

Unit 8 Reading

Anita Stockton Talks about Risk and Reward on the Stock Market

<Interview with an Expert (By Jon X. Paek, Published April 19, 2012)>

Although the stock market affects all Americans—both those who invest in the market and those who don't—many people have little or no understanding of how it works. This reporter sat down with Anita Stockton, a retired stockbroker, to find out more about this important financial institution.

JXP: What does the stock market do?

AS: The stock market plays a crucial role in the global economy, enabling companies to raise money by selling shares of ownership to investors. The cash generated by sales of stock helps many companies grow, which increases competition and growth in the economy and provides consumers with more goods and services at cheaper prices.

JXP: Some people get rich from the stock market. How do they make money?

AS: Owners of shares, or shareholders, seek to profit from investments in stocks, but there are no guarantees. Occasionally, some companies distribute dividends, a sum of money to shareholders for each share they own. Shareholders also sell their shares to other investors through a stock exchange, and they may **revel** in their profits when they sell for more than the original cost. Stock trading has become increasingly complex, with thousands of companies publicly traded and **multifarious** strategies available to traders. But “buy low, sell high” is a rule that will never become **obsolete** and that investors will always **commend**.

JXP: Sounds like easy money. Is there risk involved?

AS: Unfortunately, there is no sure way to predict fluctuations in stock prices. There can be **reprisals** for careless investing. The market can be an **omnivorous** beast that will pick clean the

portfolios of the savviest investors. Even the wise lose more money than they gain, so putting one's money in the stock market is not for the **ingenious**. Stock analysts measure the value of a company in terms of its assets, debts, and earnings. But such analysts cannot project future earnings with certainty. Nevertheless, when analysts determine that a company is likely to grow faster than its competitors, investors rush to purchase shares. Consequently, demand for the company's stock increases along with expectations for future performance, and the price of the shares rises. When the company's earnings are **compatible** with expectations, the share price may continue to rise. Investors keep their shares in anticipation of further gains or sell for a profit at the new price. Sometimes, a company's profits may fall short of expectations, and such results, once reported, can have a **stultifying** effect on the demand for the firm's stock.

Apprehensive investors watch the value of their investment shrink as the share price drops.

JXP: What a roller-coaster ride! Do many people lose money?

AS: The uncertainties of the stock market put many would-be investors in a **quandary**. Some investors regard the stock market with **animosity** and buy low-risk investments with **parsimonious** payoffs, like government bonds. Conversely, many a daring investor in the stock market has **derided** himself for his insatiable appetite for risk once he felt the sting of losses. The volatility of the market scares many investors away and punishes the imprudent.

JXP: With so much uncertainty, who invests in the stock market?

AS: For many investors, the possible gains of the stock market prove too great to ignore. Disciplined investors balance potential losses against potential rewards. They diversify their investments, maintaining reasonable expectations and a moderate appetite for risk. They research the companies whose stocks they buy. In short, **apathy** is not recommended for potential investors, but if you have no interest in studying the market yourself, mutual funds and money managers can fill this role, affording you the opportunity to benefit from the power of the stock market and from professional expertise. Overall, cautious, prudent, and well-informed investment in the stock market has proven to be one of the best ways for investors to increase their wealth.

Unit 8 Examples

1. The deep **animosity** between the Montagues and Capulets could not prevent Romeo and Juliet from falling in love.
2. I was horrified when the sales force greeted my great idea for an ad campaign with total **apathy**.
3. As the hurricane approached, **apprehensive** residents all along the coast prepared for the worst.
4. The mayor **commended** the young people for their volunteer work at local hospitals and soup kitchens.
5. Eyewitness accounts of an accident rarely are totally **compatible**.
6. A few well-chosen words of **condolence** can be a great comfort to someone who has lost a loved one.
7. Traditionally most religious denominations hold special ceremonies to **consecrate** a new house of worship.
8. "I may be aging," the famous movie star replied, "but I am hardly **decrepit**."
9. Most people find jokes that **deride** somebody's national origin or social background extremely offensive.
10. In his novels, Dickens has harsh words for those who take cruel advantage of **ingenuous** young people.
11. Leonardo da Vinci's notebooks reveal that he was a man of **multifarious** interests.
12. In order to remain competitive, manufacturing companies periodically replace **obsolete** machinery.
13. An **omnivorous** animal has a greater chance of survival than one that depends on a single food source.
14. Many people who lost money in the Great Depression later adhered to a **parsimonious** lifestyle, even during more prosperous times.
15. Try as I might, I could see no way out of the ethical **quandary** in which I found myself.
16. A **recalcitrant** individual may have great difficulty adjusting to a job that requires a good deal of teamwork.

17. The Highland clans of Scotland engaged in cattle rustling in **reprisal** for real or imagined injuries.
18. Some movie stars do not **revel** in the attention that their fans and the media pay them.
19. All around the world, the new millennium was ushered in with positive thoughts and **revelry**.
20. Oppressive heat may **stultify** the mind and spirit as well as the body.
21. Nick Charles, the clever detective in the Thin Man movies, is a **suave** man-about-town.

Unit 8 Choosing the Right Word

1. Mary Shelley is often **commended** for having written one of the earliest examples of science fiction: the classic novel *Frankenstein*.
2. The woman looked **apprehensive** when her guide announced that the group was going whitewater rafting in the afternoon.
3. In this new century of our nation's life, let us **consecrate** ourselves anew to the ideals of human freedom.
4. Your unwillingness to study foreign languages is in no way **compatible** with your ambition to get a job in the foreign service.
5. Although our society must punish criminals, I don't think we should do so simply as a **reprisal** for the wrongs they have committed.
6. Many stand-up comedians regularly **deride** popular fads and fashions.
7. I must give you the sad news that correct spelling and good grammar are not, and never will be, **obsolete**.
8. Can you be so **ingenuous** that you don't realize she is paying us all those phony compliments to get something out of us?
9. The handful of **recalcitrant** students who refuse to obey study hall regulations are violating the rights of the majority.
10. The address was so dull and long-winded that it seemed to **stultify** rather than inspire the audience.
11. Yes, there is some **animosity** between different racial and ethnic groups, but it can be overcome by education and experience.
12. The owner of the used car dealership showed poor judgment when he decided to publicly **deride** his employees' suggestions for improved customer service.
13. Two of the chief strengths of modern American society are the variety and vitality that arise from its **multifarious** cultures.
14. Clark Gable was a **suave** leading man who attracted women with his charm and good looks and impressed men with his strength and confidence.

15. Her moods seem to go from one extreme to the other—from deepest **apathy** to unlimited enthusiasm.
16. He is so absorbed in himself that he has become **parsimonious** in the normal expression of human sympathy and affection.
17. So we are faced with that old **quandary**—an income that simply can't be stretched to cover the things that we simply must have.
18. The headwaiter was so **suave** and self-assured in his manner that we took him for a diplomat.
19. If you can't **commend** me for my efforts to help you, at least don't criticize me for not doing everything you want.
20. Those students who have been doing their work all term need not feel **apprehensive** about the final examination.
21. When my friends appeared with an MP3 player and a docking station with amazing sound, I realized that our crash study session might become an all-day **revel**.
22. I think we should offer congratulations rather than **condolences** for the disappearance of that battered old heap you called a car.
23. Some people are **omnivorous** readers, with a lively appetite for all types of fiction and nonfiction.
24. Our Constitution is more than 200 years old; but far from being **decrepit**, it is still a vital, dynamic, and highly practical plan of government.
25. I am looking for a printer that is **compatible** with my computer.

Unit 8 Synonyms

1. **Dedicated** themselves to healing the sick: **consecrated**
2. Cruel acts of retribution: **reprisal**
3. **Delegated** to the care of friends: **commended**
4. Sent a sincere message of **empathy**: **condolence**
5. Courting the most **debonair** bachelor: **suave**
6. **Jeered at** by the protesters: **derided**
7. Surrounded by **like-minded** friends: **compatible**
8. Babysitting a **cantankerous** child: **recalcitrant**
9. Rejected the author's **antiquated** theories: **obsolete**
10. An old house with a dilapidated porch: **decrepit**

Unit 8 Antonyms

1. A person with **unpolished** manners: **suave**
2. To **defile** a national memorial: **consecrate**
3. An **energetic** contender: **decrepit**
4. A thoroughly **cooperative** individual: **recalcitrant**
5. **Callousness** in response to your loss: **condolence**

Unit 8 Completing the Sentence

1. "Today," said the speaker, "we **consecrate** this monument to the memory of all those who fought and died in defense of their country."
2. If you think of all the different kinds of food that human beings are able to consume, you will realize that we are truly an **omnivorous** species.
3. From all his growling and snapping, you would think our beagle felt a personal **animosity** toward every other dog on the block.
4. So there I was, having accepted invitations to two different parties on the same evening. What a **quandary** to be in!
5. It is surprising how often people with very different personalities turn out to be **compatible** when they get to know one another.
6. Although I was unable to visit my old friend's widow in person, I offered my **condolences** in a heartfelt letter.
7. Political candidates who do nothing but **deride** their opponents' character and abilities may alienate voters.
8. In totalitarian regimes, censorship and violence are often employed to suppress criticism and **recalcitrant** dissent.
9. The **multifarious** problems that will face America's presidents in the twenty-first century will make their job one of the most demanding in the world.
10. Technology changes so rapidly that a particular computer may be state-of-the-art one day and **obsolete** the next.
11. Throughout the hot, dusty journey, we **revelled** in the thought that soon we would be swimming in the cool lake.
12. I think that the phrase "on its last legs" is an apt description of that **decrepit** old house down the block.
13. It was difficult for us to believe that such a **suave** and cultured gentleman was a member of a gang of international jewel thieves.
14. Simple **apathy** seems to be the main reason that such a large percentage of those eligible to vote fail to cast ballots in any election.

15. Struggling to overcome her **parsimonious** inclinations, she finally reached into her pocket and handed me one thin dime!
16. I trust you will never have the experience of trying to cross the desert with a **recalcitrant** mule that wants to remain where it is.
17. The board of directors voted to **commend** him for the skill and enthusiasm with which he had managed the charity drive.
18. In spite of all the elaborate safety precautions, I couldn't help feeling a little **apprehensive** as I set out for my first skydiving lesson.
19. If we increase our tariff rates on the goods of other countries, we can be sure that they will raise their own rates in **reprisal**.
20. Now that I am a senior, it is hard to believe that I was ever as innocent and **ingenuous** as the members of the new freshman class.

Unit 8 Vocabulary in Context (Literary Text)

1. "On guard, then!" cried Athos.

Immediately eight swords glittered in the rays of the setting sun, and the combat began with an **animosity** very natural between men twice enemies.

A fight provoked by **animosity** is rooted in

- ① kindness ② familiarity ③ **hostility** ④ respect

2. "As to the other, he knows me, he fears me, and knows what he has to expect of me if ever I escape from his hands. It is useless, then, to attempt anything with him. But Felton—that's another thing. He is a young, **ingenuous**, pure man who seems virtuous; him there are means of destroying."

Someone who is **ingenuous** is NOT

- ① **devious** ② naive ③ honorable ④ trusting

3. The result of these reflections was that d'Artagnan, without asking information of any kind, alighted, **commended** the horses to the care of his lackey, [and] entered a small room destined to receive those who wished to be alone....

When something is **commended** to the care of another, it is

- ① recommended ② **handed over** ③ sent into exile ④ fussed over

4. “[I]t is fit you should know, Monsieur d’Artagnan, that I have received heavy and serious complaints against you. You do not **consecrate** your days and nights wholly to the king’s service.”

To **consecrate** means to

- ① acclaim ② adjust ③ violate ④ **dedicate**

5. “There only remains, then, the question of the five shillings to be settled. You think me rather **parsimonious**, don’t you? That’s because I don’t care to leave you the means of corrupting your jailers.”

Someone who is **parsimonious** is

- ① wicked ② wasteful ③ **thrifty** ④ arrogant

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3. From all his growling and snapping, you would think our beagle felt a personal _____ toward every other dog on the block.
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8. In totalitarian regimes, censorship and violence are often employed to suppress criticism and _____ dissent.
9. The _____ problems that will face America's presidents in the twenty-first century will make their job one of the most demanding in the world.
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12. I think that the phrase "on its last legs" is an apt description of that _____ old house down the block.
13. It was difficult for us to believe that such a _____ and cultured gentleman was a member of a gang of international jewel thieves.
14. Simple _____ seems to be the main reason that such a large percentage of those eligible to vote fail to cast ballots in any election.

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1. "On guard, then!" cried Athos.

Immediately eight swords glittered in the rays of the setting sun, and the combat began with an **animosity** very natural between men twice enemies.

A fight provoked by **animosity** is rooted in

- ① kindness ② familiarity ③ hostility ④ respect

2. "As to the other, he knows me, he fears me, and knows what he has to expect of me if ever I escape from his hands. It is useless, then, to attempt anything with him. But Felton—that's another thing. He is a young, **ingenuous**, pure man who seems virtuous; him there are means of destroying."

Someone who is **ingenuous** is NOT

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3. The result of these reflections was that d'Artagnan, without asking information of any kind, alighted, **commended** the horses to the care of his lackey, [and] entered a small room destined to receive those who wished to be alone....

When something is **commended** to the care of another, it is

- ① recommended ② handed over ③ sent into exile ④ fussed over

4. “[I]t is fit you should know, Monsieur d’Artagnan, that I have received heavy and serious complaints against you. You do not **consecrate** your days and nights wholly to the king’s service.”

To **consecrate** means to

- ① acclaim ② adjust ③ violate ④ dedicate

5. “There only remains, then, the question of the five shillings to be settled. You think me rather **parsimonious**, don’t you? That’s because I don’t care to leave you the means of corrupting your jailers.”

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