

Assas

**Session :** Mai 2018

**Année d'étude :** Première année de Master économie-gestion, mention monnaie-finance-banque / Magistère Banque - Finance deuxième année

**Discipline :** *Anglais financier*  
(Structure 2è semestre)

**Titulaire(s) du cours :** M. Marc ELINE

**Document(s) autorisé(s) :** Aucun document ni matériel électronique n'est autorisé.

## 2<sup>e</sup> année Magistère Banque-Finance

### English Exam – Second Semester

**Mai 2018. Durée de l'épreuve : 1h30. Aucun document ni matériel électronique n'est autorisé**

**1. Translate the following into English [3]**

- 1.1. Notre fonds d'investissement en non coté a levé plus de 100 M\$ l'an dernier.
- 1.2. Veuillez agréer, Messieurs, l'expression de nos salutations distinguées<sup>1</sup>.
- 1.3. Les banques d'investissement ont réduit l'objectif de cours du fabricant de médicaments.

**2. Answer THREE of the following questions (one or two paragraphs per question, as needed) [6]**

- 2.1. Explain the concept of cost synergies.
- 2.2. In an IPO process, what services can the issuer expect from an investment bank?
- 2.3. What makes project financing different from traditional corporate lending?
- 2.4. In syndicated loan agreements, what provisions can help lenders mitigate risks?
- 2.5. Assuming the CFO of a major shipping company is interested in a hedging program to protect the company's cash flows against oil price fluctuations while being eager to benefit from declining prices, which **single** product would you rather suggest: swap, floor, cap, zero-cost collar? Why?

**3. Legal English [2]**

- 3.1. Explain the following (abridged) provision, which can be found in M&A advisory contracts:

“The Client will indemnify and hold the Financial Adviser harmless from any and all Liabilities, except to the extent that those Liabilities arise out of the willful default or gross negligence or out of a breach of statutory duty on the part of the Financial Adviser.”

**4. Essay ( 350-400 words) [4]**

APE (Agence des Participations de l'État) is the French State agency in charge of managing the State's holdings in key companies. It is considering selling part or all of its 50.6% stake in ADP, the profitable, listed company that manages a number of airports in France (including ownership of

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<sup>1</sup> As can be found in a business letter.

land/property) and abroad. Vinci, a major French concessions and construction group holds c. 8% of ADP's equity.

APE has hired your team at Credit Suisse to advise it on the divestiture of ADP, a deal which could generate a welcome inflow of €8bn into State coffers. Vinci, as well as foreign strategic investors and financial investors, has expressed interest in the contemplated deal. APE's management wants to maximize proceeds, avoid starting a lengthy process which could span many years, and steer clear of political trouble, such as the scandal that followed the sale of a major stake in the Toulouse airport to Chinese investors. What privatization strategy would you recommend? Why?

**5. Read the following text, then answer the questions (1-2 paragraphs per question). [/5]**

**Use your own words.**

5.1. Explain the underlined expression.

5.2. To what extent is the study of concern to the American people in general?

5.3. In light of the study's findings, how do wealthy and poor people's health prospects compare?

**People have a 50 percent higher risk of death if they suffer a shocking financial loss**

*April 3, 2018, Northwestern University < medicalxpress.com >*

A sudden loss of net worth in middle or older age is associated with a significantly higher risk of death, reports a new Northwestern Medicine and University of Michigan study.

When people lose 75 percent or more of their total wealth during a two-year period, they are 50 percent more likely to die in the next 20 years, the study found.

"We found losing your life-savings has a profound effect on person's long-term health," said lead author Lindsay Pool, a research assistant professor of preventive medicine at Northwestern University Feinberg School of Medicine. "It's a very pervasive issue. It wasn't just a few individuals but more than 25 percent of Americans had a wealth shock over the 20 years of the study."

Though the rate of savings loss spiked during the Great Recession, middle- and older-age Americans consistently lost savings across the 20-year period, regardless of the larger economic climate.

"Our findings offer new evidence for a potentially important social determinant of health that so far has not been recognized: sudden loss of wealth in late middle or older age," said senior author Carlos Mendes de Leon, professor of epidemiology and global public health at the University of Michigan.

The study also examined a group of low-income people who didn't have any wealth accumulated and who are considered socially vulnerable in terms of their health. Their increased risk of mortality over 20 years was 67 percent.

"The most surprising finding was that having wealth and losing it is almost as bad for your life expectancy as never having wealth," Pool said. The likely cause of the increased death risk may be twofold. "These people suffer a mental health toll because of the financial loss as well as pulling back from medical care because they can't afford it," Pool said.

The new study builds on prior research in the wake of the Great Recession from 2007 to the early 2010s. Those studies examined short-term health effects such as depression, blood pressure and other markers of stress that changed as peoples' financial circumstances took a nosedive.

Started in 1992, the longitudinal study follows a representative group of U.S. adults 50 years and older every two years. More than 8,000 participants were included in the Northwestern study.

Next, Pool and colleagues will investigate the mechanisms that lead to higher mortality after a big financial loss. "Why are people dying, and can we intervene at some point in a way that might reverse the course of that increased risk?" she said.