

**I. VOCABULARY (10 marks)**

**1. Define (4 marks):**

- GDP:

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- Economic growth:

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- Common goods:

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- Sustainable development:

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**2. Give the difference between (3 marks):**

- Nominal GDP and real GDP:

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- Recession and depression:

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**3. Are GDP or GNP able to estimate the economic welfare? (3 marks)**

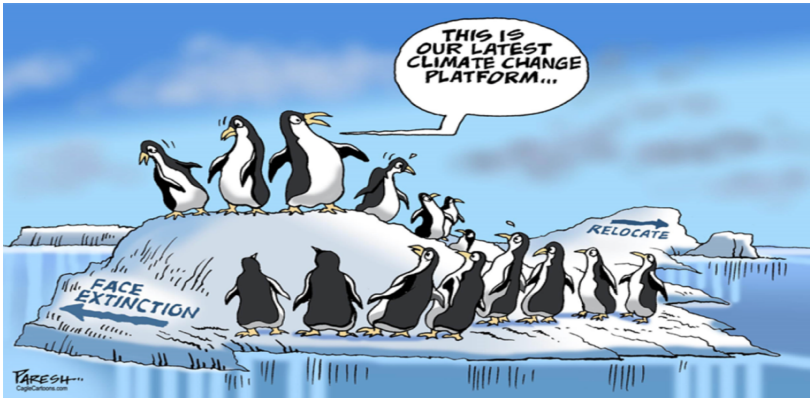
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## II. DOCUMENT (10 marks)



Penguins in Antarctica published March 7, 2018 by Paresh Nath, [politicalcartoons.com](http://politicalcartoons.com)

**Question 1:** What is the issue at stake in the picture? (3 marks)

[illegible]

**Question 2:** Explain how climate change is analyzed as a negative externality according to Economists? (3 marks)

[illegible]

**Question 3:** Using one example of your choice discuss how an innovation could permit a sustainable growth. (4 marks)

[illegible]

## I. VOCABULARY

### 1. Define:

- **GDP:** is the total market value of all final goods and services produced in a given time period, within a country's borders.
- **Economic growth:** is defined as the high and sustained **increase** of the production of goods and services in an economy. It is measured by **the % change of real GDP** over a period of time.
- **Common goods:** it's a rival good as a scarce resource and non-excludable because free of charge.
- **Sustainable development** meets the needs of people living today without compromising the ability of future generations to meet their own needs.

### 2. Give the difference between:

- **Nominal GDP and real GDP:**  
Real GDP is **adjusted for** inflation or by subtracting the rate of inflation while nominal GDP is **not adjusted for** inflation.
- **Recession and depression:**  
The difference consists in duration: recession is shorter than a depression. Recession occurs when the real GDP declines for 2 consecutive quarters (6 months) while a decline of eight consecutive quarters (two years) corresponds to a depression.

### 3. Are GDP or GNP able to estimate the economic welfare? (3 marks)

They cannot as quantitative indicators.

On the one hand, it includes products that reduce the people's quality of life. For instance, pollution and smoke from cigarettes, both harm people's health. GNP increases when more weapons are made or jails are built. Pollution, war and crimes are contrary to people's well-being.

On the other hand, GNP cannot include items which create a better life, such as education, people's health and all good feelings/ intentions.

## II. DOCUMENT

### 1. What is the issue at stake in the picture?

Firstly, melting of the glaciers represented in the cartoon harms penguins' conditions of life in Antarctica. Penguins are threatened to disappear "face extinction" if they don't find anymore glaciers. The picture denounces climate change that provokes extinction of some animal species.

### 2. Explain how climate change is analyzed as a negative externality according to Economists?

According to Economists climate change is analyzed as a negative externality generated by the human activities, the production and consumption of goods and services. Producing goods and driving fuel cars involve atmosphere pollution. In fact, firms and cars discharge carbon dioxide into the atmosphere which provokes floods, ice melting and a rise in sea level, global warming, and broadly speaking climate change. Pollution and waste generated by the economic activities have negative impacts on climate for which no compensation is paid. As the market fails to put a price on negative spillover-effects they are called negative externalities by Economists.

### 3. Using one example of your choice discuss how an innovation could permit a sustainable growth.

**1. Define (3 marks):**

- GDP: is the total market value of all final goods and services produced in a given time period, within a country's borders.
- Economic growth: \*: *is defined as the high and sustained **increase** of the production of goods and services in an economy. It is measured by **the % change of real GDP** over a period of time.*
- Common goods: rival as a scarce resource and non-excludable because free pf charge.
- Sustainable development meets the needs of people living today without compromising the ability of future generations to meet their own needs.

**2. Give the difference between (4 marks):**

- **Nominal GDP and real GDP:**  
Real GDP is **adjusted for** inflation or by subtracting the rate of inflation while nominal GDP is **not adjusted for** inflation.
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The difference consists in duration: recession is shorter than a depression. Recession occurs when the real GDP declines for 2 consecutive quarters (6 months) while a decline of eight consecutive quarters (two years) corresponds to a depression.

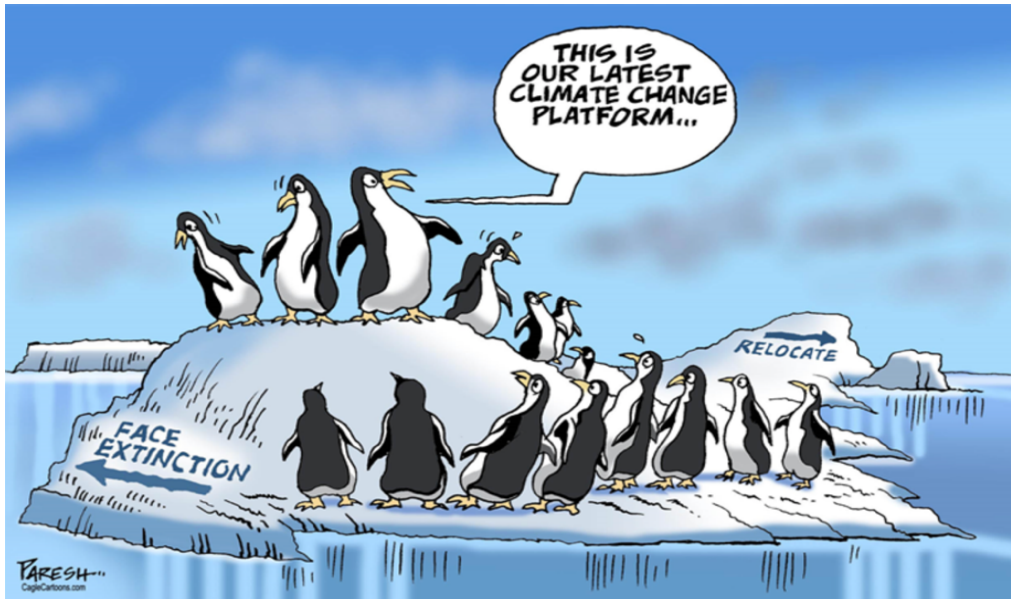
**3. Are GDP or GNP able to estimate the economic welfare? (3 marks)**

They cannot as quantitative indicators

On the one hand, it includes products that reduce the people's quality of life. For instance, pollution and smoke from cigarettes, both harm people's health. GNP increases when more weapons are made or jails are built. Pollution, war and crimes are contrary to people's well-being.

On the other hand, GNP cannot include items which create a better life, such as education, people's health and all good feelings/ intentions.

## II. DOCUMENT



Penguins in Antarctica published March 7, 2018 by Paresh Nath, politicalcartoons.com

**Question 1:** What is the issue at stake in the picture? (1 mark)

Firstly, melting of the glaciers represented in the cartoon harms penguins' conditions of life in Antarctica. Penguins are threatened to disappear "face extinction" if they don't find anymore glaciers. The picture denounces climate change that provokes extinction of some animal species.

**Question 2:** Explain how climate change is analyzed as a negative externality according to Economists? (3 marks)

According to Economists climate change is analyzed as a negative externality generated by the human activities, the production and consumption of goods and services. Producing goods and driving fuel cars involve atmosphere pollution. In fact, firms and cars discharge carbon dioxide into the atmosphere which provokes floods, ice melting and a rise in sea level, global warming, and broadly speaking climate change. Pollution and waste generated by the economic activities have negative impacts on climate for which no compensation is paid. As the market fails to put a price on negative spillover-effects they are called negative externalities by Economists.

**Question 3:** Using one example of your choice discuss how an innovation could permit a sustainable growth.

**Evaluation spécifique aux sections européennes**

**Temps de préparation : 20 minutes**

**Durée de l'épreuve : 20 minutes**

**Coefficient : épreuve optionnelle**

**Thème : Sustainable development.**

Le sujet comprend deux documents

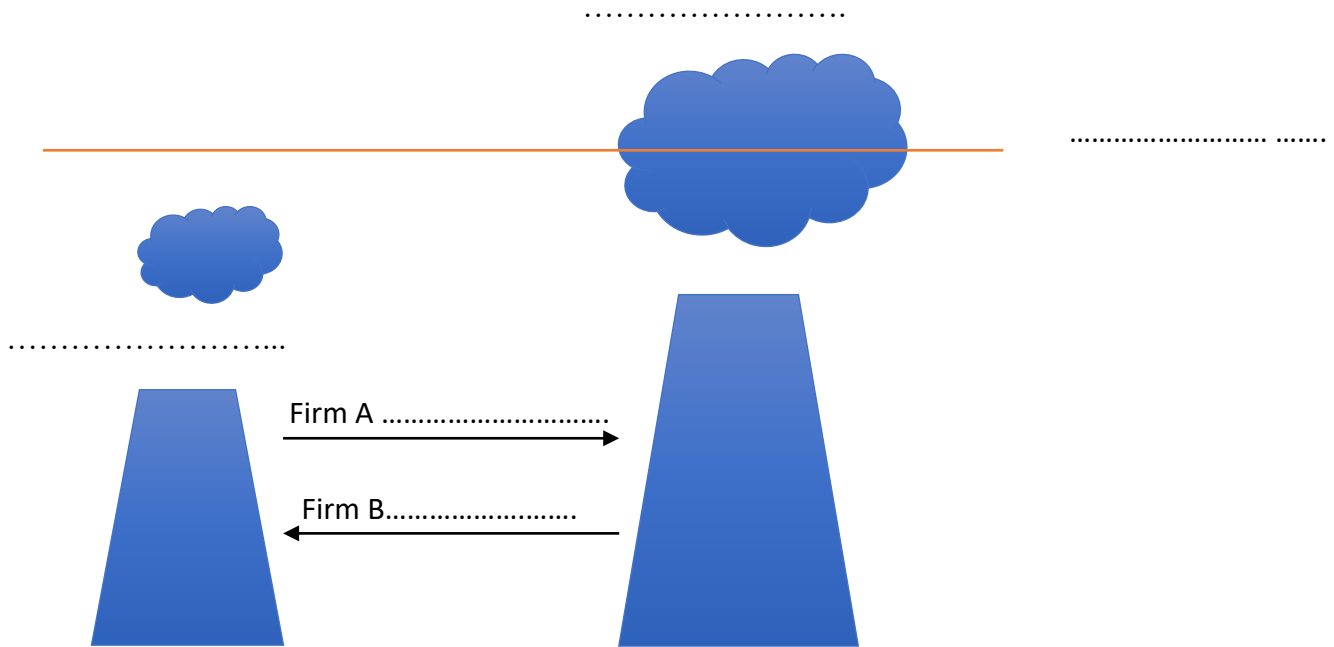
1. How do economists explain climate change?
2. Why should people recognize climate change emergency? (documents 1 and 2)
3. .

**DOCUMENT 1**



1. What is the issue at stake in the picture? (1 mark)
2. Why is this issue considered as a market failure according to economists? (2 marks)

**DOCUMENT 2 : The EU Emissions Trading Scheme (EU ETS)**



1. Fill in the diagram. (1.5 mark)
2. What does the EU ETS consist in? (0.5 mark)
3. Explain why ETS is based on both a command approach and a market mechanism one. (1 mark)
4. Present the main advantage and two limits of the EU ETS (4 marks)