الاسم:	مسابقة في مادة الاقتصاد	
الرقم:	المدة: ثَلاث ساعات	

Part One: Obligatory Set

Using Economic concepts and techniques (8 points)

- **1.** A country passing through an economic crisis decided to adopt an economic policy to solve it. However, applying this policy had negative repercussions.
 - 1.1- Name this policy. (0.5 point)
 - 1.2- Mention two negative effects for this policy; an economic one and a fiscal one.

(0.5 point)

- **2.** A State (country) adopted an economic system based on respecting several freedoms according to which the government does not intervene in the various economic and social issues; a fact that resulted in several problems in some situations.
 - 2.1- Name the economic system (regime) adopted by this State while specifying the market rule applied.
 - 2.2- Specify a problem on the monetary level and another on the external trade level that may result from some of the principles of this economic system. (0.5 point)
 - 2.3- Name one solution to solve each of the two problems.

(0.5 point) (1 point)

(1 point)

- **3.** Black and Mouton classify the behavioral leadership pattern in five types according to two main criteria. State these two criteria while explaining the level of interest of the team manager (idealistic) in each of them.
- 4. Starting from a closed economy where the government does not intervene in economic matters, the consumption of households (C) is related to income (Y) according to the following function: C = 0.3 Y + 100. In addition, the investment (I) of the economic enterprises is related to the interest rate (i) according to the following function: I = 0.9/i (values expressed in monetary units (m.u.))
 - 4.1- Calculate the investment level at an interest rate of 5%.

(0.25 point)

4.2- Calculate the income level that realizes equilibrium between Saving and Investment.

(0.5 point) (1 point)

- 4.3- Calculate the average propensity to consume. Analyze the result.
- The total cost of an economic enterprise is represented by the following equation: $TC = 0.7Q^2 + 120Q + 35,000$ where TC is the Total Cost and Q is the production level (values expressed in monetary units (m.u.))
 - 5.1- Calculate the average fixed cost, average variable cost and marginal cost when the production level (1 point)
 Q = 150 units
 - 5.2- Knowing that the investment level is 150,000 m.u and that production reaches its maximum capacity at 200 units, specify the per-unit selling that the economic enterprise should charge to achieve a profitability rate on Investment of 15%.

Choose one of the following parts:

First Option: Analyzing Economic Documents (12 points)

Document no.1:

5.

One of the economic experts indicated that the market economy in Lebanon suffers from several obstacles, most important of which are:

- 1. Supporting the Services sector while marginalizing the productive sectors resulted in shutting down many of the enterprises and reflected directly on the volume of exports.
- 2. The increase in the occurrence of unemployment as a result of the deterioration of the productive sectors, as the human capital considers immigration a search for appropriate job opportunities in labor offers abroad in order to expand its horizon; a fact that makes immigration a source of escape despite its negative role affecting the economic and social situations.
- 3- The increase in the occurrence of poverty: the taxation system in Lebanon is considered unfair since it relies on indirect taxes; a fact that resulted in an obvious increase in the percentage of poverty and in an increase in the gap between the rich and the poor.
- 4- Despite some of the positive indicators, the fragile financial situation and the increase in public debt persisted. Consequently, the fiscal policy remained inapplicable; so the waste in public administrative resources remains; a fact that restricts the bases of monetary and social stability.

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Document no.2:

The technological change of the industrial sector is considered one of the main engines for a long-term growth. Over the coming decades, it is expected that radical innovation based on interconnection among equipment, such as the internet, will lead to a revolution in the processes of production and an improvement in living standards especially in developing countries. The ninth sustainable developmental goal, adopted in 26 September 2015, consists of the following measures: building strong and resilient infrastructure and encouraging innovation. This means that industrialization will not occur without technology and innovation and that development will not occur without industrialization.

It is evident that technology increases the efficiency of the productive operations and limits some of the weakness aspects that expose them to market fluctuations. Such a structural change, that is the movement from a labor intensive economy to a capital intensive one, is meant to initiate economic recovery.

Document no.3:

The Lebanese food industrial sector as well as other productive sectors in Lebanon suffer from deteriorated political and security situations and from operational costs that reach unreasonable levels in certain occasions.

There are several obstacles limiting the progress of this industrial sector such as the weakness of securing the appropriate technical skills, lack of needed financial capital, in addition to the decrease of specialized industrial research centers and laboratories, and the lack of specialized and skilled human capital.

Unfortunately, the Lebanese State does not provide any type of industrial or strategic policy to promote the growth of the Lebanese industrial exports in general and the food industry in specific. All activities taking place in this domain such as exhibitions, group visits and exchange of experiences are mainly the result of individual initiatives of Lebanese industrialists and concerned economic agents.

المصدر: جمعية الصناعيين- مؤشرات 2011, 2015 - (21 اذار ٢٠١٧)

Referring to the documents above, answer the following questions:

- 1. Referring to document no.1,
 - 1.1- Conclude the type of unemployment. Justify your answer.

(0.5 point)

1.2- Specify the type of growth. Then, explain its effect on this type of unemployment.

(1 point)

- The third point in document no.1 refers to a social problem:
 - 2.1- Conclude this problem.

(0.25 point)

2.2- Mention an appropriate policy to solve the problem and a measure within this policy.

(0.5 point)

• Extract from document no.2 two measures to achieve the ninth sustainable developmental goal.

(1.5 points)

Then, show the effect of each of these two measures on the industrial sector.

4. It is mentioned in document no.2: "...the movement from a labor intensive economy to a capital intensive one".

(0.75 point)

Mention a positive economic result and a negative social result for this movement while specifying the type of the negative social result.

- **5.** Referring to document no.3:
 - 5.1- Extract the four obstacles that limit the development of the industrial sector.

(1 point)

5.2- Conclude the economic problem mentioned in the last paragraph of this document while extracting from document no.1 the financial problem that aggravated it.

(0.5 point)

- It is mentioned in document no.1: "...As the human capital considers immigration a search for appropriate job opportunities...to expand its horizon; a fact that makes immigration a source of escape."
 - 6.1- Link between the political and security situations referred to in document no.3 and the problem of
- (1point)
- 6.2- Explain the impact of immigration on achieving the economic recovery referred to in document no.2. Documents no.1 & 3 refer to economic, social and fiscal problems. Write a text in which you specify:
- (4 points)

(1point)

- a structural policy and two measures within this policy to solve the fiscal problem while linking between the application of these measures and the intended objective
- three obstacles limiting the development of the industrial sector while suggesting a measure to solve each of the obstacles and mentioning a result for each measure while showing the effect of applying all these measures on the industrial sector and unemployment.

<u>Second set</u>: Studying an economic subject (12 points) Document:

The agriculture in Lebanon depends on individual initiatives. The agricultural sector witnessed over the last three decades many changes; some of which are:

- Segregation of the agricultural holdings in a way that the size of 75% of the holdings doesn't surpass one hectare while constituting 20% of the overall cultivated land
- Absence of planning, roads, bridges and irrigation networks necessary to activate the agricultural work
- The production cost of the Lebanese agricultural output is generally high
- The absence of an effective role of the government in the agricultural sector in coping with the technical advancements in the field of agricultural research, training and guidance
- Rural development became essential for a balanced development that relies on establishing complete programs to fight poverty while taking into consideration the specificity of rural areas and that covers the development of social sectors while securing the minimum requirements of living and providing job opportunities.

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Referring to your acquired information and the information presented in the document above, discuss the situation of the agricultural sector in Lebanon:

- Showing its effect on the Lebanese society
- Mentioning the problem on the regional level and a measure to solve this problem while showing the effect of applying this measure on the social situation of the agricultural sector.
- Suggesting a measure to solve each problem and specifying an economic result for each measure while showing the effect of applying all these measures on the general economic objective