



VICTORIA JUNIOR COLLEGE
JC 2 PRELIMINARY EXAMINATION 2018
HIGHER 2

H2 ECONOMICS

9757/02

Paper 2

2 hours 15 minutes

Additional Materials: Answer Paper

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 an HB pencil for any diagram or graphs.
Do not use staples, paper clips, highlighters, glue or correction fluid.
DO **NOT** WRITE IN ANY BAR CODES.

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.

Start each question on a FRESH piece of paper.

At the end of the examination, fasten your work securely, by question, using the strings provided.

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

This document consists of **3** printed pages

[Turn over

Answer **three** questions in total.

Section A

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

- 1** Electric Vehicles (EVs) that run on lithium batteries are gaining popularity due to the growing concern over air pollution. Advancements in EV technology has also led to cost improvements for carmakers.

Discuss the impact of the above events on the market for electric vehicles and its related markets. [25]
- 2** The number of mergers in the telecommunications industry has been increasing significantly. Following the merger between AT&T and Time Warner, US telecom giants T-Mobile and Sprint have also reached an agreement to merge and are now awaiting the approval from government antitrust regulators.

(a) Explain the characteristics which determine the market structure that telecommunications firms operate in. [10]

(b) Discuss the factors a government should consider when deciding whether to approve the merger of firms. [15]
- 3** With access to quality schooling and information on the Internet, most Singaporeans are educated on various issues, ranging from the risks of excessive plastic use to being a more discerning buyer of second-hand cars. However, there remains hurdles that prevent Singaporeans from making well-informed choices.

(a) Explain why a government might intervene in the above cases. [10]

(b) In light of the above-mentioned, evaluate the policies that the Singapore government can adopt. [15]

Section B

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

- 4** (a) Explain the information an economist would require to determine whether the standard of living in a country has improved over time. [10]
- (b) Discuss why governments may need to choose a mix of policies to achieve a high standard of living. [15]
- 5** Different governments implement different policies to reduce the country's current account deficit. Whilst the US government impose protectionist measures like tariffs, other governments choose to adopt tight fiscal policy or supply side policies.
- (a) Explain the factors that are likely to cause a balance of payments deficit on the current account. [10]
- (b) Discuss the appropriateness of the measures a government could adopt to alleviate a current account deficit. [15]
- 6** Free trade agreements are treaties which make trade and investment between two or more economies easier. International business is now simpler with Singapore's network of over 22 implemented agreements.
- Source: Enterprise Singapore
- Discuss the impact of free trade agreements on different economies. [25]

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