دورة الـعام ٢٠١٩ العاديّة	امتحانات الشهادة الثانوية العامة	وزارة التربية والتعليم العالي
السبت ٢٢ حزيران ٢٠١٩	الفرع: الاجتماع والاقتصاد	المديريّة العامّة للتربية
		دائرة الامتحانات الرسميّة

| الاسم: | مسابقة في مادة الاقتصاد |
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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. Explain the relation between these two measures and the economic objective from applying them. **(1pt.)**

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. Draw this organization chart. **(0.5 pt.)**

   2.3. Deduce the type of the decision that the enterprise took; then, specify the economic consequence, for the enterprise, that might result from the merging operation. **(0.5 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%, Calculate the number of months needed to obtain this amount. **(1.5 pts.)**

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: 45000 m.u.
   - Transportation and insurance cost: 3000 m.u.
   - Installation cost: 2000 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 15000 m.u. during the period of 5 years.

   Knowing that the annual interest rate is 7% throughout the investment period; do you advise the investor to adopt this offer? **(2pts.)**

5. Justify each of the following statements:

   5.1. Decreasing the value of the local 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 budget deficit **(0.5 pt.)**

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 sectors which contributed the most in creating job opportunities were: Trade 60%, Service Sectors 30%, Construction 10%.

b- 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%.

c- The rate of the Lebanese population that emigrated to search for better job opportunities is estimated to be 15% in the year 2010.

d- 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 ـ الجمعة ٢٧ شباط ٢٠١٥ ـبتصرّف-

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.

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

A Study showed that the number of enterprises in the industrial sector that employ more than four workers, reached 4,033 enterprises, among which 2,010 are located in Mount Lebanon which represents 49.8%. Also, the 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 service sector and 1.03% to the agricultural sector.

المصدر: بوابة لبنان للتنمية والمعرفة- موقع انترنت.

Referring to the above documents, answer the following questions:

1. **1.1.** Deduce the type of unemployment reflected by document no (1). Justify your answer by a proof from the document. **(0.5 pt.)**

   1.2. Extract from document no (1) one of the unemployment consequences, and specify its type. **(0.5 pt.)**

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. Justify your answer with a proof from the document. **(1.5 pts.)**

   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), compare between the result of the trade balance in year 2012 and its result in year 2013. **(1pt.)**

4. **4.1.** Describe the situation of the industrial sector in Lebanon reflected by document no. (3), according to the industrial strategy and to the structure of the sector. **(1pt.)**

   4.2. Specify the reason that leads the government to adopt this strategy. **(0.5 pt.)**

   4.3. Show the impact of the industrial sector structure on foreign trade as reflected by document no. (2) **(1pt.)**

5. It is mentioned in document no. (3) ''The share of the industry from loans … 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 social problem reflected by document no. (1) **(0.5 pt.)**

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, and showing the impact of the implementation of these two measures on the economic and social situations, as well as on the level of foreign trade. **(4 pts.)**

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.

| أسس التصحيح | مسابقة في مادة الاقتصاد
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Economics Answer Key

	Obligatory Part: Using Economic Concepts and Techniques (8 pts.)	
1-1.1	Economic problem : inflation	**(½ pt)**
1.2.	The two measures=> $\downarrow$liquidity(1/4) => $\downarrow$ purchasing power (¼)=> D<S (¼)=> $\downarrow$ price (¼)=> $\downarrow$ inflation.	**(1pt.)**
2.- 2.1. 2.2.	Organization chart by function / occupation 	(1/4) 1/2 pt) ¼ pt / mistak (e
2.3.	type of decision: strategic (0.25 pt.) Economic result: $\downarrow$ cost of production or $\uparrow$ competitiveness. (0.25pt.)	¼ ¼
3.	C_o= 20,000,000 m.u C_n= 28,000,000 m.u i= 12% I= $C_n - C_o$ = 28,000,000 – 20,000,000 = 8,000,000 m.u. (½) I= ($C_o \times i \times$ n) / 12 (1/4) => 8000 000 = (20 000 000×0.12×n)/12 (1/4) => n = 8,000,000×12 /20,000,000×0.12 = 96,000,000 / 2,400,000= 40 months (½)	(1 ½ pts)
4.	Investment = 45 000+ 3000+ 2000= 50 000 m.u. (1/4) Down payment =50 000/2 = 25 000 (¼) Annual payment=25000/2 = 12 500 (¼) The present value of the expenses PV_oE= f ×1-(1+i)$^{-n}$/I + the down payment= 12 500×1- (1+0,07)$^{-2}$/0,07 + 25,000= 47,600.22 m.u. (1/4) The present value of the revenues PV_oR= 15 000× 1-(1+0,07)$^{-5}$ / 0,07= 61,502.96 m.u.(1/4) PV of CF = VoR- VoE = 61,502.96- 47,600.22= 13902,74 m.u. > 0 => the projet is feasible. Advice the investor to invest in this offer. (½ pt)	**(2 pts)**
5-5.1.	Decreasing the value of the domestic currency => $\uparrow$ prices of imported foreign products with respect to local products(¼) => $\downarrow$ competitiveness of imported product$\uparrow$ competitiveness of local product (¼)=>$\uparrow$D on local production D (¼) => $\uparrow$Investment (¼)=> $\uparrow$production => $\uparrow$economic growth.	**(1 ½)**
5.2.	Privatization=> $\uparrow$revenues and $\downarrow$ expenditures (1/2)=> $\downarrow$ public budget deficit.	

Second option: Analyzing Economic Documents : (12 pts)

1-	1.1- Circumstantial or cyclical unemployment (¼) proof: The migration of Syrian refugees constitutes an additional pressure on the Lebanese's labor market or poor business environment or the lack of political stability and the corruption.(¼)	1 / 2
	1.2. the rate of the lebanese population/ emigration (¼) type : demographic (¼)	½ -
2-1. 2.2.	(2009- 2011): economic recession phase(¼) (decrease in economic growth rate)10.3 % to 2% (¼) (2011-2012) economic recovery phase or back to growth (¼) (increase in economic growth rate) : 2 % to 2.5 % (¼) (2012-2013) economic recession phase(¼) (decrease in economic growth rate)2.5 %to 1.5 % (¼) Increase in inflation rate => ↑ cost of production => ↑prices(¼)=> ↓ competitiveness or ↓purchasing power (¼)=> ↓ demand on consumption (1/4)=> ↓Investment (¼)=> ↓ production => decrease in economic growth.	1 ½ 1
3.	Trade balance= exports – imports Year 2012: = 4483- 21279= - 16796 million $(¼) Year 2013 : = 3935- 21228= - 17293 million $ (1/4) Increase the deficit in trade balance or increase trade balance deficit from year 2012 to year 2013. (½)	1
4.1. 4.2. 4.3	. industrial stategy: emphasizing on light industrial output **or** emphasizing the manufacturing of light industries (1/2) - **The structure of the industrial sector**: small scale industial enterprises. (½) **Reason**: - Local demand of these products is available. - They don't require large capital. (½) small scale industial enterprises =>increase cost of production or decrease productivity(0.25) =>decrease competitiveness of local production in the international market(0.25) =>decrease demand on local product on international market (0.25) =>increase imports with respect to exports(0.25 pt) =>deficit in the trade balance	½ ½ 1
5.1. 5.2.	- Type of economic growth : unbalance economic growth (0.5 pt) - unbalance economic growth =>decrease investment in productive sectors (0.25 point) => decrease in job opportunities in productive sectors (0.25) => unemployment .	½ ½
6.	Two appropriate measures to improve the structure of the industrial sector: (0.25 point per measure , two measures are required) - The state encourages small enterprises to merge. - The government imposes a ceiling on the size of the firm or a minimum on its initial capital. - Government contributes in financing the capital of these enterprises or firms. - Offering tax reductions and exemption. - Financial incentives: soft loans at a low interest rate for a long term.	½

Problem	Policy	Measure	Sequence/ relation
• Circumstantial or cyclical unemployment – • Decrease in economic growth • Trade balance deficit.	Economic recovery policy through enhancing the competitiveness of production or the supply side policy. (0.5 pt.)	- **first measure**: ensuring a competitive environment by obliging economic enterprises to renew their machines **- second measure**: Any measure that decrease the cost of production. (0.5 point per measure)	-=>decrease cost of production=> increase in productivity => increase competitiveness (0.25 pt) => increase demand on consumption (0.25) =>increase investment(0.25) =>increase production (0.25) =>increase economic growth . -decrease cost of production=> increase in productivity => increase competitiveness => increase demand on consumption => increase investment => increase job opportunities (0.25)=> decrease circumstantial or cyclical unemployment - decrease cost of production=> increase in productivity => increase competitiveness of local production (0.25pt.)=> Increase demand on local products and decrease demand on foreign products (0.25pt.)=> increase in exports with respect to imports (0.25 pt.) -=>decrease deficit in trade balance.

2nd choice set: Economic essay

Introduction (3 points)

Methodology (1 pt):

Mentioning an adequate and coherent issue (problematic) and announcing the main points which will be discussed in the body.

Content (2 pts.):

1 pt for stating the issue which will be discussed and 1 pt for announcing the plan.

- Specifying the importance for a country to become a producer of technology through the development of research and the improvement of human capital capabilities, all of which leads to sustainable human development.

Ex. Of problematic: To which extent does the development of research and the improvement of human capital/labor force capabilities along with the production of technology lead to sustainable human development?

Body: (7 points: 1 point Methodology, 6 points on content)

Methodology (1pt.):

- Presenting each main idea at the beginning of a paragraph and supporting it with valid arguments, evidences and statements.
- Connecting paragraphs with transition sentences in a coherent and sequential manner proposed in the introduction

Content (6 pts.):

First problem: Poor utilization of human resources.

Adequate measure: Training /improving capabilities of labor force through training and education (0.5 pt.)

Consequence: Improving productivity/ improving productivity of labor (0.5 pt.)

Second problem: Relying on foreign human capital and imported technology.

Adequate measure: Organizing the entry of foreign labor in the country through policies and laws (0.5 pt.)

Consequence: Creating job opportunities/improving the economic efficiency / improving the country's level of development. (0.5 pt.)

Third problem: Decrease of expenses on scientific research.

Adequate measure: Government contribution in financing scientific and technological research / Increasing government expenses on scientific research/ creating scientific and technological research centers (0.5 pt.)

Consequence: Improving the quality of production or improving technology (0.5 pt.)

Fourth problem: Neglecting environmental problems and waste of natural resources. (0.5 pt.)

Adequate measure: Encouraging industries which do not pollute the environment/ Encourage the use of natural resources/ finding substitute sources of resources to avoid using polluting material (0.5 pt.)

Consequence: Improving human development indicators (0.5 pt.)

Relation:

Development of technology →↑innovation and technological advancement →↑productivity →↑competitiveness →↑Demand on consumption →↑investment →↑production →↑economic growth (1 pt.)

All of these measures → improve standards of living and preserve the environment by relying on industries and technologies that do not pollute and proper utilization of all resources (human, natural, material) → achievement of sustainable human development (1 point)

Conclusion (2pts.)

Methodology (0.5 pt.):

Answering the problematic and synthesizing ideas

Content (1.5 pt.):

Summarize all the ideas that were put forth in the introduction and body and answering the problematic.