovnako aj v slovenčine. Slovesá idú s príslovkami (verb + adverb) a podstatné mená idú s prídavnými (adjective + noun)

*V roku 2019 zisky **značne narástli**.* (verb + adverb)

*V roku 2019 sme videli **značný nárast** ziskov.* (adjective + noun)

Keď „dáte“ správne túto základnú gramatiku, bude správne celá veta. 😊

KEY:

Exercise 1: interest rates

Exercise 2: *going up* – increase, rise, climb, grow, recover, soar; *going down* – drop, fall, plunge, slump, decrease; *reaching the top* – peak, reach a peak; *reaching the bottom* – bottom out, hit a low; *staying the same* – level off, remain stable, stagnate; *moving up and down* – fluctuate

Exercise 3: 1C; 2A; 3D; 4D