

 NYJC	PRELIMINARY EXAM 2008
	JC2 Economics H2 (9732)

Paper 2 - Essay

Tuesday
9 Sep 2008
0800 - 1015

TIME : 2 h 15 mins

INSTRUCTIONS TO CANDIDATES

- Do not open this paper until you are told to do so.
- Attempt 3 questions, with at least one from each section.
- The number of marks is given in the brackets at the end of each question. Write your answers on the writing papers provided. If you use more than one sheet of paper, fasten the sheets together.
- Write your name, class and name of economics tutor in the space provided on the writing paper.

There are 2 printed pages including this cover page

Answer **three** questions in total

Section A

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

- 1 “Snap up American goods as the plummeting value of the US dollar means that the Singapore dollar has more purchasing power.”
The Straits Times, 15 June 2008
- (a) Using demand and supply analysis, explain the possible reasons for the plummeting value of the US dollar. [10]
- (b) Discuss whether the appreciation of the Singapore dollar is always beneficial for the Singapore economy. [15]
- 2 A patent, which is an official document that grants a company the exclusive right to sell an invention for a limited time period, gives a firm some form of power.
- Discuss whether there is a need for the government of a country to shorten the patent period to control the power of firms. [25]
- 3 “The presence of external benefits from health care and national defence suggests that they should be provided for free by the government.”
- (a) Distinguish between merit and public goods, and discuss under which of these classifications health care and national defence should be placed. [10]
- (b) Examine critically the above strategy in improving efficiency in resource allocation. [15]

Section B

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

- 4 ‘When an economy expands, the government has to take measures to prevent the onset of rising prices and worsening income gap.’
- (a) Explain the reasons for government intervention in the above issues. [10]
- (b) To what extent have the main economic problems faced by Singapore in recent years been caused by strong economic growth? [15]
- 5 (a) What are the key macroeconomic goals of the Singapore economy? [10]
- (b) Discuss the policy measures that would best help the government to overcome the most significant macroeconomic problem Singapore is currently facing. [15]
- 6 Never before have the forces of globalization been so evident in our daily lives. As former U.N. Secretary-General Kofi Annan once remarked, “Globalization is a fact of life. But I believe we have underestimated its frailty.”
Foreign Policy, The Globalization Index 2007
- Discuss whether globalization is always beneficial to an economy. [25]