

YISHUN JUNIOR COLLEGE

JC2 PRELIMINARY EXAMINATIONS 2018

H2 ECONOMICS

9757/02

Paper 2 Essays

12 September 2018
1400 – 1615 hrs

TIME 2 hours 15 minutes

Additional materials: Answer paper
Cover page

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INSTRUCTIONS TO CANDIDATES

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

Write in dark blue or black pen.

You may use a soft 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.

Start a **new** question on a **fresh** piece of paper.

At the end of the examinations, fasten your work securely in **three separate bundles**. Tie a cover page to the answer paper(s) for the **first** question attempted.

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

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

This paper consists of **3** printed pages, including this cover page, and **1** blank page.

Answer **three** questions in total.

Section A

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

- 1** The use of drones for aerial photography and racing are growing in popularity among the wider public. In the next five years, consumer drone sales volume is expected to increase more than tenfold, while average selling price for drones will continue to decline.

Discuss the different demand and supply factors and their likely importance in determining the anticipated changes in sales volume and price of consumer drones. [25]

- 2 (a)** Explain the constraints faced by firms operating in a small economy. [10]

(b) Discuss the extent to which firms facing the above constraints are more vulnerable to closure in a global recession. [15]

- 3** In recent years, the Singapore government has been trying to encourage Singaporeans to reduce the consumption of sweetened beverages with high sugar content. This comes as data have shown that the consumption of such beverages comes at a cost to the society. Research lately has also shown that the consumption of such beverages is linked to poor dietary choices of Singaporeans.

(a) Explain why the sweetened beverages market might fail. [10]

(b) Assess the effectiveness of the policies available to the Singapore government in overcoming the above market failure. [15]

Section B

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

- 4** The cost of living in Singapore has climbed. Yet, living standards is considered high and there is strong economic growth.
- (a)** Explain the link between the standard of living, the cost of living and the economic growth rate of a country. [10]
 - (b)** Discuss how far fiscal policy can be used to achieve an improvement in living standards in Singapore. [15]
- 5** **(a)** Explain the internal and external factors that are likely to have contributed to rising inflation in Singapore. [10]
- (b)** Discuss the economic policies that a government could adopt to tackle rising inflation. [15]
- 6** US President Donald Trump won support by tapping into workers' anger over job losses linked to globalisation. He has since pulled US out of the Trans-Pacific Partnership (TPP), a free-trade pact signed by countries including Japan, Australia and Singapore.
- Assess the likely impact of Donald Trump's decision, to pull the US out of the TPP, on the economic agents in US and the US economy. [25]

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