

Epreuve d'Anglais Economique

I. Select the most suitable item to fill in each gap.

NB: Use numbers and letters only.

- 1) Importers and exporters are basically engaged in (a- overseas trade; b- retailing; c- home trade; d- wholesaling)
- 2) The direct exchange of one article for another is referred to as (a- direct service; b- tangible exchange; c- barter ; d- business)
- 3) The minimum number of shareholders in a private limited company is (a- seven; b- twenty; c- two; d- fifty)
- 4) A sole trader can expand his / her business by: (a-selling goods by cash only; b- turning it into a partnership ; c- giving credit to reliable customers; d- diversifying) his / her articles.
- 5) A person who contributes money to the capital of a corporation is called: (a- a capitalist; b- a shareholder; c- an advertiser; d- a middleman)
- 6) The business unit in which all the members enjoy a limited liability is (a- limited partnership; b- joint stock company; c- general partnership; d- sole proprietorship.
- 7) The turning of raw materials into finished goods is (a- production; b- labor; c- manufacturing ; d- industrialization)
- 8) The place where raw materials are turned into finished goods is (a- factory; b- warehouse; c- shelves; d- land)

II. Complete the text below with words from the following list :

NB: Don't write down the sentences. Use numbers and correct answers only!

inflation - depreciation - borders - GNP - adjusted - income - taxes - gross domestic product (GDP) - manufacturing - per capita - value - citizens

..... 1...includes.....2..... earned by citizens and companies abroad, but does not include income earned by foreigners within the country. The figures used to assess GNP include the.....3..... of tangible goods (cars, furniture and agricultural products) and the provision of services (education, healthcare, and business services). GNP does not include the services used to produce manufactured goods because their value is included in the price of the finished product. However, GNP does include4..... and indirect business.....5.... like sales tax. GNP can be6..... to make valid comparisons year-to-year or among

countries. For year-to-year comparisons, GNP needs to be adjusted for7..... For country-to-country comparisons, GNP needs to be stated on a.....8..... basis (i.e. GNP divided by the population of the country). The difference between GNP and9..... is that GNP includes the.....10..... of products made by a country's11..... and companies abroad, while GDP only account for products made within a country's.....12....

III. Right or Wrong? (Don't write the sentences.)

1. Macroeconomics refers to the study of the needs of the government and large business units.
2. The Production Possibility Curve (PPC) is the opportunity cost of all the goods produced in a country in a given period.
3. The Stock Exchange is not a perfect market.
4. Utility gradually decreases as one continues to take more and more units of a given commodity.
5. Demand for a commodity is the quantity of that commodity which consumers want to buy in a given period of time, e.g. a year.

IV. Calculation

Suppose that nominal GDP is \$6,000 billion and real GDP is \$4,000 billion. What is the GDP deflator?

V. Problem

The formula for the coefficient of price elasticity of demand for a good is:

$$E_d = \dots\dots\dots 1 \dots\dots\dots$$

The above formula usually yields a negative value, due to the inverse nature of the relationship between price and quantity demanded, as described by the "law of demand". For example, if the price increases by 5% and quantity demanded decreases by 5%, then the elasticity at the initial price and quantity =2..... . Because the PED is negative for the vast majority of goods and services, however, economists often refer to price elasticity of demand as a positive value (i.e., in absolute value terms).