This is a Class 1 exam

Lebanon Evangelical School
for Boys and Girls
Loueizeh - Baabda

Stage Exam 02

19DEC2022

Do NOT write in this box. Your MARK will be placed here.

Subject :	Economics
Class :	10B and 10C
Teacher :	Amal Bejjani
Duration :	1 hour

Your name :		*Time taken to complete exam*
Your Class :		
Exam Room :		
How many sheets, including cover sheet :		

- Do not open this paper until the teacher in charge instructs you to do so.
- The most important thing to remember in taking an exam is NEVER PANIC.
- If you are caught cheating in this exam, you will be awarded zero for ALL exams that are taken on this day.

I. Choose the correct answer and write the letter on the answer sheet(2pts for each)

1. Economics is most accurately described as the study of ?
   a. money
   b. how to make choices given limited resources with unlimited desires
   c. financial institutions
   d. how to eliminate scarcity

2. Scarcity exists in every society because there are:
   a. Limited wants and abundant resources
   b. Limited quantity of economic resources and unlimited production capacities
   c. Limited quantity of economic resources and unlimited wants
   d. Limited productions capabilities and an unlimited quantity of economic resources

3. Which of the following is not a scarce economic element?
   a. Labor
   b. Capital
   c. Human wants
   d. Natural resources

4. The economic problem of "What to produce" refers to the decision of :
   a. Which goods and services and how much of each are to be produced
   b. Which goods are good for the society
   c. Which goods and services to produce to maximize the rate of economic growth
   d. What combination of resources and production techniques to use

5. Individuals sell ---------- to businesses and in return individuals earn an ----------.
   a. Profit, income
   b. Resources, income
   c. Resources, products
   d. Profit, individuals

6. In which market do businesses sell?
   a. Product market
   b. Market economy
   c. Factor market
   d. Factor and product market

7. Which of the following is considered a nondurable good?
   a. Hair dryer
   b. Toilet paper
   c. Automobile
   d. Truck

8. What is a service?
   a. A want
   b. A need
   c. Something tangible
   d. A work performed by someone

9. When a society does not have enough resources to produce all things people would like to have, this is :
   a. scarcity
   b. paradox of values
   c. economic growth
   d. want

10. Wealth of a nation is
   a. The accumulation of all economic products
   b. The accumulation of all scarce, useful, intangible and transferrable products
   c. The accumulation of all scarce, useful, transferrable, tangible products
   d. Both a and c

11. GDP of a country shows:
   a. The level of production in a a country
   b. Indicates how healthy an economy is
   c. Shows how to deal with the problem of scarcity
   d. Both a and b

12. Production shows
   a. The increase in output with same given input and time
   b. The increase in output
   c. The process of creating goods and service
   d. Both b and c

13. The 4 key elements in the study of economics are:
   a. What , how , for whom and when to produce
   b. Description, Analysis, explanation, and prediction
   c. Description, explanation, analysis and prediction
   d. Land, labor, entrepreneurs, and capital

14. Division of labor leads to
    a. An increase in productivity and production
    b. Economic growth
    c. Each labor having fewer tasks so he or she does it more efficiently
    d. All of the above

15. Scarcity requires that people must make
    a. Trade
    b. Compete
    c. Cooperate
    d. Choices

16. When firms in an economy produces more computer and fewer televisions, they are answering the ---------- question
    a. Where
    b. When
    c. What
    d. For whom

17. When China builds a dam using few machines and a great deal of labor, it is answering the ---------- question
    a. How
    b. What
    c. Where
    d. For whom

18. Human capital is
    a. Machinery that meets or exceeds federal safety standards for use by humans
    b. All capital owned by individuals or corporations but not by governments
    c. The skill and knowledge of workers
    d. All capital owned by individuals but not by corporations or government

19. Entrepreneurs do all of the following, except
    a. Bear risk from business decisions
    b. Own all the other resources
    c. Come up with new ideas about what, how and for whom to produce
    d. Organize land, labor , and capital

20. Which of the following is not a factor of production

a. The water used to cool a nuclear power plant
b. The salaries paid to workers
c. The effort of farmers raising cattle
d. The management skill of a small business owner

21. Who wrote the Weath of Nations

a. Adam Smith
b. Thomas Jefferson
c. Michael Parkin
d. Karl Marx

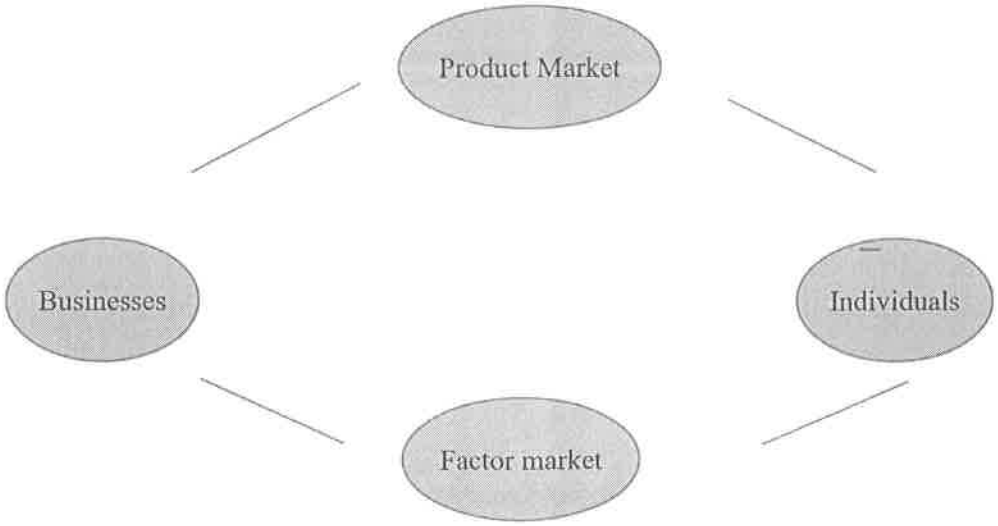
22. The difference between capital goods and consumer goods is that :

a. Consumer goods are purchased by consumers directly
b. Capital goods are purchased by consumers directly
c. Consumer goods increase efficiency while capital goods don't
d. Capital goods satisfy peoples wants and needs directly

23. Indicate below which is not a factor of production :

a. Capital
b. A bank loan
c. Land
d. Labor

II. Read the following statements and label the circular flow with the correct answer in your answer sheet.



a) Nour buying a ticket from Nakhal travel Agency

b) Nakhal Travel Agency

c) Nour getting a taxi to go to the airport

d) Nour

e) Ticket from Travel Agency

f) Nour working as a saleswoman in Bankers insurance company

g) Bankers insurance company enlarging their company

h) Bankers insurance providing insurance policy to customers

I) insurance policy

j) The service provided by the taxi for Nour

III. Answer the following questions.

1. State if the following sentence is True or false and explain your answer.
   The study of economics solves the problem of scarcity. (4pts)

2. As a student in LES, You have several benefits.One of those benefits is you can go to the Library and read books for free. Is this free. Explain your answer economically(4pts)

3. Your parents are investing in you. Explain how? Then show how will this affect the economy? (4pts)

4. How is wealth of an economy related to the circular flow of economic activity?(4pts)

5. Some individuals get higher income relative to others. Explain what determines the value of any individual economically? (4pts)

6. Determine the most important factor that leads to Economic growth and explain your Answer (4pts)

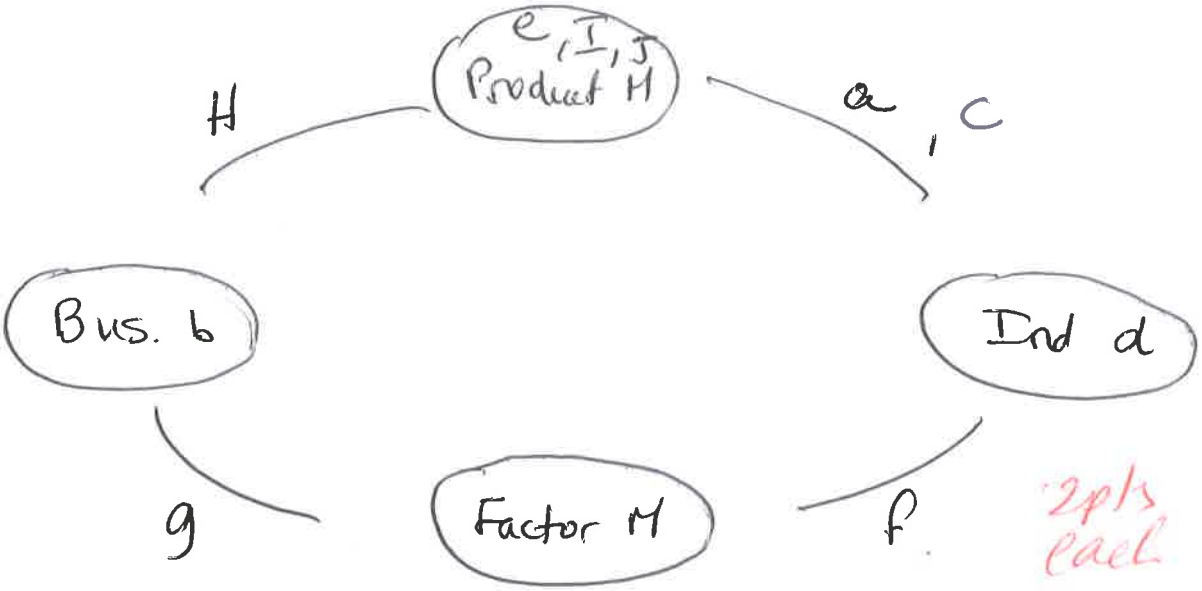
10 B & C Answer sheet

2pts each

I

1) b	6) a	11) d	16) c	21) a
2) c	7) b	12) c	17) a	22) a
3) c	8) d	13) b	18) c	23) b
4) a	9) a	14) d	19) b	
5) b	10) c	15) d	20) b	

II



2pts each

III.

1) False, the study of economics teaches us how to deal with the Problem of Scarcity by making wise choices with our Limited resources to Satisfy our unLimited Needs & Wants (4pts)

2) NO, NOthing is for free. TINSTAAFL, there is not for free because someone always has to pay for the resources (4pts)

3) They are educating us & providing us with appropriate nutrition to be healthy. This will ↗ our productivity & EG (4pts)

4) It enlarges the circular Flow.

5) because they are relatively more scarce & Provide more utility so they have higher value. (4pts)

6) ↗ in Productivity because all the other factors lead to ↗ in Productivity. to ↗ EG. (4pts)