



# TAMPINES MERIDIAN JUNIOR COLLEGE

## JC2 PRELIMINARY EXAMINATION

---

**H2 ECONOMICS**

**9570/02**

Paper 2

**18 September 2023**

**2 hours 30 minutes**

Additional materials

Two Answer Booklets

---

### READ THESE INSTRUCTIONS FIRST

Write your name and Civics Group on all the work you hand in.

Write in dark blue or black pen on both sides of the paper.

You may use an HB pencil for any diagrams, graphs or rough working.

Do not use staples, paper clips, glue or correction fluid.

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.

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

Begin each Section on a **new** answer booklet.

Hand in Section A and Section B **separately**.

Answer **three** questions in total.

### Section A

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

- 1 The sharp increase in price of food in land-scarce Singapore could be attributed to the recent restrictions on export of food supply imposed by other countries and growing affluence. The Singapore government has implemented the '30 by 30' plan which aims to produce 30 per cent of our nutritional needs by 2030.
  - (a) Explain the reasons for the sharp increase in price of food in Singapore. [10]
  - (b) Discuss whether the '30 by 30' plan is likely to be the most effective way the Singapore government can address the sharp increase in price of food. [15]
  
- 2 Greater competition in Singapore's food delivery industry saw Foodpanda using high-speed drones to deliver hot meals from Sentosa to St John's Island to boost profits. Other profit-increasing strategies included price discrimination.
  - (a) Explain how the degree of barriers to entry is likely to affect a firm's pricing and output decisions in the short run and long run. [10]
  - (b) Discuss whether innovation or price discrimination is the more appropriate strategy for a food delivery firm to increase its profits in view of greater competition. [15]
  
- 3 The healthcare market may not achieve an efficient and equitable allocation of resources when there is imperfect information.
  - (a) Explain how imperfect information leads to allocative inefficiency in the market for healthcare screening and health insurance respectively. [10]
  - (b) Discuss the most effective policy measures that the Singapore government should take to ensure an efficient and equitable allocation of resources in the market for healthcare screening. [15]



## Section B

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

- 4** In 2021, Singapore's inflation rate was 2.3%, while GDP at 2015 prices grew by 8.9% and unemployment rate stood at 2.7%. Total population growth was - 4.1%. The resident population below the age of 20 fell by 2.7% while the resident population over 65 grew by 4%.

*Source: singstat.gov.sg*

- (a) Explain one internal impact and one external impact of the above population changes on the Singapore economy in the future. [10]
  - (b) Discuss whether the above statistics suggest that the standard of living in Singapore in 2021 had risen. [15]
- 5** Singapore experienced brief periods of deflation in 2015, 2016 and 2020, but more recently, inflation has been over 5%.

*Source: statista.com/statistics/379423/inflation-rate-in-singapore*

- (a) Explain the main causes of a rise in inflation. [10]
  - (b) Discuss the view that inflation is always preferable to deflation. [15]
- 6** While globalisation has brought about many benefits, it has also brought about challenges, such as loss of export competitiveness, rising unemployment, widening income gap, and environmental degradation.
- (a) Explain how globalisation leads to non-sustainable and non-inclusive growth. [10]
  - (b) Discuss whether the use of tariffs is the best approach for governments to maintain export competitiveness and reduce unemployment. [15]



**BLANK PAGE**

