

Inglês II

Exame Época Normal

3 June 2011

Time allowed: 2 hours

A. Writing (13.5 points)

Consider the following situation reported on http://www.aspetersen.de/example_e.html

A German engineer is sent by his company to Japan for several months to work together with a Japanese team of engineers on a project. He speaks English well, is a very competent technical specialist, and is therefore expected by his company to consult with the Japanese, come up with a solution and implement it.

He looks forward to the opportunity to not only demonstrate his technical abilities, but also to gather international experience. There appears to be no serious language difficulties on either side, so cooperation is smooth over the following months. There are no obvious signs suggesting miscommunication of any kind. A satisfying solution is found, implemented and the project draws to a conclusion. The German prepares to return home.

On the second last day before his departure, however, he unexpectedly discovers that a serious error has indeed been made. To complicate matters, the source of the error is traced to the Japanese. Under time pressure to correct the problem, he is able to define three possible solutions from which they can choose to correct the problem, but takes care to approach his Japanese counterpart with a greater degree of politeness and indirection than he would probably take with German colleagues under similar circumstances. He is careful to avoid implying blame, for instance, by not using the direct "you" address and softening his general wording to sound more like suggestions.

He offers the first possible solution, to which the Japanese responds "yes". He points out, however, that the second solution can also be considered, to which the Japanese also replies "yes". Finally he offers the third possible alternatives. Again the Japanese responds in the affirmative. By this time the German is thoroughly disoriented and suddenly doesn't know how he should now proceed. He is unwilling to appear too pushy with the Japanese; however, he is under time pressure to bring this project to a conclusion. It would be a great disappointment to have to return to Germany after all these months of productivity without a satisfying conclusion. The options are discussed, in the end, however, the Japanese counterpart does not make a decision and the German must indeed return to his company without a solution.

In light of the four types of obstacles to the working of effective multicultural teams (problems with accents and fluency, direct vs indirect communication, different attitudes towards hierarchy, and different approaches to decision making), which we studied, identify the problem(s) involved and propose an appropriate strategy to overcome it (them).

Write a text (as if it were a brief report) in answer to the prompt above (1 - 1½ pages). Your text will be marked on relevance of content, clarity of organisation and flow of information, range and appropriacy of structures, vocabulary and expression, and grammatical accuracy.

B. Reading comprehension (4.55 points)

Read the text, then answer the questions on p 3.

Taxes and the International Migration of Superstars

1. A new NBER study of 14 European nations finds that football players tend to locate in countries that have comparatively low income tax rates. **This response** to tax rates is especially pronounced for the most able and well-paid athletes, and is actually negative for the least able and lowest paid among the professionals. Often, national tax breaks designed to lure top-notch foreign players
5. displace the domestic players in a league.

In 'Taxation and International Migration of Superstars: Evidence from the European Football Market' (NBER Working Paper No. 16545), authors Henrik Kleven, Camille Landais, and Emmanuel Saez construct two models of the labor market for football players in order to determine the top tax rates that nations can levy without driving **them** out of the country. On the whole, they

10. find that all 14 European nations have rates below these maximizing-revenue tax rates. But the competition for top foreign talent is fierce. And four nations (the United Kingdom, Germany, Greece, and Switzerland) charge foreign players a higher tax rate than the revenue-maximizing rate generated by the model.

15. By studying football players, the authors hope to begin to address the broader question of how tax rates affect taxpayer behaviour. "[F]ootball players are likely to be a particularly mobile segment of the labor market, and our study therefore provides an upper bound on the migration response for the labor market as a whole," the authors conclude. "Obtaining an upper bound is important to gauge the potential importance of **this policy question.**"

20. In December 1995, the European Court of Justice handed down the so-called "Bosman ruling," which liberalized the market for European football players. Specifically, **it** eliminated rules that effectively limited the number of foreign players on any one team and practices that discouraged players from moving to another European team once their contract was up. The authors find that the share of foreign players went up dramatically after the Bosman ruling, and the share of domestic players went down in the top leagues of the 14 European nations they examine.
25. Furthermore, in studying teams' performances from 1980 through 2009, they find that low-tax nations had better teams after Bosman. "**This** suggests that low-tax countries experienced an improvement of club performances by being better able to attract good foreign players and keep good domestic players at home," they write.

30. Their study also looks at the impact of tax reforms in specific countries. For example, in 2004 Spain introduced the so-called "Beckham Law" (named after British superstar David Beckham, who was one of the first footballers to take advantage of it). It allowed nonresidents to be taxed at a flat rate of 24 percent instead of the progressive rate for residents, whose top marginal rate by 2008 stood at 43 percent. After the law, Spain saw its share of foreign players increase while nearby Italy, which had a similar top league, saw its share of foreign talent shrink. Similarly,
35. Denmark (in 1992) and Belgium (2002) introduced reforms that gave tax breaks to foreign players. Like Spain, their leagues experienced an increase in foreign players. In Greece, after the removal of a tax cap that effectively raised taxes on high earners starting in 1993, Greek players in their prime tended to migrate abroad more often than Greek players in their prime before the change – as well as those Greek players who reached their prime after the tax cap was reinstated (thus lowering
40. taxes). "These observations provide ... compelling evidence of a tax-induced migration response," the authors write.

Laurent Belsie

The NBER Digest, April 2011

Name:

Number:

B. Reading comprehension (cont.)

Write your answers on this page

Circle the best answer to complete the sentence or to answer the question. (0.35 points each)

1. The main purpose of the text is
 - a) to draw attention to the competitiveness of the football sector, particularly with regard to the most well-paid footballers;
 - b) to report the main findings of a study on the relation between tax rates and footballers' propensity to migrate;
 - c) to encourage migration amongst footballers in Europe.
2. Why did the authors choose to study footballers?
 - a) Because they are likely to have mobile careers;
 - b) Because they travel and compete in many different countries;
 - c) Because they are well paid.
3. The main aim of the research is
 - a) to find out the highest tax rate footballers are willing to pay if they live in a foreign country;
 - b) to generate a model that will predict the highest tax rate footballers are willing to pay if they live in a foreign country;
 - c) to shed light on the relation between tax rates and tax payer behaviour.
4. Which sentence is TRUE?
 - a) Most countries could earn more revenue in taxes from football players, without causing the players to move to another country.
 - b) The UK, Germany, Greece, and Switzerland charge foreign footballers the same tax rate.
 - c) Both the other sentences are true.
5. Before the Bosman ruling
 - a) legislation restricted the number of foreign players on a football team;
 - b) to move to another European team was an attractive option for a player when his contract expired;
 - c) the number of domestic players in a team was lower than after the ruling.
6. In Spain, in order to benefit from the flat tax rate a person
 - a) had to live in Spain;
 - b) had to be registered as a resident;
 - c) could not be registered as a resident.
7. Which statement is TRUE?
 - a) A country's tax rate can cause people with marketable skills to emigrate;
 - b) A country's tax rate can cause people with marketable skills to immigrate;
 - c) Both the other sentences are true.
8. Which sentence is FALSE?
 - a) In 1993 some Greek football players emigrated because they began to pay more tax;
 - b) After the David Beckham law, some foreign players on Italian teams might have left in order to move to Spain;
 - c) The Bosman ruling affected the quality of football teams in high-tax countries positively.

What do the following words or expressions (in **bold** in the text) refer to? (0.35 points each)

9. This response (line 2);
10. them (line 10);
11. this policy question (lines 19-20);
12. it (line 23);
13. This (line 29);

C. Vocabulary (1.95 points)

The following sentences were taken from current newspapers. Complete the sentences with an appropriate word or expression. You will need to conjugate verbs and/or may have to add a preposition. A paraphrase of the meaning and the first letter have been given to help you. (0.39 points each)

1. Dublin's plans to boost jobs with extra cash for training and **i**..... for businesses also gave the country the best chance of generating growth and tax receipts (offers of something to encourage [businesses] to do something for a particular end)
2. As well as being original thinkers, mavericks challenge bosses and have little regard for **h**..... and cap-doffing. (a system of organizing people into different ranks or levels of importance)
3. Staff were told they could alternatively move to a dayshift in Darlington with an £8,000 pay cut or take a voluntary **s**..... **p**..... (a sum of money that a company gives to its employees when it has to stop employing them)
4. Somerfield said yesterday that Simon Hughes, the group supply chain director, had been given the specific task of **s**..... the "problem" Kwik Save stores. (resolving)
5. Customer feedback directs employee effort without **m**..... **i**..... (direct involvement by the management)

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Answers

B. Reading comprehension (4.55 points)

1. b
2. a
3. c
4. a
5. a
6. c
7. c
8. c
9. This response – that football players tend to locate in countries that have comparatively low income tax rates
10. them – football players
11. this policy question – how tax rates affect taxpayer behaviour, in particular migration and the labor market
12. it – the Bosman ruling
13. This – the fact that after the Bosman ruling, which liberalized the market for European football players, the share of foreign players in the top leagues increased and low-tax nations had better teams.

C. Vocabulary (1.95 points)

1. Dublin's plans to boost jobs with extra cash for training and **incentives** for businesses also gave the country the best chance of generating growth and tax receipts (**offers of something to encourage [businesses] to do something for a particular end**)
2. As well as being original thinkers, mavericks challenge bosses and have little regard for **hierarchy** and cap-doffing. (a system of organizing people into different ranks or levels of importance)
3. Staff were told they could alternatively move to a dayshift in Darlington with an £8,000 pay cut or take a voluntary **severance package**. (a sum of money that a company gives to its employees when it has to stop employing them)
4. Somerfield said yesterday that Simon Hughes, the group supply chain director, had been given the specific task of **sorting out** the "problem" Kwik Save stores. (resolving)
5. Customer feedback directs employee effort without **managerial intervention**. (direct involvement by the management)