

**ANGLO-CHINESE JUNIOR COLLEGE**  
**2024 JC2 PRELIMINARY EXAMINATIONS**



<b>ECONOMICS</b>		<b>9570/02</b>
<b>Higher 2</b> Paper 2		26 August 2024 2 hours 30 mins
Additional materials:	Writing papers 3 cover sheets	

**READ THESE INSTRUCTIONS FIRST**

Write your exam index number and name on all the answers you hand in.

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

You may use a soft pencil for any diagrams, graphs or rough working.

Do not use staples, paper clips, highlighters, glue or correction fluid / tape in your answers.

Each essay question is worth 25 marks. Answer **a total of 3** essay questions. You are to answer **one** from **Section A**, **one** from Section **B** and the third from **either** Section.

Begin each essay question on a **fresh** sheet of writing paper. You will be submitting your essay answers **separately**.

At the end of the examination, arrange your answers in order.

Fasten your answers for each essay question **separately** using the cover sheets provided.

<p style="text-align: center;">This document consists of <b>3 printed</b> pages (including this page) and 1 blank page. Please check that your question paper is complete.</p>
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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 With effect from July 1 2022, the Malaysian government has decided not to float the price of chickens. Instead, a new price ceiling has been implemented. This decision was made to safeguard the interests of Malaysian families so that they are not burdened by rising prices and cost of living.

Source: Channelnewsasia, 24 June 2022

- (a) Suppose the Malaysian government decides to remove the price ceiling in the market for chickens.

Following the removal of the price ceiling, explain how the price mechanism will allocate the scarce resources and how consumer and producer surplus will change. [10]

- (b) Discuss the appropriate measures that the Malaysian government can adopt to ensure the affordability of chickens. [15]

- 2 Introduced in 2015, all Singaporeans aged 25 years and above received an opening credit of \$500 in their SkillsFuture account. Singaporeans can make use of these credits to deepen existing skills or reskill into new areas outside of their current field.

Source: SkillsFuture website

- (a) Explain why a government may need to intervene in the market for skills training. [10]

- (b) Discuss whether the provision of subsidies is the best policy to address the market failure in the skills training market. [15]

- 3 In July 2023, Grab announced it was acquiring Singapore's third-largest taxi operator Trans-cab, which has a fleet of more than 2,500 vehicles. The acquisition would have covered Trans-cab's taxi and car rental business, maintenance workshop and fuel pump operations.

The Straits Times, 25 July 2024

- (a) Explain how the market structure in which Grab operates is likely to influence how prices and output are determined. [10]

- (b) Discuss whether Grab's acquisition of Trans-cab will benefit or disadvantage the consumers in Singapore. [15]

**Section B**

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

- 4 (a) Explain two reasons why changing the exchange rate can be more effective than changing the government spending to address high inflation in Singapore. [10]
- (b) Discuss whether inflation or deflation is a more serious concern to a government. [15]
- 5 (a) Explain why a government should avoid a large and persistent balance of trade surplus **and** deficit. [10]
- (b) Discuss the policies the Singapore government can adopt to maintain a healthy balance of trade. [15]
- 6 "Nowadays, one country cannot go alone. This is a global village. Some problems may remain, but it can be solved amicably and bilaterally, through discussion."

Source: Bangladesh's Prime Minister Sheikh Hasina, World Economic Forum, 2019

- (a) Explain how the imposition of tariffs might reduce one form of unemployment while increasing another. [10]
- (b) Discuss whether globalisation will have an overall positive or negative impact on a developing country like Bangladesh. [15]

**End of paper**

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