

PROBLEMS 1. 26.9.2019

The Crash, ten years on

‘The filing for Chapter 11 bankruptcy protection by financial services firm Lehman Brothers on September 15, 2008, remains the largest bankruptcy filing in U.S. history, with Lehman holding over \$600,000,000,000 in assets’ (Wikipedia).

Read the handouts provided of recent relevant press articles:

The Observer, Business leader, Sunday 16 September 2018;

“A decade after Lehman fell, the global economy is not better. It’s worse.”

The Observer, Opinion: Financial crisis (Andrew Rawnsley), Sunday 16 September 2018;

“The Great Crash changed politics more than it reformed finance.”

The Guardian, Friday 14 September 2018;

“Ten years after the Crash: have the lessons of Lehman been learned? Our panel of writers considers what has changed – and what still needs to.”

Give your views and/or comments, in writing (which will give you practice in writing English!), and/or verbally in the Problems Class in Week 2 (which will give you practice in speaking English!)

You are commencing a year-long MSc course in Financial and Actuarial Mathematics at ULL. This is relevant to the world around you, in particular, to the financial services and insurance industries nearby in the City of London. We will be teaching you the relevant mathematics. But an employer will expect you, not only to know this, but also to have a good general knowledge of these industries, and of the world around you. This involves, in particular, Economics and Politics as well as Mathematics. Most of you will not have studied these subjects before. You have a year in which to acquire a good enough background knowledge of these areas to convince an employer in interview that you will be an asset to the firm generally, as well as having a good command of the mathematics involved. Mathematics is in some ways actually easier to learn, because you meet it every week and can revise for

the exams. *General background knowledge is impossible to acquire in a hurry* (unlike revising for exams!) It has to be done little by little. You have a year to do this. You will have to do this for yourselves, on your own (of course, you may find it helpful to work together and consult each other). The best way to do this is to get into good habits and stay in them. Follow current events as they happen. Your best sources here are the media: the news (radio or television), and good-quality newspapers (paper or online). I recommend: the *Financial Times* (FT); the *Times/Sunday Times*; the *Guardian/Observer* (our source for the articles above); the *Telegraph/Sunday Telegraph*. Make your own choice – but *choose something, and stick to it*. As you can observe nearby, many City workers read the FT (which is pink, and so easy to spot).

If you do this conscientiously and regularly, it will do wonders for your English, your knowledge of the world and your professional prospects. If you don't, you will probably regret it. No one else can do it for you! You have been warned.

PS. See also

The Guardian, Wednesday 12 September 2018, Larry Elliott: 'The subprime bubble triggered the last financial crisis. What could be the catalyst next time?'

The Guardian, Monday 17 September, Larry Elliott: 'An economic recovery based around high levels of debt is really not a recovery at all.'

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