



# RED RIVER COLLEGE

OF APPLIED ARTS, SCIENCE AND TECHNOLOGY

Economics & Development, Final Exam  
November 13, 2018

Community Development / Community Economic Development Program

Name: \_\_\_\_\_

## Section # 1

1. Give a short definition in your own words plus an example for 10 of the following concepts in their economic context (30 pts).  
If two concepts are together as separated by a /, explain how they are linked.

- |                                   |                                |                               |
|-----------------------------------|--------------------------------|-------------------------------|
| a) Opportunity Costs              | m) Multiplier                  | y) Supply & Demand            |
| b) Allocation / Free Markets      | n) Recession                   | z) Comparative Advantage      |
| c) Profit / Loss                  | o) Redistribution / Subsidies  | aa) Production Curve          |
| d) Externalities / Price          | p) Social Program              | bb) Social Mobility           |
| e) Inflation                      | q) Moral Hazard / Risk Pooling | cc) Growth                    |
| f) Regressive & Progressive Taxes | r) Debt / Deficit              | dd) Monopolies                |
| g) Commodities / Money            | s) Gross Domestic Product      | ee) Equilibrium Point         |
| h) Wealth / Resources             | t) Central Planning            | ff) Factors of Production     |
| i) Efficiency                     | u) Specialization / Trade      | gg) Productivity              |
| j) Residual Claimant              | v) Minimum Wage                | hh) GINI & Inequality         |
| k) Free Riders                    | w) Risk Pooling                | ii) Trade Balance             |
| l) Innovation                     | x) Agency Costs                | jj) Collective action problem |

2. Identify 5 economic concepts that are at stake in the following article and explain your answer.

### [Jobs in the Aviation Industry](#)

3. Give your definition of economics and explain why it is important to study this field in CD / CED.
4. What are the economic roles that governments accomplish well in a mixed economy?
5. What are the economic roles that entrepreneurs accomplish well in a mixed economy?
6. The following article provides an update on the production of avocados in Kenya.

### [Avocados in Kenya](#)

- What triggered the price increase?
- During what period of time did the demand increase was the sharpest?
- How will the market more likely to adjust to this price increase?
- Which country is the largest producer of avocados?

## **Section # 2**

### [OECD on job creation](#)

#### **Extract**

*Disadvantaged groups may require targeted programs to help prepare for the future of work. Different populations such as migrants, people with disabilities, youth, older workers or even Indigenous Peoples, may have different opportunities or particular challenges as the world of work changes.*

*Lessons from country and local examples of targeted actions for specific communities reveal a few strategies.*

- *One is to include pre-employment skills and training and other related support services.*
- *Another is to involve the target group in the program design and delivery.*
- *Embedding these integration efforts in community-led development, has also proven helpful.*

*The social economy can also be a driver of inclusion for disadvantaged groups, as an employer, a service provider to such groups or through social innovations that support inclusion. Better mobilizing the social economy is a promising opportunity to address labour market inclusion, particularly in light of changes associated with automation.*

*Social economy organisations, including traditional types and*

*newer forms such as social enterprises, all share a common approach that puts people at the core of their mission. Social economy organisations are estimated to account for 6.3% of jobs in the EU28. They mainly operate at the local level, which enables them to both identify and address local needs. The contribution of social economy organisations is of course not limited to employment and work integration of disadvantaged groups. These entities also produce goods and services that create a social, economic and/or environmental impact in different sectors of activity. For instance, they create innovative health services for the elderly or new and sustainable forms of tourism, transportation, and delivery of renewable energy. The social innovations that support inclusion are additional benefits from developing the social economy.*

*Supporting social enterprises through better framework regulations, access to mainstream financing (including guarantees), and tailored business support are some of the ways to boost the social economy. Social economy organisations further benefit from public sector support through public procurement, employment subsidies and longer-term funding cycles.*

**7. Why do community development and social entrepreneurship so successful at helping support new and fragile job market?**

**8. What are the two (2) systems that are currently being used to determine the allocation of resources in human societies?**

**9. What is the function of prices in a free market system?**

**10. Explain how Community Development can support growth and redistribution in Canada.**

**Section # 3**

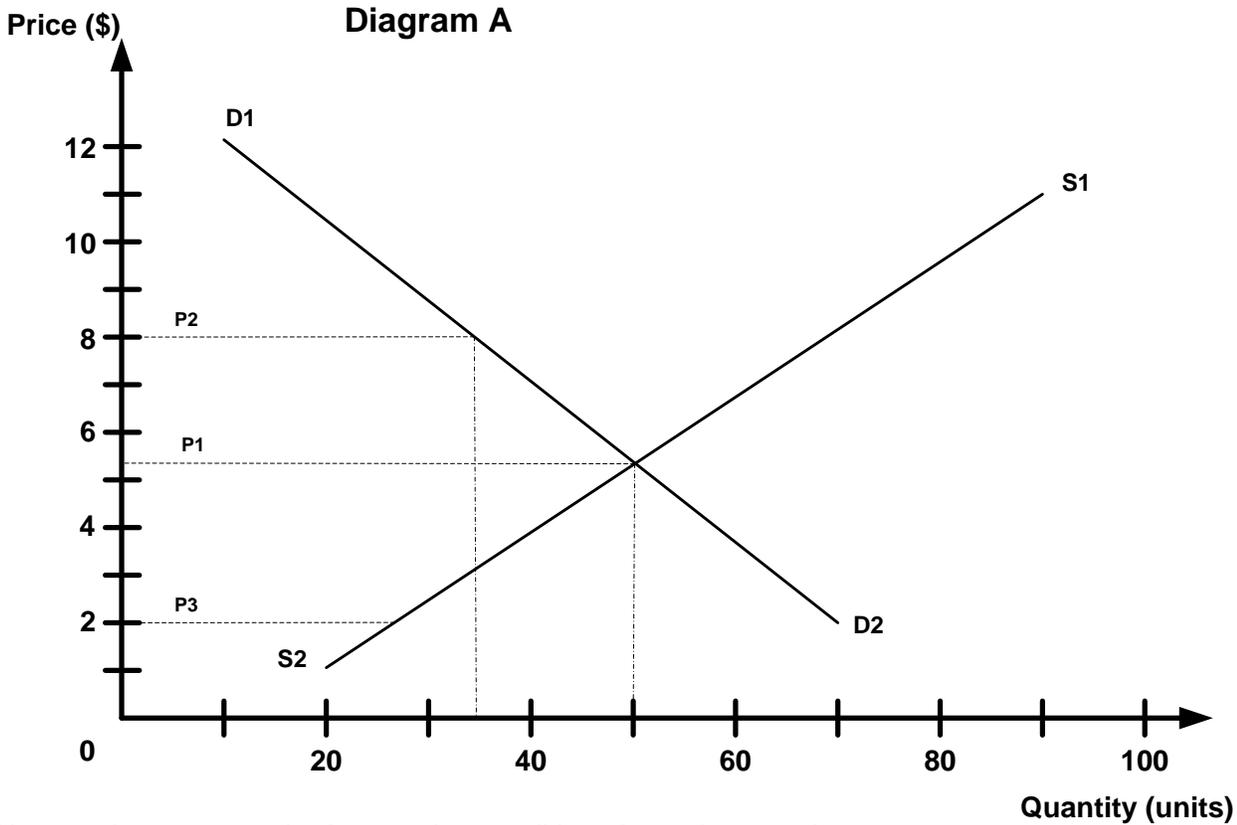


Diagram A represents the free market conditions for a given product.

18 - What will be the quantity sold at the equilibrium price? (5 pts)

19 - An increase in quantity supplied is caused by: (5 pts)

- a) a decrease in price
- b) an increase in the number of producers
- c) technological improvements
- d) an increase in price

20 - Which of the following statements is incorrect? (5 pts)

- a) An increase in demand will lead to an increase in price
- b) An increase in price will lead to a decrease in demand
- c) An increase in price will lead to an increase in supply
- d) None of the above

21- True or False? (5 pts)

- At a price of P2, there will be a shortage
- At a price of P2, there will be a surplus
- At a price of P3, there will be a surplus

22 – If the government fixes the price for this product at \$8 per unit, what will result? (5 pts)

- a) a surplus of 35 units
- b) a shortage of 35 units
- c) supply will increase
- d) demand will decrease