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金融专业英语阅读

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《金融专业英语阅读》是金融专业英语系列教材的一部分。本教材是为学习完大学英语基础阶段的本科生所编写,旨在让学生通过金融实务操作阶段的英语学习,培养学生的书面金融专业英语技能,使他们为较复杂的金融专业英语学习打下良好的基础。

本教材包括十六章,每一章配有词汇注释、短语注释、专业术语解释、知识背景介绍、语言练习(包括对全文课文的理解、短语的理解填空、专业术语填空、专业翻译、短篇专业文章理解),以及专业金融信息的时文辅助阅读,并配有相关的问题理解,以便使学生通过课堂教学了解当前经济金融领域的最新变化。

全书结构如下:第一章:货币政策。第二章:外汇风险和进行外汇风险管理的原因。第三章:管理外汇风险的工具和方法。第四章:美国对外汇交易的干预。第五章:会计的历史起源。第六章:会计和薄记。第七章:金融市场和中间业务。第八章:保险的历史起源。第九章:保险单。第十章:国际清算银行。第十一章:商业银行贷款。第十二章:信贷分析。第十三章:何种抵押贷款更适合你。第十四章:共同基金。第十五章:债券。第十六章:期权。

本教材适合于高等院校专业英语教学使用,也可供各类大专院校学生及广大金融专业人员学习专业英语,提高涉外业务交际能力使用,同时可为广大金融专业人员获取FECT(金融专业英语证书)提供适当的素材。

本书在编写过程中得到王福清、曹霞同志的帮助,在此谨致谢忱。对于书中存在的疏漏,请广大读者予以批评指正。

沈素萍

2006 年 4 月 6 日于北京惠园

Monetary policy is one of the tools that a national Government uses to influence its economy. Using its monetary authority to control the supply and availability of money, a government attempts to influence the overall level of economic activity in line with its 摇 political objectives. Usually the goal is “macroeconomic stability” — low unemployment, low inflation, economic growth, and a balance of external payments. Monetary policy is usually administered by a Government appointed “Central Bank”.

Central banks have not always existed. In early economies, governments would supply currency by minting precious metals with their stamp. No matter what the creditworthiness of the government, the worth of the currency depended on the value of its underlying precious metal. A coin was worth its gold or silver content, as it could always be melted down to this. A country’s worth and economic clout was largely to its holdings of gold and silver in the national treasury. Monarchs, despots and even democrats tried to skirt this inviolate law by filing down their coinage or mixing in other substances to make more coins out of the same amount of gold or silver. They were inevitably found out by the traders, money lenders and others who depended on the worth of that currency. This is the reason that movies show pirates and thieves biting Spanish dubloons to ascertain the value of their booty and loot.

The advent of paper money during the industrial revolution meant that it wasn’t too difficult for a country to alter its amount of money in circulation. Instead of gold, all that was needed to produce more banknotes was paper, ink and a printing press. Because of the skepticism of all concerned, paper money was backed by a “promise to pay” upon demand.

A holder of a "pound sterling" note of the United Kingdom could actually demand his pound of silver! When gold became the de facto backing of the world's currency a "gold standard" was developed where nations kept sufficient gold to back their "promises to pay" in their national treasuries. The problem with this standard was that a nation's economic health depended on its holdings of gold. When the treasury was bare, the currency was worthless.

In the 1800s, even commercial banks in Canada and the United States issued their own banknotes, backed by their promises to pay in gold. Since they could lend more than they had to hold in reserves to meet their depositors' demands, they actually could create money. This inevitably led to "runs" on banks when they could not meet their depositors' demands and were bankrupt. The same happened to smaller countries. Even the United States Treasury had to be rescued by JP Morgan several times during this period. In the late 1800s and early 1900s, countries legislated their exclusive monopoly to issue currency and banknotes. This was in response to "financial panics" and bank insolvencies. This meant that all currency was issued and controlled by the national governments, although they still maintained gold reserves to support their currencies. Commercial banks still could create money by lending more than their depositors had placed with the bank, but they no longer had the right to issue banknotes.

Modern central banking dates back to the aftermath of the Great Depression of the 1930s. Governments, led by the economic thinking of the great John Maynard Keynes, realized that collapsing money supply and credit availability greatly contributed to the savagery of this depression. This realization that money supply affected economic activity led to active government attempts to influence money supply through "monetary policy". At this time, nations created central banks to establish "monetary authority". This meant that rather than accepting whatever happened to money supply, they would actively try to influence the amount of money available. This would influence credit creation and the overall level of economic activity.

Modern monetary policy does not involve gold to a great extent. In 1968, the United States rescinded its promise to pay in gold and effectively removed itself from the "gold standard". Since then, it has been the job of the Federal Reserve to control the amount of money and credit in the U. S. economy. By doing this, it wants to maintain the purchasing power of the U. S. dollar and its comparative worth to other currencies. This might sound easy, but it is a complex task in an information age where huge amounts of money travels in electronic signals in microseconds around the world.

Economists debate the relevant measures of money supply. "Narrow" money supply or

M1 is currency in circulation and the currency in easily accessed chequing and savings accounts. “Broader” money supply measures such as M2 and M3 include term deposits and even money market mutual funds. Economists debate the finer points of the implementation and effectiveness of monetary policy but one thing is obvious. At the extremes, monetary policy is a potent force. In countries such as the Russian Republic, Poland or Brazil where the printing presses run at full tilt to pay for government operations, money supply is expanding rapidly and the currency becomes rapidly worthless compared to goods and services it can buy. Very high levels of inflation or “hyperinflation” are the result. With 30 – 40% monthly inflation rates, citizens buy hard goods as soon as they receive payment in the currency and those on fixed income have their investments rendered worthless.

At the other extreme, restrictive monetary policy has shown its effectiveness with considerable force. Germany, which experienced hyperinflation during the Weimar Republic and never forgot, has maintained a very stable monetary regime and resulting low levels of inflation. When Chairman Paul Volcker of the U. S. Federal Reserve applied the monetary brakes during the high inflation 1980s, the result was an economic downturn and a large drop in inflation. The Bank of Canada, headed by John Crow, targeted 0 – 3% inflation in the early 1990s and curtailed economic activity to such an extent that Canada actually experienced negative inflation rates in several months for the first time since the 1930s.

Without much debate, the effectiveness of monetary policy, its timing and its eventual impacts on the economy are not obvious. That central banks attempt to influence the economy through monetary policy is a given practice. In any event, insights into monetary policy are very important to the investor. The availability of money and credit are key considerations in the pricing of an investment. ,

The Central Bank attempts to achieve economic stability by varying the quantity of money in circulation, the cost and availability of credit, and the composition of a country’s national debt. The Central Bank has three instruments available to it in order to implement monetary policy:

Open market operations

Reserve requirements

The Discount Window

Open market operations are just that, the buying or selling of Government bonds by the Central Bank in the open market. If the Central Bank were to buy bonds, the effect would be to expand the money supply and hence lower interest rates, the opposite is true if bonds are sold. This is the most widely used instrument in the day to day control of the money supply due to its ease of use, and the relatively smooth interaction it has with the economy as a whole.

Reserve requirements are a percentage of commercial banks, “and other depository institutions”, demand deposit liabilities (i. e. chequing accounts) that must be kept on deposit at the Central Bank as a requirement of Banking Regulations. Though seldom used, this percentage may be changed by the Central Bank at any time, thereby affecting the money supply and credit conditions. If the reserve requirement percentage is increased, this would reduce the money supply by requiring a larger percentage of the banks, and depository institutions, demand deposits to be held by the Central Bank, thus taking them out of supply. As a result, an increase in reserve requirements would increase interest rates, as less currency is available to borrowers. This type of action is only performed occasionally as it affects money supply in a major way. Altering reserve requirements is not merely a short-term corrective measure, but a long-term shift in the money supply.

Lastly, the Discount Window is where the commercial banks, and other depository institutions, are able to borrow reserves from the Central Bank at a discount rate. This rate is usually set below short term market rates (T-bills). This enables the institutions to vary credit conditions (i. e., the amount of money they have to loan out), thereby affecting the money supply. It is of note that the Discount Window is the only instrument which the Central Banks do not have total control over.

By affecting the money supply, it is theorized, that monetary policy can establish ranges for inflation, unemployment, interest rates, and economic growth. A stable financial environment is created in which savings and investment can occur, allowing for the growth of the economy as a whole.

Glossary

availability摇*n.* 摇可用性,有效性,实用性
administer *v.* 管理,给予,执行
mint *v.* 铸造(硬币)
clout *n.* 影响;引力
monarch *n.* 君主
despot摇摇摇摇摇*n.* 摇摇专制君主,暴君

coinage	*n.*	造币,货币制度
skirt	*v.*	回避:避免
inviolate	*adj.*	未亵渎的,未受侵犯的
booty	*n.*	战利品,获得之物
loot	*n.*	掠夺物,战利品,抢劫
advent	*n.*	出现,到来
circulation	*n.*	循环,流通,发行额
skepticism	*n.*	怀疑论
back	*v.*	支持
de facto	*adj.*	事实上的,实际的
depositor	*n.*	寄托者,存款人
run	*n.*	争购,挤兑
legislate	*v.*	制定法律
insolvency	*n.*	无力偿还,破产
exclusive	*adj.*	排外的,独占的,唯一的
monopoly	*n.*	垄断,垄断者,专利权
issue	*vt.*	发行
aftermath	*n.*	结果,后果
savagery	*n.*	野性
rescind	*v.*	废除
comparative	*adj.*	比较的,相当的
implementation	*n.*	执行
potent	*adj.*	有力的,有效的
curtail	*vt.*	缩减,减少(经费等)
insight	*n.*	洞察力,见识
composition	*n.*	成分,合成物
ease	*n.*	安逸,安心,不费力,悠闲

Phrases

in line with摇摇摇符合

to a great extent 很大程度上,非常

at full tilt 全速

day to day　　天天，日复一日

Special terms

monetary policy摇摇　摇摇货币政策
macroeconomic stability　宏观经济稳定性
low unemployment　低失业率
low inflation　低通胀
hyperinflation　恶性通货膨胀
economic growth　经济增长
external payments　国外支付
national treasury　国库
money lenders　放款人
printing press　印刷机
gold standard　金本位
economic health　经济情况的健全程度
financial panics　金融恐慌
gold reserves　黄金储备
money supply　货币供给
Federal Reserve　联邦储备
savings accounts　储蓄存款账户
term deposits　定期存款
money market　金融市场，货币市场，短期资金市场
mutual funds　共同基金
hard goods　耐用之商品
open market operations　公开市场操作
reserve requirements　法定储备要求
discount window　贴现窗

Notes

1. **Monetary policy**：A central bank's actions to influence the availability and cost of money and credit，as a means of helping to promote

national economic goals. Tools of monetary policy include open market operations, discount policy and reserve requirements.（货币政策）

2. **Inflation**: The rise in price of goods and services, or Consumer Price Index（CPI）, when too much money chases too few goods on the market. Moderate inflation is a result of economic growth. Hyperinflation（rising at rates of 100% or more annually）causes people to lose confidence in their economy and put their money in hard assets such as gold and real estate.（通货膨胀）
3. **Gold standard**: A monetary system in which currency is convertible into fixed amounts of gold. The US used to be on the gold standard but was taken off in 1971.（金本位）
4. **JP Morgan**: J. P. Morgan Chase & Co., a Delaware corporation that uses the brand name JP Morgan Chase for its corporate image advertising and communications and JP Morgan as a brand for the investment bank business, is a global financial services firm with operations in more than 50 countries.（摩根大通集团）
5. **John Maynard Keynes**: English economist who advocated the use of government monetary and fiscal policy to maintain full employment without inflation（1883 – 1946）.（凯恩斯,约翰·梅纳德）
6. **Narrow money supply**: or the monetary base（MO）, is the term used to describe notes and coins held by the public and notes and coins held by the banking system as reserves against withdrawals.（狭义货币供应量）
7. **Broad money supply（M2）**: narrow money supply plus savings deposits, small time deposits and retail money market mutual funds.（广义货币供应量）
8. **Mutual funds**: These are open-end funds that are not listed for trading on a stock exchange and are issued by companies which use their capital to invest in other companies. Mutual funds sell their own new shares to investors and buy back their old shares upon redemption.（共同基金）
9. **Hyperinflation**: Very high and self-sustaining inflation levels. One

definition being the period while inflation exceeds 50% until it has drops below that level for 12 months. Prices are rising rapidly thus reducing the purchasing value of money.（恶性通货膨胀）

10. **Open market operations**: are a process used by Central Banks whereby they manipulate the level of liquidity available to commercial banks by buying/selling short-term instruments. By selling short term instruments the Central bank drains liquidity, as cash is transferred from commercial banks operational reserves. By buying short term instruments the Central Bank increases liquidity, injecting cash into operational reserves.（公开市场操作）
11. **Reserve requirements**: a tool of monetary policy, are computed as percentages of deposits that banks must hold as vault cash or on deposit at the central bank rather than, perhaps, lend out.（法定储备要求）
12. **Discount window**: refers to the practice by a central bank of extending short-term loans secured by government bonds to financial institutions. The interest rate charged on such loans or discount rate, an important factor in the control of money supply, is set as a matter of monetary policy.（贴现窗）
13. **T-bills**（**Treasury Bills**）: are short-term government-issued debt instruments whose return is determined by prevailing market rates of return.（国库券）

Exercises

Revision and discussion

Multiple choices

1. With monetary policy, the government tries to achieve the goal of ________.
   A. deflation摇摇摇摇摇摇摇摇摇摇B. microeconomic stability
   C. welfare of society　　D. macroeconomic stability
2. Monetary policy is usually administered by ________.
   A. the government　　B. the central bank

C. the commercial banks　　D. other financial institutions

3. With gold standard, a nation's economic health depended on ________.

A. the holding of currencies　　B. the prosperity of trade

C. the holding of gold　　D. the richness of people

4. The only instrument which the Central Banks do not have total control over is ________.

A. open market operations　　B. reserve requirements

C. the "Discount Window"　　D. none of the above

5. The central bank implement the monetary policy mainly by means of ________.

A. open market operations　　B. reserve requirements

C. the "Discount Window"　　D. banknotes issue

True or false

1. Central bank has always existed.（摇摇）
2. Only the central bank has the right to issue banknotes.（摇摇）
3. Modern monetary policy involves gold a lot.（摇摇）
4. Restrictive monetary policy has been an effective method to cure inflation.（摇摇）
5. If the Central Bank were to sell bonds, the effect would be to contract the money supply and hence lower interest rates.（摇摇）
6. An increase in reserve requirements would increase interest rates.（摇摇）

Read the following text and choose the best sentences for A to E below to fill in each of the gaps in text.

In granting the decision makers of the European Central Bank a high degree of independence, the Treaty of Maastricht — and I think these two things go together — has also assigned them a specific task: i. e. to guarantee price stability. 摇1摇 In every country in the world the population is, I think, of the opinion that the first duty of the central bank consists in maintaining the purchasing power of the currency it issues. But this mandate is particularly stringent for the euro area, as was the case previously for the Bundesbank in Germany. 摇2摇Moreover, no central banker, and in any case not the members of the Governing Council of the ECB, is insensitive to growth and employment. 摇3摇And monetary policy cannot resolve structural problems, in particular structural unemployment, which is important in Europe.

Furthermore, price stability contributes to economic growth by sustaining consumer confidence, an essential element of growth, and by favoring low long term interest rates, these rates being even more important for the financing of growth than short term rates in many European countries. (It must be observed that while for the moment short-term rates are higher in the euro area than in the United States, long-term rates are slightly lower).

If I make a short comparison between the monetary policy in the United States, Canada and the euro area, I observe a great similarity between the Bank of Canada and the ECB: 摇4摇In your country quantifying the objective ("inflation target") is subject to an agreement between the Minister of Finance and the central bank, whereas in the euro area, the central bank determines this autonomously. 摇5摇However the discretionary power of the Fed is greater still. But apart from these few differences, our three central banks share the characteristics of the major modern central banks: price stability is considered as a necessary condition for sustainable growth; they enjoy a high degree of independence in the conduct of monetary policy and simultaneously have a strong concern for transparency and accountability.

A. Price stability is clearly the primary objective of their policy, whereas the mandate of the Federal reserves is both wider and less specific.

B. The people in Europe, and moreover not only in Germany, seem to be particularly attached to price stability.

C. It is true that in the euro area we have twelve Finance Ministers!

D. But we think that growth should not be stimulated to the detriment of price stability, as such an action is short-lived and costly in the long term.

E. Indeed, the Treaty clearly states that this is the primary objective of European monetary policy and that, without prejudice to this stability, monetary policy contributes to the other objectives of economic policy.

Cloze

demand, fiscal policy tools, central bank, interest rates, "stable" prices, monetary policy, open market operations, inflation, employment, "federal funds" rate

The object of monetary policy is to influence the performance of the economy as reflected in such factors as inflation, economic output, and ________. It works by affecting ________ across the economy — that is, people's and firms' willingness to spend on goods and services.

While most people are familiar with the ________ that affect demand — such as taxes and government spending — many are less familiar with monetary policy and its tools. ________ is conducted by the Federal Reserve System, the nation's ________, and it influences demand mainly by raising and lowering short-term ________.

Monetary policy has two basic goals: to promote "maximum" sustainable output and employment and to promote ________.

The Fed can't control ________ or influence output and employment directly; instead, it affects them indirectly, mainly by raising or lowering a short-term interest rate called the ________. Most often, it does this through ________ in the market for bank reserves, known as the federal funds market.

Translate the following passage into Chinese

1. Contractionary monetary policies and expansionary monetary policies involve changing the level of the money supply in a country. Expansionary monetary policy is simply a policy which expands (increases) the supply of money, whereas contractionary monetary

policy contracts (decreases) the supply of a country's currency.

2. When the Fed buys securities on the open market, it causes the price of those securities to rise. Bond prices and interest rates are inversely related. The Federal Discount Rate is an interest rate, so lowering it is essentially lowering interest rates. If the Fed instead decides to lower reserve requirements, this will cause banks to have an increase in the amount of money they can invest. This causes the price of investments such as bonds to rise, so interest rates must fall. No matter what tool the Fed uses to expand the money supply interest rates will decline and bond prices will rise.

Translate the following sentences into English

1. 中国会保持币值的稳定以及维持稳健的货币政策,希望今年能够保持在增长以及通货膨胀目标之内。
2. 中国会保持稳健的货币政策来支持经济发展,同时防止通货膨胀的压力以及金融风险。
3. 第一季度,中国经济持续快速发展,固定资产投资速度放缓,国内消费迅速上涨。
4. 由于第一季度中国贸易顺差以及外汇储备大幅上涨,货币政策的效力——原本是用来控制通货膨胀——正面临着"严峻挑战"。
5. 中央银行会试图进一步优化外汇体系,促使资金有序流出,同时,会加紧对外汇流入以及结算的控制。

Supplementary reading

Remarks by Chairman Alan Greenspan

Uncertainty is not just an important feature of the monetary policy landscape; it is the defining characteristic of that landscape. As a consequence, the conduct of monetary policy in the United States at its core involves crucial elements of risk management, a process that requires an understanding of the many sources of risk and uncertainty that policymakers face and the quantifying of those risks when possible. It also entails devising, in light of those