

UNIVERSITE PARIS 1 PANTHEON – SORBONNE
UFR 06 / SEGLAS L2 GESTION

PARTIEL D'ANGLAIS APPLIQUE A LA GESTION

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2 heures

NO DOCUMENTS ALLOWED

Instructions

Part I: Read the text below and address the vocabulary and comprehension exercises that follow

Pathé Likely to Seek Listing to Fund Acquisitions

Pathé, the French media giant, has signalled it is likely to seek a (1) stock market listing in the next 18 months to fund expansion.

Jérôme Seydoux, patriarch of the family-owned company, said (2) floating the film distributor and entertainment group was the final thing he wanted to accomplish before he retired. "It depends on market conditions, but don't be surprised if it happened within 18 months," he added.

The move would help raise funds for possible acquisitions. "Today we are (3) a private company and I'm not a great believer in private companies. We would have to go to (4) the market if we needed to raise finances, merge or (5) make an acquisition. I think it would make sense for Pathé (6) to merge with another entertainment company, but at the right time. "

Mr Seydoux made clear the group's aspirations to become a force in the domestic television industry. Pathé owns several French cable channels and will enter the country's digital terrestrial market through TMC, which was recently granted a free digital terrestrial television licence by the French government. "I want to become a major player in French television ", he said.

While Pathé denied reports that it was part of a Franco-Belgian group of investors looking to buy Canal Plus, the pay-television (7) subsidiary of (8) cash-strapped Vivendi Universal, Mr Seydoux made clear the entertainment group's interests.

"If I can, I would like to own Canal Plus...but for the time being it is not for sale. If it was, and the price was right and I could raise sufficient finances, then who knows? "

(9) A deal to buy Canal Plus would need the approval of Lagardère, the French (10) conglomerate which owns 34 per cent of a unit of the broadcaster. Lagardère is likely to exercise its pre-emptive rights for the unit if Vivendi attempted to sell Canal Plus.

A. Vocabulary (5 points)

Explain the meaning of the concepts and expressions underlined in the text. Do not translate them into French.

B. Comprehension (5 points)

Answer the following questions briefly;

1. Why does Pathé want to go public?
2. What are Pathé's clearly stated ambitions in the French media market? What has it done or is it trying to do to fulfill these ambitions?
3. What are Pathé's intended expansion strategies?
4. What might facilitate or complicate Pathé's effort if it decides to buy Canal Plus?
5. What does the last sentence of the text mean?

Part II. Grammar (5 points)

Stock markets have good days and bad days. Economists often use the verbs below to describe trends in share dealing at the stock exchange:

to climb, to crash, to decline, to decrease, to deteriorate, to get better, to get worse, to go down, to go up, to hit bottom, to improve, to increase, to jump, to plunge, to plummet, to rally, to recover, to reach a peak, to peak, to rocket, to slip, to shoot up.

Using the simple past tense, complete the following sentences with a most appropriate verb which means:

A. to rise after previously falling

1. The Footsie in London in the afternoon, gaining 30 points in late trading.
2. Share prices in Hong Kong today, the Hang Seng finishing up ten points.

B. to rise a little

3. Most shares a little in Milan this morning, when the exchange reopened after yesterday's public holiday.
4. On the Frankfurt exchange, the DAX index slightly, up 12 points.

C. to rise a lot

5. Boeing stocks after rumours of a forthcoming merger with another aircraft manufacturer
6. Exxon stocks after a new deal to pump Siberian natural gas was announced.

D. to fall a little

7. Grundig shares after news of boardroom changes.
8. Leading shares a little in Tokyo, the Nikkei losing six points.

E. to fall a lot

9. The Dow-Jones indexafter continuing rumours about the President's health.

10. In Paris, the CAC-40, after the unions called for a three-day general strike next week.

Part III: Writing (5 points)

Discuss, in a minimum of 100 words, the advantages and disadvantages a private company would have in going public. Write in 2 continuous paragraphs. Count and write the number of words you have written.

Key to answers and guidelines for marking

Part One:

A. Vocabulary: (5 points)

Answers:

1. Stock market listing: official registration of a company with the stock market enabling it to sell shares directly to the public at large; *stock market quotation*.
2. floating: listing a company on the stock exchange for the first time.
3. a private company: a business organisation which is not quoted on the stock exchange such as a family business.
4. the market: in the text, the stock market or the stock exchange which is a place where stocks and shares are bought and sold (traded).
5. to make an acquisition: to buy a controlling interest in another company through the purchase of its shares, the target firm usually maintaining its identity as a subsidiary company; *to take over, to buy out a company*.
6. to merge: to amalgamate with another company and become one.
7. subsidiary: a company owned and controlled by another big, usually multinational enterprise.
8. cash-strapped: not having enough money; in deficit
9. a deal: a business agreement or arrangement
10. conglomerate: a company that owns several smaller businesses whose products or services are usually different.

Guidelines:

1. **half a point** for an answer which is correct both in form and content.
2. **quarter of a point** for an answer with a correct content but with flaws in its wording.
3. **Nothing** to be awarded if otherwise.

B. Comprehension (5 points)

Answers:

1. Pathé wants to go public in order to raise funds for its expansion.
2. Pathé wants to become a major player in the French media market, especially the French television market. First it controls several cable channels in France. Secondly, it will enter (and by now has entered) the country's digital terrestrial market through TMC. Finally it wouldn't mind buying Vivendi Universal's Canal Plus, if economic conditions permit.
3. Pathé intends expanding through floating, mergers and acquisitions.
4. If Canal Plus is on sale and Pathé has sufficient funds, it will go in for the unit. What might complicate the deal is the attitude of Lagardère holding company which has to approve the deal and refrain from exercising its pre-emptive rights.

- As a major shareholder with 34% of Canal Plus shares, Lagardère has the right to veto any sale of the company to another one or to buy the company in anticipation in order to prevent anyone else doing so at a later stage.

Guidelines

- A full point** for an answer which is correct both in form and content.
- Half a point** for an answer with a correct content but with flaws in its wording.
- Nothing** to be awarded, if otherwise.

Part two: Grammar (5 points)

Answers:

Sentence	Expected verb	Other possibilities
1.	rallied	got better, improved, recovered
2.	recovered	rallied, got better, improved
3.	went up	climbed, increased
4.	increased	went up, climbed
5.	rocketed	jumped, reached a peak, peaked, rocketed, shot up
6.	shot up	rocketed, jumped, reached a peak, peaked
7.	slipped	declined, decreased, deteriorated, got worse, went down
8.	declined	slipped, decreased, deteriorated, got worse, went down
9.	crashed	hit bottom, plunged, plummeted
10.	plummeted	crashed, hit bottom, plunged

Guidelines:

- **Half a point** for any correct choice of the verb in the right tense.
- **Nothing** to be awarded if the verb chosen is not fitting or if the tense of the verb is not correct.
- **Nothing** to be awarded if the student has left a blank.

Part three: Writing (5 points)

Guidelines

- **Half a point** if the student has managed to write at least 100 words (check the student's word count if necessary).
- **Half a point** if the student has written 2 clearly delineated paragraphs. 1 for advantages and the other for disadvantages.
- **Up to 1 point** if the student's arguments on advantages are cogent.
- **Up to 1 point** if the student's arguments on disadvantages are cogent.
- **Up to 1 point** if the student's use of (specialist) vocabulary and grammar is satisfactory.
- **Up to 1 point** if the student's use of link words is satisfactory.