



MERIDIAN JUNIOR COLLEGE
JC2 PRELIMINARY EXAMINATION 2013
HIGHER 2

H2 Economics

9732/02

Paper 2 Essay Questions

23 September 2013

2 Hours 15 Minutes

Additional Materials: Writing Paper

READ THESE INSTRUCTIONS FIRST

Do not open this booklet until you are told to do so.

Write your name, class and register number in the spaces at the top of the answer sheets.

Write in dark blue or black pen.

Write your answers on the separate answer paper provided.

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

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

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

Section A & B: Essay Questions (2h 15 min)

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.

Begin each essay question on a fresh sheet of paper.

At the end of the examination, fasten all your work securely together.

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

[Turn Over]

This document consists of **3** printed pages and **3** cover pages.

Answer **three** questions in total.

Section A

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

- 1** The price of organic fertilisers for organic crops has been rising. Rising income and healthy living campaigns are encouraging households to switch to consuming organic food.

With reference to the above events, assess the relevance of different concepts of elasticities of demand in explaining the effects on expenditure by consumers on organic and non-organic food. [25]

- 2 (a)** Explain how income inequality results in market failure. [10]

(b) Assess the extent to which income inequality, rather than any other potential market failure, is the main cause of government intervention in Singapore. [15]

- 3** Travel agencies charge a lower price for a child's ticket than an adult's ticket to fly to the same destination.

(a) Explain whether the above pricing policy could be considered to be an example of price discrimination. [12]

With increasing competition and advancement in technology, non-online travel agencies should find new ways to remain relevant in the travel industry.

(b) Discuss the extent to which the growth of online travel agencies has threatened the survival of non-online travel agencies. [13]

Section B

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

- 4** There is a trade-off between achieving price stability on one hand, and economic growth and unemployment on the other.
- (a) Explain the above statement. [10]
- (b) How far do conflicts in government policy objectives restrict the extent to which fiscal policy could be used in any economy? [15]
- 5** Governments around the world often adopt policies to attract fixed capital investment and investment in human capital.
- (a) Explain why countries may want to attract fixed capital investment and investment in human capital. [8]
- (b) Discuss the relevance of supply-side policies, as opposed to demand-management policies, in attracting these forms of investment. [17]
- 6** In light of increasing globalisation, discuss whether the traditional analysis of the economic benefits of trade applies in achieving a higher standard of living for different economies. [25]

END OF PAPER

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COVER SHEET

H2 ECONOMICS

Section A & B: Essay Question

Name: _____

Civics Group: _____

Register Number: _____

Tutor: _____

23 September 2013

2 Hours 15 Minutes

READ THESE INSTRUCTIONS FIRST

Write your name, civics group, register number and tutor's name in the spaces at the top of this cover page and on all the work you hand in.

WRITE down the question number you have attempted.

At the end of the examination, fasten this cover sheet to your answer scripts for the essay with the string provided before submission.

QUESTION ATTEMPTED	MARKS
Question _____	/25

9732/02

COVER SHEET

H2 ECONOMICS

Section A & B: Essay Question

Name: _____

Civics Group: _____

Register Number: _____

Tutor: _____

23 September 2013

2 Hours 15 Minutes

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QUESTION ATTEMPTED	MARKS
Question _____	/25

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COVER SHEET

H2 ECONOMICS

Section A & B: Essay Question

Name: _____

Civics Group: _____

Register Number: _____

Tutor: _____

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