

	امتحانات الشهادة الثانوية العامة الفرع : إجتماع و إقتصاد	وزارة التربية والتعليم العالي المديرية العامة للتربية دائرة الامتحانات
الاسم: الرقم:	مسابقة في مادة الإقتصاد المدة ثلاث ساعات	

Part One: Obligatory set - Using concepts and techniques (7 points)

1- Specify the type of motivation reflected by each of the following examples: (1.5 points)

- 1.1- The manager of a software developing company decides to develop the knowledge of employees and to assign to each of the three most competent ones the supervision of one of the current projects.
1.2- The manager gathers the employees of an insurance company and explains to them the steps needed to implement a task for which they should cooperate.
1.3- The board of directors of an enterprise decides to give every employee an amount of 5000 L.L. as daily meal compensation.

2- Mr. Rami deposited 40000 m.u. in the bank at a simple annual interest rate of 5% for three years. While Mr. Salim deposited 40000 m.u. in the bank at a compound annual interest rate of 5% for three years also.

- 2.1- Calculate the interest earned by each one of them at maturity date. (1 point)
2.2- Indicate the cause of the difference between the two interests earned. (0.5 point)

3- Copy the table below on your answer sheet, then fill the empty squares stating the positive and the negative result of each proposed measure: (2 points)

	Proposed Measure	Positive Result	Negative Result
3.1	Devaluating national currency exchange rate		
3.2	Reducing interest rates on bank deposits.		
3.3	Enterprises lower their prices during depression.		
3.4	Paying compensations to farmers equal to the difference between the support price and the market price		

4- The owner of an enterprise decides to buy a new machine. Two offers are proposed:

First offer: To pay 8000 m.u. cash and then constant annual payment of 7000 m.u. each, for 5 years.

Second Offer: To pay the whole amount in constant annual payment of 10000 m.u. each, for 5 years.

Choose the best offer justifying your answer by the necessary calculation knowing that the annual interest rate is 10%. (2 points)

Part Two: choose one of the following sets

First choice set: Analyzing documents (12 points)

Document no 1:

The fact that unemployment has become the major problem of the Lebanese economy does not need proof anymore; it became quite an obvious fact. Whenever the trend of unemployment rises as a result of recession, it goes along with disguised unemployment and decline of productivity (this is the opposite of what happens during recovery periods when growth usually precedes the decrease of unemployment...). It is commonly agreed by now that unemployment reaches 20% of the work force without considering young people who are emigrating before taking a first job and women who still did not succeed to have a first job in spite of their will to work. (...) Young people who enter the market yearly in Lebanon are currently estimated at 35,000; and the industrial sector alone is able to provide jobs to the largest number. Moreover, the setback of industry in the past years caused the emigration of 80% of them, which made the Lebanese population old and compelled to face the socio-economic consequences of such phenomenon.

Source: *Emerging Lebanon - Towards an Economic & Social Vision - p.124 - Roger Nasnas - 2007*

Document no.2: The variety of Higher Education

Higher education in Lebanon is characterized by the variety of institutions available especially lately since many new universities and institutes have been licensed. In parallel with this variety, one finds a sharp difference in the quality of education provided by the different universities and institutes, and sometimes even by the faculties of one same university. (...) the continuous erratic growth of university branches and buildings; the fact that the move to the unified university building in the suburbs of the capital is continuously blocked; the predominance of literary and law specialties as well as other specialties that do not correspond well to the requirements of the market; the unorganized repetition of the same faculties in most branches; outmoded curricula; ... All these aspects that determine the characteristics of the public higher education graduates - i.e. the characteristics of supply - do not correspond generally to the requirements of the labor market.

Source: *Emerging Lebanon - Towards an Economic & Social Vision -p. 310 - Roger Nasnas - 2007*

Document no.3: Distribution of unemployed according to age and gender

Age group	Women %	Men %	Women and men %
15-19	12.2	19.8	17.6
20-24	33.9	29.5	30.8
25-29	22.9	14.5	16.9
30-34	10.9	9.5	9.9
35-39	6.5	6.4	6.4
40-44	8.1	5.3	6.1
45-49	3.9	3.4	3.5
50-54	0.7	3.7	2.9
55-59	0.5	1.9	1.5
60 and up	0.3	6.1	4.4
Total	100	100	100

Source : UNDP – 59، وزارة الشؤون الاجتماعية، 2004، الأوضاع المعيشية للأسر 2004

Referring to the above documents, answer the following questions:

- 1- Extract from document no.1 an economic problem and a sociological problem. **(1 point)**
- 2- Documents no.1 and 2 reflect two types of unemployment. Deduce them and support your answer with one proof for each type. **(1.5 points)**
- 3- **3.1-** Determine the problem reflected by document no.3 justifying your answer by one proof. **(1 point)**
3.2- Relate this problem to the adequate information mentioned in each of document no.1 and no. 2. **(1 point)**
- 4- Show the negative consequence of disguised unemployment on each of the economic and financial situations of the country. **(2 points)**
- 5- Deduce the developmental problem to which document no.2 refers to. **(1 point)**
- 6- The above documents present several problems. Write a text in which you suggest:
 - an adequate policy to overcome the economic problem which caused unemployment and two measures of this policy
 - an adequate policy to solve the type of unemployment reflected by document no.2 and one measure of this policyThen, show the effect of these two policies on the economic situation. **(4.5 points)**

Second set: Studying an economic subject (12 points)**Document :**

With reference to a study of National Accounting, the following information can be taken into consideration :

- The agricultural sector employs 10% of the total number of workers in the country; their number is estimated around 110000 workers in 2000. Furthermore, the percentage of young farmers is decreasing significantly in this sector.
- Most of the farm owners cultivate lands of less than one hectare, and farm less than 20% of the total of agrarian lands.
- The agricultural sector receives 2% in average of the total loans granted by the banking sectors.
- The agricultural sector suffers from structural problems and in particular of the aging of production means and the lack of infrastructure in the domains of orientation, marketing and complementary services,

Source : المؤتمر البلدي حول تطوير الاقتصاد المحلي ، بيروت ، نيسان 2006، نقلاً عن موقع وزارة الداخلية والبلديات - الجمهورية اللبنانية

Referring to the document and to your acquired information, discuss the problems that the agricultural sector is facing by:

- indicating one economic consequence for each one.
- showing the impact of these consequences on the agricultural sector and on the agricultural trade balance.
- naming the adequate policy to overcome all the problems that the sector is facing and one measure to solve each problem.
- specifying the impact of these measures on the Lebanese society.

Remark: Neat presentation (½ pt), Handwriting (¼ pt), Style (¼ pt)

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الاسم: الرقم:	مسابقة في مادة الإقتصاد المدة ثلاث ساعات	مشروع معيار التصحيح

Part of the Q	Answer	Mark															
1	1.1. Moral incentive 1.2. Moral incentive 1.3. Material incentive 0.5 point for each answer	1.5															
2.1	Rami: $I=C \times n \times i=40000 \times 3 \times 0.05=6000$ u.m. Salim: $I= C((1+i)^n-1)=4000((1+0.05)^3-1)=6305$ u.m.	1															
2.2	. In case of compound interest, the interest is added to the capital at the end of each period so interest is earned on the capital and on the interest.	0.5															
3	<table border="1"> <thead> <tr> <th>Proposed Measure</th> <th>Positive Result</th> <th>Negative Result</th> </tr> </thead> <tbody> <tr> <td>Devaluating national currency</td> <td>- Increase competitiveness of local production on local & international markets or - Increase of exports because of the decrease of the prices of local production (0.25 point) Or increase demand on local products Or decrease deficit in Trade Balance</td> <td>- Increase in the prices of imports (0.25 point)</td> </tr> <tr> <td>Reducing interest rates on bank deposits.</td> <td>- Increase in the demand on consumption or - Increase in Investment (0.25 point)</td> <td>- Increase in liquidity which could lead to inflation or - flight of capital from the country (0.25 point)</td> </tr> <tr> <td>Enterprises lower their prices during depression.</td> <td>- Sales of accumulated quantities of merchandise Or - Increase of the demand on local merchandise (0.25 point)</td> <td>- Decrease of actual profit compared to expected profit (0.25 point) Or closing enterprises</td> </tr> <tr> <td>Paying compensations to farmers equal to the difference between the support price and the market price</td> <td>Increase or support of farmers income (0.25 point) Or encouraging farmers to stay in their land</td> <td>Costly for public finances (0.25 point) Or increase public expenditures</td> </tr> </tbody> </table>	Proposed Measure	Positive Result	Negative Result	Devaluating national currency	- Increase competitiveness of local production on local & international markets or - Increase of exports because of the decrease of the prices of local production (0.25 point) Or increase demand on local products Or decrease deficit in Trade Balance	- Increase in the prices of imports (0.25 point)	Reducing interest rates on bank deposits.	- Increase in the demand on consumption or - Increase in Investment (0.25 point)	- Increase in liquidity which could lead to inflation or - flight of capital from the country (0.25 point)	Enterprises lower their prices during depression.	- Sales of accumulated quantities of merchandise Or - Increase of the demand on local merchandise (0.25 point)	- Decrease of actual profit compared to expected profit (0.25 point) Or closing enterprises	Paying compensations to farmers equal to the difference between the support price and the market price	Increase or support of farmers income (0.25 point) Or encouraging farmers to stay in their land	Costly for public finances (0.25 point) Or increase public expenditures	2
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4	<p>First choice: $V_0 = F \times (1-(1+i)^{-n})/I$ (0.25 point) $= 7000 \times (1-(1+0.1)^{-5})/0.1$ (0.25 point) $= 26535.5$ u.m. (0.25 point)</p> <p>Present value of expenditures for the first choice= $26535.5 + 8000 = 34535.5$ m.u. (0.25 point)</p> <p>Second choice: Present value of expenditures for the second choice = 37907.86 (0.5 point)</p> <p>Since the present value of the expenditures of the first choice is less than the one of the second choice, the first choice is recommended. (0.5 point)</p>	1.5															

Part of the Q	Answer	Mark									
1	Economic problem : decrease in productivity or recession or the setback of the industrial sector(0.5 pt) Social problem : Unemployment (0.5 pt)	1									
2	Cyclical (circumstantial) unemployment (0.5 pt) Proof : « as a result of recession » (0.25 pt) Structural unemployment (0.5 pt) Proof : “All these aspects that determine the characteristics of the public higher education graduates - i.e. the characteristics of supply - do not correspond generally to the requirements of the labor market”. (0.25 pt)	1.5									
3.1	Document no. 3 shows that unemployment is higher for younger age groups(0.5 pt) : the highest level of unemployment, 30% corresponds to the age group of 20-24 years, 33.9% for women and 29.55 % for men. (0.5 pt) Or unemployment for women and men between 15 and 24 is 48.4%	1									
3.2	The highest level of unemployment, 30% corresponds to the age group of 20-24 years, which confirms the information of document no.1 : “Moreover, the setback of industry in the past years caused the emigration of 80% of them, which made the Lebanese population old” and of document no.2 : “All these aspects that determine the characteristics of the public higher education graduates - i.e. the characteristics of supply - do not correspond generally to the requirements of the labor market”.	1									
4	On the economic situation (1 pt) : Disguised unemployment leads to a decrease in productivity (0.5 point), which reduces domestic product and thus, economic growth decreases (0.5 point) On the financial situation (1 pt) : Disguised unemployment means an unnecessary increase of employment in the public sector which increases public expenses. (0.5 point) and thus increase public deficit. (0.5 point)	2									
5	Low or poor human development; or non or little qualified labor force (or human resources)	1									
6	<p>0.5 pt. for each policy (1 pt) – 0.5 pt. for each measure (1.5 pt) – 0.25 pt. for the relation between each measure and the corresponding problem (0.5 pt) – 1 pt for the result – 0.5 pt for the structure of the paragraph.</p> <table border="1" data-bbox="272 1451 1326 1823"> <thead> <tr> <th data-bbox="272 1451 643 1491">Problem</th> <th data-bbox="643 1451 1038 1491">Policy</th> <th data-bbox="1038 1451 1326 1491"></th> </tr> </thead> <tbody> <tr> <td data-bbox="272 1491 643 1641">Recession which caused unemployment</td> <td data-bbox="643 1491 1038 1641">Supply sided reform policy</td> <td data-bbox="1038 1491 1326 1641">One measure to reduce costs and one to improve quality</td> </tr> <tr> <td data-bbox="272 1641 643 1823">Structural unemployment</td> <td data-bbox="643 1641 1038 1823">Active policy of employment</td> <td data-bbox="1038 1641 1326 1823">Train employees and unemployed on new technologies required by the labor market.</td> </tr> </tbody> </table> <p>Consequence: The two policies will lead to the decreasing unemployment and increasing productivity which will increase production and improve economic growth.</p>	Problem	Policy		Recession which caused unemployment	Supply sided reform policy	One measure to reduce costs and one to improve quality	Structural unemployment	Active policy of employment	Train employees and unemployed on new technologies required by the labor market.	4.5
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Structural unemployment	Active policy of employment	Train employees and unemployed on new technologies required by the labor market.									

Part of the Q	Answer	Mark
1	<p>Introduction : Methodology (1 point): Mention an adequate and coherent issue (“problematique”) and announce the plan which will be detailed in the body.</p> <p>Content : 1 point for stating the issue which will be discussed et 1 point for announcing the plan - Mention the importance of the agricultural sector (food self sufficiency) - Mention the problems that the sector is facing</p> <p>Example of « problematique » (issue) : What is the adequate policy for overcoming the problems that the Lebanese agricultural sector is facing?</p>	3
2	<p>Body – Methodology : - Dividing the body in paragraph containing each one main idea supported by arguments. - Connecting between paragraphs with a sentence. - Respecting a logical sequence of ideas.</p>	1
3	<p>Body – Content: The adequate policy to solve all the problems : Improve the infrastructure of the agricultural sector</p>	0.5
4	<p>Body – Content: <u>The first problem</u> : the percentage of young farmers is decreasing significantly → ↓ yield (output) or → ↓ de la productivity (0.5 point)</p> <p><i>Measure</i> : convince old farmers who own lands but are not able to exploit them, to give them to young farmers in exchange for lifetime compensations. And the government also encourages the youth by giving them long term loans at a very low interest. (0.5 point)</p> <p><u>The second problem</u> : The small size of farm lands → increase production costs and decrease competitiveness or decrease productivity (0.5 point)</p> <p><i>Measure</i> : specify the minimum size of land by issuing laws to forbid the division of lands below the minimum size se, or In case some lands were distributed before the issuance of these laws, the government will buy them and then combine them together into large lands which it will sell again or rent it to farmers who want to expand their lands (0.5 point)</p> <p><u>The third problem</u> : Low percentage of loans granted to this sector → ↓ of investment in the sector (0.5 point)</p> <p><i>Measure</i> : Create banks that are specialized in agricultural loans (low interest rates or easy terms). (0.5 point)</p> <p><u>The fourth problem</u> : the aging of production means or the poorness of the infrastructure in the domains of ... → ↓ of yield (output) or → ↓ of productivity (0.5 point)</p> <p><i>Measure</i> : Create research centers (0.5 point)</p>	4
5	<p>Body – Content: Impact of all the consequences : ↓yield (agricultural output) or ↓ of competitiveness and ↓dof investments or ↓ of productivity → ↓ of growth in the agricultural sector (0.5 point) and ↓D on Lebanese agricultural products on local and international markets → ↓des exports and ↑ Imports → Deficit of agricultural trade balance (0.5 point)</p>	1
6	<p>Body – Content: Impact of measures on Lebanese society : Food self sufficiency (0.5 point)</p>	0.5
7	<p>Conclusion : Methodology (0.5 point): Synthesizing the arguments and solutions of the issue discussed. Content (1.5 points): Synthesizing the arguments which were developed in the body.</p>	2