



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Assignment 1 (Spring 2021)

Student Name: Abdulrhman Abdulaziz Kazim

Students I.D: 2021200972

Section

Bachelor

Date

18 / 02 / 2021

Course Code

MGM112

Introduction to economics

Instructions:

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

*يرفع الاختبار ب صيغة pdf

مع تحيات محبكم إبراهيم رائد عبد الكريم

Ibraheem@esu.edu.sa

للاستفسار من خلال البريد الإلكتروني

Instructor's Name: Dr. Ibrahim read

The world has witnessed several economic crises. First, the collapse of the Wall Street Stock Exchange is the collapse of the US stock market on Tuesday, October 29, 1929, called Black Tuesday, after its previous collapse five days earlier on Thursday, October 24, 1929, as the first step of the global economic crisis in the decade of the thirties of the twentieth century known as the Great Depression. This is due to a fantastically superior supply over demand, as nearly 19 million shares were offered on the list of sales, which brought the share price to its lowest level after a previous rise, and it is called Black Tuesday because five days later, that is, on Tuesday, October 29, 1929. There was another collapse in the stock market, which led to widespread fear in the hearts of the public that the country was on the verge of a recession or even a collapse of the economy. As for the cause of the collapse, it is due to investing huge sums, which raised stock prices to fictional and unrealistic values and prices and high prices. Prices are more and more. On October 24, 1929, more than 13 million shares were offered on the selling list, making the supply higher than the demand and the shares heading towards the bottom. Chaos prevailed in the place as the investors' money began to evaporate and the matter got worse when the number of shares offered increased to 30 million shares in a few days. That followed, which made stock prices worthless and made many investors in deep debt and a heavy burden to banks that declared bankruptcy due to the deep debts that accumulated from the large number of non-repayable loans due to the collapse of the stock market and bankruptcy of investors.

Second, Great Recession 2008: This global economic crisis is considered one of the most dangerous crises that have occurred in the world since the Great Depression in 1929, as the main reason behind this crisis was the collapse of Lehman Brothers, which is one of the largest investment banks in the world. This crisis began when real estate prices in the United States of America rose dramatically and suddenly, which caused the bankruptcy of many American and European banks, due to their failure and inability to bear the financial burdens of the mortgaged real estate to them. Economists estimated that the global economy lost 45 percent of its value, and that it took years to compensate for the losses, which resulted in the occurrence of this global economic crisis.

Finally, the global economy witnessed a sharp slowdown due to the rapid spread of the "emerging corona virus" (Covid-19), and the accompanying preventive measures taken by countries to limit the spread of the "pandemic". 90 countries around the world have applied for financial aid in the face of "Corona" from the International Monetary Fund, which had previously warned of a "global economic recession" during the current year. The existence of the quarantine led to large losses on the global stock exchange, as a result of the lack of trading between investors and buyers. The price drop of the shares occurred as a result of the decisions of the investors (shareholders) to stay on the shares or sell the shares at a price below their original price. This is because they fear that the performance of companies will be affected as a result of the outbreak of the epidemic, and thus affect their profitability. This decision may lead to the collapse of many companies and their declaration of bankruptcy. This epidemic has also significantly and fundamentally affected tourism companies, as a result of imposing a flight between countries, and thus reducing their profitability. This may lead to some companies giving up some of their workers.

