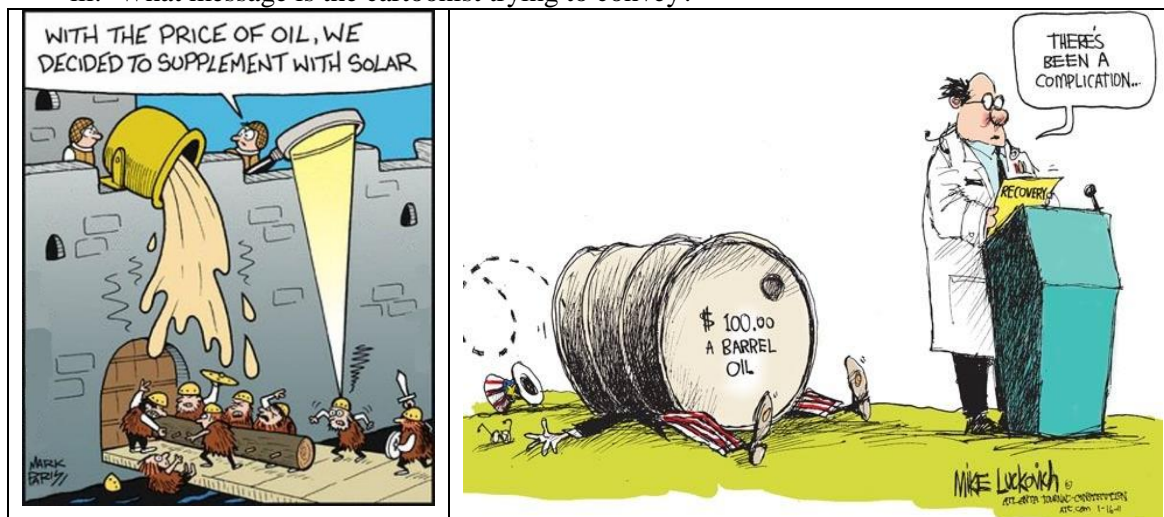


A. CARTOON ANALYSIS

1. Consider the cartoons.

- i. What does the cartoon depict? Who is represented in the cartoon?
- ii. What elements act as symbols for concepts, entities, people or groups, etc? What qualities or characteristics are associated with the elements depicted in the cartoon?
- iii. What message is the cartoonist trying to convey?



2. Place each verb/noun in an appropriate gap in the paragraphs.

represents
implies
suggests
seems

representing
symbolising
argues
suggest

shows
depicts
implication

evoke
brings to mind
looks

The first cartoon **1**.... a picture of a castle being attacked by soldiers dressed in medieval clothes. Two soldiers standing on the ramparts are defending the castle. One is pouring boiling oil over the assailants who are trying to break down the gate with a battering ram. He is also looking disapprovingly at his fellow soldier, who is using a magnifying glass to concentrate the sun's rays into a beam that is able to burn an enemy soldier's helmet. This soldier **2**.... to feel he needs to justify his actions, for he comments, "With the price of oil, we decided to supplement with solar." The medieval castle, its assailants' method of attack and its defence by pouring boiling oil or concentrating sunlight through a magnifying glass **3**.... a contrast between tradition and innovation: the boiling oil and its use **4**.... crude oil and the way it is used in today's society, and the magnifying glass **5**.... newer alternatives to a well-established resource. The comment **6**.... that the soldier is only using solar energy because oil has become too expensive, and the soldiers' facial expressions **7**.... reluctance to this change. In other words, the shift away from oil towards sustainable alternatives is the result of market forces. Thus, the cartoon **8**.... that alternative energy sources to oil will only be developed if the price of oil remains high.

The second cartoon **9**.... a man dressed in a white lab coat giving a speech on recovery. He is announcing that there has been a complication, and he **10**.... uncomfortable. Behind him is a barrel of oil that costs \$100, and it has rolled on top of and crushed another man, dressed in the colours and patterns of the US flag. The conjunction of the term 'recovery' and the barrel of oil costing '\$100' **11**.... a link to the economy. The man crushed by the barrel of oil **12**.... the United States of America and by extension its economy while the man in the lab coat **13**.... a doctor or researcher, someone who is responsible for diagnosing problems. The **14**.... is that because the US economy is dependent on oil, it is being crushed by high oil prices, and this is impeding its recovery.

3. How are the paragraphs structured in stages? What is the purpose of each stage? Which verbs are associated with each stage?
4. In what way do the thematic choices contribute to the coherence and development of the paragraph? What is the function of 'In other words' and 'Thus'?
(see powerpoint presentation & grammar file)
5. Each cartoon highlights a relation of cause and effect. What are they? How are they realised in the verbal mode?

B. THREE ECONOMIC ISSUES

1. Note down the uses of oil in our society today. How important is it? Why?
2. Complete the following sentences by inserting a preposition in the blanks.
 - i. Oil and its derivatives are basic inputs for many household products ranging plastic utensils polyester clothing.
 - ii. The price of oil fell comparison the prices of other products.
 - iii. Economic activity was organised the assumption cheap and abundant oil.
3. Read the following sentences and choose the best meaning for the underlined expression.

<ol style="list-style-type: none"> i. In this section we discuss three economic issues to show how society allocates <u>scarce</u> resources between competing uses. <ol style="list-style-type: none"> a. rare b. common c. important ii. Higher prices <u>encourage</u> consumers of oil to try to economize on its use. <ol style="list-style-type: none"> a. teach b. require c. stimulate iii. OPEC forecast that <u>cutbacks</u> in the quantity demanded would be small. <ol style="list-style-type: none"> a. reductions b. increases c. changes iv. The dramatic price increases have become known as the OPEC oil price shocks because of the <u>upheaval</u> they inflicted on the world economy. <ol style="list-style-type: none"> a. important and problematic adaptation b. slow and steady changes c. violent and sudden changes or disruption x. A <u>disturbance</u> anywhere <u>ripples</u> throughout the entire economy. <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"> <ol style="list-style-type: none"> a. change b. noise c. altercation </td> <td style="width: 50%;"> <ol style="list-style-type: none"> d. sends waves e. causes other changes f. marks </td> </tr> </table> xi. British coalminers were able <u>to secure</u> large wage increases. <ol style="list-style-type: none"> a. to tie up b. to obtain c. to tighten xii. The opposite effects may be expected if the 1986 <u>oil price slump</u> persists. <ol style="list-style-type: none"> a. low oil prices b. high oil prices c. peak oil prices 	<ol style="list-style-type: none"> a. change b. noise c. altercation 	<ol style="list-style-type: none"> d. sends waves e. causes other changes f. marks 	<ol style="list-style-type: none"> v. Households <u>switch to</u> gas-fired heating. <ol style="list-style-type: none"> a. turn on b. change to c. exchange vi. High oil prices <u>choke off</u> the demand for oil-related commodities. <ol style="list-style-type: none"> a. lower b. stop breathing c. cause an increase in vii. High oil prices encourage consumers to <u>purchase</u> substitute commodities. <ol style="list-style-type: none"> a. produce b. acquire c. buy viii. Higher demand for these commodities <u>bids up</u> their price. <ol style="list-style-type: none"> a. raises b. lowers c. retains ix. What is being produced reflects a <u>shift</u> away from expensive oil-using products. <ol style="list-style-type: none"> a. move b. far c. direction
<ol style="list-style-type: none"> a. change b. noise c. altercation 	<ol style="list-style-type: none"> d. sends waves e. causes other changes f. marks 		

4. Read the text 'Three economic issues'. As you read, write the following topic notes in the margins at the appropriate letter (a - j).

- *Economy based on cheap oil*
- *Who is affected by high oil prices & how → oil producers gain, oil importers lose*
- *People's response to prices affects production*
- *Allocation scarce resources related to what, how & for whom to produce*
- *Oil price shocks challenge economic assumptions*
- *Sudden rise in oil price*
- *Economy an interconnected system*
- *Effect of oil price shocks on how economy produces → production to use less oil*
- *Definition a scarce resource*
- *Effect of high oil prices on what is produced → increase in substitutes*

1-1 THREE ECONOMIC ISSUES

- 1 Trying to understand what economics is about by studying definitions is like trying to learn to swim by reading an instruction manual. Formal analysis makes sense only once you have some practical experience. In this section we discuss three economic issues to show how society allocates scarce resources between competing uses. In each case we see the importance of the questions what, how, and for whom to produce.

The Oil Price Shocks

- Oil is an important commodity in modern economies. Oil and its derivatives provide fuel for heating, transport, and machinery, and are basic inputs for the manufacture of industrial petro-chemicals and many household products ranging from plastic utensils to polyester clothing. From the beginning of this century until 1973 the use of oil increased steadily. Over much of **this period** the price of oil fell in comparison with the prices of other products. Economic activity was organized on the assumption of cheap and abundant oil.

- In 1973-74 there was an abrupt change. The main oil-producing nations, mostly located in the Middle East but including also Venezuela and Nigeria, belong to OPEC – the Organization of Petroleum Exporting countries. Recognizing that together **they** produced most of the world's oil, OPEC decided in 1973 to raise the price for which **this** oil was sold. Although higher prices encourage consumers of oil to try to economize on its use, OPEC correctly forecast that cutbacks in the quantity demanded would be small since most other nations were very dependent on oil and had few commodities available as potential substitutes for oil. Thus OPEC correctly anticipated that a substantial price increase would lead to only a small reduction in sales. **It** would be very profitable for OPEC members.

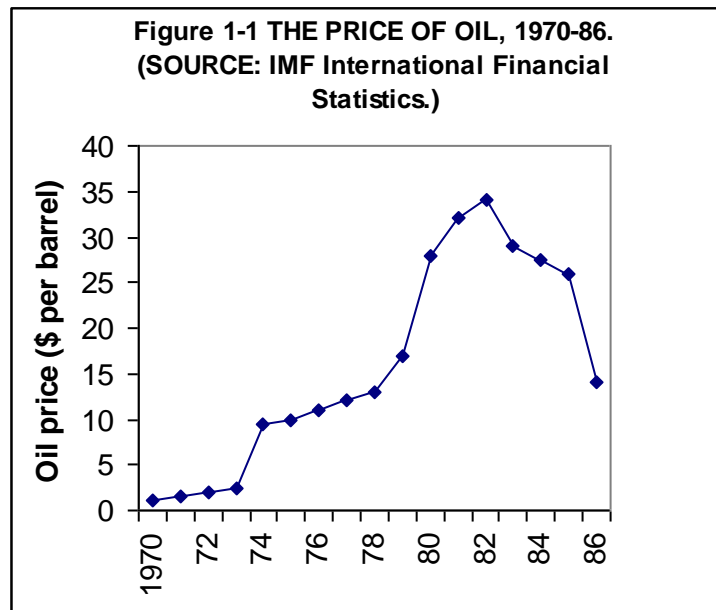
- Oil prices are traditionally quoted in US dollars per barrel. Figure 1.1 shows the price of oil from 1970 to 1986. Between 1973 and 1974 the price of oil *tripled*, from \$2.90 to \$9 per barrel. After a more gradual rise between 1974 and 1978 there was another sharp increase between 1978 and 1980, from \$12 to \$30 per barrel. The dramatic price increases of 1973-74 and 1978-80 have become known as the OPEC *oil price shocks*, not only because **they** took the rest of the world by surprise but also because of the upheaval they inflicted on the world economy, which had previously been organized on the assumption of cheap oil prices.

- Much of this book teaches you that people respond to prices. When the price of some commodity increases, consumers will try to use less of **it** but producers will want to sell more of it. **These responses**, guided by prices, are part of the process by which most Western societies determine what, how, and for whom to produce.

- Consider first *how* the economy produces goods and services. When, as in the 1970s, the price of oil increases sixfold, every firm will try to reduce its use of oil-based products. Chemical firms will develop artificial substitutes for petroleum inputs to their production processes; airlines will look for more fuel-efficient aircraft; electricity will be produced from more coal-fired generators. In general, higher oil prices make the economy produce in a way that uses less oil.

- How does the oil price increase affect *what* is being produced? Firms and households reduce their use of oil-intensive products which are now more expensive. Households switch to gas-fired central heating and buy smaller cars. Commuters form car-pools or move closer to the city. High prices not only choke off the demand for oil-related commodities; **they** also encourage consumers to purchase substitute commodities. Higher demand for **these commodities** bids up **their** price and encourages **their** production. Designers produce smaller cars, architects contemplate solar energy, and research laboratories develop alternatives to petroleum in chemical production. Throughout the economy, what is being

produced reflects a shift away from expensive oil-using products towards less oil-intensive substitutes.



- The *for whom* question in **this example** has a clear answer. OPEC revenues from oil sales increased from \$35 billion in 1973 to nearly \$300 billion in 1980. Much of their increased revenue was spent on goods produced in the industrialized Western nations. In contrast, oil-importing nations had to give up more of their own production in exchange for the oil imports that they required. In terms of goods as a whole, the rise in oil prices raised the buying power of OPEC and reduced the buying power of oil-importing countries such as Germany and Japan. The world economy was producing more for OPEC and less for Germany and Japan. Although **this** is the most important single answer to the ‘for whom’ question, the economy is an intricate, interconnected system and a disturbance anywhere ripples throughout the entire economy. In answering the ‘what’ and ‘how’ questions, we have seen that some activities expanded and others contracted following the oil price shocks. Expanding industries may have to pay higher wages to attract the extra labour that **they** require. For example, in the British economy coal miners were able to use the renewed demand for coal to secure large wage increases. **The opposite effects** may be expected if the 1986 oil price slump persists. The OPEC oil price shocks example illustrates how society allocates scarce resources between competing uses.
- j.** A *scarce resource* is one for which the demand at a zero price would exceed the available supply. We can think of oil as having become more scarce in economic terms when its price rose.

5. Reread the text. Answer the following questions **in your own words**.

1. What happened to the price of oil from 1970 to 1973?
2. What did OPEC do in 1973?
3. Why was there only a small reduction in oil sales?
4. What did the oil price shocks lead to?
5. How do people respond to a higher price for a commodity?
6. What effect do higher oil prices have on the economy?
7. What effect did the higher oil prices have on oil-importing countries?

6. Find words or expressions that correspond to the following criteria.

- § 1 (lines 1-5) i. Find a synonym for *distributes*.
- § 2 (lines 7-12) ii. Find a word with the opposite meaning to *rare, scarce*?
- § 3 (lines 13-21) Find words that have the same meaning as:
- iii. *Sudden*
 - iv. *people who use goods or services*
 - v. *replacements*
 - vi. *Large*
- § 4 (lines 22-28) Explain the following words.
- vii. *Quoted*
 - viii. *gradual rise*
 - ix. *sharp increase*
- § 6 (lines 33-38) Find words that have the same meaning as:
- x. *as a rule*
 - xi. *cut down*
 - xii. *six times*
- § 7 (lines 39-48) Explain the following words.
- xiii. *Household*
 - xiv. *Commuter*
 - xv. *Commodities*

7. TEXTUAL COHESION – REFERENCE, SUBSTITUTION AND ELLIPSIS.

What do the following words or expressions (in bold) refer to in the text?

- | | |
|-------------------------------------|--------------------------------------------|
| i. line 11: this period | viii. line 43,44: these commodities |
| ii. line 15: they | ix. line 44: their |
| iii. line 21: It | x. line 49: this example |
| iv. line 26: they | xi. line 56: this |
| v. line 30: it | xii. line 60: they |
| vi. line 31: These responses | xiii. line 62: The opposite effects |
| vii. line 42: they | |

8. Which questions ask about general economic theory and which ask about specific instances or examples? How is this difference reflected in the language of the question?

9. What type of text is this? What is its socio-cultural context: social purpose, tenor (writer, reader), field & mode? Justify with examples of language from the text.

10. Consider the following word choices for a one-sentence summary of the text 'Three economic issues'. Which do you prefer and why?

The text 'Three economic issues' uses the topic of oil

{ to argue that
to explain how
to describe that } the economy is an interconnected system.

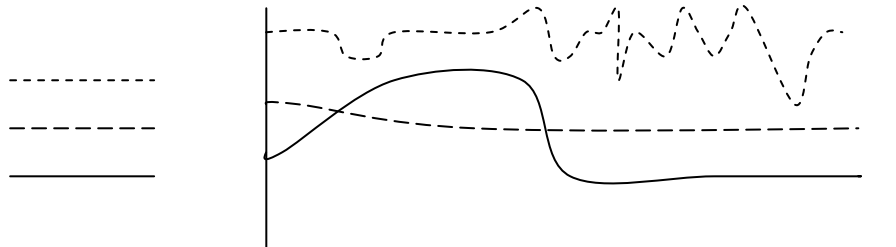
11. WRITTEN ASSIGNMENT I

Using information from 'Three economic issues', summarise the effects of the oil shocks on the economy in the second half of the XX century.

C. KEY INDICATORS

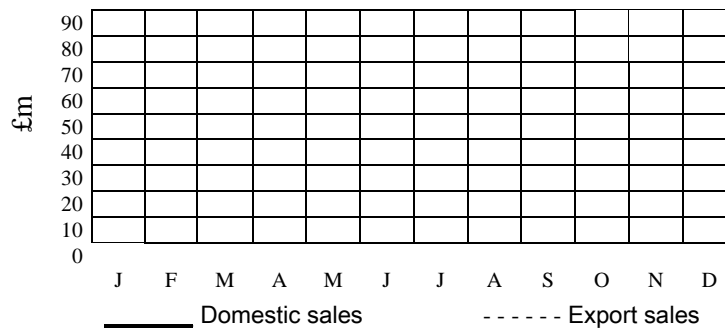
1. Mark each term below at an appropriate place on the following chart and legend.

- | | | |
|---------------------|------------------------|--------------------------|
| 1. solid line | 5. to level off | 9. to dip slightly |
| 2. dotted line | 6. to remain constant | 10. to fall dramatically |
| 3. broken line | 7. to reach a plateau | 11. to slump |
| 4. to rise steadily | 8. to fluctuate wildly | |

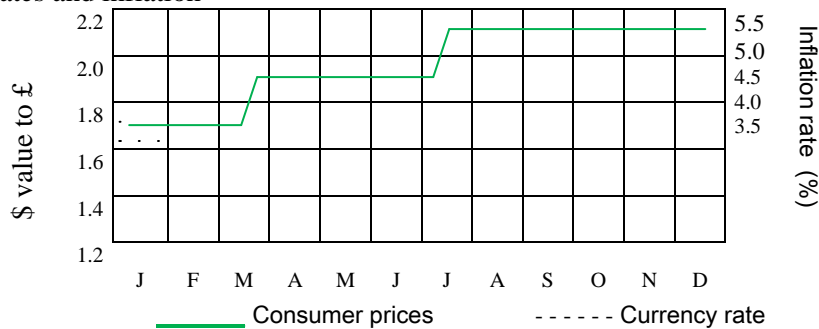


2. Listen to the text and plot the information on the graphs.

Domestic and export sales



Currency rates and inflation



3. Listen to the text again to decide whether the following statements are true or false. Justify with words or expressions that you hear in the text.

- | | |
|--------------------------|--------------------------------------------------------|
| <input type="checkbox"/> | 1. Domestic sales have not changed much over the year. |
| <input type="checkbox"/> | 2. The dips in April and August were significant. |
| <input type="checkbox"/> | 3. Export sales have been steady. |
| <input type="checkbox"/> | 4. In the first quarter export sales went up. |
| <input type="checkbox"/> | 5. Then they became steady. |
| <input type="checkbox"/> | 6. Export sales then began to rise. |
| <input type="checkbox"/> | 7. In the last quarter export sales improved slightly. |
| <input type="checkbox"/> | 8. At the end of last year the dollar rose to 1.5. |
| <input type="checkbox"/> | 9. The dollar had never been lower than in January. |
| <input type="checkbox"/> | 10. The dollar remained low for 3 months. |
| <input type="checkbox"/> | 11. Consumer prices declined before March. |
| <input type="checkbox"/> | 12. Consumer prices unexpectedly rose dramatically. |

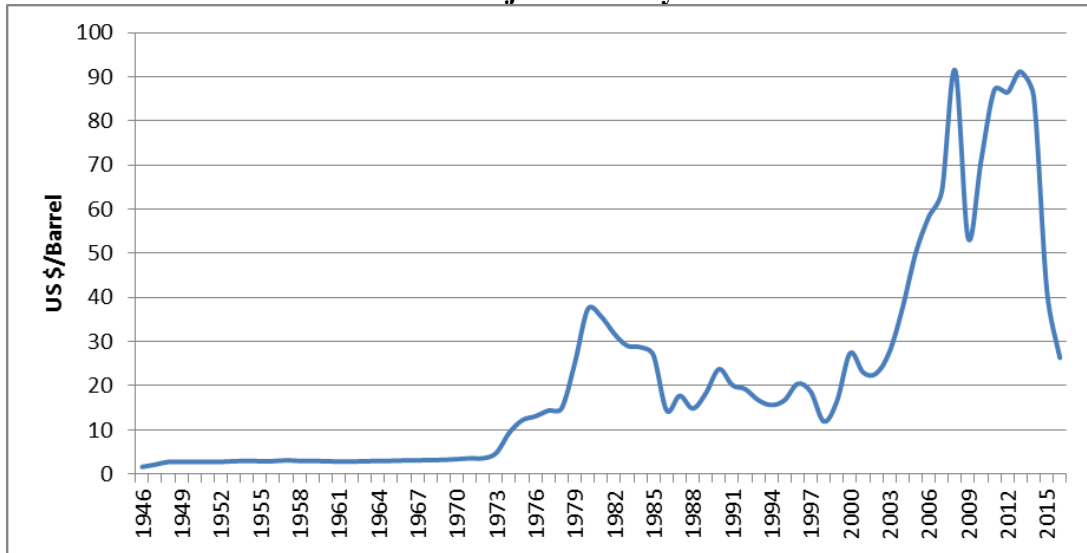
D. DATA DESCRIPTION (CHANGE OVER TIME)



1. Describe the graph to your partner so that he/she can fill in the missing information.

Listen to your partner to complete the missing information on your graph.

Student A: Nominal crude prices.

**Annual average domestic crude oil prices (in \$/Barrel)
Inflation adjusted to July 2017**



	Nominal price		Inflation adjusted price
-------------------------------------------------------------------------------------	---------------	-------------------------------------------------------------------------------------	--------------------------

2. The following events, listed chronologically, caused changes in the cost of oil following the post war reconstruction. In pairs place the reconstruction period and the events on the graph. Be prepared to justify your decisions.

Post World War II reconstruction

Arab Israeli war – Yom Kippur & OPEC oil embargo

Iranian revolution followed by Iraq-Iranian war

Asian economic crisis & high OPEC output

OPEC output cuts

9/11 attacks

Iraq war

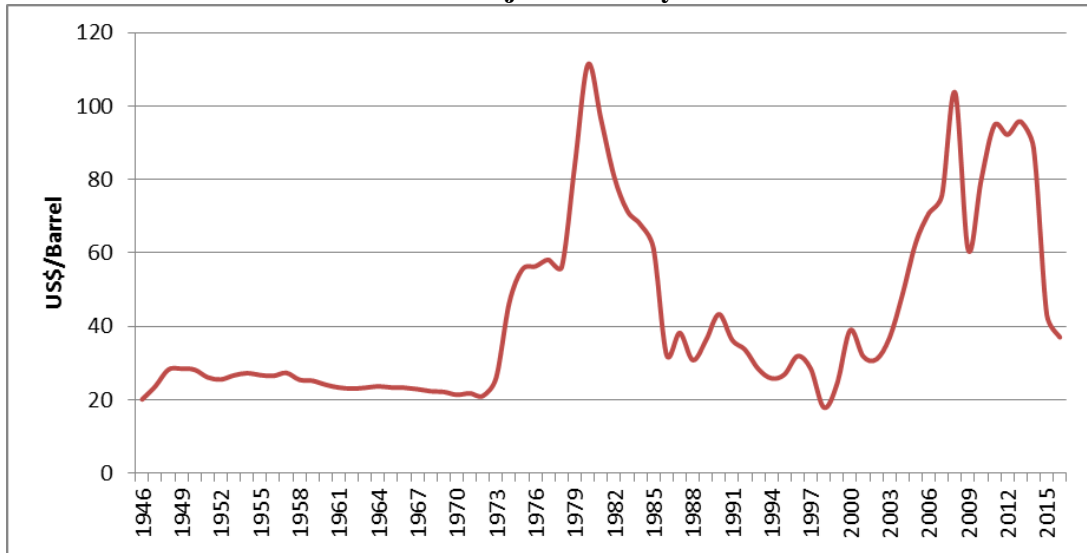
Mortgage crisis stocks crash



D. DATA DESCRIPTION (CHANGE OVER TIME)

1. Describe the graph to your partner so that he/she can fill in the missing information. Listen to your partner to complete the missing information on your graph.

Student B: Inflation adjusted prices

**Annual average domestic crude oil prices (in \$/Barrel)
Inflation adjusted to July 2017**



	Nominal price		Inflation adjusted price
-------------------------------------------------------------------------------------	---------------	-------------------------------------------------------------------------------------	--------------------------

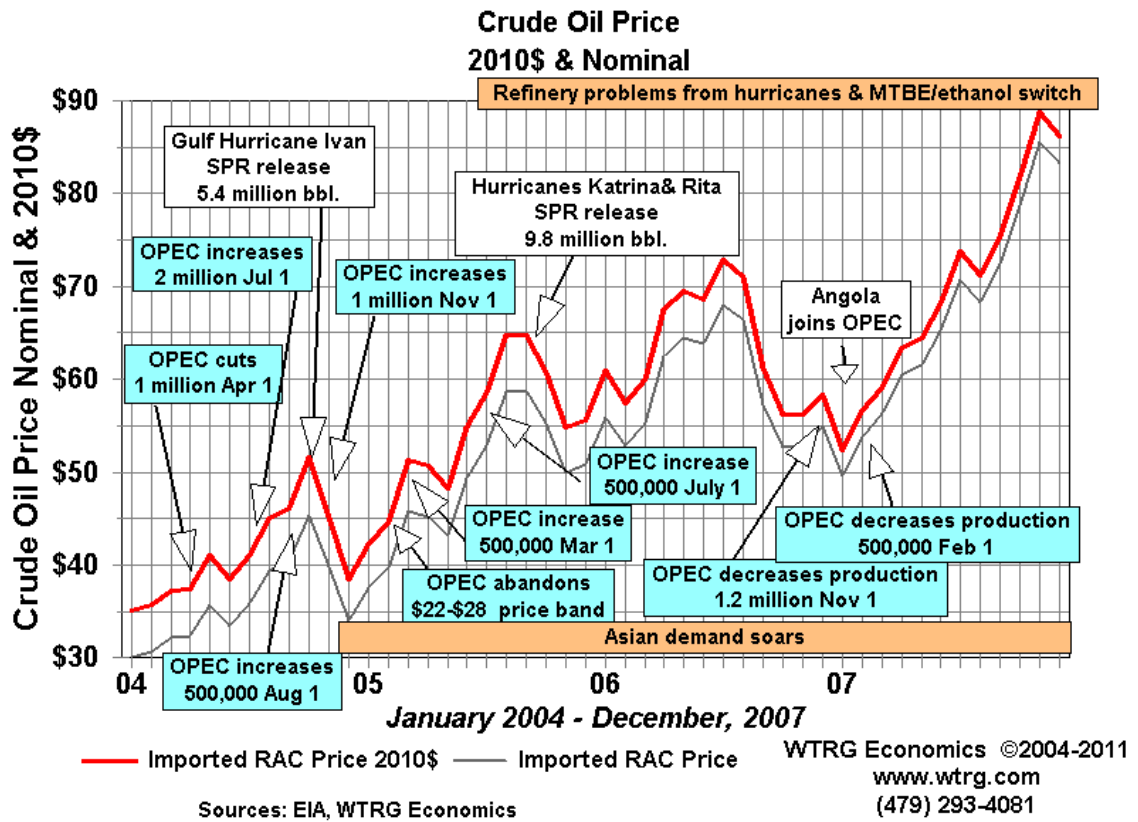
2. The following events, listed chronologically, caused changes in the cost of oil following the post war reconstruction. In pairs place the reconstruction period and the events on the graph. Be prepared to justify your decisions.

Post World War II reconstruction

- Arab Israeli war – Yom Kippur & OPEC oil embargo
- Iranian revolution followed by Iraq-Iranian war
- Asian economic crisis & high OPEC output
- OPEC output cuts
- 9/11 attacks
- Iraq war
- Mortgage crisis stocks crash

E. DATA EXPLANATION (CHANGE OVER TIME): WRITTEN ASSIGNMENT II

Use the information in the graph below to explain the causes of the major trends in the price of crude oil. (Max. length 1 page; Times New Roman 11 or 12; Line spacing 1½.)



RAC price = Refiners' Acquisition Cost price

SPR = Strategic Petroleum Reserves

MTBE = a gasoline additive, used as an oxygenate to raise the octane number

G. DATA DESCRIPTION (WHOLE & PARTS)

1. Complete the following text by putting the verbs into the correct form.

Source: <http://www.ukpia.com/docs/default-source/default-document-library/ukpia-briefing-paper-understanding-pump-prices-2017.pdf?sfvrsn=0>

Understanding Pump Prices

Background

The price of fuel at the pumps 1. ___ [be] a subject that 2. ___ [attract] a lot of debate, particularly when prices 3. ___ [rise]. But there 3. ___ [be] numerous elements that 4. ___ [make up] the price of a litre of petrol or diesel, primarily:

- Government duty and tax
- The cost of petrol and diesel on the open market - cost of product
- The costs and profit of the wholesaler and retailer - Retail/Ex-Refinery spread.

The other factors 5. ___ [affect] the price 6. ___ [include] exchange rates, competition, commercial objectives of the filling station owner or operator, as well as seasonal factors. Duty and tax 7. ___ [account] on average for 70% of the pump price in 2016. Figures 1 and 2 (below) 8. ___ [show] the typical breakdown of a litre of unleaded petrol at the 2016 average UK major brand pump price of 109.19p.

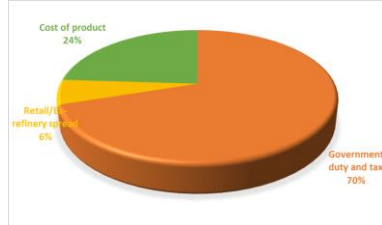


Figure 1: Average Pump Price Breakdown 2016 (%) (Source: Wood Mackenzie)

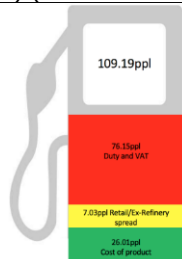


Figure 2: 2016 Average pump price breakdown (p/litre) (Source: Wood Mackenzie)

Government excise duty

Excise duty 8. ___ [charge] at the fixed rate of 56.19p until 1st April 2010 when it 9. ___ [increase] to 57.19p until 1st September 2010 and to 58.19p per litre on unleaded petrol and diesel until end of December 2010. On top of this VAT 10. ___ [charge] at 17.5% in 2010. On 1st January 2011, duty 11. ___ [increase] by 0.76p per litre and then 12. ___ [reduce] by 1p per litre to 57.95 on 24th March 2011. On the other hand, VAT chargeable on the total pump price 13. ___ [increase] from 17.5% to 20% on 4th January 2011. This large tax component 14. ___ [have] the effect of 15. ___ [dilute] changes in underlying crude and product prices, because these still 16. ___ [remain] a smaller proportion of the total price.

Cost of product

Crude oil 17. ___ [trade] on international markets and from it a whole variety of products 18. ___ [derive], 19. ___ [include] petrol, diesel, aviation fuel and heating oil. Whilst there 20. ___ [be] a connection between the underlying price of crude oil and pump prices, the internationally traded price of petrol and diesel and the \$/£ exchange rate 21. ___ [be] major influences on pump prices. ... Historically, crude prices 22. ___ [work] through to product prices and, as an indication, a \$2 per barrel change in the price of crude oil 23. ___ [translate on average] to approximately 1p per litre in the pump price, at a constant \$/£ exchange rate. Prices of products 24. ___ [refine] from crude oil 25. ___ [often move] independently of each other in the short term, 26. ___ [reflect] supply and seasonal demand. For example, demand for petrol and diesel 27. ___ [tend] to rise during the summer, while demand for heating oil/gas 28. ___ [rise] in the winter. The latter 29. ___ [modal + affect] the price of diesel and aviation fuel, which 30. ___ [be] closely related products in terms of composition. The tighter supply position for diesel 31. ___ [be also] another influencing factor. Typically, there 32. ___ [be also] a time delay between movements in the unrefined crude oil market and the cost of the product at the pumps. The crude oil 33. ___ [modal + sell], 34. ___ [transport], 35. ___ [refine] and 36. ___ [distribute] to the retailer.

...

Retail/ex-refinery spread

The third element 36. ___ [represent] by the cost and profit of the wholesaler /retailer, often 37. ___ [refer] to as the retail/ex-refinery spread. This 38. ___ [cover]:

- Costs of transport to a storage terminal/depot, storage, and distribution to a filling station.
- Marketing and promotion costs.
- Costs of operating the filling station and staff.

The remaining spread 39. ___ [modal + provide] a return to the supplier of the fuel and the retailer 40. ___ [operate] the filling station. The retail/ex-refinery spread 41. ___ [strongly influence] by market conditions. Figure 4 (below) 42. ___ [illustrate] the fuel margin over the last 20 years and the trend since 1996. This 43. ___ [show] that fuel retailing 44. ___ [become] increasingly a low margin business, 45. ___ [drive] the move to higher volume sites. The retail/ex-refinery spread 46. ___ [be] not the final profit that the retailer 47. ___ [make], it 48. ___ [be] simply the difference between the cost of the wholesale price of fuel on the open market and the selling price on the forecourt, from which, as 49. ___ [mention], a range of costs 50. ___ [modal + deduct]. Of the approximately 4,500 major oil company branded sites in the UK, more than half 51. ___ [own] by independent retailers. The retailer 52. ___ [usually have] an exclusive supply contract with an oil company 52. ___ [limit] by law to a maximum of 5 years' duration.

H. ANALYTICAL EXPOSITION

1. Skim read the following text. Write a one-sentence summary beginning: The writer ...
2. Mark the paragraph breaks in the text.
3. What is the social purpose of the text? Identify the generic stages.

Electric cars pose little threat to oil demand

Majority of vehicles will remain powered by petrol for at least the next 2 decades

The commodities Note

The Financial Times, 21 March 2017

By Cuneyt Kazokoglu

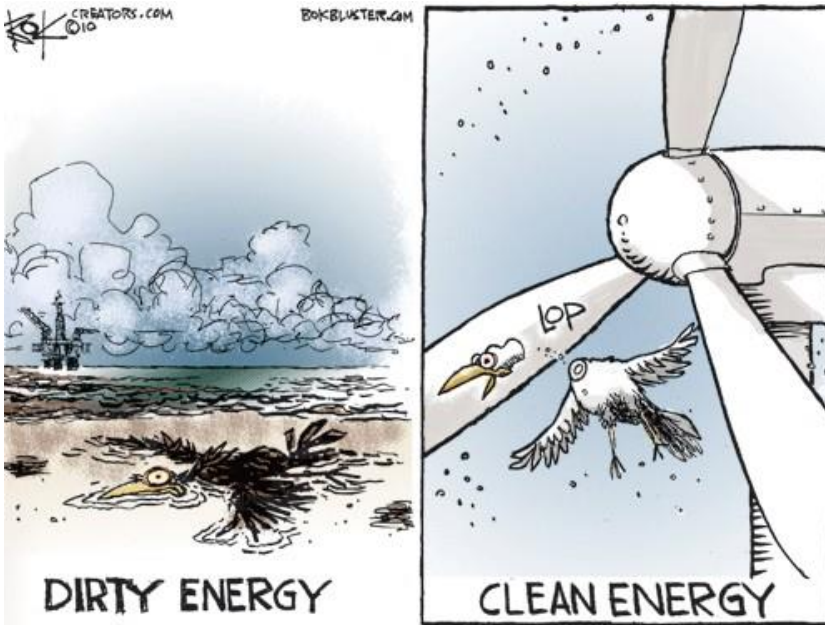
1. The popular claim that a surge in electric cars will hasten the arrival of peak oil demand is undermined by the data. The majority of the world's cars will remain powered by petrol, also commonly known as gasoline, for at least the next two decades and **this** will drive oil demand, according to data from Facts Global Energy. With the number of passenger vehicles
5. expected to grow to 1.8bn by 2040, the energy consultancy estimates only **10 per cent** will be accounted for by electric cars and a further 20 per cent by hybrids. **This** might sound contentious given the hype around Teslas, the flag-bearer of electric vehicle producers, and many analysts forecasting a structural decline in oil consumption. But most research simplifies **the matter**, suggesting that falling battery prices are tightly correlated with electric
10. car sales. The reality is more complex. The shift towards electric has to be supported by significant government incentives. Norway, for example, owes **its** success to the hundreds of millions of dollars in tax revenues diverted towards subsidies making it almost free to drive an electric car. Today it is normal for a Norwegian to buy an electric car in addition to a petrol vehicle for daily use to save money. Without such a subsidy, sales would fall, as demonstrated
15. in Denmark last year. When the incentive was dropped in January 2016, electric car sales plunged 80 per cent from the previous year. Battery technology is improving but not as fast as necessary. Even at the \$150/kWh – considered widely as **the level** to trigger mass production – a battery pack for an electric car with a comparable range to that of a petrol-powered car would cost tens of thousands of dollars. Cost aside, the improvement in battery
20. effectiveness as measured by energy density is also slow. It is not possible to quickly increase the amount of distance travelled unless you add more batteries to a car, which means more weight and, in turn, a reduction in how far you can go. The affair with the sport utility vehicles, partly driven by low oil prices, remains a problem. Last year, Ford sold six F-series light trucks in the US for every plug-in vehicle, providing solid petrol demand for the years to
25. come. Even in China, one in every three cars sold is an SUV. With relatively low oil prices for at least the next decade, in FGE's view, **this trend** will continue. Production capacity is another obstacle. Despite impressive annual growth rates, total electric car production was less than 500,000 in 2016, compared with global light vehicle production capacity of more than 70m. Tesla put just 80,000 cars on the road in 2016. Mass electrification of global road
30. transport will not be possible without large-scale involvement from the main car manufacturers. A case in point is the Nissan Leaf, now one of the world's bestselling and affordable electric cars. Since **its** launch six years ago, cumulative sales of the Leaf amounted to just 250,000. While its parent group sold almost 10m vehicles last year, less than 1 per cent were electric. Global car production grew approximately 2 m units a year over the past
35. decade. Even if battery electric vehicle production were to grow at **this rate** for the next two decades, their share in the total fleet would remain limited. The fate of petrol demand – and oil for that matter – will not be set in the west but in Asia, which is only at the start of mass motorisation. Asia accounts for approximately one-third of the global light vehicle fleet of 1.1bn. FGE expects growth in **the region** over the next 25 years of more than 500m units,
40. more than the growth in the rest of the world combined. By 2040, almost every other car in the world will be driven in Asia. Even with the most generous electrification assumptions, it is hard to see a "peak" in petrol demand followed by a subsequent drop. A more likely scenario is **it** continues to grow for decades to come.

I. ANALYTICAL EXPOSITION: WRITTEN ASSIGNMENT III:

Choose one cartoon. Write an analytical exposition in response to the following questions.

What point is the cartoon making? To what extent is it valid?

(Length $\frac{3}{4}$ - 1 page; Times New Roman 11 or 12; Line spacing $1\frac{1}{2}$. See Grammar file.)



J. ROLE PLAY

A

You represent the lobby for petrol retailers and car manufacturers in a small country. The petrol retailers include both major companies like BP, Galp or Repsol as well as hypermarkets such as Le Clerc or Intermarché. The car manufacturers – subsidiaries of major groups such as Renault or Volkswagen – have some important factories in your country.

Over the last couple of years, but more particularly in the last year, the petrol retailers have seen their profit margins slashed* and the car manufacturers have seen a significant drop in their sales. They attribute this drop to government policy and regulation, which has artificially maintained petrol prices within certain limits and stifled* competition. In fact, some car manufacturing factories are in danger of closing, which would put between two and three thousand people out of work.

As the representative for these groups, you would like the government to deregulate the petrol industry, which would allow the petrol retailers to set their own prices, thus encouraging competition. The car manufacturers feel that competition between petrol retailers would lower the price of petrol, and they would also like to see the introduction of tax benefits, which could help lift the car industry out of its present slump.

Knowing that national elections are coming up shortly, you have arranged a meeting with the Minister of Finance to explain the interests of your business sectors.

*slashed = cut drastically

* stifled = smothered, choked off, reduced

B

You are the Minister of Finance for a small country.

At the moment your country is experiencing economic hardship*; civil servant salaries have been frozen for the last 2 years, and budgets have been slashed.* In the previous election your party made several electoral promises, among which was the promise to limit fluctuations in the price of petrol. Although you have been able to do this because prices are regulated by government policy, it has become increasingly difficult to keep those prices down due to the rising cost of imported crude. The cost of crude has been driven up by unforeseen external factors such as hurricanes, which have caused flooding and damage, and conflict in the Middle East. Despite the various taxes levied* on crude and fuel, which represent an important contribution to government revenue, in order to contain prices you have been obliged to make cuts in other areas such as health and education.

At the moment you are running for re-election in two months time, but it is not certain that your party will be returned to power because your fiscal policies have not been very popular with businesses or the general public. The general public, in particular, is worried that unbridled* liberalisation will result in a society where the gap between the rich and poor will become accentuated, and they fear a climate of job insecurity. You are about to meet with the representative for the lobbies of petrol retailers and car manufacturers, but you are not sure why they have called the meeting. You may be able to gain political support for your re-election.

* hardship = difficulty

*slashed = cut drastically

* levied = charged

*unbridled = uncontrolled