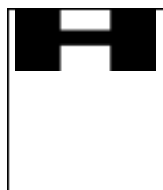


Candidate Name: _____

Class Adm No

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millennia
institute

2022 Preliminary Exams
Pre-university 3

ECONOMICS

9757/02

Paper 2 Essays

14 September 2022
2 hours 15 minutes

Additional Materials: Answer Booklet

READ THESE INSTRUCTIONS FIRST

Write your name and 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 any diagrams or graphs.
Do not use staples, paper clips, highlighters, 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.

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

An answer booklet will be provided with this question paper. You should follow the instructions on the front cover of the answer booklet. If you need additional paper, ask the invigilator for a continuation booklet.

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

Answer **three** questions in total.

Section A

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

1. When Malaysia announced it will ban exports of fresh chicken from June 1st given domestic shortages, Singapore felt a sense of unease given that chicken is a common ingredient in Singapore cuisine. Many people began to stock up on chicken. About 34 per cent of our chicken imports come from Malaysia.

Source: CNA, 12 June 2022

- (a) Explain how the export ban will lead to shortages and a sharp rise in prices of fresh chicken in Singapore. [10]
 - (b) Assess the strategies that the Singapore government could adopt in response to Malaysia's export ban of fresh chicken. [15]

2. Global military expenditure has surpassed \$2 trillion per year for the first time, and looks set to rise further as European countries beef up their armed forces in response to Russia's invasion of Ukraine. Closer to home, the annual spending by the Singapore government on early childhood education sector is set to double.
 - (a) Explain why price signals will not lead to efficient allocation of resources for national defence and education. [10]
 - (b) Discuss the extent to which government policies can address the above sources of market failure. [15]

3. China has joined Europe and US in curbing the power of big technology companies. China has increased scrutiny on the technology sector and introduced a slew of new regulations that has tried to rein in the power of its domestic giants like Alibaba Group Holding Ltd and Tencent Holdings Ltd.

Source: CNBC, 17 May 2021

- (a) Explain the market structure that the technology companies are in and how it will affect their pricing and output decisions. [10]
 - (b) Discuss the extent to which consumers and the society will benefit when there is greater competition in the technology industry in China. [15]

Section B

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

4. All governments aim to achieve economic growth, reduce unemployment and keep prices stable.
 - (a) Explain some challenges faced by the economy when the government fails to achieve these aims. [10]
 - (b) Discuss the extent to which a change in interest rates can help the government of an economy overcome these challenges. [15]

5. India's trade deficit hit a high of \$31 billion in July and it isn't easing soon. India's Commerce Secretary says the country's trade deficit surged in July as elevated commodity prices and depreciating rupee inflated its import bill. Its export sales also fell because of a reduction in its exports of petroleum products and other commodities due to domestic demand increase.

Source: The Print, 4 August, 2022

 - (a) Explain how a country's trade deficit in its balance of payments could affect its standard of living. [10]
 - (b) Discuss how best a government should address potential concerns arising from a persistent deficit in its trade balance. [15]

6. Singapore has climbed back up to become the world's 3rd most competitive economy, after having slipped to 5th place in 2021 following 2 straight years at the top.

Source: The Business Times, 15 June 2022

 - (a) Explain how competitiveness amongst countries might change over time. [10]
 - (b) Discuss measures that a government can adopt to improve its global competitiveness. [15]

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