



HWA CHONG INSTITUTION
JC2 Preliminary Examinations
Higher 2

CANDIDATE NAME

CT GROUP

CENTRE NUMBER

INDEX NUMBER

ECONOMICS
Paper 2 ESSAY

Additional Materials: Answer Booklet(s)

9570/02
9 September 2024
2 hours 30 minutes

READ THESE INSTRUCTIONS FIRST

Write your **name, CT group, Centre and Index numbers** clearly on every answer booklet that you hand in.

Write in dark blue or black pen on both sides of the answer paper.
You may use a soft HB pencil for any diagrams, graphs or rough working.
Do not use staples, paper clips, highlighters, glue or correction fluid and tape.

Answer **three** questions in total, of which **one** must be from Section A, **one** from Section B and **one** from either Section A or Section B.

Write all your answers in the 12-page booklet and subsequent 4-page booklets (where required).

Start each question on a new page in the answer booklet.

Indicate the questions you attempted on the cover page of the 12-page booklet.

Do not tear out any part of this booklet.

All work must be handed in. If you have used any additional 4-page booklets, please insert them inside the 12-page answer booklet.

The number of marks is given in brackets [] at the end of each question or part question.

You are advised to spend several minutes reading through the questions before you begin writing your answers.

You are reminded of the need for good English and clear presentation in your answers.

This document consists of **3** printed pages and **1** blank page.

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Answer **three** questions in total.

Section A

One or two of your three chosen questions must be from this section.

1	Museums are important cultural institutions that enrich communities and benefit even non-visitors. They often rely on government subsidies to keep ticket prices affordable to as many segments of society as possible. However, as some museums prosper and attract large crowds, there is growing debate over reducing subsidies to reallocate funds elsewhere.	
	(a)	Explain why museums are not public goods but the government considers it necessary to intervene in the market for museums. [10]
	(b)	Discuss whether reducing subsidies for museums is justified. [15]
2	The global semiconductor market experienced a shortage caused by supply chain disruptions and increased electronic device consumption during the Covid-19 pandemic. Semiconductors are crucial inputs for electronic devices. To prevent supply disruptions from key sources like China, the United States (US) government introduced the Chips and Science Act, offering subsidies for domestic semiconductor fabrication, research, and workforce training.	
	(a)	Explain why there is a shortage in the global market for semiconductors, and this leads to a surge in the price of semiconductors. [10]
	(b)	Discuss the impact of the Chips and Science Act on the producers of semiconductors in the US and consumers of electronic devices. [15]
3	A cup of coffee can be priced as low as \$1 in a neighbourhood coffee stall or as much as \$6 in a café like Starbucks. The growing demand for specialty coffee has prompted new cafés to enter the already crowded market despite rising labour costs.	
	(a)	Explain which market structure best fits the market for coffee in Singapore, and why a café charges higher price for coffee than a neighbourhood coffee stall. [10]
	(b)	Discuss whether strategies aimed at raising revenue or lowering unit costs are more important for cafés seeking to increase profits. [15]

Section B

One or two of your three chosen questions must be from this section.

4	India has become the most populous country, with rapid real Gross Domestic Product (GDP) growth since 1970 lifting millions from poverty. Despite advantages like a young population and global de-risking where countries reduce reliance from China as a key supplier, India must boost investment in health, education, and urbanization to sustain economic growth.
(a)	Explain how real GDP per capita can be used to measure material standard of living over time, and what might be the two difficulties associated with this measurement. [10]
(b)	Discuss the view that India's ability to become the world's largest economy depends on the size of its population. [15]
5	Large numbers of fresh university graduates in China are currently without jobs, despite a shortage of skilled workers in emerging "hard tech" sectors such as electric vehicles and scientific innovation. Three years of lockdown to curb the Covid-19 pandemic had aggravated the youth unemployment situation. Yet some youths are still holding out for a job that matches their aspirations.
(a)	Explain two economic reasons why governments are concerned with high unemployment. [10]
(b)	Discuss the most appropriate policy measures that should be taken to reduce youth unemployment in China. [15]
6	Singapore's comparative advantage traditionally lies in exporting high-value-added products like pharmaceuticals, while importing land-intensive food products. However, the government is actively investing in non-traditional food production, such as lab-grown meat and insect protein, to enhance food security and potentially shift its comparative advantage in this sector.
(a)	Explain two possible reasons for a country's balance of trade deficit. [10]
(b)	Discuss the extent to which the Singapore government can influence its comparative advantage in food production. [15]

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