Charta | LESSON NOTES

Main idea questions: the whole passage

Verbal Reasoning

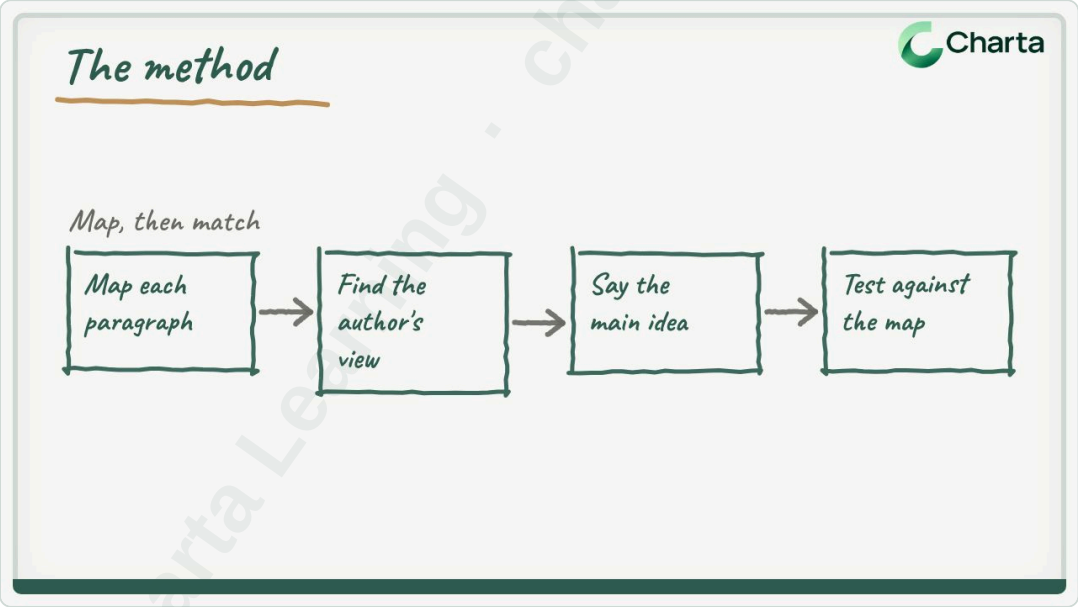
1 What the question asks

- The primary purpose, mainly concerned with, main idea
- What is the whole passage doing?
- The answer covers every paragraph
- Match the verb: argue, describe, question, explain

IN THE LESSON

- Main idea questions are worded in a few ways.
- The primary purpose of the passage is to.
- The passage is mainly concerned with.
- Which best states the main idea?
- All of them ask the same thing: what is the whole passage doing?
- Notice the word whole.
- The right answer must cover every paragraph, not just the most interesting one.
- Notice also that a purpose question usually begins with a verb, such as argue, describe, question or explain, and that verb matters.
- A passage that weighs two views and leaves a question open is not arguing; a passage that simply reports is not challenging.
- Matching the verb is half the battle.

2 The method



IN THE LESSON

- Here is the method.
- Step one, read the passage once, at a steady pace, and after each paragraph write a few words: what the paragraph does, not every detail.
- That is the passage map.
- Step two, find the author's own view.
- Look for words like however, but, yet, it would be a mistake, which often mark where the author steps in.
- Step three, put the main idea in one sentence of your own before you look at the choices.
- Step four, test each choice against the map: does it cover the whole passage, with the right verb and the right strength?
- Why map first?
- Because the choices are written to sound like the passage, and only a map tells you which one matches its shape.

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3 The traps in the wrong choices

- Too narrow: one paragraph, one detail
- Too strong: proves or rejects, when it only questions
- Wrong verb, or the opposite view
- Not stated: a claim the passage never makes

IN THE LESSON

- Here are the traps, by name.
- The first is too narrow: it describes one paragraph or one detail, not the whole passage.
- The second is too broad or too strong: it says the author proves, or rejects completely, when the author only questions or qualifies.
- The third is the wrong verb: it says argue when the author describes, or recommend when the author only suggests a question to ask.
- The fourth is the opposite view: it states a position the author reports and then disagrees with.
- And the fifth is not stated: a recommendation or a claim the passage never makes.
- For each choice, check scope, verb and strength.

4 Question 1: the conglomerate discount, part one

- For several decades, financial economists have reported that diversified firms, those operating in several unrelated lines of business, tend to trade at lower values than a portfolio of single-business firms in the same industries would command. This gap, often called the conglomerate discount, has been widely read as evidence that diversification destroys value. The usual explanation points to internal capital markets: headquarters, rather than outside investors, decides how much money each division receives, and managers may use the cash generated by strong divisions to prop up weak ones that the market would have starved of funds.

IN THE LESSON

- Our first passage is the easy one, about firms that run several unrelated businesses.
- Read along with me.
- For several decades, financial economists have reported that diversified firms, those operating in several unrelated lines of business, tend to trade at lower values than a portfolio of single-business firms in the same industries would command.
- This gap, often called the conglomerate discount, has been widely read as evidence that diversification destroys value.
- The usual explanation points to internal capital markets: headquarters, rather than outside investors, decides how much money each division receives, and managers may use the cash generated by strong divisions to prop up weak ones that the market would have starved of funds.

5 Question 1: the conglomerate discount, part two

- More recent research has questioned whether the discount measures what it seems to measure. The comparison rests on the assumption that a conglomerate's divisions resemble the stand-alone firms against which they are benchmarked. Yet firms do not diversify at random. Companies that choose to expand into unrelated industries are frequently those whose core business has already begun to stagnate, and the businesses they acquire may have been underperforming before the purchase. If so, the lower valuation could reflect the condition of the firms before they diversified rather than any harm done by diversification itself. Several studies that track companies over time find that much of the discount was present before the firms diversified.

IN THE LESSON

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- Companies that choose to expand into unrelated industries are frequently those whose core business has already begun to stagnate, and the businesses they acquire may have been underperforming before the purchase.
- If so, the lower valuation could reflect the condition of the firms before they diversified rather than any harm done by diversification itself.
- Several studies that track companies over time find that much of the discount was present before the firms diversified.

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6 Question 1: the conglomerate discount, part three

- None of this shows that internal capital markets work well; some conglomerates plainly have misallocated funds. But the revised findings change the question that investors and boards should ask. Rather than assuming that breaking up a conglomerate will release hidden value, they would do better to ask whether the separated divisions would in fact be worth more on their own, a question that the raw size of the discount cannot answer.

IN THE LESSON

- None of this shows that internal capital markets work well; some conglomerates plainly have misallocated funds.
- But the revised findings change the question that investors and boards should ask.
- Rather than assuming that breaking up a conglomerate will release hidden value, they would do better to ask whether the separated divisions would in fact be worth more on their own, a question that the raw size of the discount cannot answer.

7 Question 1: map the passage

The conglomerate discount: the map

Paragraph 1	the discount: value destroyed	**old view**
Paragraph 2	but weak firms diversify	**new view**
Paragraph 3	ask a better question	**author**
Main idea	question it; what investors ask	**the point**

IN THE LESSON

- Here is the map.
- Paragraph one gives the usual view: diversified firms trade at a discount, read as proof that diversification destroys value.
- Paragraph two begins with more recent research has questioned.
- It says firms that diversify were often weak already, so the discount may come from before the diversifying.
- Paragraph three gives the author's view: this does not show that internal capital markets work well, but investors and boards should ask a different question, whether the divisions would really be worth more apart.
- So the main idea, in one sentence: a common reading of the discount is questioned, and that changes what investors should ask.
- Notice the verbs: the passage questions and considers.
- It does not prove or recommend.

8 Question 1: the question

- The primary purpose of the passage is to:
- A. argue that diversified firms allocate capital more efficiently than outside investors could allocate it on their own
- B. question a common reading of a valuation gap and consider what follows for investors
- C. describe the procedures by which corporate headquarters decides how much money each division receives
- D. explain why companies whose core business is stagnating choose to expand into unrelated industries
- E. recommend that investors avoid buying the shares of conglomerates

IN THE LESSON

- Here is the question, and the five choices.
- The primary purpose of the passage is to: Choice A.
- argue that diversified firms allocate capital more efficiently than outside investors could allocate it on their own Choice B.
- question a common reading of a valuation gap and consider what follows for investors Choice C.
- describe the procedures by which corporate headquarters decides how much money each division receives Choice D.
- explain why companies whose core business is stagnating choose to expand into unrelated industries Choice E.
- recommend that investors avoid buying the shares of conglomerates Which one matches our sentence?

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9 Question 1: test each choice

The primary purpose of the passage is to:

A: firms allocate money better	the author denies this	**opposite**
B: question a reading; investors	covers all three paragraphs	**the answer**
C: how headquarters decides	only paragraph one	**too narrow**
D: why stagnant firms diversify	noted, never explained	**too narrow**
E: avoid conglomerate shares	never recommended	**not stated**

IN THE LESSON

- Choice A says diversified firms allocate money better than outside investors.
- The author says the opposite: none of this shows that internal capital markets work well.
- Choice B matches our sentence: it questions a common reading of a valuation gap and considers what follows for investors.
- It covers all three paragraphs, with the right verbs.
- Choice C, how headquarters decides who gets money, is one detail from paragraph one.
- Too narrow.
- Choice D, why stagnating firms diversify, is mentioned in paragraph two but never explained, and it is still only part of the passage.
- Choice E says investors should avoid conglomerate shares.
- The author never says that, only that they should ask a better question.
- The answer is B.

10 Question 2: the early libraries, part one

- In the eighteenth century, books in Britain and its American colonies were expensive enough that few readers outside the wealthy could own more than a handful. One response was the subscription library, in which members paid an entrance fee and an annual charge in return for the right to borrow from a shared collection. Such libraries are often cited as early ancestors of the free public library, and in a narrow institutional sense they were: they established the idea that a community of readers could hold books in common.

IN THE LESSON

- Our second passage is a medium one, about libraries in the eighteenth century.
- Read along with me, and listen for the word however.
- In the eighteenth century, books in Britain and its American colonies were expensive enough that few readers outside the wealthy could own more than a handful.
- One response was the subscription library, in which members paid an entrance fee and an annual charge in return for the right to borrow from a shared collection.
- Such libraries are often cited as early ancestors of the free public library, and in a narrow institutional sense they were: they established the idea that a community of readers could hold books in common.

11 Question 2: the early libraries, part two

- It would be a mistake, however, to regard them as democratic institutions in spirit. Their fees, though modest by the standards of the gentry, were well beyond the reach of labourers, and many libraries admitted new members only by vote of existing ones. Their collections reflected the tastes of the merchants, clergy, and professionals who governed them: history, theology, travel, and natural philosophy predominated, while novels were often excluded as frivolous. A subscription library was, in effect, a club whose members had agreed to share their books.

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12 Question 2: the early libraries, part three

- A different institution served readers of more modest means. Commercial circulating libraries, run for profit by booksellers, charged by the volume or by the quarter and asked no questions of their customers. Moralists denounced them for supplying novels to apprentices and servants, and their stock was indeed weighted toward fiction, because fiction was what paying customers most wanted. If one seeks a precedent for the idea that a library should serve whoever walks through its door, the despised circulating library has at least as strong a claim as its respectable subscription counterpart.

IN THE LESSON

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- If one seeks a precedent for the idea that a library should serve whoever walks through its door, the despised circulating library has at least as strong a claim as its respectable subscription counterpart.

13 Question 2: map the passage

The early libraries: the map

Paragraph 1	ancestors, in a narrow sense	**granted**
Paragraph 2	however, not democratic	**author**
Paragraph 3	circulating libraries for all	**precedent**
Main idea	challenge it; a better precedent	**the point**

IN THE LESSON

- Here is the map.
- Paragraph one describes subscription libraries and grants that they were ancestors of the public library in a narrow sense.
- Paragraph two begins with however: it would be a mistake to call them democratic.
- Their fees and their votes on members kept most people out.
- That is the author stepping in.
- Paragraph three describes commercial circulating libraries, which served anyone who paid, and ends by saying they have at least as strong a claim as a precedent for a library open to all.
- So the main idea: the author challenges the idea that subscription libraries were forerunners of a service open to all, and proposes a more fitting precedent.
- Notice the careful strength: at least as strong a claim, not the only true ancestor.

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14 Question 2: the question

- The primary purpose of the passage is to:
- A. show that the free public library descended from commercial circulating libraries rather than from the subscription libraries usually credited
- B. explain why moralists condemned circulating libraries and show that their stock of novels served paying customers rather than any public purpose
- C. challenge the idea that subscription libraries were forerunners of a service open to all, and propose a more fitting precedent
- D. argue that subscription libraries were exclusive clubs of the governing few and so contributed nothing to the later idea of the public library
- E. reconcile two accounts of the origin of the free public library by showing that subscription and circulating libraries each contributed in the same way

IN THE LESSON

- Here is the question, and the five choices.
- The primary purpose of the passage is to: Choice A.
- show that the free public library descended from commercial circulating libraries rather than from the subscription libraries usually credited Choice B.
- explain why moralists condemned circulating libraries and show that their stock of novels served paying customers rather than any public purpose Choice C.
- challenge the idea that subscription libraries were forerunners of a service open to all, and propose a more fitting precedent Choice D.
- argue that subscription libraries were exclusive clubs of the governing few and so contributed nothing to the later idea of the public library Choice E.
- reconcile two accounts of the origin of the free public library by showing that subscription and circulating libraries each contributed in the same way Watch the strength of each choice.

15 Question 2: test each choice

The primary purpose of the passage is to:

A: public library came from them	at least as strong, not only	**too strong**
B: why moralists condemned them	reported, not the point	**too narrow**
C: challenge it; better precedent	covers all, right strength	**the answer**
D: contributed nothing	the author grants a part	**too strong**
E: each contributed the same way	the two are contrasted	**not stated**

IN THE LESSON

- Choice A says the public library descended from circulating libraries rather than subscription libraries.
- That is too strong.
- The author says only that circulating libraries have at least as strong a claim, and grants subscription libraries a narrow role.
- Choice B, why moralists condemned circulating libraries, is a detail the author reports but does not take up.
- Too narrow.
- Choice C matches our sentence: challenge the idea that subscription libraries were forerunners of a service open to all, and propose a more fitting precedent.
- Choice D says subscription libraries contributed nothing, but paragraph one grants that they did, in a narrow sense.
- Too strong again.
- Choice E says the two kinds of library contributed in the same way, but the passage contrasts them.
- The answer is C.

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16 Question 3: the craft guilds, part one

- Historians once treated the craft guilds of medieval and early modern European towns largely as cartels. By limiting the number of masters, fixing prices, and blocking outsiders from practising a trade, guilds were said to have enriched their members at the expense of consumers and to have slowed technical change by forbidding new methods that threatened established workshops. Records of guild disputes, in which members sued interlopers or petitioned against labour-saving tools, seemed to confirm the picture.

IN THE LESSON

- Our third passage is a hard one, about the craft guilds of medieval towns.
- It has three positions, so map carefully as you read.
- Historians once treated the craft guilds of medieval and early modern European towns largely as cartels.
- By limiting the number of masters, fixing prices, and blocking outsiders from practising a trade, guilds were said to have enriched their members at the expense of consumers and to have slowed technical change by forbidding new methods that threatened established workshops.
- Records of guild disputes, in which members sued interlopers or petitioned against labour-saving tools, seemed to confirm the picture.

17 Question 3: the craft guilds, part two

- More recent work has complicated this picture without overturning it. Some economic historians argue that guilds also solved real problems in markets where buyers could not easily judge quality. A purchaser of cloth or silverware often could not tell, at the point of sale, whether the fabric would shrink or the metal had been debased. Guild inspections and marks offered a guarantee that individual sellers could not credibly provide alone, since a single dishonest workshop could damage the reputation of every producer in the town. Apprenticeship rules, similarly, may have protected masters' investment in training by preventing apprentices from leaving once they became productive.

IN THE LESSON

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- A purchaser of cloth or silverware often could not tell, at the point of sale, whether the fabric would shrink or the metal had been debased.
- Guild inspections and marks offered a guarantee that individual sellers could not credibly provide alone, since a single dishonest workshop could damage the reputation of every producer in the town.
- Apprenticeship rules, similarly, may have protected masters' investment in training by preventing apprentices from leaving once they became productive.

18 Question 3: the craft guilds, part three

- Critics of this revision respond that the benefits were real but could have been secured more cheaply. Quality marks, they note, did not require limits on the number of masters, and towns without strong guilds sometimes developed municipal inspection that served the same purpose. The point is well taken, but it shifts the question from whether guilds did anything useful to whether their useful functions justified their restrictive ones, a question that the surviving evidence, mostly generated by the guilds themselves and by their legal opponents, may be too partial to answer.

IN THE LESSON

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- Quality marks, they note, did not require limits on the number of masters, and towns without strong guilds sometimes developed municipal inspection that served the same purpose.
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19 Question 3: map the passage

The craft guilds: the map

Paragraph 1	guilds as cartels	**old view**
Paragraph 2	but they assured quality	**revision**
Paragraph 3	cheaper ways; evidence thin	**challenge**
Main idea	view, revised, challenged, open	**the point**

IN THE LESSON

- Here is the map.
- Paragraph one gives the old view: guilds were cartels that raised prices and blocked new methods.
- Paragraph two gives a revision: guilds also solved real problems, such as guaranteeing quality that buyers could not judge.
- Notice the words complicated this picture without overturning it.
- Paragraph three gives the critics' reply: the benefits could have been had more cheaply.
- The author calls that well taken, but says it changes the question to whether the useful functions justified the restrictive ones, a question the evidence may be too partial to answer.
- So the main idea: a standard view was qualified, then the qualification was challenged, leaving a narrower question the evidence may not settle.
- The passage does not take a side at the end.
- It leaves the question open.

20 Question 3: the question

- The primary purpose of the passage is to:
- A. defend the claim that quality guarantees justified the guilds' restrictions on entry against critics who see only a cartel, and conclude that the cartel picture was mistaken
- B. evaluate the revisionist case for guilds by showing that its benefits could have been secured more cheaply, and conclude that the cartel view therefore stands
- C. trace how a once-standard view of guilds has been qualified and then challenged in turn, and leave a narrower question that the evidence may not settle
- D. argue that the surviving records are too partial to show whether guilds acted as cartels, and so that neither the old nor the new view has support
- E. show that quality guarantees and apprenticeship rules explain the guilds' limits on entry, while granting that towns could have secured the same guarantees through municipal inspection

IN THE LESSON

- Here is the question, and the five choices.
- The primary purpose of the passage is to: Choice A.
- defend the claim that quality guarantees justified the guilds' restrictions on entry against critics who see only a cartel, and conclude that the cartel picture was mistaken Choice B.
- evaluate the revisionist case for guilds by showing that its benefits could have been secured more cheaply, and conclude that the cartel view therefore stands Choice C.
- trace how a once-standard view of guilds has been qualified and then challenged in turn, and leave a narrower question that the evidence may not settle Choice D.
- argue that the surviving records are too partial to show whether guilds acted as cartels, and so that neither the old nor the new view has support Choice E.
- show that quality guarantees and apprenticeship rules explain the guilds' limits on entry, while granting that towns could have secured the same guarantees through municipal inspection This time several choices take a side.
- Does the author?

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21 Question 3: test each choice

The primary purpose of the passage is to:

A: quality justified restrictions	the author leaves it open	**too strong**
B: cartel view stands	not concluded either	**too strong**
C: qualified, challenged, open	follows the whole map	**the answer**
D: no view has support	doubt only about one question	**too broad**
E: benefits explain entry limits	marks did not need limits	**not stated**

IN THE LESSON

- Choice A says the passage defends the guilds and concludes the cartel picture was mistaken.
- But the author leaves the question open.
- Too strong.
- Choice B goes the other way: it says the cartel view stands.
- The author does not conclude that either.
- Choice C follows our whole map: a once standard view qualified, then challenged in turn, leaving a narrower question the evidence may not settle.
- Choice D says neither view has any support.
- That is too broad.
- The doubt about the evidence applies only to the narrower question of justification.
- Choice E says quality guarantees explain the limits on entry, but the passage says quality marks did not require those limits.
- The answer is C.

22 Accurate and quick

- Read once, steadily; do not memorise details
- Map each paragraph; star the author's view
- Say the main idea before the choices
- Check scope, verb and strength
- Found in one sentence? Probably too narrow

IN THE LESSON

- Some habits that keep you accurate and quick.
- First, read the passage once, steadily, and do not stop to memorise details.
- You can always look back for a detail, but you cannot look back for the shape if you never saw it.
- Second, map every paragraph in three or four words, and mark the author's view with a star.
- Third, for a main idea question, say your sentence before you read the choices.
- Fourth, check each choice for three things: scope, does it cover the whole passage; verb, does it match what the passage does; and strength, is it as careful as the author.
- Fifth, an answer you can find in one sentence of one paragraph is almost always too narrow.

23 What the three questions taught

- Questioned, then a better question
- Granted a little, challenged the rest
- Three positions, the question left open
- The map gives the shape; the shape gives the answer

IN THE LESSON

- Look back at the three passages.
- In the first, an old view was questioned and the author ended with a better question for investors.
- The right answer used the verbs question and consider, and the traps were details from one paragraph and a recommendation never made.
- In the second, the author granted a narrow point and then challenged a wider one, so the right answer matched that careful strength, and two traps were too strong.
- In the third, three positions followed each other and the question was left open, so every choice that took a side was wrong.
- In every case, the passage map gave us the shape, and the shape gave us the answer.

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24 Quick check

1. A choice fits paragraph two perfectly but ignores the rest. Purpose?
   Answer: No: too narrow.
2. The author leaves the question open. Is 'argue one view' right?
   Answer: No: too strong; the author takes no side.
3. Where is the author's view often found?
   Answer: After however, but, yet, it would be a mistake.

IN THE LESSON

- A quick check.
- Pause after each question.
- Question one.
- A choice describes the second paragraph perfectly, but says nothing about the first or third.
- Can it be the primary purpose?
- The answer is no.
- It is too narrow.
- The main idea covers the whole passage.
- Question two.
- The author weighs two views and says the evidence may not settle the matter.
- Is argue that one view is right a good verb for the purpose?
- The answer is no.
- The author leaves the question open, so a choice that takes a side is too strong.
- Question three.
- Where in a passage do you often find the author's own view?
- The answer: after words such as however, but, yet, or it would be a mistake.

25 Recap: the main idea method

- Map each paragraph; mark the author's view
- Say the main idea in one sentence
- Scope, verb, strength
- Name the trap in each wrong choice

IN THE LESSON

- Let us recap.
- Read the passage once and map each paragraph in a few words: what it does, not every detail.
- Mark where the author's own view appears, often after however or but.
- Put the main idea in one sentence of your own before reading the choices.
- Then test each choice for scope, verb and strength, and name the trap in every wrong one: too narrow, too strong or too broad, the wrong verb, the opposite view, or not stated.
- The right answer covers the whole passage and is exactly as careful as the author.
- Practise mapping on every passage, whatever the question type.

Summary notes for the Charta whiteboard lesson. Figures are from the lesson's made-up examples.

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