

Chapter ٣: Classification of industries

Essay Questions:

Q١: Define Industry In Details?

Q٢: Discuss Medium And Large-Scale Industries According To, Definition, Examples, Importance, And Problems?

Q٣: Discuss The Small-Scale Industries?

Q٤: Differentiate Between Micro Small And Medium Industries (MSMES)?

Q٥: What Is The Role Of Msmes In Economic Development?

Q٦: What Is The Structure Of The MSME Sector In Egypt?

Q٧: Discuss The Main Constraints To Job Creation In The Egyptian MSME Sector.

Q٨: What are the Egyptian institutions involved in the implementation of SME policies?

Choose the Correct Answer:

١. Which of the following is an example of a secondary activity?

- a. Farming
- b. Mining
- c. Manufacturing
- d. Fishing

Answer: C

٢- What are the components of an industrial system?

- a. Inputs, processes, output
- b. Production, consumption, recycling
- c. Raw materials, products, waste
- d. Services, goods, labor

Answer: A

٣. Which industry is classified under large-scale industries?

- a. supermarket
- b. Iron and steel industry
- c. Handicraft industry
- d. Local bakery

Answer: B

٤. What is an example of a basic industry?

- a. clothes industry
- b. Iron industry
- c. Tourism industry
- d. Software industry

Answer: B

٥. What is a significant benefit of large-scale industries?

- a. Import dependence
- b. Employment generation
- c. Limited market
- d. Technological backwardness

Answer: B

٦. What is import substitution?

- a. Exporting goods to foreign countries
- b. Replacing imported goods with domestically produced goods
- c. Increasing imports
- d. Reducing exports

Answer: B

٧. What are emerging industries also known as?

- a. Declining industries
- b. Sunset industries

- c. Sunrise industries
- d. Traditional industries

Answer: C

٨. Which factor is crucial for the operation of large-scale industries?

- a. Minimal infrastructure
- b. Low capital investment
- c. High level of technology
- d. Limited manpower

Answer: C

٩. How do large-scale industries contribute to export promotion?

- a. By importing more goods
- b. By reducing production
- c. By increasing exports of industrial products
- d. By limiting engineering products

Answer: C

١٠. What characterizes a large-scale industry?

- a. Small infrastructure
- b. Minimal manpower
- c. Influx of capital assets
- d. Limited production capacity

Answer: C

١١. How do large-scale industries improve productivity?

- a. By reducing division of labor
- b. By increasing specialization
- c. By limiting technology use
- d. By decreasing manpower

Answer: B

١٢. Why is the development of basic industries important?

- a. It leads to import dependency
- b. It helps establish other industries
- c. It decreases employment opportunities
- d. It reduces raw material availability

Answer: B

١٣. What is a significant contribution of small scale industries?

- a. Limiting exports
- b. Decreasing domestic demand
- c. Increasing exports
- d. Reducing employment

Answer: C

١٤. Which products are NOT typically manufactured by small and medium enterprises?

- a. Micro-processors
- b. Mini computers
- c. Large construction equipment
- d. Electronic components

Answer: C

١٥. What percentage of the industrial base do SMEs represent in most developed countries?

- a. ٢٠٪
- b. ٥٠٪
- c. ٨٠٪
- d. ١٠٠٪

Answer: C

١٦. What is a major role of MSMEs in economic development?

- a. Reducing innovation
- b. Enhancing competition
- c. Limiting technological change
- d. Increasing unemployment

Answer: B

١٧. In Egypt, what is the maximum number of employees for a micro firm?

- a. ٥
- b. ١٠
- c. ٢٥
- d. ٥٠

Answer: B

١٨. In Egypt, what percentage of firms are micro enterprises?

- a. ٥٠٪
- b. ٧٠٪
- c. ٩١٪
- d. ٩٩٪

Answer: C

١٩. How do MSMEs contribute to job creation?

- a. By outsourcing jobs
- b. By being labor-intensive
- c. By automating processes
- d. By reducing competition

Answer: B

٢٠. What percentage of total employment in the private sector do MSMEs provide in Egypt?

- a. ٢٥٪
- b. ٥٠٪
- c. ٧٥٪
- d. ٩٩٪

Answer: C

٢١. What is a negative implication of the Egyptian government borrowing from the domestic financial market?

- a. Increased foreign investment

- b. Higher government budget surplus
- c. Crowding-out effect for the private sector
- d. Increased private sector lending

Answer: C

٢٢. How many employees classify a firm as medium in the European Commission's definition?

- a. Up to ٥٠
- b. Up to ١٠٠
- c. Up to ٢٥٠
- d. Up to ٥٠٠

Answer: C

٢٣. What challenge do Egyptian MSMEs face with public administrations?

- a. Increased subsidies
- b. Easier registration processes
- c. Complex procedures and approvals
- d. High levels of foreign investment

Answer: C

٢٤. What role do MSMEs play in poverty alleviation?

- a. Increasing unemployment
- b. Reducing job opportunities
- c. Creating jobs
- d. Limiting economic growth

Answer: C

٢٥. What is the annual turnover limit for a small firm according to the European Commission?

- a. EUR ١ million
- b. EUR ٥ million
- c. EUR ١٠ million
- d. EUR ٢٠ million

Answer: C

Put True or False

١. An industry is a group of organizations involved in producing or handling the same type of product and service.

Answer: True

٢. Industries are part of the primary activities in the economy.

Answer: False

٣. Large scale industries require huge infrastructure and a large influx of capital assets.

Answer: True

٤. The textile industry is an example of a small-scale industry.

Answer: False

٥. Import substitution refers to producing goods domestically instead of importing them.

Answer: True

٦. Large scale industries do not contribute to export promotion.

Answer: False

٧. The development of basic industries helps promote other industries.

Answer: True

٨. Large scale industries play no role in generating employment opportunities.

Answer: False

٩. Lack of raw materials is a common issue faced by large-scale industries.

Answer: True

١٠. Small scale industries are only significant in developed countries.

Answer: False

١١. SMEs represent over ٨٠% of the industrial base in most developed countries.

Answer: True

١٢. The definitions of SMEs are universally standardized.

Answer: False

١٣. Micro enterprises employ less than ١٠ workers in Egypt.

Answer: True

١٤. MSMEs contribute to ٨٠% of the national GDP in Egypt.

Answer: True

١٥. Egyptian MSMEs do not face challenges with public administration processes.

Answer: False

١٦. Large scale industries are labor-intensive rather than capital-intensive.

Answer: False

١٧. Sunrise industries refer to emerging industries.

Answer: True

١٨. MSMEs have no role in job creation in Egypt.

Answer: False

١٩. Small scale industries are capable of manufacturing sophisticated products like microprocessors.

Answer: True

٢٠. The Central Bank of Egypt classifies firms with over ٢٠٠ employees as small or medium enterprises.

Answer: False

٢١. MSMEs play a critical role in innovation and technological change.

Answer: True

٢٢. MSMEs contribute to nearly ٧٥% of private sector employment in Egypt.

Answer: True

٢٣. High inflation is not a challenge for MSMEs in Egypt.

Answer: False

٢٤. Large scale industries rely heavily on skilled manpower and technology.

Answer: True

٢٥. MSMEs enhance competition by encouraging cost reduction and quality improvement.

Answer: True

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