BEC Vantage practice test 1

READING 1 hour

PART ONE
Questions 1–7

- Look at the statements below and the four paragraphs.
- Which section (**A**, **B**, **C** or **D**) does each statement **1–7** refer to?
- For each statement **1–7**, mark one letter (**A**, **B**, **C** or **D**).
- You will need to use some of these letters more than once.

Example:
0 The organisation is an eye-care company. ___D___

1 This organisation is a public limited company. _____

2 The organisation does not seem to have offices in Australia. _____

3 Glasses are one of the products the company manufactures. _____

4 This organisation belongs to another business organisation. _____

5 The organisation is related to information technology. _____

6 The organisation may also be called an optical equipment company. _____

7 The pre-tax profits of the organisation were flat. _____

A

XYZ, the media sales and market research group, yesterday said that it saw tentative signs of recovery in the US and expected global advertising spending next year to grow by nearly 3 percent. The forecast came as the company announced first-half revenues up by 10 percent to £273.3 million, although pre-tax profits for the period were flat at £27.5 million before goodwill. The shares edged 2 pounds higher to 71 pounds.

B

AK has developed a unique approach to transforming service delivery in the public sector by rapidly identifying and delivering substantial service and financial improvements. Backed by 5a, Europe's leading venture capital company, we have established a nationwide client base and consistently outperform our targets. Our team of highly motivated, resilient and energetic people value commitment, integrity, teamwork and a sense of humour. All employees, over 1600, are shareholders.

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C

ZH is a leading marketing and technology agency that helps clients use the Internet to grow their sales and trade profitably. For example, the website we built for HC generated over $20 billion of e-commerce. We work with market-leading brands to get and keep customers and increase their value in the most cost-efficient way. ZH is part of Gocom — the world's largest communications holding company — and was founded in 1995. We have more than 600 professionals, and eight offices in the US, Europe and Asia.

D

This manufacturing centre of excellence, with a workforce of 1,000 people, is of pivotal strategic importance within the European operations of this global eye-care company. Manufacturing very high volumes of vision care products in a regulated, continuous process driven, clean room manufacturing environment, the facility which supplies to global markets is poised for sustained growth in terms of volume and new product innovation in the next 12 months.

PART TWO
Questions 8–12

- Read the article below about the securities exchange.
- Choose the best sentence to fill each of the gaps.
- For each gap **8–12**, mark one letter (**A–G**).
- Do not use any letter more than once.
- There is an example at the beginning, (**0**).

The Securities Exchange

When people buy stock, most do so through one of the securities exchanges or marketplaces for stocks and bonds. These marketplaces are commonly called "stock exchanges" and they provide a meeting place for both the buyer and seller. To understand why such securities or stock exchanges are important in the purchase and sale of stocks and bonds, consider what would happen if you, and everyone who wanted to buy or sell securities, had to find your own buyer or seller. (**0**) __A__ More importantly, how would you find out who is interested in selling that stock to you (or buying it from you)?

In order to handle such marketing problems, securities exchanges sprung up. These exchanges are nothing more than locations where stocks are bought and sold. And since there is a common meeting place for these transactions, people who are interested in buying and selling go there, or send their representatives. The result is a very systematic market process, where transactions are handled in an orderly manner and the operations are both supervised and regulated by law. (**8**) _____

Buying and Selling Securities

The general approach in buying and selling securities, regardless of the exchange where they are purchased, is basically the same. We provide a general picture of how security transactions take place; and for a fuller understanding, we will discuss some of the important terminology and functions of security trading. (**9**) _____ How would you go about buying stock in a major corporation? It's really quite simple. First, you would decide what you want to buy — such as 100 shares of IBM. (**10**) _____

Assuming your broker works for a major stock brokerage, the order would be telephoned directly to a company clerk on the floor of the New York Stock Exchange. The clerk would hand the order to a member of the Exchange who is a partner in the brokerage. This individual would then go to the appropriate locale on the trading floor and ask for the latest quote on IBM. Let us say it is "70 to a quarter". (**11**) _____

If your broker wants it, a sale can be struck at $70.25, since the order calls for a purchase at the current market price. More likely, however, your broker will bid $70.125 and hopes to save you in ⅛ of a point or $12.5. And it is likely that another broker with the order to sell will show up and accept the bid of $70⅛. The two brokers will then initial each other's sale orders and see that the transaction is relayed to the Exchange employee known as reporter. The reporter sees that the sale is reported and a few minutes later it will come out on the ticker tape.

Bulls and Bears

What does "a bull" mean? It is a term that is used to refer to an investor who expects prices to rise. **(12)** _____

Of course, the market will not always rise. Sometimes stocks drop and remain low for extended periods of time. Those investors who expect stock prices to decline are known as "bears". During the Great Depression, the bears made a great deal of money. While the bulls were "buying long" the bears were "selling short".

A How would you know what a fair price for the security is?

B This means that someone is currently bidding "$70 for the stock and another party is willing to sell at $70.25".

C How are stocks actually purchased?

D "Bulls" buy in anticipation of the market going up.

E In this way, the buyer or seller is ensured that the best price is secured and they are not short-changed or cheated in any way.

F Then you would place a call to your stockbroker, who would enter an order to buy the 100 shares at the current market price.

G If the market is going down, the only way to recover your investment is to hang on to the stock and wait for it to come back.

PART THREE
Questions 13–18

- Read the article below about the US banking system and the questions.
- For each question **13–18**, mark one letter (**A**, **B**, **C** or **D**) for the answer you choose.

The US Banking System

The stability of the US banking system is maintained by means of supervision and regulation, inspections, deposit insurance, and loans to troubled banks. For over 50 years, these precautions have prevented banking panics. However, there have been some close calls. The collapse of Continental Illinois Bank & Trusted Company of Chicago in 1984 did not bring down the banking system, but it certainly rattled some windows.

In the late 1970s, Continental soared to a leadership position among Midwestern banks. Parts of its growth strategy were risky, however. It made many loans in the energy field, including $1 billion that it took over from Penn Square Bank of Oklahoma City. To obtain the funds it needed to make these loans, Continental relied heavily on short-term borrowing from other banks and large, 30-day certificates of deposit — "hot money", in banking jargon. At least one Continental

officer saw danger signs and wrote a warning memo to her supervisors, but the memo went unheeded. Although the Comptroller of the Currency inspected Continental on a regular basis, it failed to see how serious its problems were going to be.

Penn Square Bank was closed by regulators in July 1982. When energy prices began to slip, most of the $1 billion in loans that Continental had taken over from the smaller banks turned out to be bad. Other loans to troubled companies such as Chrysler, International Harvester, and Braniff looked questionable. Seeing these problems, hot money owners began to pull their funds out of Continental.

By the spring in 1984, a run on Continental had begun. In May, the bank had to borrow $3.5 billion from the Fed to replace overnight funds it had lost. But this was not enough. To try to stem the outflow of deposits from Continental, the FDIC agreed to guarantee not just the first $100,000 of each depositor's money but all of it. Nevertheless, the run continued.

Federal regulators tried hard to find a sound bank that could take over Continental — a common way of rescuing failing banks. But Continental was just too big for anyone to buy. By July, all hope of a private sector rescue had been dashed. Regulators faced a stark choice: Let Continental collapse, or take it over themselves.

Letting the bank fail seemed too risky. It was estimated that more than 100 banks had placed enough funds in Continental to put them at risk if Continental failed. Thus, on a rainy Thursday at the end of July, the FDIC in effect nationalized Continental Illinois at a cost of $4.5 billion. This kept the bank's doors open and prevented a chain reaction. However, in all but a technical sense, Continental had become the biggest bank failure in US history.

13 In the spring of 1984, Continental experienced a run attributed to _____.

A short-term borrowing from other banks

B a risky growth strategy

C questionable loans to troubled banks

D all of the above

14 By July, all hope of a private sector rescue was _____.

A destroyed

B absurd

C desperate

D damaged

15 Which is not the reason that hot money owners began to pull their funds out of Continental?

A Penn Square Bank was closed by regulators.

B To find a sound bank was hard.

C Loans that Continental had taken over from the smaller banks turned out to be bad.

D Other loans to troubled companies looked questionable.

16 Banking panics may not be prevented by means of _____.

A deposit insurance

B inspections

C long-term borrowing

D regulation

17 Which of the following was not in trouble?

A International Harvester.

B Chrysler.

C Braniff.

D FDIC.

18 The word "stark" in the fifth paragraph means _____.

A bare
B blunt
C extreme
D harsh

PART FOUR
Questions 19–33

- Read the article below about honesty in job interviews.
- Choose the best word to fill each gap from **A**, **B**, **C** or **D**.
- For each question **19–33**, mark one letter (**A**, **B**, **C** or **D**).
- There is an example at the beginning, (**0**).

Catching out the Dishonest Candidate

Most personnel managers agree that job interviews are one of the least objective recruitment methods. But the advantages of testing are not going to change the (**0**) __A__ of the interview to employers. The appeal of the interview has everything to do with the (**19**) _____ factor.

Most people believe they are a (**20**) _____ judge of character and trust their instinctive feelings. We might use some kind of test to aid the (**21**) _____ process, but we usually pick a candidate who interviews well, has good (**22**) _____ and an impressive work record.

But (**23**) _____ the candidate lies or is less than completely honest, "This can be a serious problem for employers", (**24**) _____ Alan Conrad, Chief Executive at Optimus Recruitment. "The most difficult liars to find out are those who (**25**) _____ half-truths rather than complete lies." Research (**26**) _____ that up to 75 percent of curriculum vitaes are deliberately inaccurate. The most common practice is (**27**) _____.

Interviewers should therefore concentrate on areas of (**28**) _____ such as gaps between periods of employment and job (**29**) _____ that seem strange. "Focusing on these areas will force candidates to tell the truth or become increasingly (**30**) _____. This is usually when people signal their (**31**) _____ by their body language. Sweat on the upper lip, false smiles and nervous hand movements all (**32**) _____ discomfort."

Conrad does not suggest an aggressive police-style interview technique, but insists that (**33**) _____ inspection of curriculum vitae is absolutely essential. Only by asking the right questions can you confirm the suitability of the candidate or put pressure on those who are being less than completely honest.

0	**A** attraction	**B** discipline	**C** rules	**D** regulations
19	**A** emotion	**B** feeling	**C** human	**D** person
20	**A** reasonable	**B** sensible	**C** substantial	**D** normal
21	**A** choice	**B** selection	**C** identification	**D** discovery
22	**A** examinations	**B** papers	**C** notes	**D** qualifications
23	**A** pretend	**B** think	**C** suppose	**D** fantasise
24	**A** reveals	**B** admits	**C** exaggerates	**D** explains
25	**A** say	**B** tell	**C** inform	**D** talk

26	**A** shows	**B** predicts	**C** calculates	**D** reckons
27	**A** ignorance	**B** forgetfulness	**C** omission	**D** carelessness
28	**A** error	**B** incorrectness	**C** uncertainty	**D** indecision
29	**A** descriptions	**B** advertisements	**C** interpretations	**D** routines
30	**A** untrue	**B** illegal	**C** dishonest	**D** criminal
31	**A** annoyance	**B** anger	**C** anxiety	**D** disappointment
32	**A** indicate	**B** prove	**C** present	**D** picture
33	**A** immediate	**B** tight	**C** near	**D** close

PART FIVE
Questions 34–45

- Read the consumer reaction report below.
- In most of the lines **34–45** there is one extra word. It is either grammatically incorrect or does not fit in with the meaning of the text. Some lines, however, are correct.
- If a line is correct, write **CORRECT**.
- If there is an extra word in the line, write **the extra word** in CAPITAL LETTERS.
- The exercise begins with two examples, (**0**) and (**00**).

Examples 0 C O R R E C T

00 W I T H

Consumer Reaction Report

0 We have completed our market research on testing consumer reaction to your
00 brands and products, and attached with you will find a statistical analysis which
34 is as the result of that research. This preliminary report is a summary of our
35 findings, conclusions, and suggestions about which you might like to discuss with
36 us after you have considered the results.
37 Our survey was based on discussions moderated by a psychological member who has took
38 a number of groups, some who were used and some who did not use your products.
39 On the results of the discussions we constructed a questionnaire which was
40 presented to a random sample of 500 people who reflecting the population
41 distribution of this country. We asked them about their preferences and
42 awareness of your products while compared to others on the market, and from
43 this usage and attitude study we did produced a profile of your brands compared
44 with other companies' brands.
45 The lists attached that show the statistical breakdown in answers to our questions.