



Ministry of Higher Education and Scientific Research
El-Oued University
Faculty of Economics, Commercial and Management sciences,
Department of Economic Sciences

English Exam; 1 st semester (January, 2024)	..... الاسم واللقب:
1st y Master Economic Sciences	..... الفوج:
Academic year: 2023/2024	..... التخصص:

Questions:

Duration:90 ms

I. Mastery of language: (5 pts)

A. Find the term or the expression which have the same meaning of: (2 pts)

Government spending =..... Increases =

Political business cycle =..... Reduces =

B. Find the opposite of the following: (2 pts)

To cool down the economy \neq Deficit \neq

Monetary contraction \neq Durable goods \neq

C. Transfer the sentence from the singular form to the plural one: (1 pt)

- This policy helps the government get re-elected.

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II. Conceptual Activities: (7pts)

A. Read the following statements; and then clarify if they are true or false: (3 pts)

1. To lower the inflation, the interest rates should be decreased.(.....)

2. The economy could be stimulated by reducing the money supply.(.....)

3. Housewives activities inside their houses are not considered as labour.(.....)

4. Deflationary fiscal policy includes tax cuts.(.....)

5. Economic development is a narrower concept than economic growth. (.....)

6. Budgets include expected earnings. (.....)

B. The terms 'Economic growth' and 'Economic development' sound similar. However, the two concepts are different. In consideration of this differentiation; classify the following statements in the table below: (4 pts)

- a. Well-being and health care,
- b. Increase in the monetary value of all goods.
- c. Reducing in the imports costs.
- d. Life expectancy.
- e. The level of business transactions.
- f. Infrastructure improvement.
- g. Advancements in technology .
- h. Changing in the total exports value.

Economic Growth Scope	Economic Development Scope
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III. Practice Exercise (Case study):(8 pts)

These are the data of Algeria's economy from 2018 to 2022:

Years	2018	2019	2020	2021	2022
RGDP (Million)	\$175.600	\$177.360	\$168.310	\$174.030	\$179.600
Population (Million)	41,9	42,7	43,4	44,17	44,9
RGDP Per Capita	.....	.....	.....	.....	.....
Economic Growth / RGDP Per Capita	.....	.....	.....	.....	.....
Economic Growth /RGDP	.....	.....	.....	.....	.....

1. Calculate the yearly RGDP Per Capita . (2 pts) (**Formulas used must be written**)
2. Calculate the yearly Economic Growth Rate using the RGDP Per Capita indicator.(2pts)(**Formulas must be written**)
3. Calculate the yearly Economic Growth Rate using the RGDP indicator. (2 pts) (**Formulas used must be written**)
4. Comment the results of economic growth/RGDP. (2 pts)

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**Good luck
Dr. Aicha Lemhannet**



Model correction



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Answers:

I. Mastery of language: (5 pts)

A.

Government spending = **Government expenditure** (0.5 pt)

Increases = **Rises** (0.5 pt)

Political business cycle = **Boom and bust** (0.5 pt)

Reduces = **Lowens** (0.5 pt)

B.

To cool down the economy \neq **To stimulate the economy** (0.5 pt)

Deficit \neq **Surplus** (0.5 pt)

Monetary contraction \neq **Monetary expansion** (0.5 pt)

Durable goods \neq **Non-durable goods** (0.5 pt)

C. **These** (0.25 pt) **policies** (0.25 pt) **help** (0.25 pt) the government get re-elected. (+ 0.25 pt)

II. Conceptual Activities: (7pts)

A.

1. **False** (0.5 pt)
2. **False** (0.5 pt)
3. **True** (0.5 pt)
4. **False** (0.5 pt)
5. **False** (0.5 pt)
6. **True** (0.5 pt)

B.

Economic Growth Scope	Economic Development Scope
b (0.5 pt)	a (0.5 pt)
c (0.5 pt)	d (0.5 pt)
e (0.5 pt)	f (0.5 pt)
h (0.5 pt)	g (0.5 pt)

III. Practice Exercise (Case study):(8 pts)

1. Calculating RGDP Per Capita

$$\text{RGDP Per Capita} = \text{Real GDP} / \text{Population} \quad (1 \text{ pt})$$

$$\text{RGDP Per Capita (2018)} = 175.600 / 41,9 = \$4.190,9$$

$$\text{RGDP Per Capita (2019)} = 177.360 / 42,7 = \$4.153,6$$

RGDP Per Capita (2020) = 168.310 / 43,4 = \$3.878,1

RGDP Per Capita (2021) = 174.030 / 44,17 = \$3.940

RGDP Per Capita (2022) = 179.600 / 44,9 = \$4.000

2. Calculating Economic Growth Rate using the RGDP Per Capita indicator

$$\text{Economic Growth Rate (RGDP P.Capita)} = \frac{\text{Final Value (RGDP P.Capita)} - \text{Initial Value (RGDP P.Capita)}}{\text{Initial Value (RGDP P.Capita)}} \times 100 \quad (1 \text{ pt})$$

Economic Growth Rate (2019) = $(4.153,6 - 4.190,9) / 4.190,9 \times 100 = -0,89 \%$

Economic Growth Rate (2020) = $(3.878,11 - 4.153,6) / 4.153,6 \times 100 = -6,63 \%$

Economic Growth Rate (2021) = $(3.940 - 3.878,11) / 3.878,11 \times 100 = 1,59 \%$

Economic Growth Rate (2022) = $(4.000 - 3.940) / 3.940 \times 100 = 1,52 \%$

3. Calculating Economic Growth Rate using the RGDP indicator

$$\text{Economic Growth Rate (RGDP)} = \frac{\text{Final Value (RGDP)} - \text{Initial Value (RGDP)}}{\text{Initial Value (RGDP)}} \times 100 \quad (1 \text{ pt})$$

Economic Growth Rate (2019) = $(177.360 - 175.600) / 175.600 \times 100 = 1,002 \%$

Economic Growth Rate (2020) = $(168.310 - 177.360) / 177.360 \times 100 = -5,10 \%$

Economic Growth Rate (2021) = $(174.030 - 168.310) / 168.310 \times 100 = 3,39 \%$

Economic Growth Rate (2022) = $(179.600 - 174.030) / 174.030 \times 100 = 3,2 \%$

Years	2018	2019	2020	2021	2022	
RGDP (Million)	\$175.600	\$177.360	\$168.310	\$174.030	\$179.600	
Population (Million)	41,9	42,7	43,4	44,17	44,9	
RGDP Per Capita	4.190,9	4.153,6	3.878,11	3.940	4.000	} (1pt)
Economic Growth / RGDP P. C	/	(0,89%)	(6,63%)	1,59%	1,52%	} (1pt)
Economic Growth /RGDP	/	1,002%	(5,10%)	3,39%	3,2%	} (1pt)

4. According to the results of economic growth/RGDP shown in the table above; the rate of economic growth in Algeria was 1,002% in 2019, next year the rate **decreased** (0.5pt) by almost 6 per cent, so that it reached -5,10% in 2020. In 2021, the rate **increased** (0.5pt) to 3,39%. In 2022, the rate **continued in rising** (0.5pt) and it reached 3.2%. (+0.5pt)