



MERIDIAN JUNIOR COLLEGE
JC2 PRELIMINARY EXAMINATION 2018

H2 Economics

9757/02

Paper 2 Essays

17 September 2018

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 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.

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 to the cover sheet with the string provided.

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

[Turn Over]

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

Answer **three** questions in total.

Section A

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

- 1 Due to scarcity, resources have to be allocated between competing uses. For instance, farmers in India are increasingly allocating more land to growing cotton instead of tea leaves. Such decisions may be influenced by fast-changing clothing trends.
 - (a) Explain how the price mechanism can allocate scarce resources efficiently with increasing demand for a product. [10]
 - (b) Given these farmers' decision on the use of their land, assess the relevance of elasticity concepts in explaining the impact on consumers' expenditure on tea and other beverages. [15]
- 2 Discuss the extent to which government failure is the main factor that a government should consider when addressing the various sources of market failure. [25]
- 3 Disruptive technologies include the advent of e-commerce retailing which has led to consumers buying cheaper products online rather than going to a physical location.
 - (a) Explain how the survival of firms is affected by disruptive technologies. [10]
 - (b) Discuss whether increasing competition faced by large retail firms is desirable for the society. [15]

Section B

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

- 4** Discuss the extent to which trade-offs in macroeconomic objectives will arise when the Singapore government allows its currency to appreciate. [25]
- 5** Rising government expenditure especially on subsidies is causing many governments to face rising debts.
- (a)** Explain the process whereby an increase in government expenditure can lead to a bigger change in national income. [10]
- (b)** In view of rising government debts, discuss whether government subsidies to increase an economy's global competitiveness are justified. [15]
- 6** Globalisation has made our world more interconnected than ever before and presented a wealth of opportunities. Yet, globalisation has also presented an uneven distribution of its benefits and costs.
- (a)** Explain the factors that have fuelled globalisation. [10]
- (b)** Globalisation has presented an uneven distribution of its benefits and costs. Discuss the reasons for this. [15]

- End of Paper -



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COVER SHEET

H2 ECONOMICS

Section A & B: Essay Question

Name: _____

Civics Group: _____

Register Number: _____

Tutor: _____

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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



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