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## **Dollar under threat as the global currency**

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## THE ARTICLE

India is the latest country to cast doubt on the U.S. dollar as the major global currency. Suresh Tendulkar, a top government economist, has advised India to rely less on the dollar. He suggests buying a number of different currencies instead of just the greenback. He told reporters: "The major part of Indian reserves is in dollars. That is something that's a problem for us." India's treasury holds over \$260 billion in foreign currency reserves. A weaker dollar means those reserves could fall in value. This is especially possible with the pressure on the dollar from America's weakening economy. This may not exactly be the final nail in the coffin for the dollar, but it seems to be losing ground on other currencies.

The dollar is not only under attack from India's economists. China and Russia are also calling for a new international foreign-exchange reserves system. On July the 3rd, China's former Vice Premier Zeng Peiyan called for a "system to maintain the stability of the major reserve currencies." This suggests China no longer views the American dollar as the world's sole reserve currency, and that the dollar is no longer the "system" at the heart of global financial markets. Russian President Dmitry Medvedev has repeatedly called for a system that has a mix of currencies. Japan appears to be the only economic power that is keeping faith with the dollar. This may change at a meeting of the G-8 in Italy on July 8-10.

# WARM-UPS

**1. THE U.S. DOLLAR:** Walk around the class and talk to other students about the U.S. dollar. Change partners often. Sit with your first partner(s) and share your findings.

**2. CHAT:** In pairs / groups, decide which of these topics or words from the article are most interesting and which are most boring.

*India / casting doubt / global currencies / economists / pressure / weakening economy / under attack / stability / the system / global financial markets / keeping faith*

Have a chat about the topics you liked. Change topics and partners frequently.

**3. WORLD MONEY:** Should there be a single world currency? Complete this table with your partner(s). Change partners and talk about your ideas. Change again and share what you heard.

	Your ideas
Name	
Value of notes/coins	
Design	
The symbol / logo	
Anti-forgery features	
Bank headquarters	

**4. THE END:** Students A **strongly** believe the U.S. dollar will lose its status as the global currency; Students B **strongly** believe the U.S. dollar will always be number one. Change partners again and talk about your conversations.

**5. WORLD MONEY:** What do you think about the world's currencies? Talk about these with your partner(s). Do you have a positive or negative image about them? Why? Change partners and share what you heard.

- U.S. dollar
- Euro
- Japanese yen
- Russian ruble
- Chinese yuan
- Indian rupee
- Mexican peso
- Saudi riyal

**6. GLOBAL:** Spend one minute writing down all of the different words you associate with the word 'global'. Share your words with your partner(s) and talk about them. Together, put the words into different categories.

# BEFORE READING / LISTENING

**1. TRUE / FALSE:** Look at the article's headline and guess whether these sentences are true (T) or false (F):

- a. India's rupee will soon overtake the U.S. dollar as the world currency. T / F
- b. A top Indian economist advised his country to sell all of its dollars. T / F
- c. The economist said it's a problem to rely too much on the dollar. T / F
- d. The economist's words pretty much means the death of the dollar. T / F
- e. The dollar is only under attack from India. T / F
- f. A Chinese official called for a system to maintain stability in currencies. T / F
- g. Russia's president called for a system that has a mixture of currencies. T / F
- h. A meeting between the top economic powers is to take place in Italy. T / F

**2. SYNONYM MATCH:** Match the following synonyms from the article:

- |                     |                        |
|---------------------|------------------------|
| 1. cast doubt on    | a. only                |
| 2. rely             | b. finance department  |
| 3. treasury         | c. belief              |
| 4. reserves         | d. depend              |
| 5. losing ground on | e. keep                |
| 6. former           | f. blend               |
| 7. maintain         | g. express uncertainty |
| 8. sole             | h. stocks              |
| 9. mix              | i. ex-                 |
| 10. faith           | j. falling behind      |

**3. PHRASE MATCH:** Match the following phrases from the article (sometimes more than one combination is possible):

- |                                    |                                |
|------------------------------------|--------------------------------|
| 1. cast doubt on                   | a. financial markets           |
| 2. over \$260 billion in foreign   | b. on other currencies         |
| 3. the pressure on the dollar from | c. the stability               |
| 4. the final nail                  | d. reserve currency            |
| 5. it seems to be losing ground    | e. currency reserves           |
| 6. not only under attack           | f. America's weakening economy |
| 7. a system to maintain            | g. the U.S. dollar             |
| 8. the world's sole                | h. is keeping faith            |
| 9. the heart of global             | i. in the coffin               |
| 10. the only economic power that   | j. from India's economists     |

# WHILE READING / LISTENING

**GAP FILL:** Put the words into the gaps in the text.

India is the \_\_\_\_\_ country to cast doubt on the U.S. dollar as the major global currency. Suresh Tendulkar, a top government economist, has \_\_\_\_\_ India to rely less on the dollar. He suggests buying a number of different currencies \_\_\_\_\_ of just the greenback. He told reporters: "The major part of Indian reserves is in dollars. That is something that's a \_\_\_\_\_ for us." India's treasury holds over \$260 billion in foreign currency reserves. A \_\_\_\_\_ dollar means those reserves could fall in value. This is especially possible with the \_\_\_\_\_ on the dollar from America's weakening economy. This may not \_\_\_\_\_ be the final nail in the coffin for the dollar, but it seems to be losing \_\_\_\_\_ on other currencies.

*weaker*  
*problem*  
*advised*  
*exactly*  
*ground*  
*latest*  
*pressure*  
*instead*

The dollar is not only \_\_\_\_\_ attack from India's economists. China and Russia are also \_\_\_\_\_ for a new international foreign-exchange reserves system. On July the 3rd, China's former Vice Premier Zeng Peiyan called for a "system to \_\_\_\_\_ the stability of the major reserve currencies." This suggests China no longer views the American dollar as the world's \_\_\_\_\_ reserve currency, and that the dollar is no longer the "system" as the \_\_\_\_\_ of global financial markets. Russian President Dmitry Medvedev has repeatedly called for a system that has a \_\_\_\_\_ of currencies. Japan appears to be the only economic power that is keeping \_\_\_\_\_ with the dollar. This may \_\_\_\_\_ at a meeting of the G-8 in Italy on July 8-10.

*mix*  
*calling*  
*sole*  
*change*  
*under*  
*heart*  
*faith*  
*maintain*

## **LISTENING:** Listen and fill in the gaps.

India is the latest country \_\_\_\_\_ the U.S. dollar as the major global currency. Suresh Tendulkar, a top government economist, has advised India \_\_\_\_\_ the dollar. He suggests buying a number of different currencies \_\_\_\_\_ greenback. He told reporters: "The major part of Indian reserves is in dollars. That is something that's a problem for us." India's treasury holds over \$260 billion in foreign currency reserves. A weaker dollar \_\_\_\_\_ could fall in value. This is especially possible with the pressure on the dollar from America's weakening economy. This may not exactly be the \_\_\_\_\_ coffin for the dollar, but it seems to be \_\_\_\_\_ other currencies.

The dollar is \_\_\_\_\_ attack from India's economists. China and Russia are also calling for a new international foreign-exchange reserves system. On July the 3rd, China's former Vice Premier Zeng Peiyan called for a "\_\_\_\_\_ the stability of the major reserve currencies." This suggests China \_\_\_\_\_ the American dollar as the world's sole reserve currency, and that the dollar is no longer the "system" \_\_\_\_\_ global financial markets. Russian President Dmitry Medvedev has repeatedly called for a system that \_\_\_\_\_. Japan appears to be the only economic power that \_\_\_\_\_ the dollar. This may change at a meeting of the G-8 in Italy on July 8-10.

# AFTER READING / LISTENING

**1. WORD SEARCH:** Look in your dictionaries / computer to find collocates, other meanings, information, synonyms ... for the words 'global' and 'currency'.

<b>global</b>	<b>currency</b>
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- Share your findings with your partners.
- Make questions using the words you found.
- Ask your partner / group your questions.

**2. ARTICLE QUESTIONS:** Look back at the article and write down some questions you would like to ask the class about the text.

- Share your questions with other classmates / groups.
- Ask your partner / group your questions.

**3. GAP FILL:** In pairs / groups, compare your answers to this exercise. Check your answers. Talk about the words from the activity. Were they new, interesting, worth learning...?

**4. VOCABULARY:** Circle any words you do not understand. In groups, pool unknown words and use dictionaries to find their meanings.

**5. TEST EACH OTHER:** Look at the words below. With your partner, try to recall how they were used in the text:

<ul style="list-style-type: none"><li>• cast</li><li>• rely</li><li>• part</li><li>• holds</li><li>• pressure</li><li>• nail</li></ul>	<ul style="list-style-type: none"><li>• under</li><li>• former</li><li>• maintain</li><li>• sole</li><li>• mix</li><li>• faith</li></ul>
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# STUDENT U.S. DOLLAR SURVEY

Write five GOOD questions about the U.S. dollar in the table. Do this in pairs. Each student must write the questions on his / her own paper.

When you have finished, interview other students. Write down their answers.

	STUDENT 1 _____	STUDENT 2 _____	STUDENT 3 _____
Q.1.			
Q.2.			
Q.3.			
Q.4.			
Q.5.			

- Now return to your original partner and share and talk about what you found out. Change partners often.
- Make mini-presentations to other groups on your findings.



# CURRENCIES DISCUSSION

STUDENT A's QUESTIONS (Do not show these to student B)

- a) What did you think when you read the headline?
- b) What springs to mind when you hear the word 'currency'?
- c) What do you think about the U.S. dollar?
- d) Do you think the U.S. dollar is decreasing in importance in the world?
- e) Why is it that the U.S. dollar is seen as the global currency?
- f) Do you think the U.S. dollar looks nice?
- g) What do you think of your currency?
- h) What problems are there with holding other currencies?
- i) What would happen in the world if the dollar totally collapsed?
- j) What would be the final nail in the coffin for the dollar?

*Dollar under threat as the global currency – 6th July, 2009*  
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# CURRENCIES DISCUSSION

STUDENT B's QUESTIONS (Do not show these to student A)

- a) Did you like reading this article?
- b) Do you think the Chinese yuan might one day replace the dollar as the major world currency?
- c) Do you think countries like Russia and China are jealous of the dollar?
- d) Would you trust America's financial policies or China's?
- e) What do you think of the idea of a single world currency?
- f) What do you think of the idea of a mix of world currencies?
- g) Why do you think Japan is the only major power keeping faith with the dollar?
- h) What should the G-8 countries talk about when they meet?
- i) Have you ever bought and sold foreign currencies?
- j) What questions would you like to ask Mr. Tendulkar about the dollar?

# LANGUAGE

India is the latest country to (1) \_\_\_\_ doubt on the U.S. dollar as the major global currency. Suresh Tendulkar, a top government economist, has (2) \_\_\_\_ India to rely less on the dollar. He suggests buying a number of different currencies instead of just the greenback. He told reporters: "The major (3) \_\_\_\_ of Indian reserves is in dollars. That is something that's a problem for us." India's treasury holds over \$260 billion (4) \_\_\_\_ foreign currency reserves. A weaker dollar means those reserves could fall in value. This is especially possible with the pressure (5) \_\_\_\_ the dollar from America's weakening economy. This may not exactly be the final nail in the coffin for the dollar, but it seems to be (6) \_\_\_\_ ground on other currencies.

The dollar is not only (7) \_\_\_\_ attack from India's economists. China and Russia are also calling for a new international foreign-exchange reserves system. On July the 3rd, China's (8) \_\_\_\_ Vice Premier Zeng Peiyan called for a "system to maintain the stability of the major reserve currencies." This (9) \_\_\_\_ China no longer views the American dollar as the world's sole reserve currency, and that the dollar is no longer the "system" (10) \_\_\_\_ the heart of global financial markets. Russian President Dmitry Medvedev has (11) \_\_\_\_ called for a system that has a mix of currencies. Japan appears to be the only economic power that is keeping faith with the dollar. This may change at a meeting of the G-8 in Italy on July 8-10.

## Put the correct words from the table below in the above article.

- |     |                |                |                |               |
|-----|----------------|----------------|----------------|---------------|
| 1.  | (a) cyst       | (b) cost       | (c) coast      | (d) cast      |
| 2.  | (a) advised    | (b) advice     | (c) advisory   | (d) advises   |
| 3.  | (a) partner    | (b) party      | (c) part       | (d) partly    |
| 4.  | (a) on         | (b) in         | (c) for        | (d) to        |
| 5.  | (a) in         | (b) on         | (c) at         | (d) to        |
| 6.  | (a) loses      | (b) lost       | (c) losing     | (d) loss      |
| 7.  | (a) under      | (b) over       | (c) below      | (d) above     |
| 8.  | (a) farmer     | (b) firmer     | (c) framer     | (d) former    |
| 9.  | (a) suggestion | (b) suggest    | (c) suggesting | (d) suggests  |
| 10. | (a) by         | (b) at         | (c) pump       | (d) attack    |
| 11. | (a) repeatedly | (b) repetition | (c) repeats    | (d) repeating |
| 12. | (a) faithful   | (b) faithless  | (c) faith      | (d) faiths    |

# WRITING:

Write about **the U.S. dollar** for 10 minutes. Correct your partner's paper.

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# HOMework

**1. VOCABULARY EXTENSION:** Choose several of the words from the text. Use a dictionary or Google's search field (or another search engine) to build up more associations / collocations of each word.

**2. INTERNET:** Search the Internet and find out more about the U.S. dollar. Share what you discover with your partner(s) in the next lesson.

**3. CURRENCIES:** Make a poster about different currencies in the world. Show your work to your classmates in the next lesson. Did you all have similar things?

**4. WORLD MONEY:** Write a magazine article about a single world currency. Include imaginary interviews with people in favour of and against this idea.

Read what you wrote to your classmates in the next lesson. Write down any new words and expressions you hear from your partner(s).

**5. LETTER:** Write a letter to America's head of the Treasury. Ask him three questions about the U.S. dollar. Give him three reasons why the dollar should no longer be the sole reserve currency. Read your letter to your partner(s) in your next lesson. Your partner(s) will answer your questions.

# ANSWERS

## TRUE / FALSE:

- a. F      b. F      c. T      d. F      e. F      f. T      g. T      h. T

## SYNONYM MATCH:

- |                     |                        |
|---------------------|------------------------|
| 1. cast doubt on    | a. express uncertainty |
| 2. rely             | b. depend              |
| 3. treasury         | c. finance department  |
| 4. reserves         | d. stocks              |
| 5. losing ground on | e. falling behind      |
| 6. former           | f. ex-                 |
| 7. maintain         | g. keep                |
| 8. sole             | h. only                |
| 9. mix              | i. blend               |
| 10. faith           | j. belief              |

## PHRASE MATCH:

- |                                    |                                |
|------------------------------------|--------------------------------|
| 1. cast doubt on                   | a. the U.S. dollar             |
| 2. over \$260 billion in foreign   | b. currency reserves           |
| 3. the pressure on the dollar from | c. America's weakening economy |
| 4. the final nail                  | d. in the coffin               |
| 5. it seems to be losing ground    | e. on other currencies         |
| 6. not only under attack           | f. from India's economists     |
| 7. a system to maintain            | g. the stability               |
| 8. the world's sole                | h. reserve currency            |
| 9. the heart of global             | i. financial markets           |
| 10. the only economic power that   | j. is keeping faith            |

## GAP FILL:

### Dollar under threat as the global currency

India is the **latest** country to cast doubt on the U.S. dollar as the major global currency. Suresh Tendulkar, a top government economist, has **advised** India to rely less on the dollar. He suggests buying a number of different currencies **instead** of just the greenback. He told reporters: "The major part of Indian reserves is in dollars. That is something that's a **problem** for us." India's treasury holds over \$260 billion in foreign currency reserves. A **weaker** dollar means those reserves could fall in value. This is especially possible with the **pressure** on the dollar from America's weakening economy. This may not **exactly** be the final nail in the coffin for the dollar, but it seems to be losing **ground** on other currencies.

The dollar is not only **under** attack from India's economists. China and Russia are also **calling** for a new international foreign-exchange reserves system. On July the 3rd, China's former Vice Premier Zeng Peiyan called for a "system to **maintain** the stability of the major reserve currencies." This suggests China no longer views the American dollar as the world's **sole** reserve currency, and that the dollar is no longer the "system" at the heart of global financial markets. Russian President Dmitry Medvedev has repeatedly called for a system that has a **mix** of currencies. Japan appears to be the only economic power that is keeping **faith** with the dollar. This may **change** at a meeting of the G-8 in Italy on July 8-10.

## LANGUAGE WORK

- 1 - d    2 - a    3 - c    4 - b    5 - b    6 - c    7 - a    8 - d    9 - d    10 - b    11 - a    12 - c