



Knowing The Factors Affecting Oil Price Fluctuations

When it comes to gasoline price issues, everybody will pay attention. Indeed, all of us are consumers of gasoline in a variety of ways. We use transportation, which is one of the biggest consumers of the oil industry. Even though some of us do not drive cars, we are also indirectly contributing to the industry by buying basic commodities. Whenever gasoline prices are the news feature, everyone is interested.

The OPEC is an organization that holds a big control on oil pricing. These countries are the oil producing countries that allows them a sort of control over their pricing. As the prime producer of the world's gas supply, this organization is a powerful factor in setting oil price and its variations.

Another factor that makes oil prices in countries different, are the laws and rules of your country or state. The government regulates many human activities that will in turn affect oil pricing.

Gas is a product that is subject to taxes. When the taxes imposed are high, the price of oil tends to go up as a consequence.

Gas and other products are derived from crude oil that can only be extracted from fossil fuels deep within the earth. This process requires complicated and sophisticated tools to drill them from under several feet of the deepest parts of the earth.

Special occasions like holidays and other festivals drive people to be on the road. Many people will be up and about conducting a range of busy activities. This makes oil consumption and demand rise to a great extent. This increased demand could also produce a rise in oil prices.

With a little knowledge on the factors that determine oil prices, we can now understand why the price of oil fluctuates and varies among different states and places.

1. Comprehension exercises (2 points):

1.a – According to the text (0.5 points):

- a. If you don't drive a vehicle you don't help the oil industry to go up.
- b. The OPEC cannot control oil prices.
- c. Everybody spends money on petrol in different ways.

1.b – According to the text (0.5 points):

- a. Oil prices differ according to the legislation of countries.
- b. Oil consumption decrease when we are on our holidays.
- c. If we know the factors determining oil prices we will spend less money on gasoline.

1.c – When we hear or read something concerning oil prices in the media we show interest. (Answer ‘True’ or ‘False’ AND write the sentence supporting this idea) (0.5 points).

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1.d – The higher the taxes are the more expensive oil prices will probably be. (Answer ‘True’ or ‘False’ AND write the sentence supporting this idea) (0.5 points).

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2 - Do the following grammar exercises according to the instructions given (2 points) :

2.a – Complete the second sentence so that it has a similar meaning to the first one. (0.5 points):

- Mr. Smith is bound to become our new teacher next year.

- We expect _____ next year.

2.b – Write the second sentence in reported speech. (0.5 points):

- “I am sorry I spent all your money” he apologised.

- He apologised

2.c – Complete the second sentence so that it has a similar meaning to the first one, using ‘since’. (0.5 points):

- I arrived late at the office and my boss got very angry.

- My boss

2.d – Write the appropriate preposition in the blank. (0.5 points):

- Everything depends _____ the circumstances.

3. Identify ONLY FOUR words from their definitions (1 point):

- fixing, assigning.

- purchasing.

- irregular rises and falls in number or account.

- compulsory contributions added to the cost of some goods or services.

- things or devices used to perform a job.

- a distinctive attribute or aspect.

4. Write a summary of the text of about 30 – 45 words using your own words. (2 points)

5. Write a composition of about 100 – 150 words on ONLY ONE of the following topics (3 points):

5.a – Oil price affects our lives.

5.b – Are you a green person ?