

Lesson 01 :

Economic growth

Economic growth is defined The increase in a country's production for a long-term period and **it** appears in two components: Increasing the real national product between two periods and The high rate of per capita income.

Growth is accompanied by economic progress if the growth of the national product is greater than the rate of population growth, while if the rate of population growth is higher than the rate of growth of the national product, then growth is accompanied by an economic decline, and economic growth is a necessary condition, but **it** is not enough to raise the level of material lives of individuals. ; The other condition is the method of distributing the achieved increase to individuals.

The benefits of growth are the increase in the quantities available to the members of society of goods and services, the increase in the welfare of the people through increased production, the increase in the rates of wages and profits, it also helps to eliminate poverty, improves the health and educational level of the population, and alleviates unemployment.

QUESTIONS:

A) Read the text then say whether the statements are « true » or « false »:

1. Economic growth is defined The increase in a country's production for a short-term period.
2. Growth is accompanied by economic progress if the growth of the national product is minimum than the rate of population growth.
3. economic growth is enough to raise the level of material lives of individuals.

B) Read the text again and answer the following questions:

1. Where does economic growth appear?
2. Remember three benefits of growth?

C) Find in the text: - The increase = - decline ≠

D) What or who do these words refer to:

- **it** :

- **it** :

E) Translation in Arabic the text ?

Lesson 02 :

Inflation

Inflation is defined as a sustained increase in the general level of prices for goods and services in a country, Another definition of inflation is an excess of money in circulation with reduced ability to buy.

you have inflation when the prices rise, and alternatively when the value of money falls.

One of the most important causes **its**, is the monetary expansion that governments resort it, **which** create a deficit in the budget, through of the expansion in public spending financed through a monetary issuance, because the public revenues available from taxes, fees and public loans do not cover public Expenses, and this reason is considered a factor Encouraging to achieve the development process.

Although high inflation harms the economy, deflation or inflation absorption is also not good. When prices drop, consumers postpone buying what they need if they are able in the hope of getting lower prices in the future, and for the economy this means a decrease in economic activity and thus a decrease in economic growth.

QUESTIONS:

A) Read the text then say whether the statements are « true » or « false »:

4. Inflation is defined as a sustained decrease in the general level of prices for goods and services.
5. the monetary expansion is one causes of inflation.
6. Deflation is good for the economy .

B) Read the text again and answer the following questions:

3. When does inflation happen?
4. What are the elements of public revenues?

C) Find in the text: - Expenses \neq - increase \neq
- inflation \neq

D) What or who do these words refer to:

- which: - its:

E) Translation in Arabic the text ?

Lesson 03 :

Balance of payments

The balance of payments is a statistical statement that systematically summarizes 'for a specific time period, the economic transactions of an economy with the rest of the world. Transactions, for the most part between residents and nonresidents, consist of those goods, services, and income; those financial claims on, and liabilities, the rest of the world, it is prepared for a specific time period, usually one year.

BOP contain a lot of articles distributed in two parts, debit and credit .This accounts record a country's international transactions, because double entry bookkeeping is used, always balance out with no surplus or deficit shown on the overall basis. A surplus or deficit can be shown in any of its three component accounts:

- Current account , covers export and import of goods and services, or visible and invisible goods.
- Capital account, covers investment inflows and outflows ‘
- Gold account, covers gold inflows and outflows .

BOP accounting serves to highlight a country's competitive strengths and weaknesses, and helps in achieving balanced economic-growth.

$$\text{BOP} = \text{current account} + \text{capital account} + \text{gold account}$$

I- QUESTIONS: a- Answer the questions:

- 1) What is the balance of payments?
- 2) Between whom the transactions registered in BOP had happened?.
- 3) What can these transactions include?
- 4) Which are the BOP components?

b- Is this statements true or false: (correct the mistakes)

- 1) The balance of payments summarizes the economic transactions of an economy with the rest of the world.
- 2) The BOP is often equilibrated.
- 3) The balance of payments is prepared for a specific time period, usually 06 months.

II- Translate the text to Arabi

Lesson 04 :

Exchange rates

The exchange rate is the price with which one currency can be exchanged for another. In theory, exchange rates should be at the level that gives purchasing power parity (ppp). This means that the cost of a given selection of goods and services would be the same in different countries. So if the price level in a country increases because of inflation, its currency should depreciate. For example, if inflation increases in the USA, the dollar exchange rate should go down so that it takes more dollars to buy the same products in other countries. If there are more buyers of a currency than sellers its price will rise; if there are more sellers, it will fall. .

For 25 years after World War 2, the level of the major currencies was determined by governments. **They** were pegged against the US dollar and the dollar was pegged against gold. thirty-fifth dollar was worth of an ounce of gold, This system was known as gold convertibility. These fixed exchange rates could only be adjusted if the international monetary fund agreed. Pegging against the dollar ended in 1971, because inflation in the USA. The federal reserves did not have enough gold to guarantee the American currency .

Since the introduction of a common currency in 2002, fluctuating exchange rates among many European countries are no longer a problem. But the euro countries to fluctuate against the US dollar the Japanese Yen and other currencies

QUESTIONS:

A) Read the text then say whether the statements are « true » or « false »:

7. Before the Second World War the price of currencies was determined by governments.
8. If there are less buyers of a currency than sellers its price will fall.
9. Pegging against the dollar ended in 1971, because Deflation .

B) Read the text again and answer the following questions:

5. What is exchange rate?
6. In the United States, when did the peg to the dollar end and for what?

C) Find in the text: - buyers ≠ - rise ≠

D) What or who do these words refer to:

- **They:** - **its:**

E) Translation in Arabic the text ?

Lesson 04 :

The World Bank

The World Bank is an international organization that assists emerging market countries to reduce poverty. The World Bank is not a bank in the conventional sense of the word. Instead, **it** consists of two development institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The Bank works closely with three other organizations. They are the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for the Settlement of Investment Disputes (ICSID). All five organizations make up the World Bank Group.

The Bank's stated purpose is to "bridge the economic divide between poor and rich countries." It does this by turning "rich country resources into poor country growth. It has a long-term vision to "achieve sustainable poverty reduction". To achieve this goal, the Bank focuses on following areas: Overcome poverty, Help reconstruct countries emerging from war, Share **its** expertise with developing countries.

QUESTIONS:

A) Read the text then say whether the statements are « true » or « false »:

- The World Bank is a traditional bank.....
- The World Bank provides loans to rich countries.....
- The WB helps to reconstruct countries emerging from war.....

B) Read the text again and answer the following questions:

- Which is the World Bank?
- does the WB work as the others banks? How does it work.?

C) Find in the text: - poor country ≠ - helps =

D) What or who do these words refer to:

- it:
- its:

E) Translation in Arabic the text ?