**Main English Examination**

**University of Bejaia**

**Master in EQ - September 2021**

**Answer all questions**

Please type your answers in a Word document, print a copy of your answers and hand it over to examiner.

**Question 1**

Put the following sentences in a correct order to form a paragraph about "The Impact of the Asian Crisis on Hong Kong":

- The fact that the market value of Hong Kong companies could decline by almost one-fourth over a four-day period demonstrated the perceived exposure of Hong Kong to the crisis.

- During this period, Hong Kong maintained its pegged exchange rate system with Hong Kong dollar tied to the US dollar.

- The decline was primarily attributed to speculation that Hong Kong's currency might be devalued and that Hong Kong could experience financial problems similar to the South East Asian countries.

- On 23 October 1997, prices in the Hong Kong stock market declined by 10.2% on average; considering the three trading days before that, the cumulative four-day effect was a decline of 23.3%.

- However, it had to increase interest rates to discourage investors from transferring their funds out of the country.

(**5 marks**)

**Question 2**

Read carefully the section entitle: "Marginal Decision-Making and Diminishing Marginal Utility" on page 32 of your textbook (Principles of Economics). Use your own words (summarise and paraphrase) to write a short essay (of about 500 words) explaining the concepts of marginal decision-making and diminishing marginal utility.

(**10 marks**)

**Question 3**

Read carefully the paragraph below and replace the words (phrases) in bold with their closest synonyms:

Economics **seeks** to solve the problem of scarcity, which is when human wants for goods and services exceed the available supply. A modern economy **displays** a division of labor, in which people earn income by specializing in what they produce and then use that income to **purchase** the products they **need** or want. The division of labor allows individuals and firms to specialize and to produce more for several reasons: a) It allows the agents to **focus** on areas of advantage due to natural factors and skill levels; b) It encourages the agents to learn and invent; c) It allows agents to take advantage of economies of scale. Division and specialization of labor only work when individuals can purchase what they do not produce in markets. Learning about economics helps you understand the major problems facing the world today, prepares you to be a good citizen, and helps you become a **well-rounded** thinker.

(**5 marks**)

(**Total 20 marks**)

***Good luck***