This is a Class 1 exam

Lebanon Evangelical School for Boys and Girls

Lebanon Evangelical School
for Boys and Girls Loueizeh - Baabda

SE01 Exam

10NOV2025

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

Subject :	Economics	
Class :	11SE	
Teacher :	Mr. George El Haber	
Duration :	1 hour	
You are to answer the questions to this exam on : Squared paper		
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. Case Study

In the city of Cedarsville, a popular energy drink called **PowerBoost** has gained attention among students, athletes, and office workers. Over the past few months, several events occurred:

- A famous athlete endorsed PowerBoost on social media.
- A competing drink, **VitaMax**, increased its price after new government health regulations raised its production costs.
- The local PowerBoost producer faced unexpected difficulties: transportation strikes disrupted deliveries, while the government also introduced a new tax on sugary products.
- Meanwhile, a technology upgrade allowed PowerBoost factories to reduce production costs in the long run, but this will only take effect in the coming year.

Market research has provided the following **individual demand and supply schedules** at different price levels ($ per can).

Price ($)	Student Demand	Athlete Demand	Worker Demand	Producer A	Producer B
1	30	20	25	5	10
2	25	15	20	10	15
3	18	12	15	15	20
4	12	8	10	20	25
5	5	4	12	30	35

1) Copy the above table on your answer sheet and add two columns calculating the market demand for cans and the market supply for cans at each price level. **(5 pts.)**
2) Draw on one graph the market demand and market supply of cans. **(5 pts.)**
3) Several **non-price factors** influenced demand and supply on PowerBoost energy drink in the above case study.
   a) Identify **two non-price determinants of demand** and show, using a diagram, how they would shift the demand curve. **(5 pts.)**
   b) Identify **two non-price determinants of supply** and show, using a diagram, how they would shift the supply curve. **(5 pts.)**
4) Suppose the government removed sugar tax next year, show on a graph, how would this affect the demand and supply, indicating the new equilibrium price and equilibrium quantity. **(5 pts.)**

II. Answer the following questions on your answer sheet:

1) What is wrong with this statement:
   Demand refers to the willingness of buyers to purchase different quantities of a good at different prices during a specific time period. **(4 pts.)**

2) Answer by True or False and Justify.
   a) As the price of apples rises, the demand for apples falls **(4 pts.)**
   b) The price of 1 kg of apples, which was $5 last month, is $6 today. The demand curve for apples must have shifted rightward between last month and today. **(4 pts.)**

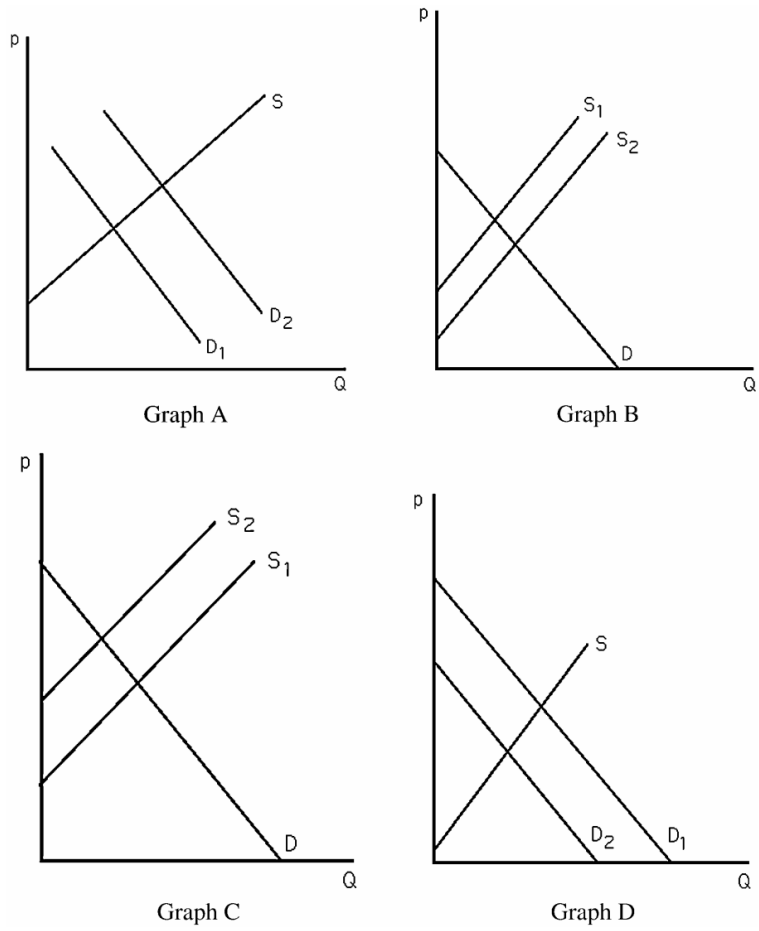
3) Fill in the blanks:

Consider the supply curve for sedans in an imaginary market. For simplicity, assume that all sedans are identical and sell for the same price. Two factors that affect the supply of sedans are the level of technical knowledge – in this case, the speed with which manufacturing robots can fasten bolts, or robot speed – and the wage rate that auto manufacturers must pay their employees. Initially, the robots can fasten 2500 bolts per hour, autoworkers earn $25 per hour, the price of a sedan is $30,000 and the quantity supplied (Sedans per month) is 250.

Suppose that the price of a sedan decreases from $30,000 to $25,000. This would cause the _____ of sedans to decrease, which is reflected on the graph by a _____ supply curve.
Following a technological decline – for example, a decrease in the speed with which robots can attach bolts to cars – there is a _____ shift of the supply curve because the technological decline makes cars more expensive to build.

(5 pts.)

4)



a) The above figure shows four different markets with changes in either the supply curve or the demand curve. Which graph best illustrates the market for coffee after severe weather destroys a large portion of the coffee crop? **(3 pts.)**
(a) graph A
(b) graph B
(c) graph C
(d) graph D

b) The above figure shows four different markets with changes in either the supply curve or the demand curve. Which graph best illustrates the market for tea after severe weather destroys a large portion of the coffee crop? **(3 pts.)**
(a) graph A
(b) graph B
(c) graph C
(d) graph D

c) The above figure shows four different markets with changes in either the supply curve or the demand curve. Which graph best illustrates the market for non-dairy coffee creamer after severe weather destroys a large portion of the coffee crop? **(3 pts.)**
(a) graph A
(b) graph B
(c) graph C
(d) graph D

d) The above figure shows four different markets with changes in either the supply curve or the demand curve. Which graph best illustrates the market for computers after technological advances in making computers occur? **(3 pts.)**
(a) graph A
(b) graph B
(c) graph C
(d) graph D

e) The above figure shows four different markets with changes in either the supply curve or the demand curve. Which graph best illustrates the market for computer manuals after technological advances in making computers occur? **(3 pts.)**
(a) graph A
(b) graph B
(c) graph C
(d) graph D

f) The above figure shows four different markets with changes in either the supply curve or the demand curve. Which graph best illustrates the market for typewriters after technological advances in computerized word-processing software occur? **(3 pts.)**
(a) graph A
(b) graph B
(c) graph C
(d) graph D

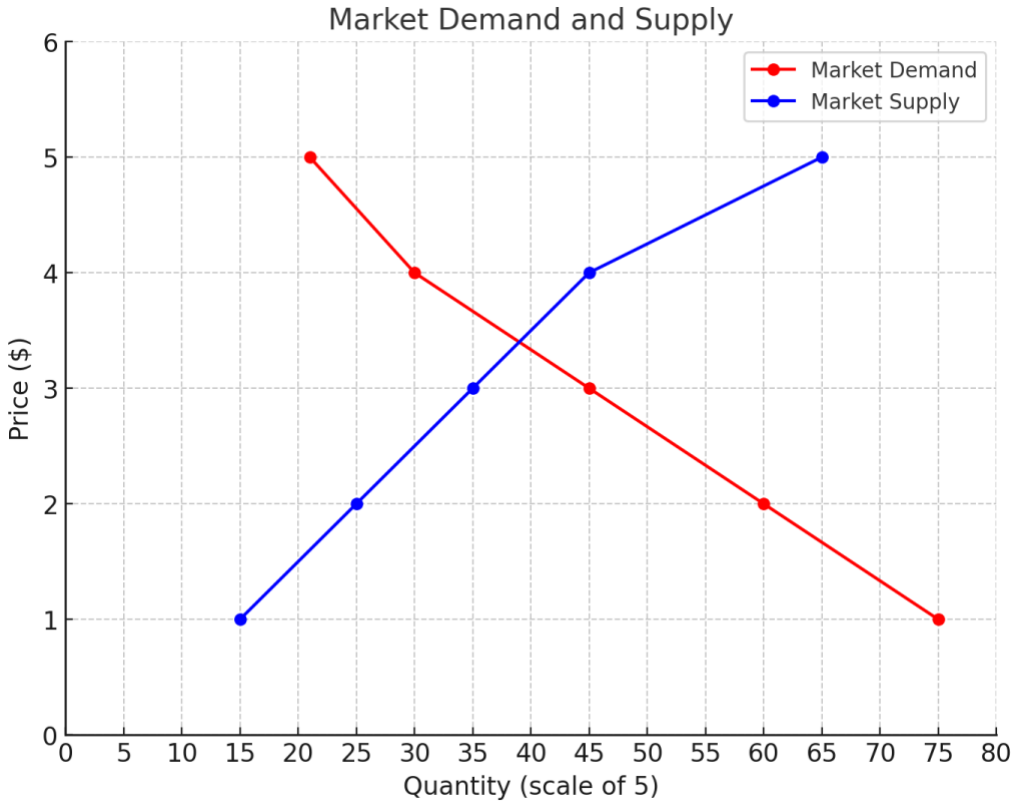
ANSWER KEY (SE01 ECONOMICS 11SE)

I.

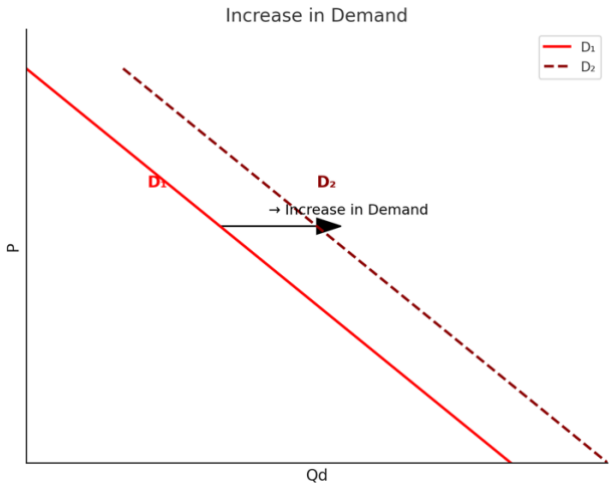
1) **(0.5 for each answer)**

Price ($)	Student Demand	Athlete Demand	Worker Demand	Producer A	Producer B	Market Demand	Market Supply
1	30	20	25	5	10	**75**	**15**
2	25	15	20	10	15	**60**	**25**
3	18	12	15	15	20	**45**	**35**
4	12	8	10	20	25	**30**	**45**
5	5	4	12	30	35	**21**	**65**

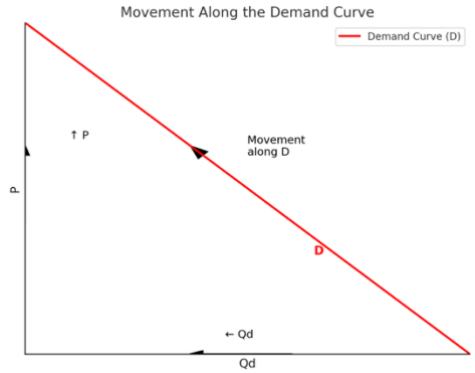
2) **(5 pts.)**

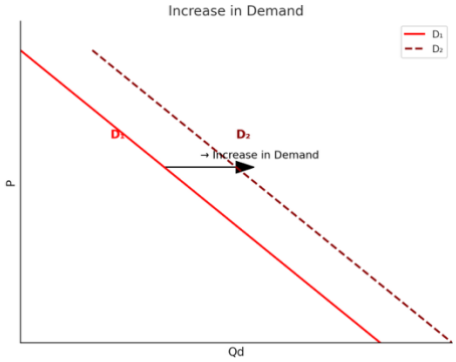


3) a) A famous athlete endorsed PowerBoost on social media →Increase in Demand on PowerBoost (Advertisment) **(5 pts.)**

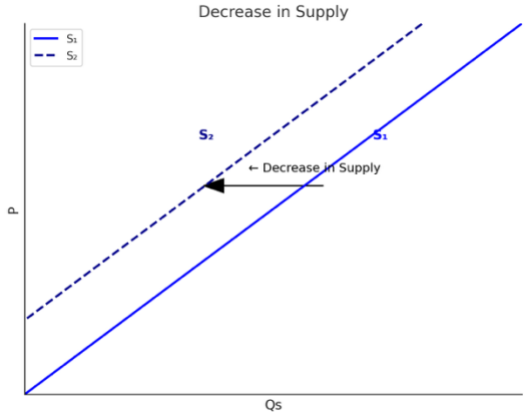


A competing drink, **VitaMax**, increased its price after new government health regulations raised its production costs → Decrease quantity deemanded on VitaMax (Law of Demand)
Decrease quantity demanded on VitaMax → Increase demand on PowerBoost (Substitutes)

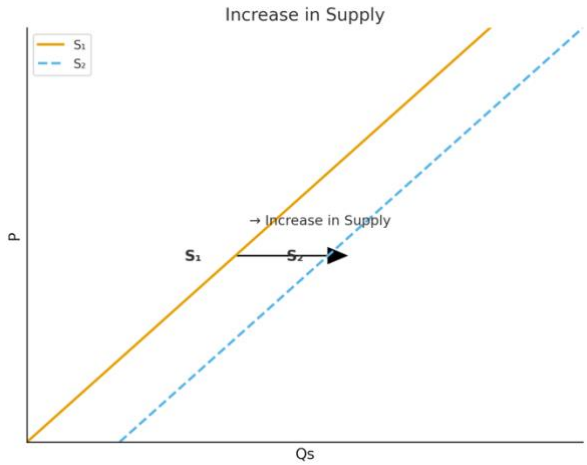




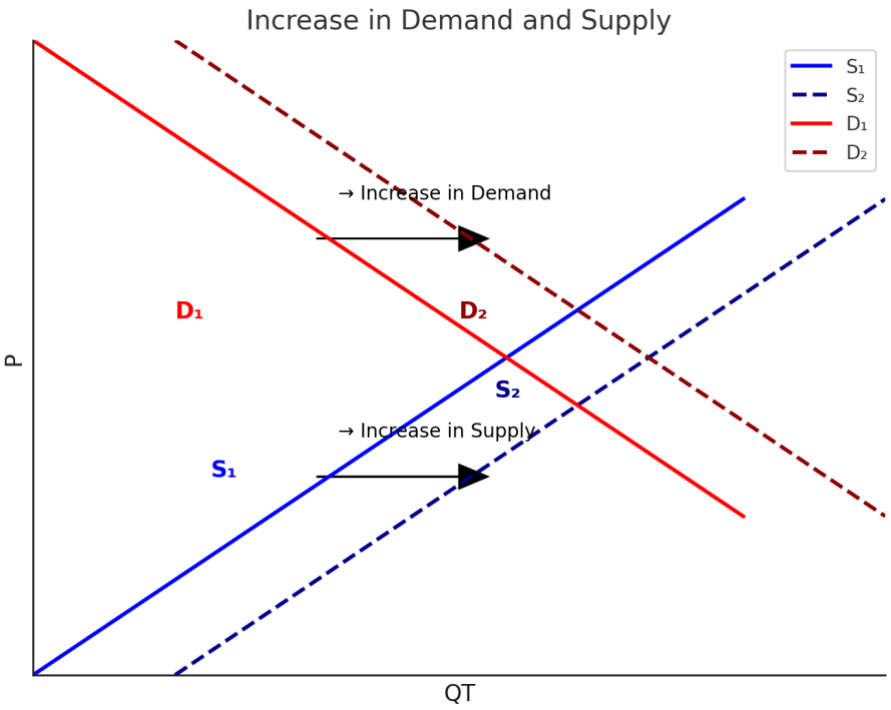
b) the government also introduced a new tax on sugary products → Increase cost of production → Decrease in supply (Taxes)



a technology upgrade allowed PowerBoost factories to reduce production costs in the long run → Decrease cost of production → Increase supply of PowerBoost (Innovation)



4) the government removed sugar tax next year → Decrease cost of production → Increase in Supply (Taxes) **(5 pts.)**
the government removed sugar tax next year → Decrease prices → Increase Demand (Government Policies)



II.

1) Demand refers to the willingness **and ability** of buyers to purchase different quantities of a good at different prices during a specific time period. **(4 pts.)**

2) a) False, As the price of apples rises, the **quantity** demand for apples falls **(4 pts.)**
b) False, The price of 1 kg of apples, which was $5 last month, is $6 today.
The demand **for apples will decrease leading to an upward movement on the deemand curve.**

3) Consider the supply curve for sedans in an imaginary market. For simplicity, assume that all sedans are identical and sell for the same price. Two factors that affect the supply of sedans are the level of technical knowledge – in this case, the speed with which manufacturing robots can fasten bolts, or robot speed – and the wage rate that auto manufacturers must pay their employees. Initially, the robots can fasten 2500 bolts per hour, autoworkers earn $25 per hour, the price of a sedan is $30,000 and the quantity supplied (Sedans per month) is 250. **(5 pts.)**

Suppose that the price of a sedan decreases from $30,000 to $25,000. This would cause the **supply** of sedans to decrease, which is reflected on the graph by a **movement on the** supply curve.
Following a technological decline – for example, a decrease in the speed with which robots can attach bolts to cars – there is a **leftward** shift of the supply curve because the technological decline makes cars more expensive to build.

4) **(18 pts.)**
a) **(c) graph C**
b) **(a) graph A**
c) **(c) graph C**
d) **(b) graph B**
e) **(a) graph A**
f) **(c) graph C**