Class:



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### NAN CHIAU HIGH SCHOOL

### END OF YEAR EXAMINATION 2022 SECONDARY THREE EXPRESS

HUMANITIES (SOCIAL STUDIES)

2272/01 2273/01 2274/01 2287/01

29 September 2022, Thursday

1 hour 30 minutes

Candidates answer on the Writing Paper.

#### **READ THESE INSTRUCTIONS FIRST**

Write your name, class and index number on all the work you hand in. Write in dark blue or black pen. Do not use staples, paper clips, glue or correction fluid.

Answer **all** questions.

Start each section on a fresh sheet of paper.

At the end of the examination, submit Section A and Section B separately. Please ensure that you have fastened each section securely together.

The number of marks is given in brackets [ ] at the end of each question or part question. The total marks for this paper is 40.

Setter: Ms Ng Bi Ru

This paper consists of **5** printed pages including the cover page.

### **SECTION A (Source-based Question)**

Question 1 is **compulsory** for all candidates.

### 1 Exploring Citizenship and Governance

Study the Background Information and the sources carefully, and then answer all the questions.

You may use any of the sources to help you answer the questions, in addition to those sources which you are told to use. In answering the questions, you should use your knowledge of the issue to help you interpret and evaluate the sources.

1	Study Source A. Why did the cartoonist publish this source? Explain your answer.	[5]
2	Study Sources B and C. How different are these sources as evidence of the GST increase in Singapore? Explain your answer.	[6]
3	Study Source D. How useful is this source in helping you understand about the GST increase in Singapore? Explain your answer.	[6]
4	'The move to increase the GST benefits Singapore.' Using sources in this case study, explain how far you would agree with this statement.	[8]

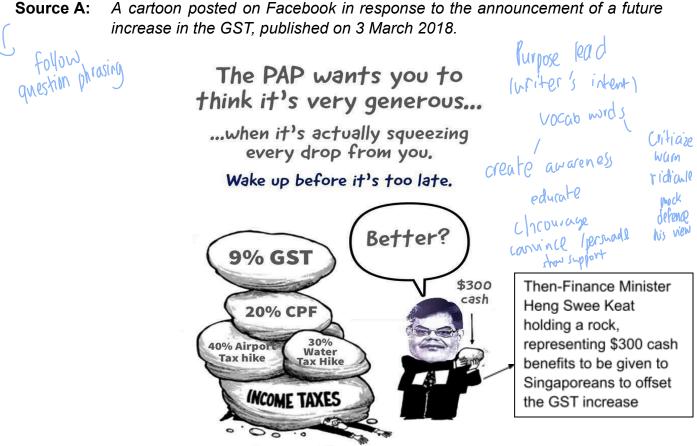
# Is it necessary for the government to increase the Goods and Services Tax (GST) in Singapore?

### BACKGROUND INFORMATION

Read this carefully. It may help you to answer some of the questions.

In February 2018, then-Finance Minister Heng Swee Keat announced that the GST would increase from 7% to 9% sometime between 2021 and 2025 as the government's spending on healthcare, infrastructure and security has gone up. More recently, in February 2022, current Finance Minister Lawrence Wong announced that the government will delay the planned GST increase to 2023 and stagger the increase – from 7% to 8% in 2023 and 8% to 9% in 2024. This is in view of Singapore's economy which is still recovering from the COVID-19 pandemic.

Supporters of the GST increase understand this decision as a form of recouping government revenue after two years of unprecedented spending due to COVID-19. However, opponents suggest that this directly increases the costs of living for everyone, making it more difficult for the people and businesses to stay afloat – urging the government to reconsider this to safeguard citizens' interests. Therefore, is the GST increase really necessary?



**Average S'porean** 

**Source B:** Adapted from a local online business magazine for Singapore's businesses, published in June 2022

Healthcare and social expenditures will go up exponentially and if taxes are not collected to fund these costs, it will be the individual households who will end up carrying them.

Singaporeans can prepare for the rate increases since it will be staggered. They can still reconsider their spending patterns and explore alternatives for goods and services. The government also has measures in place to lessen the impact of the GST hike. Examples of these are the \$6.6 billion Assurance Package and the extension of the GST Voucher scheme targeted at the lower-income groups.

## **Source C:** Adapted from a Facebook post by Mr Pritam Singh, Leader of the Opposition Party. This was published on 28 February 2022.

While the GST hike was anticipated, it comes at a difficult time for our people. Inflation is on the upswing and prices are high. There is real concern on the ground that the announcement to raise the GST will lead to price rises across the board.

The Workers' Party position is that there are other options for raising revenue. A Straits Times column last month discussed the urgency of rebuilding public finances in the face of Budget deficits\*. The GST hike was held up as being "one of the largest and most stable" sources of revenue, creating the impression that this is the only viable option to support the needy and finance healthcare, and to balance the Budget. We disagree that there no other options.

\*deficits refer to a loss in budget

## **Source D:** Adapted from a Budget speech made by Minister of Finance, Mr Lawrence Wong, published on 2 March 2022.

Healthcare spending will be the main driver of the increase in social spending as we are living longer. Take the number of people who are aged 90 and above. In 2010, we had about 10,000. By 2030, the numbers will increase much more. It is also more likely for our seniors to be hospitalised and their length of stay tends to be longer.

I had considered the timing of the GST increase very carefully, before deciding to start on 1 Jan 2023, to stagger the increase over two steps. Some ask: "what happens if inflation turns out to be persistent, or higher – would it not be better to wait until we are sure that inflation has come down before raising GST?" I fully understand these concerns but we cannot keep delaying the GST increase given our pressing revenue needs.

### **Source E:** Adapted from an online article published by an accounting firm in Singapore.

While the GST hike will increase inflation, it would be good for the country and businesses in the long run as it helps the economy to grow. Inflation is usually temporary. Moreover, the hike's impact is not felt as soon as it is implemented, but much later. With the help of the staggered GST hikes and the government grants, the effect is likely to be neutralised in about a year. However, this would impact the Small Medium Enterprises (SMEs) that are dealing with the rising cost in the workforce, logistics and electricity. They are already struggling to maintain the current prices of their good and services, and a further increase in the selling price would affect their business.

### SECTION B (Structured-Response Question)

Question 2 is **compulsory** for all candidates.

### 2 Living in a Diverse Society.

Study the extracts carefully, and then answer the questions.

### Extract 1

At the National Day Rally 2022, Prime Minister Lee Hsien Loong acknowledged Singaporeans' concerns over the large impacts of non-residents living and working here. Nevertheless, he highlighted that "Singapore must remain connected to the world and build a world-class talent pool" in order to secure our future.

#### Extract 2

One source of tension in a diverse society today is the competition for resources. These resources could be in the form of job opportunities or availability of infrastructure.

### Extract 3

Another source of tension in a diverse society arises from racial prejudices and misconceptions. An example can be seen in the denial of rental accommodation to some races in Singapore.

5.	<b>Extract 1</b> illustrates the importance of foreign talent to Singapore's success and also some concerns of Singaporeans.		
	In your opinion, how can we be more accepting of foreign talent in Singapore? Explain your answer with two suggestions.	[7]	
6.	Extract 2 and 3 highlight two sources of tension in a diverse society like		
	Singapore.		
	Do you think that competition for resources or racial prejudices poses a greater	101	
	threat to Singapore's harmony today? Explain your answer.	[8]	

End of Paper -

Copyright Acknowledgements:

Source A	https://www.facebook.com/TAVSingapore/posts/4363003437094288	
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- Source B https://sbr.com.sg/economy/news/why-gst-hike-should-push-through-despite-rising-goods-prices
- Source C https://www.wp.sg/budget-2022-charting-our-new-way-forward-together-speech-by-lo-pritam-singh/

Source D https://www.mof.gov.sg/singaporebudget/budget-2022/budget-debate-round-up-speech/#Raising-Revenue--GSTand-other-options

- Source E https://timcole.com.sg/gst-increase-from-7-to-9-how-does-it-
- impactbusinesses/#Impact\_of\_GST\_Increase\_on\_Businesses
- Extract 1 https://www.pmo.gov.sg/Newsroom/National-Day-Rally-2022-English