

المادة: علم الاقتصاد شهادة الثانوية العامة فرع الاجتماع والاقتصاد نموذج رقم 1 - انكليزي المدة : ثلاث ساعات	الهيئة الأكاديمية المشتركة قسم الاجتماع والاقتصاد	 المركز العربي للبحوث والدراسات
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نموذج مسابقة (يراعي تعليق الدروس والتوصيف المعدل للعام الدراسي 2016 – 2017 وحتى صدور المناهج المطورة)

Obligatory Part: Using Concepts and Techniques (8 points)

1. A country suffers from several problems, most important of which are:

- Inflation
- Public budget deficit

1.1 Suggest two measures within the fiscal policy to address the two problems above (0.5 point)

1.2 Show the relation between one of the measures of this policy and addressing the economic problem. (0.5 point)

2. Complete the following table:

The Problem	Appropriate Solution
2.1 Due to the excess supply of some agricultural crops and to avoid being subject to blackmailing from wholesalers, farmers refused to harvest them; a fact that resulted in damaged agricultural crops.	
2.2 The products of some countries are subject to foreign competition from Third World countries due to the extremely cheap cost paid to these workers.	

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

3.1 Commercial banks rarely accept providing long-term loans or any type of loan to the agricultural sector

3.2 Within the industrial policy, prioritizing export-oriented industrial enterprises contributes to the strengthening of the national reserve of foreign currencies.

3.3. Developing countries focus on indirect taxes to finance the government budget (two justifications).

4. 4 - Black and Mouton classified the leadership behavior in five core groups reflecting in each the leader's degree of interest in two main dimensions: interest in work (p) and attention to relationships with staff (n). Identify the leadership behavior in each of the below cases: (1 point)

4.1 The director of the Spring Textile Lab decided to spend 200,000 LL. as a financial reward for each of his workers as he kept pace with the great effort they achieved by manufacturing 5000 shirts in three working days instead of five.

4.2 The Director of the Arab Bank SAL decided to deduct 3% of the salary of each employee who arrives late to work at a monthly rate of 45 minutes.

5. Assuming that the capital invested in manufacturing school bags, amounted to 5 million monetary units. The single bag was sold at 800 monetary units. Their costs changed according to the quantity of production according to the following table:

Quantity of production	Fixed Cost	Variable Cost	Total Cost	Marginal Cost
0			800,000	
1000			890,000	
2000			980,000	
3000			1,300,000	
4000			2,100,000	

5.1 Complete the above table. (1 point)

5.2 Specify the level of production that achieves the maximum profit possible for the economic enterprise. Justify your answer. (0.5 point)

5.3 Calculate the amount of production that allows the enterprise to break-even assuming that the maximum production capacity is 3000 bags. (0.5 point)

5.4 If the invested capital of this establishment were to be deposited in a commercial bank in return for a simple interest of 275,000 monetary units after freezing the amount from March 2nd to August 29th of the same year. Select the appropriate option for the enterprise, justifying your answer. (2 points)

Choose one of the following sets:

First Optional Set: Analyzing Economic Documents (12 points)

Document no.1

The economic and strategic expert Jassem Aja'a, pointed out that 2015 was one of the worst economic periods that Lebanon experienced in terms of the structural erosion of the economic activity. He indicates that 2016 is expected to be a natural continuation of the status quo, highlighting a number of challenges that must be addressed. He believes that growth in 2015 was about 0.3%, partly due to higher consumption in the first six months of 2015.

However, in the absence of investments and the deterioration of the political and security situation, the Lebanese economy is facing challenges, notably controlling the public budget deficit and public debt. According to Aja'a, this is done through the adoption of the budget of 2016, even if it does not contain an economic section, as expenditure contraction and rationalization curb the deficit, in addition to controlling unemployment by providing employment opportunities for young people and stimulating investment through issuing the partnership law between the private and public sectors and tax laws that stimulate investment, and contribute to fighting poverty, that is threatening the middle class, which is the basis of economic growth in countries.

المصدر : " النهار " 9 كانون الثاني 2016 - السنة 83 - العدد 25873

Document no.2:

The economic editor in Al Safir newspaper Adnan Al-Hajj, considers that the fragile security situations in the Arab region as well as inside Lebanon have significantly affected several economic activities in Lebanon. This resulted in a continuous decrease of the three main pillars that stimulate the Lebanese economy; with figures clearly showing the deficit in the economy:

- 1 - Investments and foreign capital fell during the first eight months of 2015 by more than \$ 3 billion, meaning at 33%. This is due to the decrease in foreign remittances. ... The remittances of Lebanese working abroad reached about 6 billion dollars when they were 8.4 billion dollars in the same period last year. The reason is the return of a number of Lebanese working abroad.
- 2- The problematic political situation decreased the number of Arab visitors especially the GCC citizens
- 3- The movement of agricultural and industrial exports, as agricultural exports decreased from 200 million to 160 million dollars. The industrial exports declined by 10 percent, as they reached \$ 3.4 billion till last August, and are now \$ 2.7 billion, while the value of imports exceeds the value of exports in both sectors. The reason for this decline is the closure of the crossings at times, especially the Syrian-Lebanese ones, and thus the increased cost of exports.

المصدر: مجلة الجيش- العدد 365 - تشرين الثاني 2015 (بتصرف)

Document no.3:

(...) As of 1996 the Central Bank launched incentives that benefit from the reduction of required reserve ..., the low-cost money supply stimulus package early 2013 came as a new incentive program for loans for most economic sectors, in an attempt to give a new motivation to the economic growth process through acceptable bank lending interest rates in Lebanese pounds. He added: finally, the Lebanese central bank issued Circular 331, which allows banks and financial institutions to contribute, within 3% of their own funds, in capitalizing emerging projects, business incubators and fast-moving business companies with an activity focused around the information sector. It is a new task for banks to participate in the capital of these companies, which allows them to further contribute in the service of the national economy, in support of intellectual competencies and the owners of professional innovations that fall within the framework of the information economy.

المصدر: ورشة عمل في مصرف لبنان عن رسملة الشركات الناشئة - الخميس 19 كانون الأول 2013 .

Referring to the documents above, answer the following questions:

1. Referring to document no.1:

1.1 Extract the reason that contributed in achieving the economic growth referred to in the document. (0.5 point)

1.2 Explain the relationship between this reason and the economic growth. (0.5 point)

2. 2.1 Name the economic system referred to in document no.1. Support your answer with one proof from the document. (1 point)

2.2 It is mentioned in document no.1: "...that is threatening the middle class, which is the basis of economic growth in countries", suggest a policy that contributes in supporting the middle class. Then, explain the effect of strengthening the middle class on the social level. (1.5 points)

3. Referring to document no.2, link, in a logical sequence, between the return of Lebanese working abroad and its effect on the economic situation in Lebanon. (1 point)

4. The third axe in document no.2 shows an economic problem. Deduce this problem. Justify your answer with one proof from the document. (1 point)

5. 5.1 Referring to the first paragraph of document no.3, extract two measures within the monetary policy. (0.5 point)

5.2 Link, in a logical sequence, between the implementation of one of the measures extracted and addressing the economic problem mentioned in the third axe of document no.2. (1 point)

6. It is mentioned in document no.3: "... , in support of intellectual competencies and the owners of professional innovations that fall within the framework of the information economy".

State a direct economic result for this project. Then, explain its effect on the economic situation. (1 point)

7. Referring to the documents above, write a text in which you suggest: (4 points)

- An appropriate structural policy to address both the financial and economic situations (in document no.1) and two measures within this policy

- A policy to address the problem of the decline of industrial exports (in document no.2) and two measures within this policy

Link between the application of the measures of each policy and the intended objective.

Second Optional Set: Addressing an Economic Subject (12 points)

Document:

The extensive layoffs of workers and staff that seem to be "normal daily news" highlight the fear and anxiety of most Lebanese families about the loss of the work of their breadwinner. Some estimate the unemployment rate at 19 percent of the total population reaching up to 35 percent for other parties. A specialized study indicates a rise of 20 percent, especially among young people.

Economic experts note that there are many complex factors that are among the main causes of unemployment, including the government's erroneous economic policy, "supporting the service sector at the expense of the agricultural and industrial sectors, and allowing labor and foreign goods to enter the country unchecked."

One of the new faces of unemployment is the absence of suitable job opportunities from the labor market for the competencies of educated young people; this is reflected in the surplus in many specializations.

The head of the Committee to fight unemployment and the unemployed in Lebanon Rafiq Saabi, stressed that the State is obliged first to seek employment for all citizens, before collecting taxes from them. It is also obliged to address all the repercussions of unemployment, including poverty and the social menaces resulting mostly from the lack of or absence of employment opportunities. Al-Sa'abi proposes steps to address the problem, including: free education and health, establishment of centers in the regions for the rehabilitation of the unemployed, in preparation for their integration into the labor market.

المصدر: جريدة السفير - 2011-3-9

Based on the above document and your acquired knowledge: address this issue while extracting the causes of unemployment mentioned in the document, mentioning three of its implications, proposing three solutions to overcome this problem while linking between the reasons and the solutions.

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أسس التصحيح (تراعي تعليق الدروس والتوصيف المعدل للعام الدراسي 2016 – 2017 وحتى صدور المناهج المطورة)

Obligatory Part: Using Concepts and Techniques (8 points)

1.1 Reduction of public expenditure (government spending) or curb the increase in these expenditures. (0.25 point)

Increase direct taxes on income and profits. (0.25 point)

1.2 - Reducing public expenditure → reducing liquidity → Reduction of demand with respect to supply → decrease in prices → decrease of inflation. (0.5 point)

2. Complete the following table: (1 point)

The Problem	Appropriate Solution	Grade
2.1 Due to the excess supply of some agricultural crops and to avoid being subject to blackmailing from wholesalers, farmers refused to harvest them; a fact that resulted in damaged agricultural crops.	Establishment of cooperatives for the management of agricultural production	0.5 point
2.2 The products of some countries are subject to foreign competition from Third World countries due to the extremely cheap cost paid to these workers.	- The imposition of variable customs duties - Imposing a quota on imports - Imposing strict rules and regulations on imports	0.5 point (one measure is sufficient)

3. Justify each of the following statements:

3.1 Commercial banks rarely accept providing this sector with long-term loans as the degree of risk they attributed to this sector is very high due its vulnerability to natural factors more than any sector. (0.25 point)

3.2 Giving priority within the industrial policy to export-oriented industrial enterprises contributes to the increase of exports, then exporters will earn foreign currency in exchange for their goods, which contributes to the strengthening of the national reserve of foreign currency when deposited in banks or after their conversion into the national currency. (0.25 point)

3.3 Developing countries focus on indirect taxes to finance the government's budget due to the weakness of the tax administration and the use of conventional techniques in tax collection on one hand (0.25 point) and to the easy collection of indirect taxes on the other. (0.25 point).

4. 4.1 Team Manager. (0.5 point)

4.2 Authority Compliance Manager (0.5 point)

5.1 (Fixed cost → 0.25 point; Variable cost → 0.25 point; MC → 0.5 point)

Quantity of production	Change in Q	Fixed Cost	Variable Cost	Total Cost	Change in Total Cost	Marginal Cost
0	---	800.000	0	800,000	----	----
1000	1000	800.000	90,000	890,000	90,000	90
2000	1000	800.000	180,000	980,000	90,000	90
3000	1000	800.000	500,000	1,300,000	320,000	320
4000	1000	800.000	1,300,000	2,100,000	800,000	800

5.2 The establishment achieves maximum profit possible at the production quantity = 4000 units (0.25 points)

Justification: at this quantity of production MC = P = 800 m.u (0.25 point)

5.3

$$Q_0 = \frac{F}{P_m - v}$$

Fixed cost = 800,000 mu

P_m = Price = 800 m.u

V = Variable cost = Variable cost / quantity of production = 500,000/3,000 = 166.67 m.u (0.25 point)

Q₀ = 800,000 / (800 – 166.67) = 1263.15 bags (0.25 point)

5.4 Profitability rate = Profit/Investment * 100

Profit = Revenues – total cost

Profit = (P*Q) – Total cost (0.25 point)

Profit = (800*3000) – (1,300,000) = 2,400,000 – 1,300,000 = 1,100,000 mu (0.25 point)

Profitability rate = 1,100,000/5,000,000 * 100 = 22% (0.25 point)

I = C₀ * n * I / 360

Month	Days
March	31 – 2 = 29
April	30
May	31
June	30
July	31
August	29
Total	180 (0.25 point)

275,000 = 5,000,000 * 180 * i / 360 → i = 275,000*360/5,000,000*180 = 11% (0.5 point)

As the profitability rate (22%) is greater than the interest rate on deposits (11%), selecting the project is the appropriate investment decision that should be made. (0.5 point)

First Optional Part: Analyzing Economic Documents (12 points)

1.1 “due to higher consumption in the first six months of 2015”. (0.5 point)

1.2 High consumption of goods and services → ↑ Investment (0.25 point) → ↑ Production → ↑ Economic growth (0.25 point)

2.

2.1 - The neo-liberal system. (0.5 point)

- Through the adoption of the partnership law between the private and public sectors.

Or - Tax laws that stimulate investments and contribute to fight poverty that is threatening the middle class, which is the basis of economic growth in countries. (0.5 point)

2.2 – Income redistribution policy (0.5 point)

Increase the size of the middle class → increase the purchasing power of this class (0.25 point) → ↑ demand of consumption (0.25 point) → ↑ Investment (0.25 point) → increase in job opportunities and decrease in unemployment (0.25 point).

3. Return of Lebanese working abroad → Reduction of incoming capital (remittances) → ↓ Purchasing power → ↓ Demand for consumption (0.25 point) → ↓ Investment (0.25 point) → ↓ Production (0.25 point) → ↓ Economic growth (0.25 point).

4. The worsening of the trade balance deficit (0.5 point)

Justification: as agricultural exports decreased from 200 million to 160 million dollars. The industrial exports declined by 10 percent, as they reached \$ 3.4 billion till last August, and are now \$ 2.7 billion, while the value of imports exceeds the value of exports in both sectors. (0.5 point)

5.1 The measures are: - reduction of the required reserve (0.25 point) - acceptable bank lending interest rates in Lebanese pounds. (0.25 point)

5.2 Acceptable bank lending interest rates in Lebanese pounds → lower production costs (0.25 point) → ↑ competitiveness of national products (0.25 point) → ↑ Demand for national goods locally and abroad (0.25 point) → ↑ Export against decrease of imports → ↓ Trade Balance Deficit (0.25 point)

6. Increase productivity / increase labor productivity (0.25 point)

The support of intellectual competencies and the owners of professional innovations leads to an increase in labor productivity (0.25 point) and thus increases the gross domestic product (0.25 point) and thus an increase in economic growth (0.25 marks).

OR

The support of intellectual competencies and the owners of professional innovations leads to increased productivity and thus increased competitiveness (0.25 point), which increases the demand for consumption leading to an increase in investment and increase in production and thus an increase in economic growth (0.25 point).

7.

Problem	Policy	Measure (0.25 per measure)	Result
Increase in the public budget deficit and absence of investment	Privatization	BOT – Build, operate and transfer: consists of transferring the institution into the public sector after some period of time BOO – Build, operate and own: according to which the public firm is liquidated and permanently sold to the private sector	Applying the measure: increases public revenues and decrease public spending → reduction in government budget deficit (0.5 point) Applying these measures: activating and increasing the efficiency of public institutions → increase in productivity → increase in competitiveness → demand on consumption → increase investment (0.5 point)
Decrease in industrial exports	Encouraging exports	-Build a data center of information -Advertisement campaigns in foreign markets -Providing exporters with guarantees through establishing insurance on exports -Exempting exports from indirect taxes -Exempting exporters from taxes on income earned from exporting products	Making exporters constantly aware of the development of the conditions of the markets to which they export - Introducing foreign traders and consumers to local consumer goods. - Reassuring exporters -Reduction of cost of exports and enhancing competitiveness - Reduction of cost of exports and enhancing competitiveness (0.5 point)

0.5 point for structure of text

Second Optional Part: Addressing an Economic Subject (12 points)

Introduction: (3 points)

Methodology: The student gets the full mark on the methodology when he mentions the problem and the basic points he will address in the content.

Content: Example: Unemployment is a social phenomenon according to which workers do not find work despite their desire to work and their continuous search for opportunities. The disruption of the labor force has several negative effects that lead to a decrease in the purchasing power of citizens and reduced demand for consumption, which will inevitably lead to a decline in investments; thus reduction in economic growth rates.

Problematic: Example: How may the State secure employment for all its citizens and how will it address the consequences of unemployment?

2 - Body: (7 points)

Methodology: the student should consider the sequence of ideas according to the steps presented in the document while inking paragraphs with transitional sentences.

Reasons for unemployment listed in the document: (1 point)

- The government's erroneous economic policy, "supporting the service sector at the expense of the agriculture and industry sectors"
- "Allowing labor and foreign goods to enter the country unchecked."
- "Allowing labor and foreign goods to enter the country unchecked."
- "The absence of suitable job opportunities from the labor market for the competencies of educated young people; this is reflected in the surplus in many specializations."

Three consequences for unemployment: (3 points)

- At the social level: Unemployment leads to a decline in purchasing power, poverty and a decline in the standard of living of the unemployed and those who are responsible for them. They also lead to a decline in the social status they occupy, as well as their tendency towards social delinquency (theft, murder, abuse and promotion of drugs, Etc.).

- At the demographic level: unemployment leads to demographic hemorrhage (population decline), which is characterized by an increase in the age of marriage and the rate of celibacy, on one hand, and the low birth rate on the other, leading to massive emigration, especially the brain drain which leads to decrease in productivity

- On the economic level: unemployment leads to the waste of human capital; which is costly for the State and families that funded the educational preparation of the unemployed who wasn't given the opportunity to contribute to production.

Unemployment → decrease in income → decrease in purchasing power → decrease in demand for consumption → Decrease in investment → decrease in production → decrease in economic growth.

On the financial level: very expensive and contribute to the rise in the budget deficit especially in countries that pay unemployment benefits for the unemployed

Solutions (3 points)

Reasons	Three solutions required/measures	Grade
The government's erroneous economic policy, "supporting the service sector at the expense of the agriculture and industry sectors → unbalanced growth	-reduction of interest rates on loans issued for investment in the agricultural and industry sectors (0.5 point) -Tax exemptions for enterprises intending to invest in the agricultural and industry sectors for a short period of time Measure: Increase in investment in the agriculture and industry sectors → increase in job opportunities → decrease in unemployment (0.5 point)	1 point
"Allowing labor and foreign goods to enter the country unchecked."	-Increase in customs duties on imported industrial products -Imposing quotas on imported products -Imposing strict rules and regulations on imported products -Decrease the value of the domestic exchange rate for a short period of time -Measure: increase in the demand on locally produced products → increase in investment → availability of more job opportunities → reduction in unemployment	1 point
"The absence of suitable job opportunities from the labor market for the competencies of educated young people; this is reflected in the surplus in many specializations."	The use of the active labor policy that consists of rehabilitating and training the unemployed for them to gain skills needed in the labor market and prepares them to the specializations needed by economic firms	1 point
	Imposing organizational measures from the ministry of labor requiring obliging foreign workers to get a visa to enter the country and residency in the country in addition to make them pay the needed taxes → decrease in the competition of the foreign labor to the Lebanese one → decrease in unemployment Note: this measure is not listed in the curriculum and the answer is considered correct if the student explains it to encourage his/her creativity	

Conclusion: (2 points)

- Methodology: The answer to the problem - the result. (0.5 point).
- Content: Summarize the ideas stated in body and the introduction and that answer the problematic. (1 point and a half)