



RIVER VALLEY HIGH SCHOOL
JC 2 Preliminary Examination
in preparation for General Certificate of Education Advanced Level
Higher 2

ECONOMICS

9570/02

Paper 2 Essays

14 September 2023

2 hours 30 minutes

Additional Materials: Answer Booklet

READ THESE INSTRUCTIONS FIRST

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.

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

Answer **each** question using **separate** answer booklets. You can ask for an additional booklet if you need more than one for a question.

Indicate clearly the **question number**.

For each Answer Booklet:

Write your name, Centre number and index number on the first page of all Answer Booklets that you hand in. Write clearly and use capital letters.

For each Answer Booklet, use both sides of the paper.

Write in dark blue or black pen. HB pencil may be used for graphs and diagrams only.

DO **NOT** WRITE ON ANY BARCODES.

Do not tear out any part of the Answer Booklet. All work must be handed in. If you have used any additional booklet, please insert it inside the first Answer Booklet.



This document consists of **3** printed pages and **1** blank page.

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Section A

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

- 1** Malaysia is introducing an export ban on chicken, in addition to the existing price ceiling to keep chicken prices low domestically. Singapore imports live chickens from only Malaysia and this makes up 34% of its overall chicken supply - the most widely consumed meat here. Concurrently, there are also campaigns encouraging Singaporeans to consume vegan meat for health and ethical reasons.

 - (a)** Explain how the above events will lead to a sharp increase in the price of chicken in Singapore. [10]
 - (b)** Discuss whether the imposition of a price ceiling or an export ban is more effective in bringing about a fall in the price of chicken in Malaysia. [15]

- 2** Technology has disrupted many industries across different market structures, affecting revenue, costs and profits of firms. Faced with constraints of a tight labour market and an increasingly competitive business environment, firms have turned to using technology to improve their outcomes.

 - (a)** Explain how technology has affected market structures and resulted in differing abilities of firms to earn supernormal profit. [10]
 - (b)** Discuss whether the use of technology is better than the use of a pricing strategy to improve the outcomes for firms. [15]

- 3** With more people facing chronic health issues amidst an ageing population, Singapore will embark on its new preventive healthcare strategy – Healthier SG, from July 2023. By encouraging people to enrol with a general practitioner who will help them manage their health, such a strategy focuses on keeping people healthy as long as possible, while ensuring early detection of health problems.

 - (a)** Explain two different reasons for the market failure associated with the consumption of preventive healthcare. [10]
 - (b)** Discuss how government intervention in Singapore's healthcare market can address market failure and consider how likely such intervention is successful amidst an ageing population. [15]

Section B

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

- 4** Singapore's inflation is set to rise following a mix of external and domestic factors – strong recovery in global growth with the arrival of Covid-19 vaccines, geopolitical tensions driving up food and energy prices, as well as a tight labour market. In response, the Monetary Authority of Singapore has allowed the Singdollar to appreciate, while encouraging firms to leverage technology to keep costs low.
- (a) Explain a possible demand side reason and a possible supply side reason for the rise in the rate of inflation in Singapore. [10]
 - (b) Discuss whether the policies aimed at addressing inflation might cause difficulties for Singapore economy. [15]
- 5** Singapore's overall unemployment rate eased in tandem with the gradual recovery of global economic activity. The most significant employment growth occurred in the information and communications sector as a result of strong demand for IT and digital solutions. This trend was further bolstered by the government's initiatives promoting digital transformation and the implementation of the SGUnited Jobs and Skills package, which facilitated job opportunities and skills development for residents.
- (a) Explain the internal and external factors that have contributed to the change in Singapore's unemployment rate. [10]
 - (b) Discuss how far the size and openness of Singapore's economy would influence her choice of policies in reducing unemployment. [15]
- 6** Despite former US president Donald Trump's 'America First' agenda of protecting industrial jobs by increasing tariffs on foreign goods, US remained as the country with the world's largest current account deficit which rose by a third to US\$635 billion in 2020 or 3.1% of the country's economic output.
- Source: Reuters, 22 Jan 2021*
- (a) Explain two reasons why governments will be concerned with current account deficits. [10]
 - (b) Discuss whether the use of protectionist policies can ever be justified in an increasingly globalised world. [15]

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