

مسابقة في مادة الاقتصاد

(إنكليزي)

المدة: ثلاث ساعات

الاسم:

الرقم:

First Obligatory Set: Using Economic Concepts and Techniques (8 pts.)

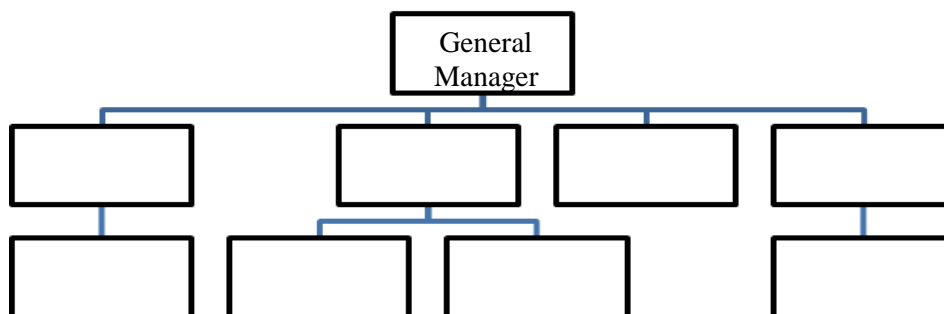
1. The Central Bank decided to adopt the following two measures:
 - Selling treasury bills in the market
 - Imposing a ceiling on bank loans issued for consumption
- 1.1. **Specify** the economic problem that drives the Central Bank to adopt these two measures. (0.5 pt.)
- 1.2. a. **Specify** the direct consequence of the two measures on the volume of liquidity. (0.25 pt.)
b. **Show** the relation between the change in the volume of liquidity and the targeted economic objective. (0.75 pt.)

2. After the merge of the " Lebanese Enterprise for General Trade "with "Al-Nour Enterprise for Substitute Energy", the administration decided to restructure its organization chart as follows:

Commercial Manager- Personnel Manager- Sales and Marketing Department- Accounting Department-Training Department- Production Manager-Financial Manager-Purchasing department

- 2.1. **Specify** the appropriate type of organization chart for this enterprise. (0.5 pt.)
- 2.2. **Copy** this organization chart on your answer sheet. (0.5 pt.)

Fill the empty boxes with the appropriate terms (from the list above)



- 2.3. a- **Deduce** the type of the decision that the enterprise took; (0.25 pt.)
b- **Specify** the economic consequence, for the enterprise, that might result from the merging operation. (0.25 pt.)

3. An individual decided to deposit an amount of **20 million m.u** in a bank in order to obtain a total amount of **28 million m.u** on maturity date.

Knowing that he deposited the initial capital at a simple interest rate of 12% : **(1.5 pt)**

- **Calculate** the number of months needed to obtain this amount using to the following formula:

$$I = C_0 \times I \times n / 12$$

4. An investor in the field of interior design has an offer from abroad to buy a new machine. The details of the offer are:

- Purchasing cost of the machine in the country of origin: **45 000 m.u.**
- Transportation and insurance cost: **3 000 m.u.**
- Installation cost: **2 000 m.u.**

The investor should pay directly half of the amount of the offer and the rest in two equal installments (payments), one per year. He expects to achieve equal annual revenues of **15 000 m.u.** during the period of 5 years.

Knowing that the annual interest rate is 7% throughout the investment period:

- **Show that** the cost of investment is equal to 50 000 m.u.
- **Show that** the present value of the annual income is 61 502.96 m.u.
- **Show that** the present value of the annual cost is 47 600.22 m.u.
- **Show that** the present value of the project is 13 902.74 m.u.

Do you advise the investor to adopt this offer? **(2pts)**

5. **Justify** each of the following statements:

5.1. Decreasing the value of the domestic currency (exchange rate) contributes in the increase of the economic growth rate. **(1pt)**

5.2. Applying the privatization policy leads to a decrease in public deficit. **(0.5 pt)**
(public budget deficit)

Choose one of the following sets:

First Optional Set: Analyzing Economic Documents (12 pts)

Document (1):

The Eastern Center for Strategic Decisions" published the minutes of the first debate, of February 19th, 2015, about the problem of unemployment in Lebanon, in the presence of economic and social experts. (...) (According to the World Bank) the facts and figures reflected the following situation:

- a- The migration of Syrian refugees constitutes an additional pressure on the Lebanese's labor market and it is expected that the active population increases specially the categories of women and the youth with a proportion of 35%.
- b- The rate of the Lebanese population that emigrated to search for better job opportunities is estimated to be 15% in the year 2010.
- c- The newly established enterprises act as the main engine for creating new jobs; however the proportion of their entry to the market is not enough in order to create job opportunities in a fast pace, due mainly to the poor business environment and the lack of political stability and the corruption.

المصدر: جلسة نقاش نظمها مركز الشرق للشؤون الاستراتيجية حول مشكلة البطالة في لبنان - الجمعة ٢٧ شباط ٢٠١٥ - بتصرف.

Referring to document no 1, answer the following questions:

1. 1.1. a. **Deduce** the type of unemployment reflected by document no (1). (0.25 pt.)
b. **Justify** your answer by a proof from the document. (0.25 pt.)
- 1.2. a. **Extract** from document no (1) one of the unemployment (0.25 pt.)
consequences (costs).
b. **Specify** the type of this consequence. (0.25 pt.)

Document (2):

Years	2009	2010	2011	2012	2013
Economic growth rate (%)	10.3	8	2	2.5	1.5
Inflation rate (%)	3.2	4	5.1	6.4	8.8
Exports (million \$)	3484	4252	4265	4483	3935
Imports (million \$)	16241	17963	20158	21279	21228

المصدر: مركز الدراسات الاقتصادية في غرفة التجارة والصناعة والزراعة في بيروت وجبل لبنان

2. Referring to document no (2):
- 2.1. – **Specify** the stages of the economic cycle through which Lebanon passed through from year 2009 to year 2013. **(1.5 pt)**
- **Justify** your answer with a proof from document no 2.
- 2.2. **Explain** the relation between the change in the inflation rate and the economic growth rate between year 2012 and year 2013. **(1pt)**
3. Referring to the data given in document no. (2),
- 3.1. **Calculate** the result of the trade balance: **(1pt)**
- In 2012
 - In 2013
- 3.2. **Compare** between the two results (increase / decrease).

Document (3): A study about the Lebanese industrial sector in Lebanon:

A Study showed that the industrial sector lacks variety in its activities where 86% of the industrial enterprises are centralized in ten main branches.

The study also showed that most of the industries are small scale enterprises since around 78% of these enterprises employ between 5 and 19 workers while the enterprises that employ more than 100 workers constitute 3% only from total number of enterprises.

The yearly gross domestic product per worker was estimated to be around 8,208.7 U.S. dollars. Knowing that the food and beverages industry is considered as the highest contributor in the industrial production (25.7%). In addition, the Central Bank indicates that the share of the industry from loans reached 11.29% from the total loans granted in 2013; whereas 34.47% were granted to the services sector and 1.03% to the agricultural sector.

المصدر: بوابة لبنان للتنمية والمعرفة- موقع انترنت

4. 4.1. a. **Describe** the situation of the industrial sector in Lebanon reflected by (0.5pt) document no. (3), according to the **industrial strategy**.
- b. **Specify the reason** that leads the government to adopt this strategy (0.5pt)
- 4.2. **Describe** the situation of the industrial sector in Lebanon reflected by (0.5 pt) document no. (3), according to the **structure of the sector**.
- 4.3. **Show the impact of the industrial sector structure on foreign trade** as (1pt) reflected by document no. (2)
5. It is mentioned in document no. (3) "the share of the industry from loans reached 11.29% from the total loans granted in 2013; whereas 34.47% were granted to the services sector and 1.03% to the agricultural sector."
 - 5.1. **Deduce** the type of economic growth. (0.5 pt.)
 - 5.2. **Show the impact of this type of growth on the type of unemployment** (0.5 pt.) reflected by document no. (1)

6. The documents above reflect economic problems and a social problem;

write a text in which you suggest:

- **Two appropriate measures** to improve the structure of the industrial sector.
- **An appropriate policy** to overcome the problems reflected in documents (1) and (2).
- Mentioning **two measures** within this policy. **(4pts)**
- **showing** the impact of the implementation of these two measures on:
 - **the economic situation**
 - **social situation**
 - **The situation of foreign trade.**

Second Optional Set: Writing an Economic Essay (12 pts.)

The development and prosperity of countries do not rely only on the extent of their ownership of technology but rather on their capability of producing it. Several developing countries face nowadays many problems among which:

- Poor utilization of human resources.
- Relying on foreign human capital and imported technology.
- Decrease of expenses on scientific research.
- Neglecting environmental problems and waste of natural resources.

Referring to the above information and to your acquired knowledge, **write an essay** in which you discuss the above-mentioned problems through:

- **suggesting** one appropriate measure to overcome each problem and a consequence of applying each measure
- **showing** the contribution of technological development in the improvement of economic growth
- **mentioning** the impact of applying all the measures on the developmental targeted objective.
- Use the following outline
 - **Introduction**
 - Importance of the subject
 - Problematic in the form of a question
 - **Body**
 - **Elaborate** each of the three requirements in a paragraph.
 - **Relate** between the paragraphs with connecting sentences following a logical sequence.
 - **Conclusion**
 - **Summary**
 - **Answering the problematic**