



RAFFLES INSTITUTION  
2020 YEAR 5 PROMOTION EXAMINATION  
Higher 2

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**ECONOMICS**

**9757/02**

Paper 2 Essay Questions

**23 September 2020**

**1 hour 30 minutes**

Additional Materials:      Answer Paper  
   Cover Sheets

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**READ THESE INSTRUCTIONS FIRST**

Write your name, index number and civics class on all the work you hand in.  
Write in dark blue or black pen on both sides of the paper.  
You may use a soft pencil for diagrams, graphs or rough working.  
Do not use paper clips, highlighters, glue or correction fluid.

Answer **two** questions.

**Start each question on a fresh sheet of answer paper.**  
**Attach a cover sheet and attach the answer to each question separately.**

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

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This document consists of **4** printed pages and **2** blank pages.



**Raffles Institution**

Answer **two** questions.

- 1 Singapore is looking to the domestic tourism market to drive recovery in its hard-hit tourism sector as the coronavirus pandemic choked the lifeblood of international visitors. Some S\$45 million has been set aside for a nine-month campaign touting "mini-holidays" for locals - including in districts such as Chinatown, Little India, Orchard Road and Sentosa.

Source: The Business Times, 22 July 2020

Discuss possible policies to drive the recovery of the market for tourist attractions and a related market in the "hard-hit tourism sector". [25]

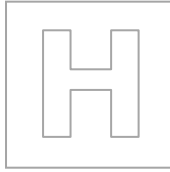
- 2 Singapore's largest healthcare dental group, Q&M Dental announced that it has acquired Aidite, a Chinese firm which produces components used in dental crowns. The firm now has access to and control of the expensive ceramic and zirconia material used to fabricate the crowns. In the market for radiology and diagnostic imaging services, Parkway Holdings Ltd proposed to acquire its close competitor, Radlink-Asia Pte Ltd.

(a) Explain the cost advantages arising from different types of mergers. [10]

(b) Discuss the factors that the Competition and Consumer Commission of Singapore (CCCS) will consider in deciding whether to block such mergers. [15]

- 3 (a) Explain, with the use of appropriate examples, how merit goods differ from public goods. [10]

(b) Discuss the policies a government might adopt to achieve a more efficient allocation of resources where merit and public goods exist in markets. [15]



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**COVER SHEET – ESSAY QUESTIONS**

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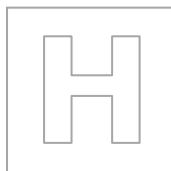
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Civics Class: \_\_\_\_\_

Economics Tutor: \_\_\_\_\_

Paper	Question	Marks
2	(write question attempted)	/25

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**COVER SHEET – ESSAY QUESTIONS**

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Name: \_\_\_\_\_

Civics Class: \_\_\_\_\_

Economics Tutor: \_\_\_\_\_

Paper	Question	Marks
2	(write question attempted)	/25

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