

الاسم:  
الرقم:

مسابقة في مادة الاقتصاد  
المدة: ثلاث ساعات

**First Obligatory Set: Using Economic Concepts and Techniques (8 points)**

1. Copy the following table on your answer sheet; then, complete it with the appropriate answers. (1.5 points)

Reasons leading to inflation	Appropriate policy to fight inflation	One measure within this policy
Monopoly		
		Imposing a ceiling on the rate of increase in salaries and wages in a way that this rate doesn't exceed the rate of increase in productivity
A big increase in government spending		

2. Justify each of the following statements: (1 point)

- 2.1- The intervention of politicians in the recruitment process that is ineffective and excessive in public institutions contributes to the occurrence of budget deficit.  
2.2- Commercial banks rarely accept providing the agricultural sector with soft loans.

3. The administrative board of a certain company decided to fire 191 employees under the pretext of "taking drastic administrative rescue measures". It considered the contracts of undisciplined or unproductive employees to be definitely terminated.

- 3.1- Deduce the nature of this decision. Justify your answer with a proof from the above given. (1 point)  
3.2- Mention a direct positive economic consequence of this decision at the company's level. (0.5 point)

4. The following table shows disposable income levels and the corresponding consumption levels for one of the households:

Disposable Income (LBP)	Consumption (LBP)	Average Propensity to Consume (APC)	Marginal Propensity to Consume (MPC)
0	800,000	—	—
1,000,000	1,400,000		
2,000,000	2,000,000		
3,000,000	2,600,000		
4,000,000	3,200,000		

- 4.1- Copy the above table on your answer sheet; then, complete it with the appropriate answers. (1.5 points)  
4.2- Deduce the consumption function. (0.5 point)

5. A company decided to invest in a project to produce air-conditions. After conducting a feasibility study for this project, the following was revealed:

Quantity of production = 15,000 air-conditions

Per-unit selling price = 350 mu

Average variable cost = 40% of the per-unit selling price

Total fixed cost = 840,000 mu

- 5.1- Calculate the value of profit if the company sells 15,000 air-conditions. (1 point)  
5.2- Calculate the break-even quantity. (0.5 point)  
5.3- Specify the situation of the company in case it sells 3,000 air-conditions. (0.5 point)

**Choose one of the following sets:**

**First Optional Set: Analyzing Economic documents (12 points)**

**Document (1) :**

The minister of industry declared that the State's main concern should be to expand the industry in order to increase its economic contribution. He presented four obstacles facing the economy that require revision, planning and setting visions, studies and strategies for the economy to recover from the resulting crises; these obstacles are:

First: last year, the balance of trade deficit reached 17 billion dollars; that is almost one third of the value of the Gross Domestic Product (GDP) that amounted to 50 billion dollars.

Second: We produce our needs for electric power with a highly elevated production cost.

Third: The budget of the industrial sector amounts to 6 billion Lebanese Pound only.

Fourth: The unemployment rate is between 30% and 35%.

He indicated that these obstacles negatively affect the economic growth due to the absence of developmental policies, the refusal of influential decision makers to support the productive sectors and due to the bilateral trade agreements that are unfair to Lebanon whether the partnership agreement with the European Union or the Arab agreement. Lebanon is committed to both agreements by opening its markets to foreign products without control or supervision at the time when the other countries impose technical obstacles preventing the flow of the Lebanese products into their markets. As a result of this situation, how can job opportunities be provided at a time when trade cannot be considered free in any country in the world. He concluded: "as all countries resort to support and protectionism; why don't we as well use these measures to protect our productive sectors?"

المصدر: لبياتون فايل ٢٠١٥\١١\٢٤

### **Document (2) :**

One of the economic experts indicates that currently unemployment occupies the first place in the list of problems from which the Lebanese society suffers and it worsens with time as the economic crisis aggravates within the context of unstable situations and the disintegration of institutions, companies and factories which result in releasing workers and employees from their jobs (...)

This high unemployment rate, especially among the young and the highly experienced who are fired after decades of work at the age of 50 to be replaced by cheap foreign labor, leaves its negative effect on the already deteriorating economic situation. The social disturbances caused by unemployment affect the economic growth, the labor market and the Gross Domestic Product (GDP) in addition to the collapse in the number of work contracts and the dismissal of many from their jobs without the availability of strong government protection for them. With the drop in productivity that is accompanied with the discharge of workers and the appearance of many social problems, especially unemployment, the Gross Domestic Product (GDP) decreases.

المصدر: الديار في ٢٠١٥\٨\٣١

### **Referring to the documents above, answer the following questions:**

1. Referring to document no.1:
  - 1.1- Extract the four obstacles; then, classify them according to the indicators of development. **(1.5 points)**
  - 1.2- Show the effect of each of the 2<sup>nd</sup> and 3<sup>rd</sup> obstacles on the situation of the industrial sector. **(1.5 points)**
2. Referring to the second paragraph of document no.1:
  - 2.1- Extract a reason that resulted in the occurrence of the 1<sup>st</sup> obstacle. **(0.25 point)**
  - 2.2- Name the choice that the State should adopt to overcome this obstacle while suggesting one appropriate measure within this choice. **(1 point)**
3. It is mentioned in document no.2: "the disintegration of institutions, companies and factories which results in releasing workers and employees from their jobs (...)"
  - 3.1- Deduce the type of unemployment. **(0.5 point)**
  - 3.2- Name the policy that the State should have adopted to avoid the occurrence of this type of unemployment; then, mention its negative effect. **(0.75 point)**
4. Explain the relation between the unemployment rate mentioned in document no.1 and the Gross Domestic Product (GDP) as per the given of document no.2 **(1 point)**
5. It is mentioned in document no.1: "support productive sectors ..."
  - 5.1- Suggest one fiscal (financial) measure and one monetary measure to support these sectors. **(0.5 point)**
  - 5.2- Explain how these two measures may solve the social problem mentioned in document no.2. **(1 point)**
6. The above two documents refer to two economic problems (one is related to the external trade situation and the other is related to the economic situation) and one social problem. Write a text in which you suggest an appropriate economic policy to solve all the problems combined mentioning three measures within this policy while linking between the application of these measures and the solution of each of these problems. **(4 points)**

### **Second Optional Set: Writing an Economic essay (12 points)**

A certain country followed a free economic system that succeeded in achieving economic growth for a period of time. However, this system failed due to the occurrence of all types of speculations, monopolies and social inequality and other reasons.

Knowing that the futuristic challenges seek to build a foundation for human development depending on the government's provision of medical and educational services to its citizens; a fact that aims at supporting the economic stability at all levels. Based on the given above and your acquired information, write an essay in which you:

- Deduce the economic system followed and three of its principles that resulted in the problems mentioned.
- Suggest an appropriate economic system to solve these problems while mentioning one measure to solve each problem.
- Show the positive effect of applying this system on the futuristic challenges.

