

دورة العام ٢٠١٢ العادية	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- Copy the following table on the answer sheet and complete the empty cells adequately : (1 point)

Types of unemployment	Cause of unemployment	Policy to fight unemployment
Circumstantial (Cyclical) Unemployment		
Structural unemployment		

2- Differentiate between the classical liberal system and the socialist Marxist Leninist system according to:

- 2.1- Property (0.5 point)
2.2- Prices (0.5 point)

3- Copy the following table on the answer sheet and complete the empty cells by the adequate numbers :

(2 points)

Quantity produced	Fixed Cost	Total Cost	Average Cost	Marginal Cost
0			-	-
50	100	200		
100				
		330	3	4

4- In a given country (closed economy):

The consumption function is $C = 0.9R + 200$ (R= revenue) and the Investment function is $I = -30i + 8$ (amounts in billions of m.u.)

- 4.1- If the interest rate is 7%, calculate the volume of investment. (0.25 point)
4.2- If the interest rate decreases to 4%, calculate the volume of investment then compare and analyze. (0.75 point)
4.3- Calculate the value of Income that achieves the equilibrium between Investment and Saving knowing that the annual interest rate $i = 10\%$. (1 point)

5- Determine the leadership style adopted by each director in each of the following situations:

- 5.1- The Director of an enterprise A decided to deduct the equivalent of 2 days from an employee's salary because the latter arrived one hour late to work without justification. (0.5 point)
5.2- The Sales Manager of an enterprise B called the sales representatives of his department to a meeting to discuss the plan of action of the coming quarter. (0.5 point)

Part Two: choose one of the following sets

First choice set: Analyzing documents (12 points)

Document No. 1:

As a result of the adverse politico-economic conditions the economy has actually reported a combined effect of stagnation and inflation. A year of rising inflation was observed in 2006 with the highest rate in a decade, as reported by the Consultation and Research Institute, caused mainly by adverse war effects on supply, thus leading to a situation of (economic) stagflation.

The quantity theory of money underlines the contractionary environment. (...) The drop in velocity, which reflects a clear stagnation in aggregate demand, was realized within the context of a 3,5% decline in cleared checks in 2006 compared to 2005 and a 5.2% increase in average deposits over the same period.

Source: التقرير الاقتصادي لـبنان- بنك عودة- الفصل الرابع ٢٠٠٦ ص ٢

Document no.2 : Economic indicators for Lebanon

	2003	2004	2005	2006
GDP (in billion L.L.)	29604	32586	32499	34319
Real Growth Rate (%)	5.0	6.0	1.0	0
Inflation rate (%)	1.3	3.0	0.3	5.6
Total Public revenues (in billion L.L.)	6654	7515	7405	7316
Total public expenditures (in billion L.L.)	10592	10541	10203	11879

Source : Association of Banks in Lebanon-Reports 2004-2005,2005-2006 & 2006-2007

Document no. 3: Distribution of bank loans among the sectors

Sectors	Loans in 2006 (%)
Trade & services	42.24
Construction & building	15.89
Industry	13.83
Agriculture	1.15
Other sectors	3.65
Personal loans	16.12
Financial intermediation	3.48

Source: Banque du Liban – 2005-2006

Referring to the above documents, answer the following questions:

1. Extract from Document no. 1 two economic problems. **(1 point)**
2. Deduce from Document no. 2 the phases of the economic cycle through which Lebanon went through during the mentioned years. Justify your answer by a proof for each phase. **(1.5 point)**
3. Relate between the increase in the average deposits mentioned in Document 1 and the economic situation between 2005 & 2006 reflected by Document no.2. **(0.5 point)**
4. Referring to Document no. 2:
 - 4.1- Compare between the results of the public balance in 2005 and in 2006. **(1.5 points)**
 - 4.2- Show in a sequence the impact of the increase in inflation in 2006 on economic growth. **(1.5 point)**
5. Based on the data related to the distribution of bank loans on economic sectors mentioned in Document 3:
 - 5.1- Specify the type of growth reflected by this data. Justify your answer. **(1 point)**
 - 5.2- Show the impact of this type of growth on the economic situation reflected by Document 2. **(0.5 point)**
6. Referring to Documents 1 &2 suggest, in the form of a text :
 - An adequate economic policy to solve the economic situation without increasing inflation and two measures of this policy.
 - An adequate policy to solve the financial situation and two measures of this policy.Show the relation between the application of the two measures of each policy and the expected result. **(4.5 points)**

Second set: Studying an economic subject (12 points)

Document no.1: Evolution of the agricultural trade balanced

	Exports (in thousands of dollars)	Imports (In thousands of dollars)	Agricultural Trade Balance (In thousands of dollars)
2001	49 814	361 929	-312 115
2002	57 150	335 953	-278 803
2003	64 529	383 497	-318 968
2004	82 493	440 850	-358 357
2005	76 526	383 753	-307 227

المصدر: مجلة الاقتصاد اللبناني عام ٢٠٠٥ - غرفة التجارة والزراعة والصناعة في بيروت وجبل لبنان - ص ٥٥

Document no.2:

The development of agriculture in the rural areas does not mean the reduction of other sectors in these regions but, on the contrary, it allows the growth of a number of sectors some directly related to agricultural activity and others which complete it. Though the Lebanese economy depends mainly on the service sector, the operations of this sector are based on the production of goods. Therefore, it is not possible to develop transportation, tourism, marketing or finance without the existence of the production and consumption of goods.

(...)The main problem that is faced by the agricultural sector in Lebanon today is the fact that fewer markets welcome Lebanese exports. (...)Despite some progress in the export of some products such as grapes and cherries, demand for our agricultural products is decreasing as a result of a number of factors namely:

- tough competition from neighboring countries and from other exporting countries
- low quality Lebanese exports namely fruits because exports are confined in traditional products, with few if any quality control, whereas world markets require sophisticated agriculture products.

Source: *Emerging Lebanon - Towards an Economic & Social Vision* - p.113 - Roger Nasnas - January 2007

Referring to the two documents and to your acquired information, discuss the situation of the Lebanese agricultural sector showing the impact of this situation on the Lebanese society.

Suggest an adequate policy to solve each one of the two factors mentioned and one measure for each policy relating between the implementation of these two policies and the improvement of this sector's situation. Then, explain the impact of the development of this sector on other sectors.

Remark: Net presentation (1/2 pt), Handwriting (1/4 pt), Style (1/4 pt).

دورة العام ٢٠١٢ العادية	امتحانات الشهادة الثانوية العامة الفرع : إجتماع و إقتصاد	وزارة التربية والتعليم العالي المديرية العامة للتربية دائرة الامتحانات
الاسم: الرقم:	مسابقة في مادة الاقتصاد المدة ثلاث ساعات	مشروع معيار التصحيح

Part of the Q	Answer					Mark
1	Types of unemployment		Cause		Policy	1
	Circumstantial (Cyclical) Unemployment		Depression Or Recession Or economic crisis		Classical policy Or Economic reform supply sided	
	Structural unemployment		Mismatch between the S and D of labor Or Specialties taught in universities are not suitable for the labor market		Active employment policy	
(0.25 point for each cause 0.25 point for each policy)						
2			Liberal		Socialist Marxist Leninist	1
	Property (ownership)		Private		Public (collective)	
	Prices		According to market mechanisms (Law of supply and demand)		Determined by the government	
3	Quantity produced	Fixed Cost	Total Cost	Average Cost	Marginal Cost	2
	0	100	100	-	-	
	50	100	200	4	2	
	100	100	290	2.9	1.8	
	110	100	330	3	4	
	<i>0.25 point</i>	<i>0.25 point</i>	<i>0.5 point</i>	<i>0.5 point</i>	<i>0.5 point</i>	
4.1	i=7%=0.07 so I= -30 x 0.07 + 8= 5.9 billion LL					0.25
4.2	i-4%=0.04 so I=6.8 billion LL (0.25 point) 6.8 > 5.9 so when interest rate decreases, the volume of investment increase (0.25 point); the relation between i and I is inversely proportional. (0.25 point)					0.75
4.3	I=S R=C+S (0.25 pt) I=-30 (0.1) +8=5 (0.25 pt) R=0.9R+200-5 (0.25 pt) R-0.9R=205 R=2050 (0.25 pt)					1
5.1	Autocratic					0.5
5.2	Democratic					0.5

Part of the Q	Answer	Mark																
1	Inflation, recession, stagnation in aggregate demand, stagflation. <i>2 are required</i>	1																
2	Lebanon went through two phases : Phase 1 : 2003-2004 : Economic growth or expansion(0.5 point) Proof : Growth rate increases from 5% to 6% (0.25 point) Phase 2 : 2004-2006 : Economic Recession (0.5 point) Proof : Growth rate decreases from 6% to 5% à 0% (0.25 point)	1.5																
3	↑average deposits →↓ Investment (0.25 point)→↓ production →↓ growth (0.25 point)	0.5																
4.1	Result of public balance : Revenues – Expenses In 2005 : 7405-10203= -2798 billion LL (0.5 point) In 2006 : 7316 – 11879=-4563 billion LL (0.5 point) Public deficit increases in 2006 with respect to 2005 (0.5 point)	1.5																
4.2	↑ Inflation → ↑ prices of factors of production → ↑production costs →↓ competitiveness →↓ Demand →↓ Investment →↓ production →↓ growth Or ↑ Inflation →↓purchasing power →↓ Demand →↓ Investment →↓ production →↓ growth <i>0.25 point for each step</i>	1.5																
5.1	Unbalanced growth among sectors (0.5 point) Investment is concentrated in the sectors of Trade and services since these sectors attract 42.24 % of the total of credits(0.25 point) whereas investments are poor in the agricultural and industrial sectors which attract 13.83% and 1.15% of the credits respectively(0.25 point)	1																
5.2	Unbalanced growth among sectors →↓ Investment in Industry and Agriculture→↓ production →↓ growth	0.5																
6	<table border="1"> <thead> <tr> <th>Problems</th> <th>Policy</th> <th>Measures</th> <th>Relation</th> </tr> </thead> <tbody> <tr> <td>Economic situation : Recession and inflation</td> <td>Economic reform-supply sided</td> <td>2 measures are required : - fighting inflation through the stabilization of the prices of factors of production - Development of a competitive market which will push enterprises to innovate and modernize their equipment - Any other measure from the economic reform policy supply sided</td> <td>Implementing measures →↑ competitiveness →↑ demand →↑ investments →↑ production and growth</td> </tr> <tr> <td>Financial Situation: Deficit of public balance</td> <td>Privatization</td> <td>2 measures are required : - Privatization through BOO and BOT - Rationalization of public expenses as well as increase of public revenues through increasing the taxes which do not affect the costs of production</td> <td>Implementing measures →↑ des revenue and decrease of expenses → improving public balance</td> </tr> <tr> <td></td> <td>05 point for each policy Total=1 point</td> <td>0.5 point for each measure Total : 2 points</td> <td>0.75 for each relation Total : 1.5 point</td> </tr> </tbody> </table>	Problems	Policy	Measures	Relation	Economic situation : Recession and inflation	Economic reform-supply sided	2 measures are required : - fighting inflation through the stabilization of the prices of factors of production - Development of a competitive market which will push enterprises to innovate and modernize their equipment - Any other measure from the economic reform policy supply sided	Implementing measures →↑ competitiveness →↑ demand →↑ investments →↑ production and growth	Financial Situation: Deficit of public balance	Privatization	2 measures are required : - Privatization through BOO and BOT - Rationalization of public expenses as well as increase of public revenues through increasing the taxes which do not affect the costs of production	Implementing measures →↑ des revenue and decrease of expenses → improving public balance		05 point for each policy Total=1 point	0.5 point for each measure Total : 2 points	0.75 for each relation Total : 1.5 point	4.5
Problems	Policy	Measures	Relation															
Economic situation : Recession and inflation	Economic reform-supply sided	2 measures are required : - fighting inflation through the stabilization of the prices of factors of production - Development of a competitive market which will push enterprises to innovate and modernize their equipment - Any other measure from the economic reform policy supply sided	Implementing measures →↑ competitiveness →↑ demand →↑ investments →↑ production and growth															
Financial Situation: Deficit of public balance	Privatization	2 measures are required : - Privatization through BOO and BOT - Rationalization of public expenses as well as increase of public revenues through increasing the taxes which do not affect the costs of production	Implementing measures →↑ des revenue and decrease of expenses → improving public balance															
	05 point for each policy Total=1 point	0.5 point for each measure Total : 2 points	0.75 for each relation Total : 1.5 point															
Part of the Q	Answer	Mark																
1	Introduction : <u>Methodology</u> (1 point)::	3																

	Mention an adequate and coherent issue (“problematique”) and announce the plan which will be detailed in the body. <u>Content</u> : 1 point for stating the issue which will be discussed et 1 point for announcing the plan Importance of agricultural sector										
2.1	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.	2									
2.2	Body – Content: Situation : fewer markets welcome Lebanese exports (0.25 point)& deficit of the agrarian trade balance (0.25 point) Factors : - tough competition from neighboring countries and from other exporting countries - low quality Lebanese exports Impact on the Lebanese society : No self sufficiency (in food) (0.5 point)	1									
2.3	For each factor or problem, the learner should mention one policy and one measure (0.5 point for the policy, 0.25 point for the measure and 0.25 point for relating between the factor, the policy and the measure) <table border="1" data-bbox="204 741 1337 1048"> <thead> <tr> <th>Problem /factor</th> <th>Policy</th> <th>Measure</th> </tr> </thead> <tbody> <tr> <td>tough competition from neighboring countries and from other exporting countries</td> <td>Protecting local agricultural production against foreign competition</td> <td>- Variable customs on imported products for a limited period of time - Quotas - Norms of quality</td> </tr> <tr> <td>low quality Lebanese exports</td> <td>Improving the agrarian infrastructure through the development of research</td> <td>- Increasing public spending on agronomic research</td> </tr> </tbody> </table>	Problem /factor	Policy	Measure	tough competition from neighboring countries and from other exporting countries	Protecting local agricultural production against foreign competition	- Variable customs on imported products for a limited period of time - Quotas - Norms of quality	low quality Lebanese exports	Improving the agrarian infrastructure through the development of research	- Increasing public spending on agronomic research	2
Problem /factor	Policy	Measure									
tough competition from neighboring countries and from other exporting countries	Protecting local agricultural production against foreign competition	- Variable customs on imported products for a limited period of time - Quotas - Norms of quality									
low quality Lebanese exports	Improving the agrarian infrastructure through the development of research	- Increasing public spending on agronomic research									
2.4	Relating between the implementation of the policies and the improvement of the trade balance: Implementing the policies → ↑competitiveness → ↑ demand on agricultural local products →↓ imports and ↑Exports → Reduce deficit of Trade Balance.	1									
2.5	Explaining the impact of the development of the agricultural sector on other related sectors (transport, marketing, food industry etc...)	1									
3	Conclusion : <u>Methodology</u> (0.5 point): Synthesizing the arguments and solutions of the issue discussed. <u>Content</u> (1.5 points): Synthesizing the arguments which were developed in the body.	2									