

**Select Readings, Second Edition**  
**Pre-Intermediate, IELTS™-style Midterm**

Read the passage and answer **Questions 1–15** which follow.

**Small Loans = Big Success**

**A**

What does it take to be a successful banker? Do you need to study finance? Do you need experience working in a bank? Not anymore. Now all you need is \$25 and an Internet connection, thanks to an organization called Kiva.

**B**

Kiva Microfunds, known simply as Kiva, is an organization that connects people, using the Internet, for the purpose of ending poverty around the world. This organization believes that lending people money is better than just giving people money. It also believes that connecting lenders and borrowers directly helps to build a global community of people. People seem to be happier lending money when they know exactly who is using it, and what it is being used for.

**C**

This is the world of microfinance. Microfinance allows people to lend small amounts of money to people in developing parts of the world—people who may not easily be able to get loans from a real bank. Most of the people who borrow money from Kiva and its partners are self-employed, or have very small businesses.

**D**

For example, a woman in Dar es Salaam, Tanzania borrowed \$175 from Kiva lenders to open a café in her city. A woman in Angk Svay Chek village, Cambodia, borrowed \$375 to buy a pump to bring water to her small farm so that she can grow and sell more rice. A man in Leon, Nicaragua, borrowed \$300 to set up a small clothing shop so he could work and take care of his family.

**E**

Kiva is based in San Francisco, California, and works with many different “field partners.” Field partners are people and organizations around the world who help find local people who want to borrow money to start or grow a business. The field partners post information about these borrowers on the Kiva website, [www.kiva.org](http://www.kiva.org), and lenders browse the site and choose the people they want to lend money to.

**F**

The loans are made by credit card, or by PayPal, an online payment service based in the U.S. PayPal usually receives a fee for taking care of these payments, but it has agreed not to take any fees for handling Kiva payments. This helps Kiva put more of the money lent by its members directly into their loans.

**G**

In just five years since it was started in October 2005, Kiva had already lent nearly \$170 million to businesspeople around the world. The money for over 232,000 loans during this period came from almost 500,000 people. The average loan size was \$381.65, and nearly 82% of borrowers were women. Almost 99% of loans made through Kiva are paid back in full, which is quite successful in the world of finance—big or small.

## H

A lot of the marketing done by Kiva is through its own lenders, using social media. Kiva lenders can connect with each other through the Kiva website. Inside the website, lenders can join or create their own “lending teams,” plan Kiva events to raise money for loans, send out e-mail invitations to their friends, and share their Kiva activities on their favorite social networking sites such as Facebook or Twitter. And when lenders’ loans have been paid back by their borrowers, most lenders put that money into new loans for new borrowers.

### QUESTIONS 1–4

*The Reading Passage has 8 paragraphs A–H.*

*Choose the best headings for paragraphs B, D, E, and H from the list of headings below.*

*Write the correct number i–viii in boxes 1–4 on your answer sheet.*

- i A successful start
- ii How Kiva loans are made
- iii What is Kiva?
- iv Helping people around the world
- v Anyone can be a banker
- vi Kiva’s partners
- vii Getting the word out
- viii What is microfinance?

- 1 Paragraph B
- 2 Paragraph D
- 3 Paragraph E
- 4 Paragraph H

### QUESTIONS 5–9

*Do the following statements agree with the information given in the Reading Passage?*

*In boxes 5–9 on your answer sheet write*

- TRUE** if the statement agrees with the information
- FALSE** if the statement contradicts the information
- NOT GIVEN** if there is no information on this

- 5 Kiva works with other groups in local areas to find borrowers.

- 6 Microfinance is only useful in developing parts of the world.
- 7 Most of the marketing for Kiva is done by PayPal.
- 8 Almost all loans made by Kiva are paid back by their borrowers.
- 9 Kiva believes that donating money is easier than lending it.

**QUESTIONS 10–12**

Complete the table below.

Choose **NO MORE THAN THREE WORDS** from the passage for each answer.

Write your answers in boxes 10–12 on your answer sheet.

Borrower's location	Amount borrowed	Purpose of loan
Tanzania	\$175	<b>10</b> _____
<b>11</b> _____	\$375	buy water pump
Nicaragua	<b>12</b> _____	small clothing shop

**QUESTIONS 13–15**

Choose the correct letter, **A, B, C** or **D**. Write your answers in boxes 13–15 on your answer sheet.

- 13 Which of the following describes Kiva's key to success?
  - A Field partners always know how people are using their loans.
  - B PayPal does not receive any fees for handling Kiva payments.
  - C Connecting lenders and borrowers directly builds a good lending community.
  - D More people pay back their loans to Kiva than to real banks.
  
- 14 People can choose the borrowers they want to lend to by
  - A reading their information on the Kiva website
  - B speaking with Kiva's field partners around the world
  - C paying a small fee to PayPal for handling the loan
  - D posting information about themselves on the Kiva website
  
- 15 Between October 2005 and October 2010, Kiva
  - A had made loans of more than 200 million dollars
  - B had made more than 500 thousand loans
  - C had paid back almost 99% of its loans
  - D had made most of its loans to women borrowers