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# Warren Buffett's \$373 Billion Warning Shakes Wall Street

## Description

For more than 50 years, billionaire Warren Buffett led Berkshire Hathaway, making it a trillion-dollar company. Under his management, Berkshire's Class A shares achieved a remarkable return of over 6,000,000%, far surpassing the S&P 500 and other major indices. However, Buffett stepped down as CEO on 31 December 2025 but remains the chairman of the board.

Although Buffett is no longer involved in daily operations or managing the \$319 billion investment portfolio, his influence is still felt. On 28 February, Berkshire announced its fourth-quarter results, highlighting Buffett's warning about a \$373 billion stock sell-off, which has shocked investors.

During his time as CEO, Buffett acquired nearly 60 companies. His success with brands like Apple and Bank of America is well known. However, in his last 13 quarters as CEO, he sold more stocks than he bought, totaling \$186.7 billion in net sales. This strategy led to Berkshire's cash increasing to a near-record of \$373.3 billion by his retirement.

Despite the stock market's strong performance in recent years, Buffett's warning indicates it may be historically overpriced. Known for his patience and long-term strategy, he believes that market corrections are part of investing. His successor, Greg Abel, will inherit significant capital for when stock valuations eventually become more attractive.

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## Vocabulary List:

1. **Billionaire** /ˌbɪl.jəˈneər/ (noun): A person with at least one billion dollars.
2. **Trillion** /ˈtrɪl.jən/ (noun): A number equal to one million million.
3. **Company** /ˈkʌm.pə.ni/ (noun): A business organization or firm.
4. **Management** /ˈmæn.ɪdʒ.mənt/ (noun): The process of organizing and controlling.
5. **Shares** /ʃeəz/ (noun): Parts of a company sold to investors.
6. **Return** /rɪˈtɜːn/ (noun): The money gained from an investment.

## Comprehension Questions

### Multiple Choice



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1. Who led Berkshire Hathaway for more than 50 years?
    - Option: Bill Gates
    - Option: Warren Buffett
    - Option: Jeff Bezos
    - Option: Elon Musk
  
  2. What was the return of Berkshire's Class A shares under Buffett's management?
    - Option: 3,000,000%
    - Option: 6,000,000%
    - Option: 1,000,000%
    - Option: 2,000,000%
  
  3. On what date did Buffett step down as CEO?
    - Option: 31 December 2024
    - Option: 31 December 2025
    - Option: 1 January 2026
    - Option: 30 December 2025
  
  4. How much is Berkshire's investment portfolio valued at?
    - Option: \$200 billion
    - Option: \$250 billion
    - Option: \$319 billion
    - Option: \$400 billion
  
  5. Which two companies are highlighted for Buffett's success?
    - Option: Facebook and Microsoft
    - Option: Apple and Bank of America
    - Option: Amazon and Google
    - Option: Tesla and Netflix
  
  6. What was the total of net sales during Buffett's last 13 quarters as CEO?
    - Option: \$150 billion
    - Option: \$186.7 billion
    - Option: \$210 billion
    - Option: \$220 billion

**True-False**



7. Buffett remains actively involved in the daily operations of Berkshire Hathaway.
8. Buffett's warning about a stock sell-off was valued at \$373 billion.
9. Berkshire's cash increased to a near-record of \$373.3 billion during Buffett's retirement.
10. Buffett acquired more companies than he sold stocks during his time as CEO.
11. Greg Abel is Warren Buffett's successor.
12. Buffett believes that market corrections are not part of investing.

### Gap-Fill

13. Warren Buffett stepped down as CEO on 31 December \_\_\_\_\_ .
14. Berkshire Hathaway became a trillion-dollar company under Buffett's \_\_\_\_\_ .
15. Buffett's warning about a stock sell-off shocked \_\_\_\_\_ .
16. During his last 13 quarters, Buffett sold more stocks than he \_\_\_\_\_ .
17. Berkshire increased its cash to a near-record of \_\_\_\_\_ billion by Buffett's retirement.
18. Buffett is known for his \_\_\_\_\_ and long-term strategy.

### Answer

**Multiple Choice:** 1. Warren Buffett 2. 6,000,000% 3. 31 December 2025 4. \$319 billion 5. Apple and Bank of America 6. \$186.7 billion

**True-False:** 7. False 8. True 9. True 10. False 11. True 12. False

**Gap-Fill:** 13. 2025 14. management 15. investors 16. bought 17. 373.3 18. patience

### Vocabulary quizzes

**Multiple Choice ( Select the Correct answer for each question. )**



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1. What does the term "technology" refer to?
    - Option: A set of skills and processes
    - Option: An ancient form of communication
    - Option: A brand of smartphones
    - Option: A musical genre
  
  2. Which of the following is a feature of a smartphone?
    - Option: Ability to only make calls
    - Option: Touch screen interface
    - Option: No internet connectivity
    - Option: Basic calculator functions
  
  3. What is a billionaire?
    - Option: Someone with a net worth of one million dollars
    - Option: Someone with a net worth of one hundred million dollars
    - Option: Someone with a net worth of one billion dollars
    - Option: Someone who owns a well-known company
  
  4. What is the primary purpose of a company?
    - Option: To create jobs only
    - Option: To earn profit and provide services
    - Option: To manage its employees
    - Option: To produce news articles
  
  5. What does management primarily involve?
    - Option: Controlling a workforce
    - Option: Setting goals and managing resources
    - Option: Hiring and firing employees only
    - Option: Creating revenue streams
  
  6. What is an investor?
    - Option: A person who sells goods
    - Option: A person who invests money in a business
    - Option: A person who manages a company
    - Option: A person who creates technologies
  
  7. What does separation in business often lead to?
    - Option: Increased collaboration
    - Option: Potential acquisition
    - Option: Clearer focus on specific goals
    - Option: Improved teamwork



8. What does it mean when a company lays off employees?

- Option: Promotes them
- Option: Terminates their employment
- Option: Transfers them to other departments
- Option: Rewards them with bonuses

9. Earnings refer to what in a company?

- Option: Losses
- Option: Expenses
- Option: Net profit
- Option: Revenue generated

10. Which of the following is equivalent to a trillion?

- Option: One thousand million
- Option: One million million
- Option: One billion billion
- Option: One hundred million

**Gap-Fill ( Fill in the blanks with the correct word from the vocabulary list. )**

11. A smartphone is a portable \_\_\_\_\_ that combines cellular and mobile computing functions.

12. The two companies formed a strategic \_\_\_\_\_ to enhance their market reach.

13. In the digital age there is significant \_\_\_\_\_ for innovative technology products.

14. The company is entering a new \_\_\_\_\_ of growth and expansion.

15. The startup is on a promising \_\_\_\_\_ towards becoming a market leader.

16. Investors are eager to see a high \_\_\_\_\_ on their investments.

17. The government imposed new \_\_\_\_\_ on imported goods to protect local businesses.

18. The stock market experienced a major \_\_\_\_\_ due to rising tensions.

19. There was a \_\_\_\_\_ rise in smartphone sales during the holiday season.



20. The \_\_\_\_\_ announced new incentives for employees to improve productivity.

**Matching Sentences ( Match each definition to the correct word from the vocabulary list. )**

21. The annual event serves as a platform to showcase the latest advancements in technology.
22. Market uncertainty often leads to cautious investment strategies among investors.
23. The company reported its fiscal results for the year highlighting record earnings.
24. Stabilising the economy is crucial after periods of financial turmoil.
25. The company invested in training programs for its employees to enhance their skills.
26. The technology company has expanded its services to international markets.
27. The return on investment was significantly above market expectations.
28. Effective management is essential for the success of any organization.
29. Their partnership has resulted in innovative solutions for the industry.
30. Advancements in technology are shaping the future of various industries.

**Answer**

**Multiple Choice:** 1. A set of skills and processes 2. Touch screen interface 3. Someone with a net worth of one billion dollars 4. To earn profit and provide services 5. Setting goals and managing resources 6. A person who invests money in a business 7. Clearer focus on specific goals 8. Terminates their employment 9. Net profit 10. One million million

**Gap-Fill:** 11. device 12. partnership 13. demand 14. phase 15. trajectory 16. return 17. tariffs 18. sell-off 19. significant 20. CEO

**Matching sentence:** 1. showcase 2. uncertainty 3. fiscal 4. stabilising 5. employees 6. company 7. return 8. management 9. partnership 10. technology

**CATEGORY**

- 1. Business - LEVEL3

**POST TAG**

- 1. \$373 billion



2. B1
3. English learners
4. ESL learning
5. esl news
6. Level 3
7. Wall Street
8. Warren Buffett

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