

وزارة التربية والتعليم العالي المديرية العامة للتربية دائرة الامتحانات	امتحانات الشهادة الثانوية العامة فرع الاجتماع والاقتصاد	دورة سنة 2009 العادية
	مسابقة في مادة الاقتصاد المدة: ثلاث ساعات	

### Part One: Obligatory set

#### Using concepts and techniques (7 points)

1- Complete the following table mentioning « increase » or « decrease » according to the given data :

(1 point)

Factor \ Phase	Economic growth	Recession
The demand on loans for investment from financial institutions		
Competitiveness of enterprises		

2- 2.1. Indicate two negative effects of the decrease of investments in the sector of heavy industry. (1 point)

2.2. Specify one measure that the government could use to motivate these investments. (0.5 point)

3- Prices of bicycles have increased in a given country as a result of the increase of demand on this product and the decrease of supply. This occurred after an awareness campaign launched by the government in order to decrease the consumption of gasoil and protect the environment :

3.1- Explain the behavior of producers in this situation clarifying the relation between the production and the price. (1 point)

3.2- The price elasticity of bicycles was 1.2 following a variation of price of 20%. Calculate the relative variation of the production of this good and analyze the result. (1 point)

4- 4.1. The function of investment in a given country is:  $I = -30i + 48$  and the interest rate (i) on investment loans is 14%. Calculate the volume of investment. (in million of m.u.) (0.5 point)

4.2. In case the interest rate decreases to 5%, show how the volume of investment will be affected and justify your answer with the necessary calculation. (1 point)

5- Each one of the engineers employed in an engineering and contracting company obtains an increase in salary of 15% every two years. Furthermore, the enterprise adopts the following principles:

- The participation of engineers in the decisions related to projects

- The adoption of team work in the execution of the drawings

5.1. Classify these incentives (tools of motivation) by type, moral or material (0.5 point)

5.2. Determine the positive economic impact of these tools of motivation on the enterprise. (0.5 point)

### Part Two: choose one of the following sets

#### First choice set: Analyzing documents (12 points)

##### Document No. 1:

No country in the world, no matter how small it is, relies on imports to secure all its needs of food not only for national and political considerations, but also for financial necessities. Lebanon is considered the weakest country in this domain because more than 80 percent of the food consumption is imported, and these imports represent the greatest part of the trade deficit.

Source: 110 نهوض لبنان نحو رؤية اقتصادية اجتماعية ص

##### Document No. 2: Trade and administrative obstacles

Lebanese products in foreign markets face numerous administrative and trade obstacles. Some are due to the government policies and others to the commercial developments taking place internationally. Administrative obstacles can be identified as follows:

- **Locally:** through the complex administrative, health and customs formalities and their high cost, and through forcing the Lebanese exporters to use the Lebanese refrigerated trucks to transport their goods (...) these factors increase the cost of exports.

- **Regionally:** by raising transit taxes and cost and administrative complexities, and fines (...) and the prohibition of certain products from entering.

- **Internationally:** 1 - The application of strict quality standards and specifications, and denying access to Lebanese goods because they do not verify these standards.

2 - Deficiencies in filling and packaging operations due to lack of modern machinery for screening, treating and providing the good products required by international markets which are willing to pay an acceptable price difference if high quality is provided.

3 - The absence of information and studies on foreign markets and international trade movement.

4 – The low quality of Lebanese exports, especially fruits, due to keeping the traditional varieties of agricultural products exported and the lack of quality control at a time when global markets require sophisticated types of agricultural products.

5 - Selling exports on consignment, which means that the Lebanese exporters will be paid for their products only after they are sold in the Gulf markets; this method constitutes an obstacle for the Lebanese exporters, because of the risks and financial charges they bear.

All these obstacles contributed in the decrease of the Lebanese agricultural exports and led to a decline in the number of exporters, which fell from around 46 in the early nineties to less than 15 now, to the closure of a number of packaging workshops, and to the reduction of investment in this domain.

Source: نهوض لبنان نحو رؤية اقتصادية اجتماعية ص 119

**Document No. 3: Distribution of the Credits of the financial sector to other sectors at the end of the period**

Sector	Share from the total in %			
	2002	2003	2004	2005
Agriculture	1.40	1.38	1.09	1.27
Industry	12.57	13.88	14.28	14.84
Contracting and construction	19.26	17.34	17.20	15.49
Trade and services	45.11	45.30	44.18	42.50
Financial mediation	3.16	3.39	3.47	4.17
Others	5.17	3.72	3.66	4.32
Individuals	13.33	14.99	16.12	17.42
Total	100	100	100	100

Source: Banque du Liban

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

**1** –Referring to document No. 1:

1.1- Deduce the economic problem presented. Justify your answer by a proof from the document.(1 point)

1.2- Specify the impact of this problem on the Lebanese society. (1 point)

**2** – Referring to document No. 2:

2.1- Extract from the document a tool of the protectionist policy on the international level (0.5 point)

2.2- Show how this tool contributes in the aggravation of the problem reflected by document no.1.(0.5 point)

**3** - Deduce the problem that results from the administrative difficulties on the local level. Explain your answer referring to the document. (1 point)

**4** – Referring to document No. 3:

4.1- Name the two sectors which benefit the most from the loans of the financial institutions during the given years. Justify your answer. (1 point)

4.2- Determine the problem faced by the agricultural sector. Indicate one cause of this problem. (1 point)

4.3- Referring to the data of the document, specify one possible consequence of the distribution of loans among sectors on the composition of the Lebanese economy (1 point)

**5** – Document no.1 reflects a major economic problem and documents no.2 & 3 present the causes and obstacles which lead to it. Write a text in which you mention this problem and four of its causes, suggesting one measure to overcome each cause and showing the consequence of each measure. Clarify the impact of all these measures on this economic problem. (5 points)

**Second set: Studying an economic subject (12 points)**

**Document:**

...nowadays, unemployment is no longer a seasonal phenomenon; it can affect all professions.

This social disease which threatens a number of Lebanese from all social classes has grave effects on the country.

(...) 80% of the graduates are looking for a job and add to the unemployed. This is due to the absence of studies of the labor market needs in order to orient the young towards these needs. Most universities propose theoretical specialties; this is why a big number of doctors and lawyers are unemployed. (...)according to recent estimation, 63.4% of young Lebanese aged below 30 years are unemployed, 25% of them male.

Source: [www.fragmentsdumonde.org](http://www.fragmentsdumonde.org), March 2007

**Referring to the document and to your acquired information, discuss the situation of unemployment in Lebanon, defining its type and showing its major cause, then specify its consequences on the social, demographic and economic levels and suggest the adequate policy and two measures to overcome this problem.**

**Remark:** Net presentation (½ pt), Handwriting (¼ pt), Style (¼ pt).

	امتحانات الشهادة الثانوية العامة الفرع : إجتماع و إقتصاد	وزارة التربية والتعليم العالي المديرية العامة للتربية دائرة الامتحانات
الاسم: الرقم:	مسابقة في مادة الاقتصاد المدة ثلاث ساعات	مشروع معيار التصحيح

**Answer the following question:**

**First question (8 points)**

Part of the Q	Answer	Mark												
<b>1</b>	<table border="1"> <thead> <tr> <th>Factor \ Phase</th><th>Economic growth</th><th>Recession</th></tr> </thead> <tbody> <tr> <td>The demand on loans for investment</td><td>Increase</td><td>Decrease</td></tr> <tr> <td>Competitiveness of enterprises</td><td>Increase</td><td>Decrease</td></tr> <tr> <td colspan="3">0.25 point for each answer</td></tr> </tbody> </table>	Factor \ Phase	Economic growth	Recession	The demand on loans for investment	Increase	Decrease	Competitiveness of enterprises	Increase	Decrease	0.25 point for each answer			<b>1</b>
Factor \ Phase	Economic growth	Recession												
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0.25 point for each answer														
2.1	↑unemployment or ↓economic growth Or ↑of the imports of heavy industry Or deficit in the trade balance (0.5 point for each effect, 2 are required)	1												
2.2	↓of taxes on profit for the sector of heavy industry Or ↓ of interest rates on investment loans in the sector of heavy industry Or easy credit terms and low interest rates in the sector of heavy industry or ↓ custom duties on factors of production for heavy industry or measures of the protectionist policy applied for a short period of time	0.5												
3.1	↑ prices → ↑profit → incentive for producers to increase investment → ↑production : production and price are directly proportional (they vary in the same direction)	1												
3.2	$E_{q/p} = \Delta Q/Q : \Delta p/p$ $1,2 = \Delta Q/Q : 20/100$ $= \Delta Q/Q = 1,2 \times 0.2 = 0.24$ or 24% (0.5 point) Analysis : $= \Delta Q/Q > \Delta p/p$ or $E_{q/p} > 1$ : Elastic Production (0.5 point)	1												
4.1	$I = -30(0.14) + 48 = 43.8$ million m.u.	0.5												
4.2	$I = -30(0.05) + 48 = 46.5$ million m.u.. When interest rate decreased from 14% to 5%, the volume of investment increased from 43.8 million m.u.. to 46.5 million m.u. ; the relation between investment and interest rate is inversely proportional. (0.5 point)	1												
5.1	Material incentive: increase in salary (0.25 point) Moral incentive : Participation in decision making and team work (0.25 point)	0.5												
5.2	↑productivity or ↑competitiveness	0.5												
6	Clean and neat presentation (0.5 pt), Readable handwriting (0.25 pt), Style (0.25 pt)	1												

Part of the Q	Answer	Mark															
1.1	Deficit in the agricultural Trade balance (0.5 point) Proof: The imports of food represent the main part of the trade deficit. (0.5 point)	1															
1.2	The failure to ensure food security or Food self-sufficiency	1															
2.1	The application of strict quality standards and specifications.	0.5															
2.2	The application of strict quality standards and specifications led to the decrease of food export and increase of food import which resulted in an increase of the deficit of the agricultural trade balance.	0.5															
3	Low competitiveness (0.5 point) Justification: the increase in cost lead to higher prices and this leads to reduced competitiveness. (0.5 point)	1															
4.1	Trade and Services: (0.25 points) Contracting and construction: 0.25 points) During all the given years, these two sectors have benefitted the most from the loans of the financial sector 42.5% for Trade and Services and 15.49% for Contracting and construction (0.5 point)	1															
4.2	The problem: The ration of loans granted to the agricultural sector is very weak (0.5 points) Reason: <u>lack of confidence in this sector</u> and the possible inability to pay outstanding loans because the farmer has a weak potential to whatever he may face of natural disasters and others, these losses can not compensated, for this reason the private sector avoids financing, and the loans are costly on the farmer. (0.5 points)	1															
4.3	Loans and thus investments are directed towards trade and services at the expense of agriculture and industry sectors (the productive sectors) (0.5 points) which will result in a development of the trade and services sectors more than other sectors(0.5 points)	1															
5	<p>Problem: Deficit in the agricultural Trade balance (0.5 points)</p> <table border="1"> <thead> <tr> <th><u>Reasons</u></th><th><u>Measures</u></th><th><u>Explanation</u></th></tr> </thead> <tbody> <tr> <td>The high cost</td><td>Exonerate exports from taxes Or any other procedure reduces the cost and encourage the export</td><td>Encourage the export lead to increased exports with respect the import, which promotes agricultural trade balance</td></tr> <tr> <td>Application of quality standards and specifications...</td><td>Establish research centers Or Bank of information on the globally required quality standards</td><td>Increase productivity with high specifications, leads to increased export</td></tr> <tr> <td>Lack of packaging and packaging operations and the shortage of machines...</td><td>Mechanization of packaging and packaging operations and training to operate (Modernization of equipment)</td><td>Development in the quality and low cost of packaging, leads to improved competitiveness and increase demand and exports</td></tr> <tr> <td>The absence of information and studies....</td><td>Information and data bank on foreign markets</td><td>Guidance to the farmer for what are required in foreign</td></tr> </tbody> </table>	<u>Reasons</u>	<u>Measures</u>	<u>Explanation</u>	The high cost	Exonerate exports from taxes Or any other procedure reduces the cost and encourage the export	Encourage the export lead to increased exports with respect the import, which promotes agricultural trade balance	Application of quality standards and specifications...	Establish research centers Or Bank of information on the globally required quality standards	Increase productivity with high specifications, leads to increased export	Lack of packaging and packaging operations and the shortage of machines...	Mechanization of packaging and packaging operations and training to operate (Modernization of equipment)	Development in the quality and low cost of packaging, leads to improved competitiveness and increase demand and exports	The absence of information and studies....	Information and data bank on foreign markets	Guidance to the farmer for what are required in foreign	5
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			markets, increase productivity and exports	
	Low-quality.. Traditional varieties...	Establish research and training centers Or Fiscal and monetary incentives to change the varieties cultivated	Developing production to meet the requirements of foreign market, increase productivity and increase competitiveness and exports	
	Resort to selling by consignments	Financing export through bank and insurance company	Bank financing and insurance company, this assures the exporter from any risk or financial burdens that lead to increase in exports	
	Loans to agricultural sector is very weak	Establishment of a specialized bank for agricultural loans	Soft long-term loans at a low interest for farmers, and this reduces the cost and increase competitiveness and increase agricultural growth	
	(0.25 point for mentioning every reason, required 4)	(0.5 points per measure, required 1 for each reason stated)	(0.25 point for mentioning every reason, required 4)	
	0.5 for coherence			

## Second question (12 points)

Part of the Q	Answer	Mark
1	<p><b>Introduction :</b>  <u>Methodology</u> (1 point)::  Mention an adequate and coherent issue (“problematique”) and announce the plan which will be detailed in the body.</p> <p><u>Content</u> : 1 point for stating the issue which will be discussed et 1 point for announcing the plan  Ex of issue: What are the causes of unemployment in Lebanon and what could be the solutions implemented by the government to reduce this unemployment?</p>	3
2	<p><b>Body – Methodology :</b></p> <ul style="list-style-type: none"> <li>- Dividing the body in paragraph containing each one main idea supported by arguments.</li> <li>- Connecting between paragraphs with a sentence.</li> <li>- Respecting a logical sequence of ideas.</li> </ul>	2
3	<p><b>Body – Content:</b></p> <ul style="list-style-type: none"> <li>- Type of unemployment: structural (0.5 point)</li> <li>- Unemployment in Lebanon results from the inadequacy of the specializations provided by universities to the labor market needs and the absence of studies of the labor market needs in order to orient the young towards these needs.(0.25 point). 80% of the graduates are looking for a job and add to the unemployed (0.25 point)</li> <li>- This structural unemployment could lead on the social level to poverty or decrease of the purchasing power or the deviance of youth; on the demographic level to emigration, migration, decrease in birth rate, brain drain; and to an economic crises or to low economic</li> </ul>	5

	<p>growth. (1.5 point, 0.5 for each level)</p> <ul style="list-style-type: none"> <li>- Adequate policy : Active policy for employment.</li> <li>- Measures of the policy : - Orient students towards specialization which are demanded on the labor market - Provide adequate training – Facilitate the circulation of information on the labor market.</li> </ul> <p>(0.5 point for mentioning the policy, 0.5 point for each measure, 0.25 point to explain each measure and 0.5 point to make the relation between the measure, the policy and the solution of the problem.</p>	
4	<p><b>Conclusion :</b></p> <p><u>Methodology</u> (0.5 point): Synthesizing the arguments and solutions of the issue discussed.</p> <p><u>Content</u> (1.5 points):</p> <p>Synthesizing the arguments which were developed in the body.</p>	2