



EUNOIA JUNIOR COLLEGE  
JC2 Preliminary Examination 2024  
General Certificate of Education Advanced Level  
Higher 2

## ECONOMICS

Paper 2 Essays

**9570/02**

**13 September 2024**

**2 hours 30 minutes**

Additional Materials: Answer Booklet

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### READ THESE INSTRUCTIONS FIRST

An answer booklet will be provided with this question paper. You should follow the instructions on the front cover of the answer booklet. If you need additional answer paper ask the invigilator for a continuation booklet.

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.

Please note that Paper 2 takes up 60% of the total score.

Answer **three** questions in total.

### Section A

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

- 1 (a) Explain how a profit-maximising firm sets its price and output decisions and why the firm might practise price discrimination. [10]
- (b) In the e-commerce market, firms like Amazon and Alibaba are facing growing competition due to increasing ease of setting up online shops.  
  
Discuss the impact of the growing competition on efficiency outcomes. [15]
- 2 Between 2009 and 2023, the price of dental services in Singapore had risen by 2.9% annually. Although subsidised dental services are available at polyclinics, private dental clinics remain a viable option due to shorter waiting time.
  - (a) Explain why a fall in number of dentists and a rise in incomes of many households are **each** expected to cause a rise in expenditure on dental services. [10]
  - (b) Discuss whether subsidy is likely to be the most effective way the Singapore government can make dental services remain affordable for all Singaporeans. [15]
- 3 Libraries provide access to information and foster community engagement. The Singapore National Library Board opened the new Punggol Regional Library in 2023 as well as introduced a mobile app that offers digitalised version of its resources.
  - (a) Explain why library services are not considered a public good and the economic case for government intervention in this market. [10]
  - (b) Discuss whether the construction of new libraries or digitalisation of library resources is a better form of government intervention in the market for library services. [15]

**Section B**

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

- 4** Effective governance is vital for a country's economic prosperity and the well-being of its citizens.
- (a)** Explain why the same initial rise in government spending would have different effects on actual economic growth across various economies. [10]
  - (b)** Discuss the view that more inclusive but slower economic growth is preferable to growth that is at a higher rate but less inclusive. [15]
- 5** Singapore is amongst the top business hubs in the world. Amidst stiff competition, Singapore offers one of the lowest corporate tax rates at 17%.
- (a)** Explain how the constraints of a small domestic market and lack of resources make it challenging for Singapore to achieve price stability. [10]
  - (b)** Discuss whether the policy of a low corporate tax rate is most effective in allowing Singapore to overcome price instability. [15]
- 6**
- (a)** Explain how weaker global economic outlook and loss of comparative advantage might impact unemployment rates in an economy. [10]
  - (b)** Discuss whether the use of monetary policy centred on interest rate is sufficient to reduce unemployment in an economy. [15]

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