



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Assignment 1 (Spring 2021)

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Section

Bachelor

Date

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Course Code

MGM112

Introduction to economics

Instructions:

تحدث عن اهم الازمات الاقتصادية التي هزت العالم من حيث الاسباب التي أدت إلى حدوثها، ونتائجها.
بما لا يزيد عن صفحة من خلال فهمك لأحداثها.*

*يرفع الاختبار ب صيغة pdf

مع تحيات محكم إبراهيم رائد عبد الكريم

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للاستفسار من خلال البريد الإلكتروني

Instructor's Name: Dr. Ibrahim read

A serious and unforeseen disturbance in any sector of the economy is referred to as an economic crisis. A stock market crash, a rise in inflation or unemployment, or a string of bank failures may all be causes. Even if they don't always end in a recession, they have significant consequences.

I will be talking about the worst 4 economic crisis the world went through:

1- The Oil Price Crisis 1973

The crisis began when OPEC members (particularly Arabs) decided to react to the United States' decision to send arms to Israel during the 1973 war.

The representatives of OPEC have voted to enforce an oil embargo and suspend supplies to the US and its allies.

This resulted in a major supply shortage and a sharp increase in oil prices, as well as an economic crisis in the United States and many other developed countries.

This crisis has resulted in hyperinflation (caused by rising energy prices) and an economic downturn. As a result, economists have coined the term "stagflation," which refers to a period of recession and inflation. It took several years for production to recover and inflation to pre-crisis levels.

2- The 1997 Asian Crisis

Thailand's crisis started in 1997 and quickly spread throughout East Asia and its trading partners.

The speculative capital inflows from developed countries into the East Asian economies, or the "Asian Tigers," such as Thailand, Indonesia, Malaysia, Singapore, Hong Kong, and South Korea, sparked optimism.

This resulted in an overabundance of credit and debt in these countries' economies. Due to a shortage of foreign currency money, the Thai government was forced to drop its long-standing fixed exchange rate against the US dollar in July 1997.

This sparked a panic in Asian financial markets, which was quickly reflected in foreign investments worth billions of dollars.

3- Economic crisis 2007-2008

The global downturn of 2007 resulted in a massive recession, the worst since the Great Depression of 1929, and the 2007 recession wreaked havoc on stock markets all around the world.

The recession emerged as a result of the crash of the "real estate bubble" in the United States, which led to the bankruptcy of the investment bank "Lehman Brothers" in September 2008.

and a host of multinational financial institutions were on the verge of bankruptcy. After the world lost millions of jobs and billions of dollars, ending the recession involved unprecedented government bailouts, and the recovery took over ten years.

4- covid-2019

By reducing investment and innovation rates, eroding idle human resources, withdrawing from the global trading circle, and undermining supply chains, extreme recessions have long-term effects on future performance. Because of the decline in oil prices, the long-term consequences of the Corona pandemic would be extreme in economies that are suffering financial crises and in energy-exporting countries.

Over a five-year cycle, a recession followed by a financial crisis may result in a decrease in potential production of about 8% in emerging market economies and developed countries, whereas a downturn accompanied by the fall of oil prices may result in a decrease in energy-exporting countries in this category. The theoretical yield is a staggering 11%.