	مسابقة في مادة الاقتصاد	الاسم:
	المدة: ساعتان ونصف	الرقم:

قراءة عامّة للأسئلة كافة (١٥ دقيقة من ضمن وقت المسابقة)
١- تتضمّن المجموعة الأولى قسمين اختياريين: عليك اختيار إمّا القسم الأوّل بالكامل أو القسم الثاني بالكامل من المجموعة نفسها.
٢- عليك اختيار مجموعة واحدة من ضمن المجموعتين الاختياريتين (تحليل مستندات اقتصاديّة أو معالجة موضوع اقتصادي).

Obligatory Set: Using concepts and techniques (8 points)
Choose one of the two following options
First Option:

1. Copy the following table on your answer sheet, then complete it with the appropriate answers: **(1pt)**

Principle according to the classical liberal system	Negative consequence	Appropriate measure to solve the negative result according to the neo liberal system
Individual initiative		
		Fixing prices of essential goods

2. A certain country suffers from lack of qualified workers and employees and their inability to cope with technological development which affects their performance.
   2.1. Deduce the developmental problem. **(0.25pt)**
   2.2. Specify a policy and a measure to solve this problem. **(0.5pt)**
   2.3. Show the effect of this measure on enhancing the economic situation. **(0.75pt)**

3. Justify each of the following two statements:
   3.1. Increase social benefits contributes to increase economic growth. **(0.5pt)**
   3.2. Increasing the interest rate on loans issued for consumption contributes to decrease monetary inflation. **(1pt)**

4. Mr. Jihad deposited an amount of 900,000 m.u in the bank at a simple annual interest rate during the period extending from April 11 to August 9 of the same year. At maturity, he received an interest amount of 15,000 m.u.
   4.1. Calculate the annual simple interest rate (i). **(0.75pt)**
   4.2. Calculate the interest amount in case Mr Jihad decides to deposit the same amount of capital in the bank with annual compound interest rate equal to the previously calculated interest rate and for the same period of time. **(0.75pt)**
   4.3. Specify the cause of the difference between the two amount of interest. **(0.5pt)**

5. The total cost of an economic enterprise is represented by the following equation:
   $$TC = 0.8 Q^2 + 200 Q + 400$$
   Where TC: total cost is in monetary units, Q: quantity of production
   Market price (P) = 1.2Q + 260
   5.1. Calculate the average fixed cost, the average variable cost, and the marginal cost at a quantity of production **(Q) = 10 units**. **(1pt)**
   5.2. Calculate the quantity of production (Q) at which the enterprise may maximize its profit. **(1pt)**

Second Option:

1. A country that adopts a certain economic system decided to take the following two measures:

    a. Specifying an official exchange rate for the national currency.

    b. Setting a ceiling on the capital allowed to be transferred outside the country during crisis.

    1.1. Name the economic system adopted in this country. **(0.5pt)**

    1.2. Specify the two principles that prompted the government to take these two measures, mentioning a negative consequence for each principle. **(1pt)**

2. A country suffers from widening(extending) the gap between the rich and the poor classes, as a small percentage of the population owns most of the wealth and resources, while the majority of them suffers from their inability to meet their basic needs, affecting social stability and economic growth.

    2.1. Deduce the social problem. **(0.25pt)**

    2.2. Show the impact of this problem on the economic situation. **(0.75pt)**

    2.3. Name a policy and a measure within it to solve this problem. **(0.5pt)**

3. Justify each of the following two statements:

    3.1. High increase in wages and salaries contributes to monetary inflation. **(0.5pt)**

    3.2. The dominance of regular (common) expenditures over infrastructure (processing) expenditures in the developing countries contributes to a decrease in the economic growth. **(0.5pt)**

4. Copy the following table on your answer sheet, and fill in the blank with the appropriate answers:

(2pts)

Quantity of production (units)	Fixed cost (m.u)	Variable cost (m.u)	Total cost (m.u)	Marginal Cost (m.u)	Market Price (m.u)	Fill in the blank with appropriate statement: - Loss - Profit less than maximum - Maximum profit
0	200			-----	---	------
10		300			20	
50				15	20	

5. Assuming that the price of product (A) increased from 50 to 70 m.u and its quantity demanded (for product A) changed from 40 to 20 units. whereas, the quantity demanded for product (B) changed from 70 to 90 units.

    5.1. Calculate the cross elasticity of demand for product (B) with respect to the price of product (A) then analyze the result. **(0.75pt)**

    5.2. Calculate the price elasticity of demand (PED) for product (A). **(0.5pt)**

    5.3. Assuming that the income of the consumer changed from 300 to 350 m.u. Calculate income elasticity of demand (YED) for product (B). Analyze the result **(0.75pt)**

Choose one of the following sets:
First optional set: Analyzing Economic Documents: (12 points)
Document No.(1):

Years \ Indicators	2021	2022	2023
Exports (Million $)	3887	3492	3082
Imports (million $)	13641	19053	15286
Public Debt (billion $)	86.32	87.37	90

Source: Lebanon Economic Report-Bank Audi-1st Quarter 2024.

Document No.(2) :
Economic researcher Dr. Jassem Ajaqa affirms that the first victim of the economic effects resulting from the war are the importing countries, and therefore with the increase in production costs, the Lebanese citizen has been confronted, for months, with an increase in price of goods, services and basic materials such as food, medicine and fuel. As for the reasons for this increase, in addition to the external factors resulting from the situation in the Red Sea and the disruption of navigation therein (within), there are internal factors linked to the monopoly and the absence or weakness of state control.

As the war spreads, Ajaqa expects negative effects on Lebanon's fragile economy, by which the economic growth rate will decline due to the direct impact of war on tourism revenues.

Source: Lebanon Debate, Thursday March 28, 2024.

Document No(3) :
Political disturbances and the collapse of the economy in Lebanon affect the creation of job opportunities for the youth and motivate them to emigrate, as many feel unstable and unsafe in their country due to corruption and political instability, pushing them to seek more stable and secure countries. The social conditions in Lebanon such as the high rates of unemployment in addition to weak infrastructure and lack of public services affect the desire of youth to immigrate.

The reasons for immigration are numerous, both moral and material. Unemployment remains the driving force behind immigration, and most of those who have left Lebanon to work abroad are people with academic and professional qualifications. Graduates from foreign universities also choose to stay abroad due to the lack of job opportunities in their field of specialization. As such, Lebanon faces challenges due to the loss of qualifications in various sectors, but it benefits greatly from expatriate remittances, which now constitute 50 percent of official growth domestic production (GDP).

Source: International Monetary Fund May 14, 2024.

Referring to the above documents, answer the following questions:
1. **Referring to Document no. (1):**
    1.1 Extract the financial problem. **(0.25pt)**
    1.2. State a structural policy to solve the financial problem, specifying two measures within it. **(1pt)**
    1.3. Compare the results of the trade balance between 2022 and 2023, and then analyze the result. **(1pt)**
2. Extract from the first paragraph of the document no. (**2**) an external reason that contributed to the change in the trade balance result in question no.**1.3** **(0.5pt)**
3. **Referring to Document no.(2)**
    3.1. Specify the economic problem resulting from increasing the prices of goods and services. **(0.25pt)**
    3.2. Document no. (**2**) states, " the economic growth rate will decline due to the direct impact of war on tourism revenues." Show the impact of the economic problem specified in question no.**3.1** on the decline in the economic growth rate. **(0.75pt)**

4. **Referring to Document no. (3):**

    4.1. Extract from the first paragraph of the document an economic indicator and another demographic one. **(0.5pt)**

    4.2. Explain the impact of the economic indicator on the economic situation mentioned in document no. (**2**). **(0.75pt)**

    4.3. Deduce the two types of unemployment, justify your answer with evidence for each type. **(1.5pt)**

5. Show the impact of political disturbances in Lebanon mentioned in document no. (**3**) on one of the two types of unemployment. **(0.75pt)**

6. Document no. (**3**) indicates that expatriate remittances constitute 50 percent of official growth domestic production (GDP). Explain the impact of expatriate remittances on enhancing the economic situation. **(0.75pt)**

7. The above documents indicate economic and social problems that Lebanon suffers from. Write a text in which you suggest:

    – An appropriate policy to solve the economic problems and one of the two types of unemployment, mentioning two measures within this policy, showing the effect of the application of these two measures on the economic and social situation.

    – An appropriate policy to solve the other type of unemployment and a measure within this policy, and linking between the measure and the solution of the problem. **(4pts)**

Second optional set: Writing an economic essay (12 points)

Document No. (1):

Children's health and their access to healthy food affect their learning and school results, especially with the increase in poverty and the low standard of living, as the majority of families in Lebanon are unable to obtain preventive health care. Investing in the health, nutrition and well-being of students is no less important than investing in providing quality, equitable and comprehensive education. Therefore, children, young men and women who are well-nourished learn better. "And when they become adults, they live healthier and more productive lives."

<div align="right">Source:www.unicef.org/Lebanon/12 March 2024.</div>

Document No.(2):

Lebanon suffers from many environmental problems that affect its global environmental classification, and among these problems are the wastewater crisis, the solid waste crisis, and high rates of air pollution that have caused high cancer rates as a result of environmentally unfriendly factories and generators, in the absence of a real plan to reduce the emissions resulting from them, and the absence of a serious government plan to overcome the crisis of electricity, marine and river pollution, which brings us back to the problem of managing the water sector in Lebanon.

In addition to the absence of environmental culture in many regions, the economic, social and security conditions have removed environmental issues from the list of citizens' concerns and priorities.

<div align="right">Source:lebeconomy.com: May 3, 2024.</div>

Referring to the information presented in the two documents above and to your acquired information, write an essay in which you discuss the following points:

- The situation of human development and environmental problems in Lebanon.
- A developmental policy to ameliorate (enhance) each of the two situations.
- Two measures to improve each of the developmental indicators, linking the application of the measures of each indicator to economic growth.
- Two measures to overcome the environmental problems in Lebanon. Showing the effect of their implementation on one of the human development indicators.

وزارة التربية والتعليم العالي
المديريّة العامة للتربية
دائرة الامتحانات الرسمية

امتحانات الشهادة الثانوية العامة
الفرع: الاجتماع والاقتصاد

دورة العام ٢٠٢٤ العاديّة
السبت ٢٩ حزيران ٢٠٢٤

	معايير تصحيح مسابقة في مادة الاقتصاد	الاسم:
	المدة: ساعتان ونصف	الرقم:

Obligatory Set: Using concepts and techniques (8 points)
Choose one of the two following options
First Option:
1-

Principle according to the classical liberal system	**Negative consequence**	**Appropriate measure to solve the negative result according to the neo liberal system**
Individual initiative	*Financial and real estate speculation (0.25pt)*	*Increasing taxes on profits earned from speculative transactions (0.25pt)*
Free pricing (0.25 pt)	*Monopoly or Dumping (0.25pt)*	Fixing prices of essential goods

2-2.1- weak or poor human resources development *(0.25 pt.)*

2.2- Human resources development policy *(0.25 pt.)* **measure:** increase spending on vocational training or subject employee to training courses. *(0.25 pt.)*

2.3- increase spending on vocational training availability of specialized and qualified labor force *(0.25 pt.)*→ Increase work productivity *(0.25 pt.)*→ Increase growth domestic production (GDP) *(0.25 pt.)*→increase economic growth.
OR: increase spending on vocational training availability of specialized and qualified labor force → increase work productivity →increase competitiveness *(0.25 pt.)* →increase demand on consumption→ increase investment*(0.25 pt.)*→ Increase growth domestic production (GDP) *(0.25 pt.)*→increase economic growth.
3-3.1- Increase social benefits →↑ purchasing power *(0.25 pt.)* →↑demand on consumption→↑ investment *(0.25pt)* →↑production→↑ increase economic growth.
3-3.2- Increasing the interest rate on loans issued for consumption →↓demand on consumption→↓liquidity *(0.25pt)* →↓purchasing power **(0.25pt)** →↓ demand with respect to supply **(0.25pt)** → ↓prices **(0.25pt)** →↓monetary inflation.
4-4.1-Duration=n= (19+31+30+31+9) =120 days *(0.25 pt.)*

$I_n=C_o*i*n/360$ *(0.25pt)*

$15000=900000*i*120/360$

$i=0.05=5\%$ *(0.25 pt.)*

4.2-$I_n=C_o [(1+i/360)^n-1)]$ *(0.25 pt.)*

$I_n =900000 [(1+0.05/360)^{120}-1)]$ *(0.25 pt.)* $=15124.638$m.u *(0.25pt)*

4.3-Since a simple interest rate is the one that is not added on the payment date to the initial capital and in case of compound interest rate, the interest rate is added to the capital at the end of each period so interest is earned on the capital and on the interest. *(0.5 pt.)*

5.5.1- Average Fixed Cost (AFC) =FC/Q=400/10=40 m.u   *(0.25pt)*

Average Variable Cost (AVC) =VC/Q=$0.8 Q^2$ + 200 Q + 400/Q

= $0.8 (10)^2$ + 200 (10) + 400/10 =208 m.u   *(0.25pt)*

Marginal Cost=MC=TC'= 2(0.8) Q + 200=2(0.8) (10) + 200   =216m.u (0.5pt)

 5.2- 2(0.8) Q + 200 = 1.2Q+260 *(0.5pt)*

0.4 Q = 60 →Q=150 units *(0.5pt)*

<u>Obligatory Set: Using concepts and techniques</u> (8 points)

<u>Second Option:</u>

1-1.1- Neo Liberal System *(0.5 pt.)*

1-1.2- <u>Principle</u>: freedom of exchange *(0.25pt)* <u>negative consequence:</u> monetary speculation <u>or</u> deterioration in the home currency exchange rate *(0.25pt)*

<u>Principle</u>: free movement of capital *(0.25pt)* <u>negative consequence:</u> capital flight in case of crisis *(0.25pt)*

2.1-The social problem: increase in social inequality or high concentration of income *(0.25 pt.)*

2.2-increase in social inequality/ high concentration of income→↓size of the middle class *(0.25pt)*

→↓purchasing power *(0.25pt)* →↓demands on consumption *(0.25 pt.)*

→↓investment→↓production→↓economic growth.

<u>OR:</u> increase in social inequality/ high concentration of income→↓size of the middle class→ threat of civil peace *(0.25 pt.)* →↑capital flight *(0.25pt)* →↓investment→↓production *(0.25pt)* →↓economic growth.

2.3-Income redistribution policy *(0.25pt)* **<u>measure:</u>** imposing progressive direct tax or increase social benefits. *(0.25pt)*

3.3.1- High increase in wages and salaries →↑purchasing power *(0.25pt)* →↑demand with respect to supply *(0.25pt)* →↑prices→↑monetary inflation.

3.2-The dominance of regular (common) expenditures over infrastructure (processing) expenditures in the developing countries →↓investment *(0.25pt)* →↓production *(0.25pt)* →↓ economic growth.

4.

Quantity of production (units)	ΔQ	Fixed cost (m.u) *(0.25pt)*	Variable cost (m.u)	Total cost (m.u)	ΔTC	Marginal Cost (m.u)	Market Price (m.u)	Fill in the blank with appropriate statement: - Loss - Profit less than maximum - Maximum profit
0	-	200	**0**	**200** *(0.25pt)*	-	-----	---	------
10	**10**	**200**	300	**500** *(0.25pt)*	**300**	**30** *(0.25pt)*	20	**Loss**(*0.25pt*)
50	**20**	**200**	**900** *(0.25pt)*	**1100** *(0.25pt)*	**600**	15	20	**Profit less than maximum** *(0.25pt)*

5.5.1- XED= (%Δin Qi (B))/ (%Δin (A)) *(0.25pt)*

(90-70/70)÷ (70-50/50) = 0.7(0.25pt) positive: the two products are substitutes (0.25pt)

5.2- PED (Q/P) = (%Δin Qi(A))/ (%Δin(A)) *(0.25 pt)* = *(20-40/40)÷(70-50/50) = -1.25(0.25pt)*

5.3-YED= (%Δin Qd)/ (%ΔinY) = *(90-70/70) ÷(350-300/300) (0.25pt)*

= 1.75 (0.25pt) luxurious product (0.25pt)

First optional set: Analyzing Economic Documents: (12point)
1. 1.1- The financial problem: increase in the public debt. **(0.25 pt.)**
   1.2- Privatization *(0.5pt)* **measures:** BOO and BOT (0.25 pt. for each measure)
   1.3- The results of the trade balance between 2022= exports- imports= 3492-19053= -15561 million $ *(0.25 pt.)*

The results of the trade balance between 2023= exports- imports= 3082-15286= -12204 million $ *(0.25 pt.)*
   Result: decrease in trade balance from -15561 million$ in year2022 to -12204 million$ in year 2023 *(0.5pt)*

2-an external reason: the situation in the Red Sea and the disruption of navigation therein (within) (0.5pt)

3-3.1 monetary inflation *(0.25pt)*
3.2-inflation→↑prices *(0.25pt)* →↓purchasing power *(0.25pt)* →↓demand on consumption →↓investment *(0.25pt)* →↓GDP→↓Economic growth **or:** inflation→↑prices of factors of production *(0.25pt)* →↑cost of production→↑prices→↓competitiveness *(0.25pt)* →↓demand on consumption*)* → →↓investment *(0.25pt)*) ↓GDP→↓Economic growth

4-4.1- economic indicator: infrastructure *(0.25pt)* demographic indicator: emigration *(0.25pt)*
4.2- weak infrastructure → decrease capital inflow *(0.25pt)* →↓investment *(0.25pt)* →↓production→↓economic growth (0.25pt)
4.3- cyclical unemployment or circumstantial unemployment *(0.5pt)* evidence: Political disturbances and the collapse of the economy *(0.25pt)*
Structural unemployment *(0.5pt)* evidence: the lack of job opportunities in their field of specialization *(0.25pt)*

5- Political disturbances→ threat of civil peace *(0.25pt)* →↑capital flight→↓investment *(0.25pt)* →↓decrease job opportunities →↑ cyclical unemployment or circumstantial unemployment (0.25)

6- Expatriate remittances→↑liquidity→↑purchasing power *(0.25pt)* →↑demand on consumption→↑investment *(0.25pt)* →↑production→↑economic growth *(0.25 pt.)* or
- Expatriate remittances →attract capital*(0.25pt)* →↑investment *(0.25pt)* →↑production→↑economic growth *(0.25 pt.)*

7- An appropriate policy to solve the two economic problems (inflation and economic crisis in addition to trade balance deficit) and one of the two types of unemployment (cyclical unemployment):
   - Supply side policy. **(0.5 pt.)**
Measures within this policy:
To reduce the cost of production: (0.5pt for the measure)
   - Fighting inflation through reducing the cost of the factors of production or fixing wages and salaries or
   - Decrease the interest rate on soft loans ready for investment or
   - Alleviating taxes
To improve the quality of local produced goods:
   - Ensuring a competitive environment by obliging economic enterprises to renew their machines. **(0.5pt for the measure)**
   - **Link:**
Decrease the cost of production and improve quality (or increase productivity) →↑competitiveness **(0.25 pt.)** →↑demand on consumption **(0.25 pt.)** →↑investment **(0.25 pt.)** →↑production→↑economic growth.
   Decrease the cost of production and improve quality (or increase productivity) →↑competitiveness →↑demand on consumption →↑investment **(0.25 pt.)**→↓cyclical unemployment.

An appropriate policy to solve to solve the structural unemployment:
- **Active policy of labor (0.5 pt.)**

Measure:
- Train employees and unemployed on new technologies required by the labor market. **(0.5 pt.)**→matching between the nature of demand and the nature of supply of labor in the labor market→↓structural unemployment.**(0.5 pt.)**

Second Optional Set: Writing an Economic Essay
Introduction: (2 points for the content & 1 point for the style)
Methodology:
Students receive the full mark on the methodology if they mention an adequate and coherent issue (problematic) and announce the main points to be discussed in the body. (1pt)
Content:
-Specifying the situation of human development and the environmental problems in Lebanon (sustainable human development within the economic and social crisis that Lebanon is passing through). (1pt)
Example of the problematic: How can human development and the sustainable development objectives be achieved during the economic and social crisis taking place in the Lebanon? (1pt)
Body (7 points): (1 point for the style and 6 points for the content)
Methodology:
Students receive the full mark on the methodology when: **(1 point)**
- Presenting each main point at the beginning of a paragraph and supporting it with valid arguments, evidence and statements.
- Connecting the paragraphs with appropriate transition sentences in a coherent and sequential manner as proposed in the introduction.
- Presenting the ideas in the sequence and steps mentioned in the introduction.

Content: **(6 points)**
- Decrease in the human development in Lebanon today due to the economic and social crisis have severely affected the medical level.
- Mentioning an appropriate policy to achieve human development: /human development concept (0.5 point)
- Mentioning an appropriate policy to improve the environmental problems: /sustainable human development concept (0.5 point)

Measures for human development:
-increase government spending on education (0.5pt:0.25pt for each measure)
- Impose compulsory /mandatory education

Relation (0.5 pt):
Implementation of these measures→↑productivity→↑competitiveness → d ↑ $emand\ on\ consumption$ →↑ $investment$ →↑production→↑economic growth
Or
Implementation of these measures→↑labor productivity→↑ $local$ production→↑economic growth
Measures: (0.5pt :0.25pt for each measure)
- Increase government spending on health care
- Establishment and of public hospitals
- Implementation of these measures→↑productivity→↑competitiveness → d ↑ $emand\ on\ consumption$ →↑ $investment$ →↑production→↑economic growth
- Or

- Implementation of these measures→↑labor productivity→↑ *local* production→↑economic growth

    Measure to increase the GDP per capita:
    - o Increase in social services per capita or decrease interest rate on soft loans ready for investment or tax incentives (0.5 pt)
- **Relation: (0.25pt)**
    Increase social services →↑ *purchasing power* →↑ *demand on consumption* →↑ *investment* →↑ *GDP* →↑ *Economic growth*
    Or decrease interest rate on soft loans ready for investment or tax incentives →↓ *cost of production* →↑ *competitiveness* →↑ *demand on consumption* →↑ *investment* →↑ *production* →↑ *economic growth* (0.5)
- **Measure for sustainable human development (0.25 pt for each measure)**
    - o Encouraging industries which do not pollute the environment
    - o Finding substitute sources to avoid using polluting materials
    - o Avoid throwing garbage specially the industrial ones in rivers.

    Relation:
    Implementing these measures→↓reduce pollution and protect the environment →↑local production→↑economic growth (0.5 pt)

    The sustainable human development measures lead to the improvement of the environmental level and the medical level which is one of the human development indicator which lead to the increase in productivity and competitiveness and the increase in the demand on consumption and investment which increase the production and economic growth. (1 pt)
    Or leads to increase in labor productivity which lead to increase production and GDP and economic growth

Conclusion: (2 points: content: 1.5 points, methodology; 0.5 point)
Methodology: Answering the problematic and synthesizing ideas.
Content: Summarize all the ideas that were put forth in the introduction and body and answering the problematic.