高职高专金融专业应用系列教材

金融英语

陶艳珍　顾艳辉　编著

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内容简介

本书注重培养学生运用英语处理实际金融问题的能力，详细介绍了金融体系与相关知识，包括货币与货币制度、信用、利息与利率、外汇与汇率、金融市场、金融机构、中央银行、货币需求、货币供给与货币政策。

本书结构合理，层次清晰。全书按横纵两条线索组织内容：横向线索是货币→信用→金融机构；纵向线索是货币→货币的需求与供给→货币的均衡与失衡→货币政策。每章开始以结构图的方式勾勒出本章主体结构；然后以开放式小短文的形式引出正文主题；正文部分每一小节之后有测试点对本节知识进行检测；正文之后有拓展知识面的阅读材料、本章小结和需要掌握的专业词汇。每章之后设计了多种类型的练习，包括选择题、名词解释、英译汉、汉译英以及问答题等。本书配有电子教案、习题答案等，如有需要请到清华大学出版社网站 WWW. tup. com. cn 下载。

本书既可以作为金融学专业英语教材，也可以作为货币银行学课程的双语教材，还可以作为从事金融行业工作人员的英语工具书。此外，本书也可以作为全国金融英语证书考试(FECT)的参考用书。

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金融全球化背景下，中国急需既精通现代金融知识，又能运用英语从事金融业务的复合型人才。1994 年，中国人民银行建立了我国第一个国家级行业性专业外语证书考试制度，即全国金融英语证书考试(FECT)。随后高等院校纷纷开设了金融专业英语相关课程。显然，专业英语并不等同于一般大学里开设的基础英语，基础英语强调语言点和语言技巧的学习，而专业英语则着重于英语语境下的专业素质培养。换言之，基础英语教学生如何使用英语语言这门工具，而专业英语则要求学生利用英语语言这个工具增进其专业能力。基于这种定位，我们编写了这本《金融英语》教材，希望本书不仅能让学生知晓金融英语专业的基本词汇和术语，增强其专业文献阅读能力，而且能提高学生英语语境下的专业素养——以国际视野理解和掌握金融学的学科体系和发展动态，从而为我国金融业与国际接轨打下坚实的人才基础。

全书共分为十章，包括货币与货币制度、信用、利息与利率、外汇与汇率、金融市场、金融机构、中央银行、货币需求、货币供给与货币政策。每章开始以结构图的方式勾勒出本章主体结构，使学生对本章知识点一目了然；然后以开放式小短文的形式引出主题，短文与本章内容密切相关；正文部分每一小节之后有测试点对本节专业知识进行检测；正文之后的阅读材料有助于拓展学生知识面；最后有本章小结和需要掌握的专业词汇。为了帮助学生能更好地理解和掌握各章内容，每章配有多种类型的练习，包括选择题、名词解释、英译汉、汉译英以及问答题。

本书与其他同类教材相比具有以下四个特点。

1. 全面性。本书借鉴了货币银行学中文教材的结构体系，涵盖了货币、信用、金融机构、金融体系、货币供需与货币政策等基础概念与理论，用英语系统地阐述了金融理论与实务知识。

2. 清晰性。本书结构合理，层次清晰。全书按横纵两条线索组织内容：横向线索是货币→信用→金融机构；纵向线索是货币→货币的需求与供给→货币的均衡与失衡→货币政策。

3. 实用性。本书将金融理论与实务、知识性与实用性相结合，使读者既能熟练掌握金融知识，又能提高其运用英语处理金融业务的能力。

4. 针对性。本书将语言学习与英语语境下的专业素质培养有机结合，

针对金融全球化背景下的人才需求，着力将学生培养成为具有国际视野和开放性思维模式的金融人才。

本书主编陶艳珍、顾艳辉长期从事金融英语教学，是省级双语示范课的主持人，又是全国金融英语证书考试(FECT)阅卷成员，有着十余年 FECT 考试培训与阅卷经历，在金融英语教学方面积累了较丰富的经验。编者希望利用教材编写这个机会将金融英语教学经验和成果呈现出来。教材选编结合近年来金融学专业英语实际发展，在内容上围绕专业要点、难点，架构有序，重点突出。编写团队合理分工，密切协作，数易其稿，努力做到编写宗旨一贯，行文风格一致。

具体编写分工是：陶艳珍编写第一章、第三章、第八章和第九章；顾艳辉编写第五～七章和第十章；方江南、赵春红共同编写第二章；王国勇、陈婷共同编写第四章。

本书既可以作为金融学专业英语教材，也可以作为货币银行学课程的双语教材，还可以作为从事金融行业工作人员的英语工具书。此外，本书也可以作为全国金融英语证书考试(FECT)的参考用书。

本书在编写过程中参阅了许多相关书籍与教材，我们以书后所附参考文献的形式列出，并表示衷心感谢。

虽然我们倾注了大量的时间与精力编写本书，但由于金融体系庞大复杂，发展日新月异，加之编者学识水平有限，书中疏漏与错误之处在所难免，恳请各位读者批评指正。

编　者
2012 年 10 月

Chapter 1

Money and Monetary System
货币与货币制度

Structure of Chapter 1

- 货币与货币制度
  - 货币的起源与定义
    - 市场经济与交换
    - 货币的起源
    - 货币的定义
  - 货币的职能
    - 流通(支付)手段
    - 价值尺度
    - 贮藏手段
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    - 代用足值货币
    - 信用货币
    - 电子货币
    - 现代货币的延伸
  - 货币制度
    - 银本位制
    - 金银复本位制
    - 金本位制
    - 信用货币制度

Learning Objectives

1. To learn the origin and definition of money. To understand how the existence of money facilitates the development of an economy.
2. To understand the functions of money.
3. To grasp the evolution of the payment system.
4. To learn about monetary system, including present China's monetary system.

Opening Vignette

Money, Wealth or Income?

Misstatements about money are pervasive. You may ask a friend if he or she has any money. In reality, you want to know if your friend is carrying currency, a specific type or component of money. It is also commonplace in everyday conversation to confuse money with wealth or income. Even professional economists are prone to state that someone has a lot of "money" (instead of wealth) or that major league baseball players are paid too much "money" (instead of income). While the concepts of money, wealth, and income are all expressed in terms of dollars, each has a distinctly different meaning.

Money is a stock, that is, it is a certain amount at a given point in time. The most traditional definition limits them to currency, including notes and coins outside the banking system plus deposits of the nonbank public which may be transferred by check or wire.

Wealth is also a stock concept measured at a given time point. It is a collection of pieces of property, including not only the money stock but also other assets such as common stocks and bonds, life insurance, autos, furniture, art and houses.

In contrast, income is a flow of earning per unit of time—for example, $1,000 per month. Income is made up of payment in the form of wages and salaries, dividends, rent, profits, and transfer payments.

The amount of money an individual holds is a matter of individual discretion and can be varied at will within the constraints of one's assets or wealth. The decision as to what portion of one's wealth to hold in the form of money depends on the rate of return expected from nonmonetary assets, as well as on other factors.

An important and intriguing aspect of money is that while an individual may increase money holding (within the limits of his or her wealth) at will, the total supply of money is controlled not by individuals but by the central bank of a country.

Text

1.1 The Origin and Definition of Money

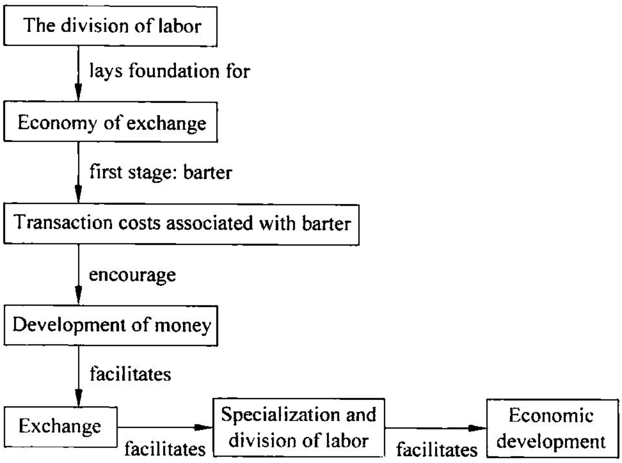
1.1.1 Market Economy and Exchange Activities

The emergence of money is closely linked to the development of exchange system, and market economy is in fact an economy of exchange. So the study of money should be based on the analysis of **market economy**.

Historically, the **division of labor** is prerequisite for the emergence of the market economy. It is because of the natural differences in each person's talent, character and hobby that division of labor occurred. These differences formed each person's feature and determined what one could do, produce or what kind of services one could provide. In the course of social development, people were always not content with the present conditions and often hoped to gain most at the lowest cost, which promote the social development. So people found in the long time production that they could become most satisfied and the social efficiency could be the largest if people with their own specialty engaged in what fitted them most and exchanged with others the products and services they produced. So specialization of labor first emerged, the foundation of social exchange was laid and the exchange system occurred.

1.1.2 The Origin of Money

Money appeared after the exchange system. That's to say there would be no money without the exchange system. There is no money because of the lack of exchange both in the economy of self-sufficiency and in the communist economy. There are two types of exchange in the history: one is **barter**, in which goods or services are exchanged for other goods or services. It's a kind of exchange without money and may be also called direct exchange. In a simple and small society, exchange was a kind of occasional activities and did not occur very often, so the exchange then didn't need money. As the economy developed, however, greater specialization in the division of labor increased the difficulty of finding goods that each trader wanted to exchange. Barter depends on a **double coincidence of wants**, which occurred only when a trader who had goods or services wanted to find someone else who had goods or services he wanted and who also wanted goods or services he had to offer. What's more, as the number of goods produced in the economy increased, barter became more cumbersome, time-consuming and it also increased the cost and lowered the efficiency. The greater the degree of specialization in the economy, the more difficult it became to discover a double coincidence of wants. So emerged indirect exchange, that is exchange of goods and services with money. Through repeated exchange, traders might have found that there were certain goods for which there was always a ready market and which people would like to accept in exchange. If a trader could not find a desired match or did not need goods for immediate consumption, some goods with a ready market could be accepted instead. So traders began to accept certain goods not for immediate consumption, but because these goods would be acceptable to others and therefore could be traded later. For example, salt might become accepted because traders knew salt was always in demand. As one commodity became generally acceptable in return for all other goods, that commodity began to function as money. So money appeared.



1.1.3 The Definition of Money

Marx defines money as a special commodity that permanently serves as **general equivalent.** There are prerequisites for Marx's definition of money in three aspects: first, money is a commodity with value and value in use. Only in this case can money play various functions; second, money has the ability to display value of goods with its own value in use, i. e. , money can serve as a general equivalent; third, money itself is a commodity with value and value in use representing general purchasing power, so money becomes generally accepted.

Obviously, Marx's theory is based on the system of metallic money. When discussing paper money circulation, Marx explains that paper money is the representative of metallic money and is a symbol of value and functions as money indirectly. But in modern society, money in circulation in most countries has no relation with precious metal, such as gold and silver, so Marx's theory cannot explain this phenomenon wholly.

Western economists define money (or, equivalently, the money supply) as anything that is generally accepted in payment for goods or services or in the repayment of debts. Currency, which is bank notes and coins, clearly fits this definition and is one type of money. However, to define money merely as currency is much too narrow today because besides currency, payments can also be made by the transfer of deposit balance via checks or electronic transfer system.

CHECKPOINT

Do we still need money if there is no exchange activity in the economy? Why or why not?

There are two types of exchange in the history: direct exchange (barter) and indirect exchange (through money). Money appeared after the exchange system. That's to say there would be no money without the exchange system.

1.2 The Function of Money

1.2.1 Medium of Exchange or Means of Payments

Money serves as a medium of exchange, circulating medium, or means of payment when it is passed from hand to hand in exchange for goods and services or in payment of debts. Money as a medium of exchange effectively eliminates the requirement of double coincidence of wants and overcomes the difficulty of barter. The characteristic mode of trade in our economy is the sale of goods for money. The money is accepted not for its own sale but because it can be used to acquire other goods and services. Since money is generally acceptable, it represents "**generalized purchasing power**", thereby affording its possessor wide freedom of choice. Money is therefore essential in an economy: it is a lubricant that allows the economy to run more smoothly by lowering **transaction costs**, thereby encouraging specialization and the division of labor.

1.2.2 Unit of Account or Standard of Value

Just as we measure weight in terms of ponds or distance in terms of miles, we measure the value of goods and services in terms of money. Money is the unit of account that we use to quote prices and record debts. We could also refer to it as a standard of value. Using money as a yardstick and quoting all prices in terms of unit of money certainly make it more convenient for trading transaction.

1.2.3 Store of Value

A store of value is used to save purchasing power from the time when income is received until the time it is spent. That means money is used to defer the time of exchange of goods and services.

The effectiveness of money as a store of value depends on two factors: one is the easiness that people can get goods with money when in need of them; the other is the price level because the value of money is fixed in terms of the price level. Money can function as store of value only when its value is stable as an asset.

CHECKPOINT

Among the functions of money, which one is the most fundamental? Why?

Money is anything that functions as a means of payment (medium of exchange), a unit of account, and a store of value. The unique and primary function of money is that it serves as a generally acceptable means of payment. By necessity, money will also function as a store of value, and its unit of measurement will naturally become the unit of account and measure of value.

1.3 The Evolution of Payment System

1.3.1 Full-bodied or Commodity Money

A commodity that becomes a medium of exchange is called a commodity money or money in kind, when its value in the non-money use is equal to its value as money. It is the oldest money, mainly used in a barter economy.

Shortcomings: some of them were large in size and indivisible; others were not stable in value which hinder them from functioning as standard of value and store of value.

In practice, over the past 4000 years, the predominant commodity moneys have been precious metals: mostly silver and gold, also called full-bodied money.

1.3.2 Representative Full-bodied Money

Societies became more affluent and more dependent on exchange with increasing specialization and division of labor. As the trends accelerated during the industrial revolution, which began in the eighteenth century, the exclusive use of coins as media of exchange became increasingly inconvenient. The weight and size of coins made them cumbersome to transport, store, and use in transactions involving large amount of money. For convenience, coins were supplement with paper currency, initially backed 100 percent by the valuable metals. Paper money that attests to an ownership claim on a commodity such as gold or silver is referred to as representative full-bodied money.

The general acceptance of paper money as a means of exchange, with no intention of redeeming it for the precious metals behind it, made it possible for the issuance of paper money with no such backing. What's more, the downfall of the gold standard or the silver standard in western countries in 1930s because of economic and financial crisis stopped the exchange of paper money for metals. The major western countries had to break away from the metal standard, paper money could be converted into gold no more. Hence representative money exited circulation and credit money emerged.

1.3.3 Credit or Fiat Money

Credit money is a kind of credit certificate that serves as means of exchange and means of payment in circulation and does not consist of or represent a specific valuable commodity.

Credit money is created through credit process. The value of credit money depends on its general acceptance based on the credit of its issuer. Credit money has two features: first, it has no relation with precious metal; second, it is based on the credit of national governments and banks.

It does not mean that modern credit money has not any reserves to back its issuance. In fact, most countries in the world that adopt the system of credit money have a fairly big amount of reserves, such as gold, foreign exchange, etc., for issuance of credit money.

From time to time, money issued was based only on the general credit of a government and on the provision that such money was **legal tender**. Since this money is proclaimed to be money by law or a decree known as a fiat, it is sometimes called fiat money.

1.3.4 Electronic Money

It refers to depository money that is stored and processed through computer system or electronic payment system.

Electronic money takes many different forms. One is various stored value card that contains a magnetic strip recording currency value of the card, such as credit cards, smart cards and cards used for taking buses or subway. Another is funds held in online accounts that can be transferred over the internet through electronic funds transfer system (EFTS).

Advantages: It's faster and more convenient than traditional one and has greatly enhanced the efficiency of payment mechanism in economy.

Disadvantages: Firstly, security and privacy are two obvious issues; secondly, electronic money is not legal tender, not all merchants accept all forms of electronic money; finally, the counterparty's credibility needn't verifying when using cash, but this is not the case in using electronic money.

Anyhow electronic money is still credit money.

1.3.5 The Extension of Modern Money

In an economy various kinds of money exist, not only currency. Money supply refers to the collection of all kinds of money in an economy.

Each country employs fairly standard measures of money that include the volume of currency in circulation and the volume of deposits at any point of time.

Typically, several measures of money are reported, differentiated by the types of deposits (and close substitute for including currency and demand deposits used for everyday expenditures). It is liquidity of money that is the most helpful in dividing our measures of the money supply.

1. The general measures of money supply

1) The narrow measure of money supply: M_0 and M_1

M_0 is the currency or cash in circulation including bank notes and coins.

M_1 comprises those assets which are themselves acceptable in exchange and normally held with the intention of spending them in the immediate future. $M_1 = M_0 + D_d$, M_1 measures transaction balances, D_d stands for demand deposits.

2) The broader measure of money supply: M_2 and M_3

If one is inclined to emphasize the store-of-value function of money rather than the medium-of-exchange function, broader measures are appropriate.

$$M_2 = M_1 + D_s + D_t$$

It includes all of M_1 plus savings deposits and time deposits at banks. They are highly liquid financial assets. Most components of M_2 are assets that provide their owners with a higher rate of return than M_1 components would.

$M_3 = M_2$ + short-term government securities + commercial papers + life insurance policies

M_3 here is the broadest measure of money that is available to the public. It contains a variety of liquid assets based on M_2, all of these represent stored purchasing power of their owners and are thus potentially related to economic activities.

2. The measure of money supply in China

At present, money is measured in a more concise way according to the bank survey of the PBC:

M_0 = currency in circulation including bank notes and coins

$M_1 = M_0$ + demand deposit

$M_2 = M_1$ + quasi-money

Quasi-money includes savings deposits from urban and rural areas, time deposits and other deposits.

Although money is defined as M_1, M_2, M_3 worldwide, the IMF only calls M_1 money, the other part in M_2 beyond M_1 quasi-money or near money.

The reason why so many measures of money are defined is that economists have different opinions as to which measure is most consistently related to spending and other economic activity and that the central banks can monitor the operations of macro-economy and conduct monetary policies.

Since the middle-1970s when the quantity of money supply instead of interest rates is seen as intermediate policy target in some countries, the measuring of different levels of money supply has had special meaning for policy operation, for example, when monetary authorities discuss how to control the target of money supply, they should be clear about controlling which level of money supply and the difference between this level and other levels of money supply. What is more, they should answer such a question as to what extent the control of money supply can work. Otherwise, the formulation of policy would be out of the question.

CHECKPOINT

Rank the following assets in terms of their liquidity, from least to most liquid: cash, savings deposits, a checkable deposit. Explain your rank order.

1. Savings deposits—Although new innovations have made it possible to use savings