



ANGLO-CHINESE JUNIOR COLLEGE

JC1 Economics

H2

Introduction to Macroeconomics Tutorial Worksheet 5

Section A: Data Response Questions

Question 1

Table 1: Selected US economic indicators from 2009 - 2014

	2009	2010	2011	2012	2013	2014
Real GDP (% change)	-2.8	2.5	1.6	2.3	2.2	2.4
Unemployment rate (%)	9.3	9.6	8.9	8.1	7.4	6.2
Labour Force (Millions)	154.2	153.8	153.6	154.9	155.4	155.9
Inflation rate (%)	-0.4	1.6	3.2	2.1	1.5	1.6

Source: World Bank, US Bureau of Labour Statistics

- (a) (i) State the formula to calculate unemployment rate. [1]
- (ii) Explain why 'retirees' are **NOT** considered as unemployed. [2]
- (b) Describe the trend of General Price Level in the US from 2009 to 2014. [2]
- (c) Compare the trend of unemployment rate and inflation rate in the US from 2011 to 2014. [2]
- (d) Explain what the trend of unemployment rate from 2011 to 2014 suggests about the overall performance of the US economy across the years. [3]

Question 2

Table 2: Percentage change in real gross domestic product (GDP)

	2009	2010	2011	2012	2013
Japan	-5.5	4.7	-0.5	1.8	1.6
USA	-2.8	2.5	1.6	2.3	2.2
China	9.2	10.6	9.5	7.8	7.7
Germany	-5.6	4.1	3.6	0.4	0.1

Source: World Bank, OECD Statistics

Table 3: Unemployment (% of total labour force)

	2009	2010	2011	2012	2013
Japan	5	5	4.5	4.3	4
USA	9.4	9.7	9	8.2	7.4
China	4.4	4.2	4.3	4.5	4.6
Germany	7.7	7.1	5.9	5.4	5.3

Source: World Bank, OECD Statistics

- (a) Compare the trend of real GDP between China and Japan from 2010 to 2013. [2]
- (b) Explain the possible relationship between Germany's real GDP growth rate and unemployment rate. [2]
- (c) Explain what the Japan's real GDP in 2011 suggest about the overall Japan's economic performance in that year. [2]

Question 3: Asia's Consumer Revolution Gets Serious

Table 4:
Singapore: Expenditure of Gross Domestic Product at 1995 Market Prices

	1998 (S\$ million)	1999 (S\$ million)	2000 (S\$ million)	2001 (S\$ million)	2002 (S\$ million)
Total GDP	138,399	147,286	161,103	157,318	160,853
Private Consumption Expenditure	52,467	56,762	64,737	66,239	66,812
Government Consumption Expenditure	14,109	15,063	17,720	19,181	20,033
Gross Fixed Capital Formation	51,456	48,909	52,733	49,737	44,929
Increase in Stocks	-7,828	-2,755	1,045	-8,917	-8,487

Net Exports of Goods and Services	29,622	31,219	27,362	33,656	40,145
Statistical Discrepancy	-1,427	-1,912	-2,494	-2,578	-2,579

Source: Singapore Department of Statistics

- (a) Explain what it means by 'Gross Domestic Product measured at 1995 market prices'? [2]
- (b) (i) Describe the trend for GDP at 1995 market prices in Singapore from 1998 to 2002. [2]
- (ii) Using the data in Table 4, account for the general trend in b(i). [3]

Section B: Discussion Questions

Question 4: Circular Flow of income

Consider how the following scenario might affect Singapore's circular flow of income. Explain your answers.

- (a) Chinese tourists increase their spending on shopping in Singapore.
- (b) A rise in consumer and business confidence about the future.
- (c) Depreciation of Singapore's currency.

Question 5: AD/AS & Equilibrium in the macroeconomy

Using the Aggregate Demand-Aggregate Supply (AD-AS) diagram, explain the possible effects of each of the changes on a country's real national output and general price level. Make clear any assumptions that you make in your answer.

- (a) A rise in consumer and business confidence about the future.
- (b) Depreciation of a country's currency.
- (c) A country embarking on a land reclamation project.
- (d) Higher price of crude oil.
- (e) Banks in the country cut interest rates.
- (f) The government lowers corporate tax rate.

Question 6

Budget 2020: S\$4 billion support package for households and firms amid COVID-19 outbreak

Singapore's economy shrunk 13.2 per cent for the second quarter of this year compared to the same period last year, as the country enters into its worst recession since independence.

"The outbreak will certainly impact our economy," Deputy Prime Minister Mr Heng Swee keat said, noting that the tourism and aviation industries are most affected due to declining visitor arrivals to Singapore, air traffic through Changi Airport and a decline in hotel occupancy rates.

The outbreak has also disrupted supply chains and created ripple effects on other sectors, Mr Heng said.

Singapore will spend S\$4 billion on a slew of new measures and enhancements to existing schemes to stabilise its economy amid the near-term uncertainties caused by COVID-19.

These are some of the measures announced:

- 25% corporate income tax rebate for companies
- Jobs Support Scheme (JSS) which provides wage support to employers
- Cash payout (ranging from \$300-\$900) for eligible Singaporeans

Source: Various news articles

- (a) Explain how the "COVID-19 outbreak" has affected Singapore's Real National Output and General Price Level.
- (b) Using the AD-AS diagram, explain how the above measures could prevent a further economic downturn in Singapore.

Section C: Problem-based Learning - Alternative Assessment

In this assignment, you will be working in **groups** to study how key events around the world have impacted the economies of different countries. It is an opportunity for students to apply macroeconomic content and understand real-world issues and is also a platform for students to hone our 21st century skills such as collaboration and communication.

This assignment will be counted towards your first CA in JC2. To prepare for this, you may research independently on the following issues over the year-end holidays.

Task 1: Research of Problem

In groups of 4 to 6, select **ONE** case study from the following:

- Impact of US-China trade war on USA economy
- Impact of US-China trade war on China economy
- Impact of Russia-Ukraine war on Russia economy
- Impact of Russia-Ukraine war on Ukraine economy
- Impact of Russia-Ukraine war on Singapore economy
- Impact of Covid-19 pandemic on India economy
- Impact of Covid-19 pandemic on Australia economy

For your selected case study, research on the **background** of the event, the **causes** of the problem, and the **consequences** of the problem on the economy.

Task 2: Data Collection

Collect data on the economic statistics for your selected country for the years 2017 to 2022:

- Economic growth rate
- Unemployment rate
- Inflation rate
- Gini coefficient
- Human Development Index (HDI) - a composite indicator of the overall material and non-material standard of living of its residents.

You may use the world bank website (<http://data.worldbank.org/>), search engines or Chat GPT to do your research.

You should present the data in the form of a chart or diagram.

Task 3: Application of Economic Concepts

Identify a specific year that your group would like to focus on. Using the **AD-AS framework** from your lecture notes, explain how the events in Task (1) have affected the economic indicators in Task (2).

Deliverable: Video Presentation (In Term 1 2024)

Each group will be required to create a video presentation based on their case study.

- Video presentations should present your work from Task 1 - 3 above.
- Groups may use PowerPoint or any other video editing software to create their video. (Be creative and make your video engaging!)
- Video submissions should be a maximum of 5 minutes in length.
- The deadline for submission is **31 January 2024** through your class Google Classroom.
- Selected video presentations will be shown in class for students to learn about the different case studies.

Assessment:

The video presentation will be assessed based on the clarity of ideas and delivery:

Clarity of ideas:

Level 3	<ul style="list-style-type: none">• The video presents and explains the concepts clearly, with little or no conceptual inaccuracies in explanation.	6 - 7m
Level 2	<ul style="list-style-type: none">• The video presents and explains the concepts somewhat clearly, with some conceptual inaccuracies.	3 - 5m
Level 1	<ul style="list-style-type: none">• The video does not present and explain the concepts clearly, and there are many conceptual inaccuracies.	1 - 2m

Delivery:

Level 3	<ul style="list-style-type: none">• The video is consistently engaging in delivery.• The visual aids are effective in organising and displaying information.	3m
Level 2	<ul style="list-style-type: none">• The video is engaging in delivery at times.• The visual aids are somewhat effective in organising and displaying information.	2m
Level 1	<ul style="list-style-type: none">• The video is not engaging• The visual aids are not useful or effective in organising and displaying information.	1m