

UNIVERSITE PARIS 1 PANTHEON-SORBONNE

UFR 06 / SGEL

LICENCE DE GESTION ET ECONOMIE D'ENTREPRISE, Semestre 1

Partiel d'anglais appliqué à la gestion

Enseignant responsable : J.T. Pindi

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Maître de conférences

Durée : 2 heures

No documents allowed. Write your answers on the official answer sheets provided.

PART I: Vocabulary (1) (2.5 points)

From your knowledge of the subjects studied in class, write in full the acronyms used in the sentences below:

- 1) In 1958, the Japanese government ensured high profits for Toyota through high tariffs and tough controls on FDI:
- 2) For the past 25 years, rich countries have imposed trade liberalization on many developing countries through IMF and World Bank loan conditions:
- 3) The WTO allows some tariff protection for the poorest developing countries:
- 4) Most subsidies have been banned in the world except the ones that rich countries still use such as agriculture, and R&D:
- 5) The GATT was created in 1947 and headquartered in Geneva:
- 6) GDP is the figure most commonly used to measure a country's output and growth:
- 7) GNP is useful when considering a country's standard of living:
- 8) In LDCs, unpaid activities outweigh the official figures:
- 9) The RPI is one of the most politically sensitive economic indicators:
- 10) ICTs have transformed labour markets:

PART II: Reading

A. Read carefully the text below entitled **Measuring unemployment** and address the ensuing exercises

Measuring Unemployment

Internationally, the unemployment rate, which is one of the most politically sensitive economic indicators, is understood to show the number of people without a job and looking for work as a percentage of the labour force.

In practice, this is not easy to measure and depends very much on the definitions of what is meant by 'without work', 'looking for work', and 'the labour force'. You might think these definitions are obvious but, partly because of the politically sensitive nature of the resulting figures, the definitions have been changed several times in the UK in the last twenty years.

This makes comparisons over any period of time difficult and has led to a widespread and unfortunate cynicism about the validity of government statistics in general. Until April 1998, the UK employment figures were based on a claimant count: they showed the numbers of adult workers not employed and claiming the Job Seeker's Allowance. Therefore the unemployment figures excluded those under 18 and those over 60 years of age, even though the retirement age for men is 65, while the UK employment figures showed the numbers of workers over 16 with a job and those on government work-related schemes – an obvious inconsistency.

Changes in the bases on which the unemployment data were collected in recent years have generally had the effect of reducing the quoted unemployment rate. In particular, the unemployed have been shown as a percentage of the working population rather than of the labour force. The working population is larger than the labour force because it includes the armed forces and the self-employed; therefore the unemployment rate looks lower than it might, had the previous definition been still in use.

There are several other ways in which the published unemployment statistics underestimate unemployment, as the term is understood by most people. Women who stop working to raise a family and then wish to return to work may not claim unemployment benefits and so are excluded from the recorded unemployment figures, as are school leavers and men between the ages of 60 and 65. People who are unemployed for only a brief period are also excluded. There is no way of indicating the extent of underemployment either, whether of the part-time employee who would prefer full-time work, or of the over-qualified employee such as a biologist with a PhD who works in McDonald's serving hamburgers.

However, from April 1998, the published UK unemployment rate has conformed to international standards of computation and has been based on a monthly estimate of the number of people seeking jobs and available to work, derived from the quarterly Labour Force Survey. This change added about half a million people to the jobless total, overnight.

On the other hand government figures may also overestimate unemployment. Some claims for unemployment benefits are fraudulent because those claiming have an undeclared income from employment in the underground economy; similarly some people with seasonal work may prefer not to work all year round but may sign on the unemployment register when not employed.

Unemployment is a stock, measured at one point in time, while people becoming unemployed or finding a job are a flow, measured over a period of time. The pool of unemployed people is added to by those who lose their jobs or who return to or join the labour force; it is reduced by those who leave the labour force by retiring, emigrating, dying, caring for children or relatives, or giving up the search, and by those who get a job. If the flows into the pool are greater than the flows out then the level of the pool will rise, that is, the stock or the number of unemployed people becomes larger and the unemployment rate rises. In any one year, the flows in and out of the pool are significantly greater than the number of the unemployed at any moment.

The size of the labour force is greater than the size of the employed population but smaller than the population of official working age. Over the years changes in society have meant that the composition of the labour force has altered and changes in the economy have meant that the sort of work offered by employers has also altered. In the last fifty years an increasing proportion of women has entered the labour force; the school-leaving age has risen and a higher proportion of school leavers go on into further or higher education, thus entering the

labour force several years later; and the average retirement age has fallen but the average life expectancy has risen. During the same period there has been a decline in employment in heavy industry and a rise in employment in the service sector; there has been a decline in employment in manual labour and a rise in employment in high-technology industries; and there has been a significant growth in the numbers of those in part-time employment. All these factors may combine to affect the natural rate of unemployment, since much of the labour force is relatively immobile geographically and retraining is not universally available or acceptable.

Adapted from Stephen Dobson & Susan Palfreman, *Introduction to Modern Economics*, New York, Oxford University Press, 1999

B. Comprehension (5 points)

Answer briefly these questions. Make full sentences.

- 1) How was unemployment measured in Britain before 1998?
- 2) What contradictions, if any, could be pointed out in the way the British government measured unemployment before 1998?
- 3) What categories of people, who should have been counted in, were counted out in the published unemployment figures?
- 4) How was the unemployment rate computed before 1998?
- 5) What was the consequence of that method of computation on the published unemployment figures?
- 6) What has been the basis of measurement since 1998?
- 7) Where does the difference lie between the bases of measurement used before and after 1998?
- 8) What was the consequence of the change in the basis of measurement on the unemployment figures?
- 9) What can inflate the number of people claiming unemployment benefit?
- 10) What can affect the natural rate of unemployment?

C. Vocabulary (2)

- I. Find the words and/or expressions in the text which have equivalent meanings to the ones below. Give the paragraph and line references. **(2.5 points)**

- 1) manpower:
- 2) unemployment figures:
- 3) calculation:
- 4) percentage:
- 5) black market:

- II. Define or explain the meaning of the following words and/or expressions in English **(2.5 points)**

- 1) stock (of unemployment):
- 2) flow (of unemployment):
- 3) government work-related schemes:
- 4) underemployment:
- 5) school leavers:

PART III: Grammar (2.5 points)

Put the words in the sentences below in the correct order and use the structure “*have something done*” in the process:

- 1) a production the had by done the manager job sub-contractor.
- 2) they campaign by an the had organized agency whole.
- 3) she cleaned by had the machine technician a.
- 4) are we investigated the a matter having by lawyer.
- 5) damage had I assessed independent by an surveyor the.
- 6) the she Mr at by had Messud looked problem.
- 7) by given I number have of a had a quotation companies me to.
- 8) debts we have a agency factoring by collected our.
- 9) Peterson Mr by documents he the had photocopied.
- 10) officers consignment had by inspected the John customs.

PART IV: Essay writing (5 points)

In a minimum of 200 words or a maximum of 250, discuss the reason or reasons why you think the unemployment rate is considered as a *politically sensitive economic indicator*.

Your discussion should include an explanation of what is meant by ‘*politically sensitive*’ and a demonstration of how the economic indicator can be manipulated to achieve government objectives. Give real life examples, if possible.

Provide a word count at the end of your essay. You lose 1 point if you fail to do so and/or if you write more or fewer words than required.

Key to answers and guidelines for marking

Part I: Vocabulary (1) (2.5 points)

Answers

- 1) FDI = Foreign Direct Investment
- 2) IMF= International Monetary Fund
- 3) WTO= World Trade Organization
- 4) R&D= Research and Development
- 5) GATT= General Agreement on Tariffs and Trade
- 6) GDP= Gross Domestic Product
- 7) GNP= Gross National Product
- 8) LDCs= Least Developed Countries
- 9) RPI= Retail Prices Index
- 10) ICTs= Information and Communications Technologies *or* Information and Communication Technologies

Marking

0.25 point for a good answer. Nothing to be awarded if the answer, however good, has spelling mistakes. Nothing to be awarded for a wrong answer.

Part II.

B. Comprehension (5 points)

Answers

- 1) Before 1998, unemployment was measured in Britain on the basis of a claimant count, i.e. the number of adult workers not employed and claiming the Job Seeker's Allowance.
- 2) The unemployment figures excluded those under 18 and those over 60 years of age while the employment figures showed the number of workers over 16 with a job and those on government work-related schemes.
- 3) People without a job who could not claim unemployment benefit such as women who stopped working to raise children and then wished to return to work, school leavers, men between the ages of 60 and 65 and people who were unemployed for only a brief period.
- 4) It was calculated as a percentage of the working population, which is larger, rather than as a percentage of the labour force.
- 5) The consequence was that the unemployment rate looked lower than it might have been had it been calculated as a percentage of the labour force.
- 6) Unemployment has been since measured on the basis of a monthly estimate of the number of people seeking jobs and available to work, in line with the international standards of computation.
- 7) The difference is that after 1998, all the people looking for work and available to work were counted as unemployed whether or not they claimed the Job Seeker's Allowance.
- 8) The change added about half a million people to the jobless total, overnight.

- 9) Fraudulent claims of unemployment benefit by people with undeclared income such as seasonal workers or moonlighters.
- 10) A combination of factors such as changes in society that have modified the composition of the labour force and changes in the economy that have modified the sort of work offered by employers.

Marking

0.5 point for a correctly and thoroughly written answer. 0.25 point for an answer with a correct substance but with grammar or spelling mistakes. Nothing to be awarded if otherwise.

C. Vocabulary (2)

- I. Find the words and/or expressions in the text which have equivalent meanings to the ones below. Give the paragraph and line references. **(2.5 points)**

Answers

- 1) *manpower*: labour force (paragraph 1, last line)
- 2) *unemployment figures*: unemployment statistics (paragraph 4, line 1)
- 3) *calculation*: computation (paragraph 5, line 2)
- 4) *percentage*: proportion (last paragraph, lines 5 and 6)
- 5) *black market*: underground economy (paragraph 6, line 3)

Marking

0.5 point for a correct answer coupled with text references. **0.25 point** for a correct answer without any text references. Nothing to be awarded if otherwise.

- II. Define or explain the meaning of the following words and/or expressions in English **(2.5 points)**

Answers

- 1) *stock (of unemployment)*: number of people without a job measured at one point in time
- 2) *flow (of unemployment)*: variation in the number of people without a job as measured over a period of time.
- 3) *government work-related schemes*: government-run programmes whereby unemployed people are provided with some form of temporary or part-time employment.
- 4) *underemployment*: the condition that exists when someone works at a job, which does not fully utilize that person's capacity or ability.
- 5) *school leavers*: people who have successfully completed their high school education

Marking

0.5 point for a correctly and thoroughly written answer. **0.25 point** for a correct answer with grammar or spelling mistakes. Nothing to be awarded if otherwise.

Part III. Grammar (2.5 points)

Answers

- 1) The production manager had the job done by a sub-contractor.
- 2) They had the whole campaign organized by an agency.
- 3) She had the machine cleaned by a technician.
- 4) We are having the matter investigated by a lawyer.
- 5) I had the damage assessed by an independent surveyor.
- 6) She had the problem looked at by Mr. Messud.
- 7) I have had a quotation given to me by a number of companies.
- 8) We have our debts collected by a factoring agency.
- 9) He had the documents photocopied by Mr. Peterson.
- 10) John had the consignment inspected by customs officers.

Marking

0.25 point for a correct answer. Nothing to be awarded if otherwise.

Part IV. Essay writing (5 points)

Marking

1 point to be systematically awarded for requisite length. Please make sure that the student has counted the number of words used in the essay and that the word count is genuine or accurate. This point is to be withheld if the essay is too long or not long enough or again if the student has failed to provide the word count.

Up to 2 points to be awarded for satisfactory substance. The breakdown of points is as follows:

- up to 0.5 point for a satisfactory explanation or definition of the expression *politically sensitive*.
- up to 0.5 point if the student shows that unemployment figures can be manipulated downward.
- up to 0.5 point if real-life examples are given.
- up to 0.5 point if the student throws an acceptable idea of their own on the computation of unemployment figures.

Up to 2 points to be awarded for the standard of English. The breakdown of points is as follows:

- up to 0.5 point for a good sequencing of ideas (*coherence*)
- up to 0.5 point for a good use of link words (*cohesion*)
- up to 0.5 point for good spelling and for a good choice of words, especially an adequate use of specialist terms (*vocabulary*)
- up to 0.5 point for good sentence construction (*grammar*)

Please note that *up to* means that you should feel free to award less if warranted: a quarter of a mark instead of half a mark for example.