Université PANTHÉON - ASSAS (PARIS II) 2° sem.

Droit - Economie - Sciences Sociales 7241

Assas

Session : Mai 2019

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

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2e année Magistère Banque-Finance

English Exam – Second Semester

Mai 2019. Durée de l'épreuve : 1h30. Aucun document autre que copies et brouillon distribués lors de l'examen n'est autorisé. L'usage de matériel électronique n'est pas autorisé.

1. Translate the following into English [/4]

1.1. Notre fonds d'investissement en non coté a levé plus de 150 M$ l'an dernier.

1.2. Veuillez agréer, Messieurs, l'expression de nos salutations distinguées. [formulation de fin de lettre d'affaires]

1.3. Le résultat net du fabricant de médicaments est en baisse de 20%.

1.4. Dans le courant de l'été, la banque centrale était sur le point de relever les taux d'intérêt mais la reprise de l'économie ne s'est pas engagée comme prévu.

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

2.1. Explain the concept of revenue synergies.

2.2. In an IPO process, what services can the issuer expect from an investment bank?

2.3. Give the full definition of an option.

2.4. Why do sponsors use project financing instead of regular corporate borrowing?

2.5. In a due diligence process, auditors pay significant attention to "Accounts Receivable". Why? What is at stake?

2.6. What are "bulge bracket" banks?

3. Essay (350-400 words) [/5]

Millenials represent a challenge for companies as they display characteristics that are unique in comparison to past generations. They cannot imagine a world without the internet or smartphones. They care a lot about work/life balance, just as they crave feedback and attention. They do not hesitate to question authority and will approach their superiors as equals. They will not hesitate to jump ship if they feel dissatisfied with their current job. Given this change in paradigm, how should companies and managers adapt to hire and retain top talent?

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

Where Have All the Public Companies Gone? (Reuters, April 9, 2018 - Abridged)

Some businesses are staying private. Others are getting bigger. That's not necessarily a problem.

The people who supervise the U.S. stock market are grappling with what they see as a troubling trend: One of the great innovations of Western capitalism -- the public company -- appears to be losing ground.

Lately, the universe of such companies has been shrinking in the U.S. New businesses have been offering shares to the public at less than half the rate of the 1980s and 1990s. Mergers and acquisitions have eliminated hundreds more. About 3,600 firms were listed on U.S. stock exchanges at the end of 2017, down more than half from 1997.

Why has this happened? Some blame regulation -- notably, the 2002 Sarbanes-Oxley legislation, designed to counteract the accounting frauds of the 1990s, which added to the reporting and liability burdens imposed on public-company managers.

Whatever the cause -- ill-judged regulation, the drive to accrue market power, other factors altogether -- the shifting pattern of corporate form raises big questions. Consider each in turn.

First, access to capital. Once upon a time, selling shares to the public was an important way for companies to raise money -- and for early investors to cash out. That's no longer the case. Companies such as Uber and Airbnb can attract tens of billions of dollars while remaining private. And venture-capital firms increasingly sell their holdings directly to existing public companies, which have the global reach needed to expand young businesses quickly (think Facebook buying WhatsApp).

Does this mean regular investors are missing out? Not really. For one, they can invest through mutual funds or the shares of the companies doing the acquisitions.

What about governance? Control of private companies falls into fewer hands, but that's also true of some public companies with dual-class share arrangements. The most important difference is disclosure.

So what should regulators and Congress do? There are ways to reduce the burden of being public without impairing the benefits. Discouraging companies from using boilerplate legalese in regulatory filings, for example, would cut busy work and help investors. Elsewhere, "do no harm" is good advice.

Lightening disclosure requirements to encourage more public offerings would be counterproductive. Transparency is good for investors, makes U.S. markets more attractive, and lowers the cost of capital for companies.

The chairman of the Securities and Exchange Commission, has called the seeming decline of the public company "a serious issue for our markets and the country." So far, nonetheless, he has trodden lightly -- and that's wise. The public company is not as imperiled as the numbers suggest, and the market for capital isn't broken.

Use your own words.

4.1. Explain the underlined expression.

4.2. Why are IPOs less critical for venture capitalists wishing to cash out?

4.3. How would you summarize the position taken by the writer on the potential need to put an end to the decline in public funding?