

How We Got Here - Excerpt from Inside Job (12:06 - 18:30)

Key Vocabulary - Match the words below to their definitions

a stock / a bond / to bet the ranch / to go public / a deposit / an executive / to clear the way / a merger / to bail out / to capsize / a CEO / step-by-step / reportedly / to overturn

- 1) _____ is to make it possible or easier for someone or something to follow.
- 2) _____ is to risk everything you have because you are certain of success.
- 3) _____ means according to what some say (used to express the speaker's belief that the information given is not necessarily true).
- 4) _____ is to overturn a boat.
- 5) _____ is a person with senior managerial responsibility in a business organization.
- 6) _____ is to save or rescue something (such as a business) from money problems.
- 7) _____ is type of security that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings.
- 8) _____ is a sum of money placed or kept in a bank account, usually to gain interest.
- 9) _____ is the highest ranking person in a company.
- 10) _____ is to happen or be done in a series of stages.
- 11) _____ something such as a law an act is to invalidate or reverse it by legal means.
- 12) _____ is a debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate.
- 13) _____ is the process of selling shares that were formerly privately held to new investors for the first time. Otherwise known as an initial public offering (IPO).
- 14) _____ is when two companies become one. This decision is usually mutual between both firms.

Watch the excerpt and complete the following questions or tasks.

- 1) How does the Morgan Stanley of 1972 differ statistically from the Morgan Stanley of today?
- 2) What did the investment banks do in the 1980s?
- 3) What happened over the next 30 years after Ronald Reagan's election as president of the US?
- 4) What was the savings and loans crisis and how did it happen?
- 5) Under how many presidents did Alan Greenspan serve as head of the Federal Reserve?
- 6) What was the Glass-Steagall Act?
- 7) What is the Gramm-Leach-Bliley Act?
- 8) According to Willem Buiter, why do big banks exist?
- 9) George Soros gives a metaphor for banking regulation. Please write down his metaphor. Does this metaphor make sense to you?