

1	<p>Global activity has broadly 1 ___ and is expected to improve further in 2014-15, with much of the impetus coming from advanced economies. Inflation in these economies, however, was lower than 2 ___, reflecting still-large output gaps and recent 3 ___ price declines. Activity in many emerging 4___ has disappointed in a less favorable external financial 5___, although they continue 6 ___ more than two-thirds of global growth. Their output growth is expected to be lifted by stronger exports to 7___ economies. In this setting, 8___ risks have diminished.</p>	<p>a. <i>downside</i> b. <i>advanced</i> c. <i>projected</i> d. <i>commodity</i> e. <i>environment</i> f. <i>market economies</i> g. <i>strengthened</i> h. <i>to contribute</i></p>
2	<p>The global recovery is still fragile despite improved 1___, and significant downside risks - both old and new - remain. Recently some new geopolitical 2 ___ have emerged. On old risks, those related to emerging market economies have increased with the 3 ___ external environment. Unexpectedly rapid normalization of U.S. monetary policy or renewed 4 ___ of high risk aversion on the part of investors could result in further financial 5 ___. This would lead to difficult 6 ___ in some emerging market economies, with a risk of 7 ___ financial stress, and thus lower growth.</p>	<p>a. <i>changing</i> b. <i>risks</i> c. <i>turmoil</i> d. <i>waves</i> e. <i>broad-based</i> f. <i>prospects</i> g. <i>adjustments</i></p>
3	<p>Policymakers in advanced economies need to avoid a premature withdrawal of 1 ___ accommodation. In an environment of continued fiscal consolidation, still-large output gaps, and very low inflation, monetary policy should remain 2 ___. In the euro area, more monetary 3 ___, including unconventional measures, is necessary 4 ___ activity and help achieve the European Central Bank's price 5 ___ objective, thus lowering risks of even lower 6___ or outright deflation. Sustained low inflation would not likely be favorable to a suitable 7 ___ of economic growth.</p>	<p>a. <i>to sustain</i> b. <i>easing</i> c. <i>accommodative</i> d. <i>monetary</i> e. <i>stability</i> f. <i>recovery</i> g. <i>inflation</i></p>
4	<p>Emerging market economies will have to weather turbulence and 1 ___ high medium-term growth. The appropriate policy measures will differ across these economies. However, many of them have some policy 2 ___ in common. First, policymakers should allow exchange rate 3 ___ to changing fundamentals and 4 ___ external adjustment. Where international 5 ___ are adequate, foreign exchange 6 ___ can be used to smooth 7 ___ and avoid financial disruption.</p>	<p>a. <i>priorities</i> b. <i>to respond</i> c. <i>maintain</i> d. <i>reserves</i> e. <i>interventions</i> f. <i>facilitate</i> g. <i>volatility</i></p>
5	<p>Japan's GDP growth picked up to 1.5% in 2013 and industrial production, retail sales, and consumer confidence have been 1 ___. While wage growth has remained low, 2 ___ prices and expanding credit have helped 3 ___ domestic demand. A weaker yen has benefited exports, albeit less than expected so far. Going forward, 4 ___ consolidation will be a driving force and supportive measure (including higher public 5 ___ and corporate tax cuts) will partly offset the 6 ___ of the consumption tax hike.</p>	<p>a. <i>strong</i> b. <i>asset</i> c. <i>impact</i> d. <i>underpin</i> e. <i>investment</i> f. <i>fiscal</i></p>
6	<p>China's planned reforms, against the background of rising 1 ___, are far-reaching and have the potential 2 ___ the economy. Implementation will be key. The reforms could enhance welfare by 3 ___ private consumption and making growth more sustainable, although the economy could initially 4 ___ down somewhat. While the near-term 5 ___ on the rest of Asia is generally 6 ___ to be small, most economies in the region would 7 ___ from the rising consumption in China.</p>	<p>a. <i>vulnerabilities</i> b. <i>slow</i> c. <i>to transform</i> d. <i>boosting</i> e. <i>benefit</i> f. <i>impact</i> g. <i>expected</i></p>
7	<p>Across most of emerging Asia, given the relatively favorable near-term inflation outlook, countries appear to have space 1 ___ the current supportive stance of monetary policy. However, a gradual normalization of 2 ___ conditions should be 3 ___ as economic recession 4 ___ and risks recede. In some countries, if 5 ___ of payments pressures re-intensify, a policy 6 ___ would help reduce vulnerabilities and 7 ___ the inflationary impact of any exchange rate depreciation.</p>	<p>a. <i>monetary</i> b. <i>considered</i> c. <i>diminishes</i> d. <i>to maintain</i> e. <i>contain</i> f. <i>tightening</i> g. <i>balance</i></p>