



Why Falling Share Prices Matter: Key Reasons to Stay Informed

Description

Understanding Stock Market Impact on Your Finances

Recent tariffs imposed by President Donald Trump have led to significant drops in global stock prices. These fluctuations affect various aspects of our lives, especially our finances.

Even if you don't directly invest in stocks, your pension savings may be invested in them. A decrease in stock prices could impact your pension, as these savings are long-term investments.

As retirement approaches, pension funds are typically shifted to less risky investments. If market values drop, it may affect the income you receive after retirement.

Stock market movements can also influence job security. Companies may cut costs, including jobs, to address falling stock prices.

Changes in stock markets can also affect mortgage and interest rates. Lower rates may make mortgages cheaper, while higher rates could lead to increased borrowing costs.

Additionally, currency value fluctuations due to market shifts could impact import costs, potentially affecting consumer prices.

While market falls are generally seen as negative, they may present investment opportunities for those looking to buy stocks at lower prices.

Vocabulary List:

1. **Fluctuations** /ˌflʌk.tʃuˈeɪ.ʃənz/ (noun): Variations or changes in level or amount.
2. **Investments** /ɪnˈvest.mənts/ (noun): Assets acquired for the purpose of generating income or profit.
3. **Mortgages** /ˈmɔːr.ɡɪdʒ.ɪz/ (noun): Loans specifically for purchasing property or real estate.
4. **Borrowing** /ˈbɔːr.əʊ.ɪŋ/ (noun): The act of taking and using assets from others with the intention of returning them.
5. **Impact** /ˈɪm.pækt/ (noun): The strong effect or influence of one thing on another.
6. **Secured** /sɪˈkjʊəd/ (adjective): Protected or guaranteed; safe or free from risk.

Comprehension Questions



Multiple Choice

1. How have recent tariffs imposed by President Donald Trump affected global stock prices?
 - Option: Caused significant drops
 - Option: Led to considerable increase
 - Option: Had no impact
 - Option: Resulted in stability

2. How might a decrease in stock prices impact your pension savings?
 - Option: No impact on pension savings
 - Option: Increase pension savings
 - Option: Negatively impact pension savings
 - Option: Lead to higher returns

3. What typically happens to pension funds as retirement approaches?
 - Option: Shifted to riskier investments
 - Option: Maintained the same investment strategy
 - Option: Shifted to less risky investments
 - Option: Withdrawn entirely

4. How can stock market movements influence job security?
 - Option: Increase job security
 - Option: Have no impact on job security
 - Option: Lead to job cuts
 - Option: Result in job promotions

5. What impact can changes in stock markets have on mortgage and interest rates?
 - Option: No impact on rates
 - Option: Lead to decrease in rates
 - Option: Make mortgages more expensive
 - Option: Lower borrowing costs

6. What opportunity may market falls provide for investors?
 - Option: Decrease in investment opportunities
 - Option: No change in investment opportunities
 - Option: Present investment opportunities at lower prices
 - Option: Increase in investment risks



True-False

- 7. Stock market fluctuations only impact individuals who directly invest in stocks.
- 8. As retirement approaches, pension funds are usually shifted to more risky investments.
- 9. Currency value fluctuations do not affect consumer prices.
- 10. Market falls are always considered positive for investors.
- 11. Lower interest rates could lead to cheaper mortgages.
- 12. Companies may cut costs, including jobs, to address falling stock prices.

Gap-Fill

- 13. As retirement approaches, pension funds are typically shifted to _____ risky investments.
- 14. Companies may cut costs, including _____, to address falling stock prices.
- 15. Currency value fluctuations due to market shifts could impact import costs, potentially affecting consumer _____.
- 16. While market falls are generally seen as negative, they may present investment opportunities for those looking to buy stocks at _____ prices.
- 17. Stock market movements can also influence _____.
- 18. Changes in stock markets can also affect mortgage and interest _____.

Answer

Multiple Choice: 1. Caused significant drops 2. Negatively impact pension savings 3. Shifted to less risky investments 4. Lead to job cuts 5. Make mortgages more expensive 6. Present investment opportunities at lower prices

True-False: 7. False



8. False 9. False 10. False 11. True 12. True

Gap-Fill: 13. less 14. jobs 15. prices 16. lower 17. job security 18. rates

Vocabulary quizzes

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

1. What are taxes on imported or exported goods called?

Option: Opportunities

Option: Tariffs

Option: Fluctuations

Option: Retirement

2. What is the effect or influence of one thing on another?

Option: Inflation

Option: Retaliation

Option: Tariff

Option: Impact

3. What is the general increase in prices and fall in the purchasing value of money?

Option: Decrease

Option: Economist

Option: Accessory

Option: Inflation

4. What are difficult situations or obstacles that test someone's abilities?

Option: Statistics

Option: Retirement

Option: Challenges

Option: Growth

5. What are discussions aimed at reaching agreements?

Option: Tariff

Option: Negotiations

Option: Accessories

Option: Fluctuate

6. What is the act of putting a decision plan or system into effect?

Option: Controversies

Option: Strengthen

Option: Implementing



Option: Concerns

7. What is the action of revising or altering something?

Option: Surety

Option: Revised

Option: Economic

Option: Growth

8. What are irregular changes or variations in something?

Option: Invested

Option: Retirement

Option: Borrowing

Option: Fluctuations

9. Who studies the production distribution and consumption of goods and services?

Option: Economist

Option: Accessories

Option: Predicted

Option: Inactivity

10. What is the process of increasing in size or developing?

Option: Challenge

Option: Growth

Option: Statistics

Option: Tariff

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

11. A _____ is a tax or duty to be paid on a particular class of imports or exports.

12. Currency exchange rates tend to _____ sometimes leading to gains and other times resulting in losses.

13. He _____ a significant amount of money into the startup hoping for a good return on investment.

14. After many years of hard work she decided to enjoy her _____ and relax.

15. Taking out a loan is a form of _____ money.



16. With change comes new _____ for growth and development.
17. She provided a guarantee of payment as _____ for the loan.
18. Rapid price increases can lead to high _____ rates.
19. The company _____ its marketing strategy to better target a younger audience.
20. To be successful a business must continuously _____ its position in the market.

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

21. When one country imposes tariffs on another the second country might respond with its own tariffs.
22. The new handbag she bought was the perfect to complement her outfit.
23. Despite the uncertainties the weather forecaster accurately heavy rain for the weekend.
24. The government's primary focus is on improving the country's situation.
25. During the holidays he preferred moments of and relaxation over constant activity.
26. Social media platforms often generate heated debates and over various topics.
27. By analyzing relevant the researchers were able to draw meaningful conclusions.
28. The safety raised by the parents prompted a review of the school's security measures.
29. The company's success led to a period of rapid and increased market share.
30. In times of economic change new business often arise for bold entrepreneurs.

Answer

Multiple Choice: 1. Tariffs 2. Impact 3. Inflation 4. Challenges 5. Negotiations 6. Implementing 7. Revised 8. Fluctuations 9. Economist 10. Growth

Gap-Fill: 11. tariff 12. fluctuate 13. invested 14. retirement 15. borrowing 16. opportunities 17. surety 18. inflation 19. revised 20. strengthen

Matching sentence: 1. retaliation 2. accessory 3. predicted 4. economic 5. inactivity 6. controversies 7. statistics 8. concerns 9. growth 10. opportunities



CATEGORY

1. Business - LEVEL3

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