

Borrowing Money

Discussion

How are you doing today?

I am fine.

I stay at home today.

What did you do before the class?

I reviewed some passages before this class.

I am preparing for an interview next week.

I have to answer five questions during the interview.

I practiced these questions.

What kind of interview are you going to have?

It's a job interview.

For what kind of job are you applying?

I am applying for a job in a government.

The interview was planned to take place in March, but because of the Covid-19 it was changed for this month.

Is it better to work for the government than for the private company?

It's better to work for the government, it's a more stable job.

What do you suppose to do for the government?

I am supposed to help improving science and technology in China.

I would be engaged in drafting policies and solving problems of IT companies and universities.

Last USA president banned all chip companies from exporting chips to China.

What is the situation now with chips?

Our country is trying its best to promote more companies and universities to research and develop chips. We have made a steady progress in this sector.

We have a big dept comparing with developed countries, we made a progress and we will try to overcome these difficulties.

One of my students works in Huawei, and they suffered greatly at that time. He went to Switzerland to buy a laser cutting machine for chips.

Is Chloe going to come?

She booked this class for me.

What do you think about borrowing money?

It isn't a good experience. It's often awkward and embarrassing.

There is a negative stigma around borrowed money.

I don't think that borrowing money is always bad.

Borrowing money from friends and relatives is not good. It can ruin your relationship with them.

If you borrow money to buy a liability(car), I would say it's bad.

But if you borrow money to buy an asset, I would say that this debt is good.

You can use debt as a leverage when you invest.

Do you have any debt?

Yes, I do. I bought my house six years ago, and I borrowed a lot from the bank.

There is a big difference between a house and an apartment.

I bought an apartment.

Apartments are very expensive in China but houses are even more expensive.

I had a credit card but I didn't use it.

You still need to connect WeChatPay and AliPay with your card or bank account.

Since it's so easy to spend money, do you think this makes people overspend?

People often buy things they don't need.

What was this conversation about?

A woman wants to buy a house and she wants to get a loan from the bank, so she went to the bank and the banker talked with her. He asked about her bank statement. Then after checked her credit score, he said that she could get a loan worth \$300 000 and the woman was very pleased with the result. The banker told the woman that they will call her when the loan is ready, within three working days.

Credit history is used to calculate the risk of borrowing money.

You have to make 30% downpayment before getting the loan. For a lot of people even getting these 30% of money is quite hard.

What is the interest rate in China?

It's about 5%.

I bought my house on discounted interest rate.

Basically low interest rate is good against inflation.

You are paying your house with the money that is worth less.

Normal level of inflation in the world is about 2% but these days it's much higher.

If inflation is 5% and the interest rate of a loan is 2%, you are actually earning 3% with the loan.

Vocabulary

New words

1. bank statement(noun)
2. borrow(verb)
3. budget(noun)
4. debt(noun)
5. interest rate(noun)
6. investment(noun)

Useful words

1. stigma(noun):an opinion that has be largely accepted by the public.
2. asset(noun):(finance)something that puts money in your pocket. e.g. You buy an apartment, you rent it, and you get a rent every month.
3. liability(noun):(finance)something that you have that takes money out of your pocket. e.g. You have a car, so you have to pay for gasoline, maintance, repairs, insurance, etc.
4. mortgage(noun):the amount of money you pay in a long term
5. credit card(noun):the card that gives you opportunity to borrow money.
6. debit card(noun):the card that gives your access to your own money.
7. credit history(noun):the record of all loans and debt that a person currently has.
8. collateral(noun):something that you offer as a guarantee that you can pay back the money you borrow.

Pronunciation

The

When “the” comes before the word that starts with a "vowel sound(a,e,imo,u)**", make sure you pronounce /thi/.

the /thi/	the /th/
the end	the teacher
the air	the chair
the hour	the university(a university)