

After reading the above paragraphs, please answer questions (21)-(30):

- | | |
|-------------------|--|
| (21) fell | (a) adjusted (b) increased (c) dropped (d) remained |
| (22) pundits | (a) bankers (b) people (c) regulators (d) experts |
| (23) depreciation | (a) decrease (b) increase (c) addition (d) division |
| (24) leverage | (a) authority (b) bargain (c) weakness (d) disadvantage |
| (25) recovery | (a) reduction (b) increase (c) improvement (d) stop |
| (26) surge | (a) reduction (b) decline (c) extension (d) rise |
| (27) regulatory | (a) authoritative (b) accurate (c) dishonest (d) predictable |
| (28) excess | (a) insufficient (b) surplus (c) sufficient (d) scarcity |
| (29) intensified | (a) hindered (b) discouraged (c) escalated (d) arguable |
| (30) benign | (a) harsh (b) unpredictable (c) challenging (d) mild |

Article 4

US President Barack Obama is proposing new taxes on the wealthiest Americans that would limit their profits from investments and make it harder for them to pass assets to heirs. Obama, who will promote the plan during his State of the Union Address tomorrow, will use much of the (31) proceeds — US\$320 billion over 10 years — to (32) expand tax credits for higher education and childcare and create a new break for two-earner couples. The White House released details of the plan on Saturday. "What you're seeing here is really dedicated middle-class tax relief to really get at that problem of middle-class wage (33) stagnation," said Harry Stein, director of fiscal policy at the Center for American Progress, a Washington group aligned with Democrats.

Obama's address is intended to lay out an agenda for his final two years in office and help the Democratic Party (34) retain the White House in next year's election with a legacy of policies that appeal to middle and lower-income voters, who continued to lose ground as the economy (35) rebounded from the recession. He would increase the top tax rate on capital gains and dividends to 28 percent from 23.8 percent. The rate was 15 percent when he took office in 2009, meaning that he is proposing to almost double it over his two terms in office. He would also (36) impose capital-gains taxes on asset transfers at death, ending what the White House calls "the largest capital gains (37) loophole." Under current law, assets held until death are not subject to those levies, creating an incentive for wealthy people to hold onto them. Heirs only have to pay capital-gains taxes when they sell, and only on the value above what the assets were worth at death.

Obama has been (38) previewing his proposals over the past 10 days in speeches around the country. In addition to the tax plan, he said he will push Congress for legislation allowing workers to earn seven days of paid sick leave per year and make community college free for millions of students, at a cost of US\$60 billion over 10 years. Obama, who has (39) consistently advocated for tax increases on the wealthy and tax cuts for middle-income families, is offering more of both in the tax plan released on Saturday. He is layering new proposals on top of others that Congress has ignored or (40) rejected. Spokesmen for US House Speaker John Boehner and Senate Majority Leader Mitch McConnell both criticized the plan. (Source: Taipei Times, January 19, 2015)

After reading the above paragraphs, please answer questions (31)-(40):

- | | |
|-------------------|--|
| (31) proceeds | (a) revenue (b) denied (c) acclaimed (d) ensured |
| (32) expand | (a) decrease (b) increase (c) withhold (d) control |
| (33) stagnation | (a) decrease (b) increase (c) inactivity (d) boom |
| (34) retain | (a) abandon (b) strengthen (c) neglect (d) possess |
| (35) rebounded | (a) returned (b) deteriorated (c) disappeared (d) weakened |
| (36) impose | (a) overlook (b) levy (c) prevent (d) remove |
| (37) loophole | (a) maintenance (b) method (c) escape (d) building |
| (38) previewing | (a) criticizing (b) defending (c) revising (d) examining |
| (39) consistently | (a) persistently (b) occasionally (c) diligently (d) unwillingly |
| (40) rejected | (a) approved (b) denied (c) accepted (d) disregarded |

- (19) Many farmers asked why water for agricultural use is restricted ahead of water for industrial use for which of the following reason?
- Compared with industry sector, agriculture creates less pollution and recycling efficiency is better
 - Compared with industry sector, agriculture sector uses less water
 - There is no standard to assess the use of water resources
 - An efficient price mechanism is not available
- (20) According to the passage, the second stage of water restrictions will:
- occur during the Lunar New Year holiday
 - not happen unless there is not enough rain
 - restrict the water for agriculture use
 - restrict the water for industrial use

Part II Synonyms (Total: 50 points, 2.5 points each)

Please choose the answer having the same or nearly the same meaning as the word with underlying alphabetical number.

Article 3

The New Taiwan dollar (21) fell by 5.57 percent against the US dollar last year — its biggest annual decline since 2001. The currency depreciation is likely to continue this year, with both positive and negative implications for the nation's economy. Some (22) pundits believe China's slowing economy hurt Taiwan and dragged down the NT dollar last year, while others take issue with the US Federal Reserve's monetary policy, which helps explain the (23) depreciation of major Asian currencies versus the greenback last year, such as the yen (12.24 percent), ringgit (6.26 percent), Singaporean dollar (4.36 percent) and won (3.99 percent).

While it is possible that the NT dollar's decline was also due to the central bank's foreign exchange policy preference for currency weakness in view of the depreciation of the won and the yen versus the US dollar, the local currency's weakness also underscored a long-standing dilemma for the country in which policymakers have failed to push forward structural reforms that would provide more (24) leverage to the trade-dependent economy. Therefore, even though foreign institutional investors bought a net total of NT\$354.63 billion (US\$11.18 billion) in Taiwanese shares on the main board last year and GDP was supported by a steady (25) recovery in the world economy, alongside the nation's sizable foreign exchange reserves, the NT dollar still failed to capitalize on those positive factors. Instead, the local currency faced pressure from the (26) surge in yuan deposits, the (27) regulatory changes that increased life insurance companies' overseas investments and a poor domestic investment environment that led to continuous capital outflows and created (28) excess savings at home.

This year is set to be another tough year for most Asian currencies due to several global and domestic factors — including the US Federal Reserve's expected tightening cycle, additional monetary easing measures in Japan and Europe, and an (29) intensified currency war in the region to maintain export competitiveness and counter deflation — that will likely generate greater market volatility and weaken the region's currencies further against the US dollar, albeit with different depreciation ranges. For the NT dollar, the same negative factors are likely to persist this year, but the nation's strong current-account surplus would help prevent the currency depreciating too much. On top of the central bank's cautious foreign exchange policy, a (30) benign inflation environment and the lack of domestic demand against weak government spending, plus political uncertainty ahead of next year's presidential and legislative elections, all suggest that the NT dollar could sustain its weakness from last year. (Source: Taipei Times, January 05, 2015)

must be used to direct the public as well as the agricultural and industrial sectors toward saving water so that water resource management becomes more realistic, reasonable and suited to the public's needs. (Source: Taipei Times, January 11, 2015)

After reading the above paragraphs, please answer questions (11)-(20):

- (11) Why does the Ministry of Economic Affairs plan to increase the price of water by 2017 at the earliest?
- Improve the efficiency of water usage
 - Increase the price of water by between 10 and 30 percent
 - Introduce complementary measures by which users whose water savings meet certain requirement
 - Adjust the usage by tinkering with the price of water
- (12) Which of the following is the best title of the article?
- The price of water will be increased by 2017
 - Guidance on water resources
 - Water shortages in Taiwan
 - The government must prepare for water restrictions
- (13) Which of the followings is closest to the meaning of "complementary" used in the above paragraphs?
- different
 - independent
 - interdependent
 - secondary
- (14) Which of the followings is closest to the meaning of "tinkering with" used in the above paragraphs?
- controlling
 - adjusting
 - raising
 - fixing
- (15) Which of the followings is closest to the meaning of "creeping" used in the above paragraphs?
- moving gradually
 - moving quickly
 - standing slowly
 - standing swiftly
- (16) Which of the followings is closest to the meaning of "fallow" used in the above paragraphs?
- active
 - unplanted
 - cultivated
 - developed
- (17) Which of the followings is closest to the meaning of "abundant" used in the above paragraphs?
- depleted
 - sparse
 - plentiful
 - deficient
- (18) According to the author of this article, what is the impact of the government's suppressing water price?
- The improvement of living standard and the development of the industries
 - The government's announcement that water for agricultural use should be restricted
 - The allocating priority of water supply should be determined
 - The public, farmers, and industry do not cherish the usage of the water

- a) Taiwanese professionals are willing to work overseas because they have the lowest pay, compared with the pay of workers in the Greater China region and Singapore.
- b) Hong Kong workers, compared with those in other Greater China region and Singapore, do not have strong incentive to seek overseas jobs because they have the highest pay.
- c) There is a positive relationship between "job compensation satisfaction" and "willingness to work overseas"
- d) There is a negative relationship between "job compensation satisfaction" and "willingness to work overseas"

Article 2

(1st paragraph) To encourage more economical use of water and improve efficiency, the Ministry of Economic Affairs plans to increase the price of water by between 10 and 30 percent by 2017 at the earliest where usage exceeds 1,000 cubic meters per month. The ministry is also to introduce complementary measures by which users whose water savings meet certain requirements would be eligible for fee reductions of up to 60 percent. The Water Resources Agency's move to adjust usage by tinkering with the price of water might be late in coming, but better late than never.

(2nd paragraph) Because central and southern Taiwan have gone a long time without rain, water shortages are creeping further north. The government is encouraging farmers to let their fields lie fallow from the southern and central region into northern Taiwan south of Greater Taoyuan. Irrigation is to be prohibited for more than 41,000 hectares during the first stage, the second-largest area ever to be left fallow. Taiwan receives abundant annual rains but it still suffers frequent droughts. The Central Mountain Range quickly transports rainwater to the sea, making it difficult to collect, and rivers that are normally dry are easily flooded, frequently leading to disasters. With heavy rain causing floods and rain shortages leading to droughts, water management is an important issue in Taiwan.

(3rd paragraph) To improve the standard of living and promote industrial development, the government has always suppressed water prices. While this might help in daily life, it is misleading and leads the public, farmers and industry to waste water, which distorts water distribution. The government's announcement that water for agricultural use is to be restricted has set off a debate between the agricultural and industrial sectors as both sectors try to get access to more water. The ministry has long had a standard operating procedure for dealing with water shortages. Article 18 of the Water Act (水利法) clearly ranks water usage priorities, allocating priority of supply to domestic and public use, ahead of agricultural use, hydro-power and industrial demand. The Council of Agriculture has set a procedure to restrict water for agricultural use, but many farmers have protested and asked why water for agricultural use is restricted ahead of water for industrial use, saying that the government prioritizes industry over agriculture and arguing that the priorities should be reversed. They have said that it is not at all certain that the agricultural sector uses more water than the industrial sector, agriculture creates less pollution and recycling efficiency is better in the agricultural sector. The reason for the conflict is the absence of a standard to assess the use of water resources, and introducing an efficient price mechanism would help settle the debate.

(4th paragraph) The current restrictions on water use are just the first measures to be implemented this year to manage water resources. If there is not enough rain, the next stage of water restrictions would be implemented following the Lunar New Year holiday. If that happened, everyone would begin to feel the water shortage. The government must prepare for water restrictions following a lack of rain and instruct the public to cultivate the habit of saving water to reduce the impact on daily life. Extremes of drought and flooding are expected to become increasingly common. As Taiwan attempts to deal with this situation and manage water resources, more comprehensive planning is required. These plans must be reviewed and updated annually, and a pricing mechanism

- c) Recruiting and retaining talent are vital
 - d) Taiwan has the lowest job compensation satisfaction
- (2) Which of the followings is closest to the meaning of "pivotal" used in the above paragraphs?
- a) secondary
 - b) minor
 - c) trivial
 - d) central
- (3) Which of the followings is closest to the meaning of "meager" used in the above paragraphs?
- a) deficient
 - b) adequate
 - c) plentiful
 - d) significant
- (4) Which of the followings is closest to the meaning of "poaching" used in the above paragraphs?
- a) giving
 - b) stealing
 - c) receiving
 - d) considering
- (5) What can be inferred from the 2nd paragraph of the article?
- a) The government has decided to scrap the investment deal Sanan proposed in 2013
 - b) Sanan has not violated the anti-poaching rule yet
 - c) Chinese companies are less likely to have the technological capability and market presence
 - d) The offering of NT\$500 million over three years by Sanan may be changed
- (6) What can be inferred from the 3rd paragraph of the article?
- a) The government needs time to fight back in the talent war
 - b) The ministry should offer tax incentives for local firms
 - c) The government has decided to scrap the investment deal Sanan proposed
 - d) No effective measures were taken by the government
- (7) Which of the followings is closest to the meaning of "tactics" used in the above paragraphs?
- a) the planned ways of doing something
 - b) something gets better or when you make it better
 - c) something changes or becomes more advanced
 - d) the changes made in the process of doing something
- (8) Which of the followings is closest to the meaning of "vanishes" used in the above paragraphs?
- a) remain
 - b) disappear
 - c) appear
 - d) face
- (9) Which of the followings is closest to the meaning of "subsidizing" used in the above paragraphs?
- a) make it possible or easier for someone to do something
 - b) judge the quality, importance, or value of something
 - c) pay part of the cost of something
 - d) encourage someone or something because you want them to succeed
- (10) According to the survey released by the US headhunter MRIC Group, which of the following can be inferred?

Part I Reading Comprehension (Total: 50 points, 2.5 points each)

Article 1

(1st paragraph) There has been lots of talk about Taiwan having arrived at a pivotal point at which it can transform itself into a knowledge-based economy that makes substantial profits by providing valuable services, rather than deriving meager earnings from manufacturing. However, that is easier said than done and little progress has been made. Most local electronics companies still turn slim profits — earning a gross profit of 4 percent is already considered an exceptional achievement for PC firms. To achieve this transformation, talent is vital. However, no significant regulation changes to attract talent are on the horizon and most private corporations show little intention to offer better compensation to recruit or retain top talent.

(2nd paragraph) China understands the importance of a talented work force. Chinese companies — mostly industry latecomers or start-ups — are more than willing to take shortcuts by poaching top talent from Taiwanese competitors to speedily enhance their technological capabilities and market presence. Epistar Corp, Taiwan's top LED chipmaker, on Monday said that if Chinese LED epitaxy maker Sanan Optoelectronics Co continues poaching its talent, it would consider requesting that the government scrap an investment deal Sanan proposed in 2013 to buy a 19 percent stake in local LED chip supplier Formosa Epitaxy Inc for NT\$235 million (US\$7.38 million). Sanan has violated the anti-poaching rule, which is one of the conditions set by the government for approving the investment project, Epistar said. It is reported that Sanan has poached a 10-person team from Epistar, offering them NT\$500 million over three years, after hiring more than 100 employees from the Taiwanese company in 2010.

(3rd paragraph) What tactics is Taiwan adopting to fight back in the talent war? Nothing significant for now; certainly no wage increases. The Ministry of Economic Affairs has only proposed extending income taxation on annual employee stock bonuses for five years, with an annual amount capped at NT\$5 million. Issuing stock bonuses to employees is an important tool for local electronics firms to retain talent, but the effect vanishes if workers are required to pay income tax upon receiving those stocks by market value, not book value. To encourage spending on research and development, the ministry also plans to offer tax incentives for local firms. However, those plans have not been put into practice. The National Development Council on Monday said that it is planning to allocate a proportion of existing government funds for subsidizing small and medium-sized enterprises' recruitment of top talent from overseas. No specific details have been disclosed yet. The American Chambers of Commerce has repeatedly advised cutting personal income tax for foreign employees from the current 40 percent to match neighboring nations' 17 or 18 percent rates. However, the business group has not received positive feedback.

(4th paragraph) The issue of frozen wages is reflected in the latest annual survey released by US headhunter MRIC Group, which showed that in the Greater China region and Singapore, Taiwan has the lowest job compensation satisfaction, at 39 percent. Hong Kong scored the highest at 51 percent, followed by Singapore's 47 percent and China's 45 percent, the MRIC data showed. Hence, about 62 percent of top Taiwanese professionals or skilled workers are willing to work overseas this year, higher than China's 46 percent, Singapore's 45 percent and Hong Kong's 33 percent, the survey showed. In addition, about 40 percent of the respondents said they intend to leave Taiwan to find a job at all costs. The government and private companies need to do more to recruit and retain talent, or they will lose competitiveness faster than they expect. (Source: Taipei Times, January 14, 2015)

After reading the above paragraphs, please answer questions (1)-(10):

- (1) Which of the following is the best title of the article?
 - a) Little progress has been made to keep talented workers
 - b) China understands the importance of a talented work force