

L4 Reading & Writing

Group #5

Group members:



Today, we will...

1. Vocabulary Quiz
2. Article Discussion
3. Q&A



Vocabulary Quiz

Write the English word according to the description.

Welcome to Britaly

- 1.The title of the person who is in charge of finance in Britain. (hint:a kind of minister).(one word)
- 2.a person or group whose responsibility is to check that companies are obeying the law, in this article this word is used to describe a sector providing independent and authoritative analysis of UK's public finances.(one word)
- 3.The name of an official who lives in 10 Downing Street and is in charge of catching mice for the cabinet. (hint: his position is far more stable than others of the UK government)(3 words)
- 4.The place where you should decide which road to choose. (hint: this word is so easy to find that you can neglect the dizzyingly tiny words of the passage). (one word)

Vocab Quiz Answers:

1. chancellor/chancellor of the exchequer
2. watchdog
3. Larry the cat/Larry
4. junction



Background Info.

Background info...

On Sept. 6th, Liz Truss defeated Rishi Sunak in the Conservative Party leadership election to succeed Boris Johnson. To limit energy prices, Truss's government announced the Energy Price Guarantee, and then announced large-scale borrowing and tax cuts in a mini-budget, which was widely criticised and largely reversed, having led to financial instability. Facing mounting criticism and loss of confidence in her leadership, Truss announced her resignation as leader of the Conservative Party on Oct. 20th, becoming the shortest-serving prime minister in British history

[Liz Truss- 45 days in 45 seconds \(Video\)](#)



Article Discussion

Question 1

(Para2) From which aspects can we infer that the comparison between the two countries is inexact?

Answer

Britain is younger and has a more competitive economy.

Britain has lower debt, its own currency and its own central bank

Question 2

(Para3) From which aspects can we infer that the politics in Britain is unstable? (three points)

Answer

Britain has had four prime ministers since May 2015 and four chancellors of the exchequer since July.

People's trust in the British government has decreased for more than 10%.

There exists disagreement among Tory mps, which can be proved by the chaotic vote on fracking.

Question 3

(Para 4) What do they in the first sentence refer to? How are they in charge of Britain?

Answer

The bond markets.

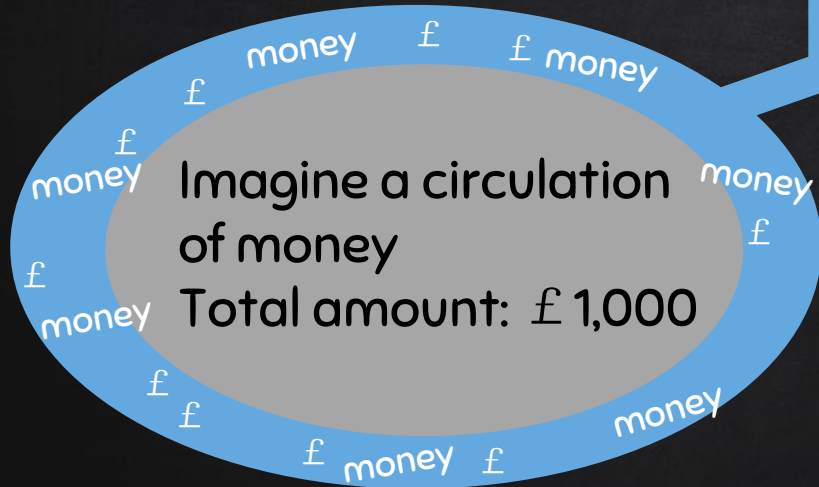
1. Bond markets held bad expectations over British Government's radical tax cuts, and reactions of traders in gilts led to the dismissal of Kwarteng and the adjustment of government policies.
2. Gilt yields influence every aspects of British life, from the cost of the mortgage to the safety of the pensions.
3. The Bank of England can terminate emergency bond-buying to force the government to modify the fiscal policy.

Background info...

Why is central bank buying bonds so decisive?

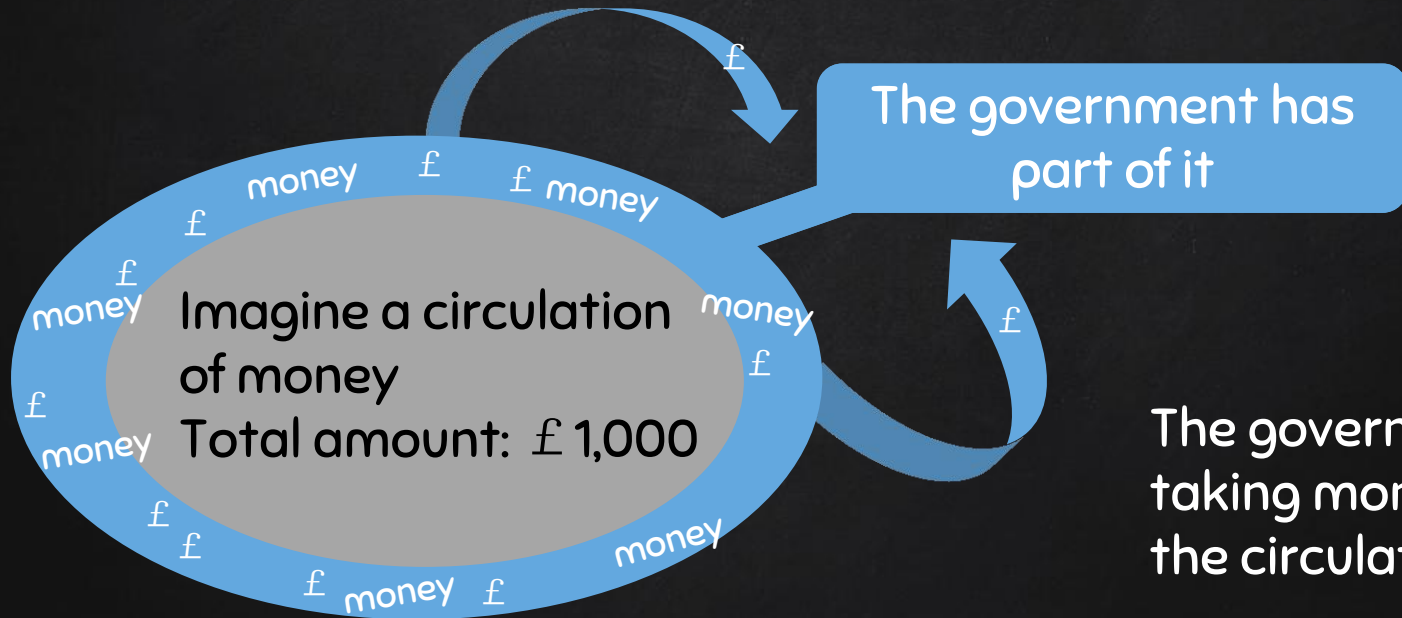
In short: Central bank prints money

The government has part of it



Background info...

What will happen if common people or collectives buy bonds?

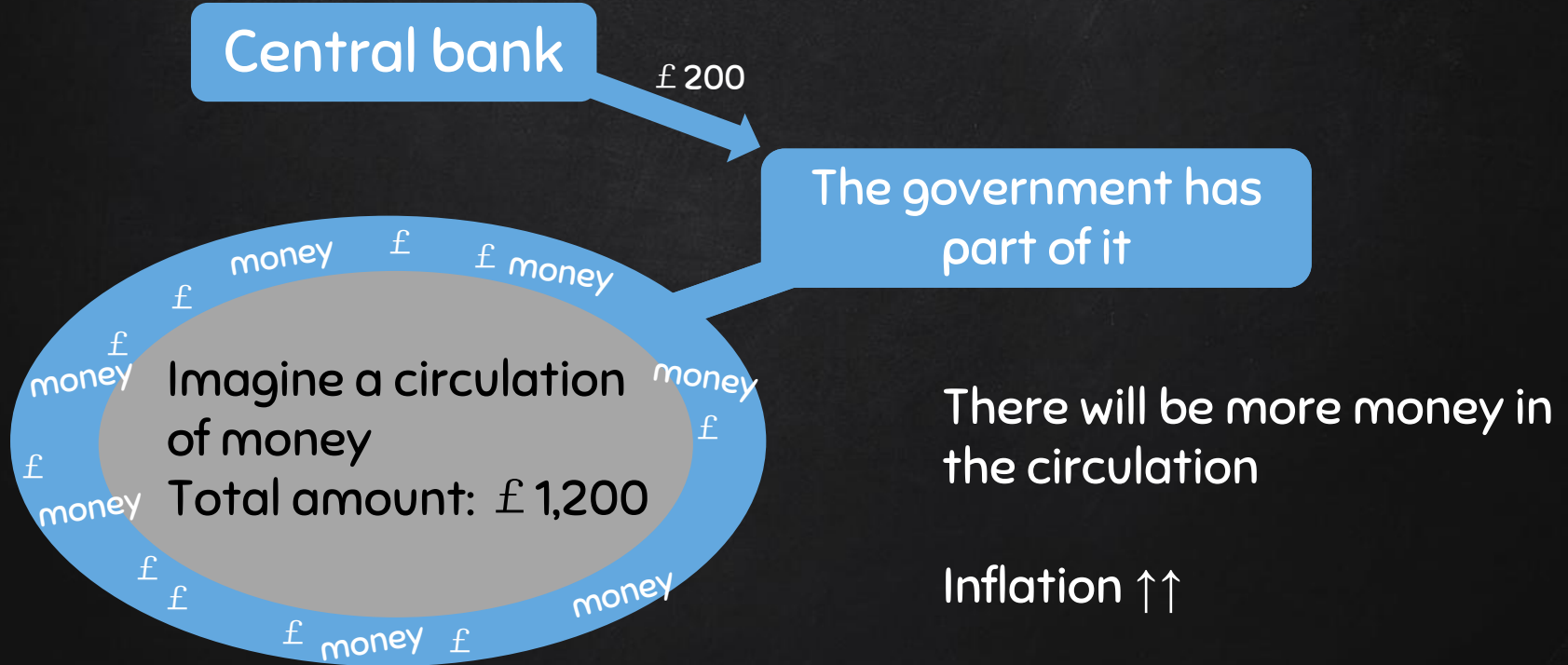


The government has part of it

The government is taking money from the circulation.

Background info...

What will happen if central bank buys bonds?



Question 4

(Para 6, Line 4)

Why is Boris Johnson nicknamed Borisconi?

Hint: Para 4.

Answer

Borisconi is used to compare Boris Johnson and Silvio Berlusconi, and thus show both right-wing politicians' reluctance to leave the political scene, which is quite absurd.

Question 5

(Para 7) What are the detailed policies of fiscal discipline and why can they calm the bond market?

Answer

- *infrastructure spendings
- *pensions
- *taxes

The government are spending less, relying less on the money from bonds. (But these policies obviously make no contribution to economic growth.)

Question 6

(last paragraph) Why can't growth depend on fantastical plans and big bangs? (list some consequences if so)

Answer

- *Truss's out of office
- *Halfway canceled policies



Q&A



Thanks!