



**ANDERSON SERANGOON JUNIOR COLLEGE**  
**JC1 PROMOTIONAL EXAMINATION**  
**Higher 1**

**ECONOMICS**

**8843/01**

Paper 1

**25 September 2023**

Additional Materials: Writing paper

**2 hours 5 mins**

**READ THESE INSTRUCTIONS FIRST**

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

Write in dark blue or black pen.

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

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

Answer **all** questions.

Begin your answer to **Question 1 and Question 2 separately** on a **fresh sheet** of writing paper.

At the end of the examination, **fasten your answers to Question 1 and Question 2 separately**.

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

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

Class: 24 / \_\_\_\_\_

Question Number	Marks Awarded
<b>1</b>	<b>/40</b>
<b>2</b>	<b>/10</b>
<b>TOTAL</b>	<b>/50</b>

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Answer **all** questions.

### **Question 1: Lifelong Learning**

#### **Extract 1: Refreshed SkillsFuture courses from 2023**

Digitalisation left its impact on all kinds of industries - for instance, retail outlets have been deeply affected by the emergence of e-commerce websites. To boost productivity and improve cost efficiency, banks are using technology to perform back end tasks and software is also being used to run routine operations and processes.

Riding on the post-Covid-19 wave, digital economy jobs and skills continue to see high demand. In particular, software development skills see the highest demand growth and high transferability. More job roles will require skills in e-commerce and digital marketing as well as artificial intelligence, data and analytics. This is because Singapore's growth in e-commerce sales is expected to reach S\$19.6 billion by 2027.

The government agency that is driving the national movement to promote a culture of adult lifelong learning is refreshing its SkillsFuture course offerings, in areas like software development, from next year. Associate Professor Guan Chong, deputy director from the Centre for Continuing and Professional Education at Singapore University of Social Sciences, said that bite-sized, just-in-time training coupled with workplace learning would work well for talents with highly "adjacent skills".

Adapted from: [todayonline.com](https://todayonline.com), 22<sup>nd</sup> November 2022

#### **Extract 2: Equipping, empowering and assuring workers**

One way to promote lifelong learning is through adult education. Adult education specifically targets individuals who are regarded as adults by the society to improve their technical or professional qualifications, further develop their abilities, enrich their knowledge with the purpose to complete a level of formal education, or to acquire knowledge, skills and competencies in a new field or to refresh or update their knowledge in a particular field.

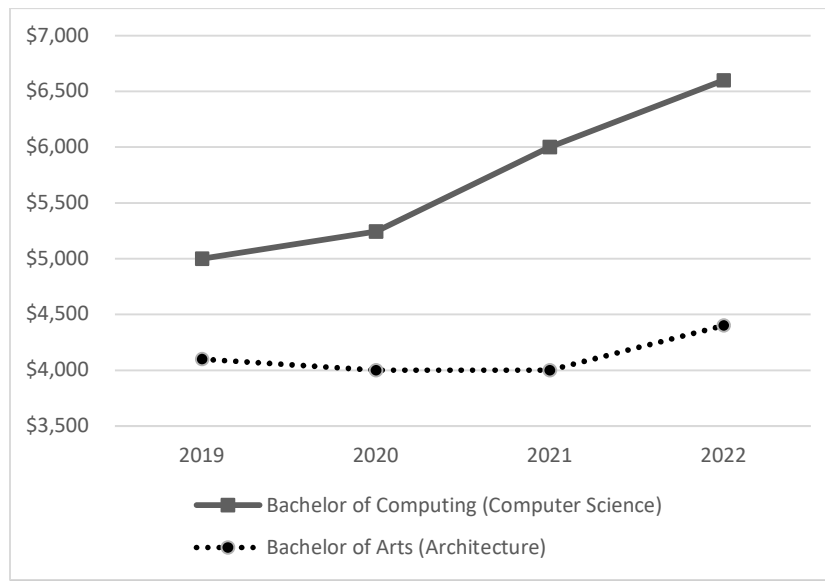
As early as 2014, the Singapore government kickstarted SkillsFuture with the aim of retraining Singapore's workforce. This initiative introduced a training voucher of S\$500 for Singaporeans aged 25 and above, which can be used to cover training costs of one or several courses ranging from digital technology to business management.

Deputy Prime Minister Wong acknowledged the various concerns from all parties, saying: "For mature and mid-career workers in their 40s and 50s, they are more likely to have heavier obligations taking care of both parents and children at the same time, which make it difficult for them to take time away from work for extended periods. We must develop a system which can cater to their needs and help them continue to provide the best for their families." Workers with families who undergo training for a few weeks or even a few months to gain the skills necessary for transition into a new role or industry, will naturally be concerned about their incomes.

The Singapore government has actively promoted SkillsFuture courses through campaigns at shopping malls and community centres. The government must continue with community outreach to help Singaporeans understand the benefits of lifelong learning.

Adapted from: [mycareersfuture.gov.sg](https://mycareersfuture.gov.sg), accessed on 28<sup>th</sup> August 2023

**Figure 1: Median starting salary by degree from the National University of Singapore**



Source: Graduate Employment Survey, accessed on 7<sup>th</sup> September 2023

### **Extract 3: Challenges facing the online education industry**

Traditional in-person education, which takes place within a classroom in the presence of students and teachers, has been transformed by the use of online education, opening new possibilities for students and teachers alike.

Online education has gained popularity in the past decade. It allows students all over the world, and at virtually any income level, to receive an education from some of academia's top institutions, this new take on education in the internet age has seen pushback from educators who fear for their job security. University administrators who push these programmes are beginning a process of replacing faculty with cheap online education. This will also help colleges overcome problems such as a lack of teachers to conduct in-person lessons.

Each time the college plans to start a new online course, the initial set-up phase can be complex. For example, some online engineering courses might require the learning platform to be tailored to support lab simulations. But once the technical infrastructure is up, it can be easily scaled up and be used for other similar courses.

Adapted from: forbes.com, 13<sup>th</sup> March 2019

### **Extract 4: Lifelong learning helps people, governments and businesses**

Lifelong learning is not tidy and generates powerful incidental benefits. This is because learning leaks. Skills and aptitudes generated in one context are applied elsewhere. Firms that were surveyed reported that absenteeism rates dropped and demarcation disputes on the introduction of new procedures fell back when workers engage in lifelong learning.

For governments, supporting learning in later life helps to delay the onset of dependency among rapidly ageing populations; plays an important role in overcoming inequality and exclusion; and supports inter-generational learning, creating more resilient families and communities.

With such positive research evidence of its benefits and so much collective endorsement by inter-governmental bodies, you would expect widespread evidence of countries re-engineering their education systems to foster learning throughout life. In the majority of developed economies, however, learning beyond initial education gets little attention in government policies and investment, leaving the size and reach of the provision to market forces.

There is a need to create a system of lifelong learning from cradle to grave. This involves moving away from the model in which all investment in learning is concentrated on the earliest years and the expectation that the skills developed then will last a lifetime.

There is a need, in many countries, for better data on adult participation and achievement. Unlike schools and universities, where the data is easily captured through administrative mechanisms, adult learning is less tidy – adults learn through formal and non-formal courses and through informal learning, and as a result it is more challenging to see who benefits, and more importantly, who misses out. Yet governments need that information to prioritise investment.

Singapore presents a powerful example of what governments can do. Faced with a major challenge to its entrepot economy from China's rapid development, the government recognised that it needed to support the re-engineering of the country's skills base and established SkillsFuture Singapore to re-skill existing workers.

Adapted from: weforum.org, 27<sup>th</sup> July 2017

### Questions

- (a) With reference to Extract 1 and a diagram, explain two possible impacts of increased digitalisation on Singapore's production possibility curve. [5]
- (b) With reference to Extract 2 and using the marginalist principle, explain how a rational consumer decides whether to pursue adult education. [4]
- (c)(i) Using Figure 1, compare the median starting salary for graduates from the computer science programme with that for graduates from the architecture programme from 2019 to 2022. [2]
- (ii) With reference to Extract 1 and Extract 2 and using demand and supply analysis, discuss whether the salary trend for computer science specialists will continue in Singapore. [8]
- (d) With reference to Extract 3, comment on whether the use of online learning platforms will increase the price elasticity of supply of adult education programmes. [6]
- (e)(i) With reference to Extract 4 and the aid of a diagram, explain one source of market failure in the market for adult education. [5]
- (ii) Discuss the view that subsidy is better than provision of information to correct market failure in the market for adult education. [10]

**[Total: 40]**

**Question 2: The United Kingdom (UK) economy****Table 1: Macroeconomic indicators for UK**

	2018	2019	2020	2021	2022
Gross Domestic Product (GDP) annual growth rate (%)	1.7	1.6	-11.0	7.6	4.1
Rate of unemployment (%)	4.0	3.7	4.5	4.8	3.6
Annual rate of inflation (%)	2.3	1.7	1.0	2.5	7.9

Source: The World Bank Data, assessed on 17<sup>th</sup> August 2023

**Extract 5: Green technology may be the solution to soaring bills**

This summer has been defined as two crises: the continuing, painful cost of living crisis afflicting millions in our country and the climate crisis, which is playing out in horrifying ways across the world. Putin's strangulation of international fossil fuel markets has sent energy bills soaring, plunged countries like UK into the deepest cost of living crisis in memory and stoked inflation to further pile the pain on to families and businesses. The UK has been the worst affected country in western Europe. There is a clear answer: clean, cheap, low-carbon power, made in Britain. Thus, the green prosperity plan was introduced. Under this plan, government spending ramped up to £28 billion a year to support the development of green technology and more sources of green energy.

Adapted from: theguardian.com, 29<sup>th</sup> July 2023

**Questions**

- (a) Using Table 1, describe what has happened to the rate of inflation and the price level in the UK between 2018 and 2020. [2]
- (b) State one component of aggregate demand. [1]
- (c) Using AD-AS diagram, explain the impact of an increase in government spending on green technology on the UK economy
- (i) in the short run. [4]
- (ii) in the long run. [3]

**[Total: 10]**

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