

## Part VII: Reading Comprehension

In Part VII you will read passages in the form of letters, ads, memos, faxes, schedules, etc. The reading section has a number of single passages and 4 double passages. You will be asked 2-4 questions about each single passage, and 5 questions for each double passage. Sometimes you will be asked for specific details. Other times you will be asked about what the passage implies. In the paired passages you will also be asked to make connections between the two related texts. On the real test you will not have time to read every word. You need to practice scanning and reading quickly for details.

**Questions 1 - 5 are based on the following application and reply letter**

### CONSUMER CREDIT APPLICATION

**Name:** Mary Winters **Date:** February 23, 2008

**Address:** 657 Thornhill Street

**City:** Boston **State:** Mass. **Zip:** 35629

**How long at address:** 10 years **Own or Rent:** Own

**Employed by:** J.B Stall Law Firm **Position:** Secretary

**How long:** 12 years **Salary:** \$20,000

**No. dependents:** 0 **Type car owned:** Chevrolet **Year:** 2007

**Other sources of income:** None

**Outstanding obligations:** \$1,500 monthly home mortgage

**Pending lawsuits:** None

**Have you filed bankruptcy within last 6 years?** No

**Credit references:**

**Name:** Jonathon B. Stall **Address:** 85 5th Street

**Bank references:**

**Name:** Citi Bank **Address:** 785 Washington Avenue

**Checking:** No **Savings:** Yes

**Visa Card:** Yes **Master Card:** Yes **American Express:** Yes **Other Credit Cards:** None

### NOTICE

When making application for credit, it is understood that an investigation may be made whereby information is obtained through personal interviews with your neighbors, friends, or others with whom you are acquainted. This inquiry includes information as to your character, general reputation, personal characteristics, and mode of living. You have a right to make a written request within a reasonable period of time to receive additional, detailed information about the nature and scope of this investigation.

**Applicant:** Mary Winters

Mary Winters  
657 Thornhill Street  
Boston,  
Mass. 35629  
Wednesday, 13 March, 2008

Dear Ms. Winters,  
We are happy to inform you that your credit application has been approved. We hope that you will enjoy the benefits of a \$10,000 personal consumer loan with a yearly bank interest rate of 6% plus .05% additional tax rate, and we are certain that these terms will better facilitate doing business together.  
Enclosed, please find a copy of our credit terms. This document explains in detail how your account will be billed each month. Feel free to contact me at 396-738-5637 should you have any concerns or questions.  
Sincerely,  
Jill Jones  
Credit Manager

**1. How many credit cards does Ms. Winters have?**

- A. One
- B. Three
- C. Four
- D. Two

**2. What is the purpose of Ms. Winters letter?**

- A. To apply for a loan
- B. To request information
- C. To apply for a transfer
- D. To apply for a job

**3. According to the information, what is Ms. Winters present salary?**

- A. This information is not given.
- B. \$20,000 a year
- C. \$10,000 a year
- D. \$1,500 a month

**4. How many children does Ms. Winters have?**

- A. None
- B. Two
- C. Three
- D. One

**5. What interest will Ms. Winters pay for the loan?**

- A. 6% per year
- B. 6.05% per year
- C. .05 percent per year
- D. Less than 6% per year

**Questions 6 - 8 are based on the following advertisement**

**HOLD YOUR BUSINESS CONFERENCE HERE**

The beautiful Wellington Inn offers an ideal seaside setting for your business meetings and retreats. Amenities include indoor and outdoor swimming pools, a lovely nine-hole golf course, round-the-clock dining services, and conference rooms with state-of-the-art media equipment. One hundred guest-rooms have ocean views while the other seventy-five overlook the golf course.

Call for rates and additional information.

**6. To whom is this advertisement primarily addressed?**

- A. Conference planners
- B. Golfers
- C. Swimmers
- D. Developers

**7. How many guest rooms look out on the golf course?**

- A. 9
- B. 100
- C. 175
- D. 75

**8. Which of the following can NOT be determined about the Wellington Inn from the advertisement?**

- A. The number of swimming pools it has
- B. The hours when its dining services are available
- C. The total number of guest rooms it has
- D. Its exact location

**Questions 9 - 12 are based on the following report**

Traditionally, most companies have purchased equipment with cash or financed it with bank loans. These days, however, many companies lease office equipment.

One type of lease is known as an **operating lease**. You pay a flat fee, but when the terms of the lease are over, ownership reverts to the lessee. This type of lease allows you to upgrade at the end of the lease.

A **capital lease**, also called a lease-to-own agreement, resembles a home mortgage in that payments you make go into purchasing the equipment.

How do you decide whether to lease or buy? With a lease, initial cash outlay is small. If the equipment you require is likely to become obsolete soon, you should lease it. You should lease any equipment that is too sophisticated or expensive to buy. Equipment such as copiers, audiovisual equipment, and communications systems may be better leased than bought.

However, unless you plan to use the equipment for less than a year, you should not lease small-ticket items such as personal computers or printers unless you are buying a considerable number of these at once. Remember, in the long run, leasing costs more than buying.

**9. What is another name for a capital lease?**

- A. An operating lease
- B. A flat fee
- C. A lease-to-own agreement
- D. A home mortgage

**10. Which of the following would the author probably recommend buying rather than leasing?**

- A. A laptop computer
- B. A data projector used for giving presentations
- C. A large new computer network
- D. A new telephone system

**11. Which of the following questions should a manager NOT ask when deciding whether to buy or lease a piece of equipment?**

- A. How much does it cost?
- B. How many workers will be using it?
- C. How long will it be useful?
- D. How long will we need it?

**Questions 12 - 14 are based on the following report**

The majority of top managers work most productively outside standard working hours. This per a recent survey by Jefferson Watch Corporation of 100 chief executives of the top 500 companies in the country. The morning hours before other employees arrive were favored by 43 executives, while 18 preferred to work after the other employees had left. Among those who considered normal working hours to be their most productive, 75% favored mornings over afternoons. 115% of those surveyed said that they worked at home in the evenings, and 65% worked over the weekends.

**12. Who participated in the survey?**

- A. Jefferson's too one hundred managers
- B. Presidents from each of five hundred companies
- C. One hundred executives of the top firms in the nation
- D. Forty-three leaders of the watch Industry

**13. What did the survey reveal?**

- A. When executives do their best work
- B. How many hours most businesses are open
- C. What brands of watches top managers wear
- D. How close workers lived to their jobs

**14. What percentage of those surveyed work on Saturdays or Sundays?**

- A. 43
- B. 65
- C. 75
- D. 85

## HOMEWORK

### Vocabulary - "L" Words

1. The meal we eat in the middle of the day is called \_\_
2. A special room or building where books are kept is called a \_\_\_\_\_
3. Treated animal skin that is often made into shoes, sneakers, and jackets is called \_\_\_\_\_
4. When you can't find someplace you are \_\_\_\_\_
5. In autumn the parts of a tree which turns into reds, golds, and browns are the \_\_\_\_\_
6. If you borrow money from the bank it's called a \_\_\_\_\_
7. Another name for an elevator is a \_\_\_\_\_
8. The opposite of dead is \_\_\_\_\_
9. What fruit is yellow, oval shaped and sour?
10. To drive legally you need to get a \_\_\_\_\_