

23 February course: ANSWER KEY

Grammar: The passive.

Exercise 3:

2) answered 3) was entered 4) has chosen 5) are invited 6) is made 7) have been offered 8) are asked 9) are interested 10) detach

Exercise 4:

2) is thought to have been 3) is not known 4) was seen 5) was brought 6) was obliged to 7) are believed to have been 8) was packed 9) were made to 10) are thought to be

Vocabulary Practice

U14 - p.76/Discussion

Complete the text using the appropriate words from the box:

WOULD	LED	DROPPED	WITH	GREED	INSTEAD
WORTH	INVARIABLY	DEFAULTED	AFFORD		
TREASURY	WRITE OFF	OBVIOUSLY	BURST	OBVIOUSLY	

Deregulation of the 1980s was a contributing factor. So was the globalization of markets. Some people blame central banks for lowering interest rates in 2000 after the dotcom bubble 1) **BURST** and again in 2001 after the 9/11 attacks, which 2) **LED** to a fall in the savings ratio. Many people blame the 3) **GREED** of the lenders, the originators of the mortgages, but giving low-income groups the possibility to own their homes is surely a good idea... if they can 4) **AFFORD** it. When house prices fell and subprime borrowers 5) **DEFAULTED**, lenders often repossessed property that was 6) **WORTH** less than the amount they had loaned, so they went bankrupt, too. Homebuyers were 7) **OBVIOUSLY** taking risks by buying houses they could scarcely afford, especially if they had no down-payment or special low introductory interest rate mortgages. They were hoping house prices 8) **WOULD** rise, but 9) **INSTEAD** the housing bubble burst, and prices 10) **DROPPED** rapidly. Gambling on house prices continuing to increase is rarely a good idea, but people don't seem to learn from history that house price booms or bubbles 11) **INVARIABLY** burst.

Securitization, including that of risky subprime loans, provides the financial industry 12) **WITH** a lot of liquidity, but an industry that has to 13) **WRITE OFF** \$1,500,000,000,000 doesn't come out looking too clever. Investment banks didn't need to buy subprime mortgages from lenders, securitize them into bonds, and include them in their MBSs and CDOs. One can also blame investors who were willing to purchase MBSs and CDOs because they paid very slightly higher interest than totally safe 14) **TREASURY** bonds.

Coursebook exercises – U14

74/2 – VERB.NOUN COMBINATIONS:

charge interest, do business, give advice, issue bonds, issue stocks or shares, make loans, offer advice, offer services, pass laws, pay interest, provide services, raise capital, receive deposits, share profits

OTHER COMMON COMBINATIONS INCLUDE:

make laws, make profits, offer loans, pay a deposit, provide capital, provide loans

76/Vocabulary

1 B 2C 3E 4D 5A