YISHUN INNOVA JUNIOR COLLEGE
JC 2 PRELIMINARY EXAMINATION
Higher 2

CANDIDATE NAME			
CG		INDEX NO	

ECONOMICS **9570/02**

Paper 2 Essays **11 September 2024**

2 hours 30 minutes

Additional Materials: Writing Papers
Cover Pages

READ THESE INSTRUCTIONS FIRST

Write your name, index number and civics group 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 diagrams or graphs.
Do not use staples, paper clips, highlighters, glue or correction fluid/tape.

Answer **three** questions in total, of which **one** must be from Section A and **one** from Section B.

Start **each question** (not each section) on a **fresh piece of writing paper**.

At the end of the examination, fasten your work for **each question separately**.

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

Answer **three** questions in total.

Section A

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

1 In 2022, the domestic price of rice in India increased drastically due to poor monsoon rains and a rise in demand. In response, India, the world's largest rice exporter, has periodically imposed export bans.

(a) Explain the reasons for the significant increase in the price of rice in India. [10]

(b) Discuss the measures that the Indian government may adopt to stabilise the domestic price of rice in India. [15]

2 Strides Taxi and Premier Taxis have merged to form Strides Premier, now Singapore's second-largest taxi operator with 2,500 taxis, behind ComfortDelGro's 8,700 taxis. Unlike the 2018 Grab-Uber merger, which led to a S$13 million fine, the Strides Premier merger raised no concerns from the Competition and Consumer Commission of Singapore (CCCS).

(a) Explain two reasons why Strides Taxi and Premier Taxis decided to merge. [10]

(b) Discuss the factors that governments should consider in its decision to intervene in a merger. [15]

3 Health screening is crucial for early disease detection, thereby increasing treatment effectiveness and reducing costs.

(a) Explain why the market for health screening might fail in the case of positive externality and where information is imperfect. [10]

(b) Discuss whether the most appropriate way to ensure efficient allocation of resources in the market for health screening is to provide it for free. [15]

Section B

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

4 Governments frequently strive to improve standard of living for their citizens. This is often done through policies designed to stimulate economic growth.

(a) Explain how an increase in real GDP per capita can indicate an improvement in standard of living. [10]

(b) Discuss the extent to which supply-side policies will lead to an improvement in standard of living. [15]

5 In 2022, Singapore's economy was impacted by global events such as the ongoing supply chain disruptions caused by the Russia-Ukraine war, which led to increased energy prices and inflation. Additionally, the tightening of global monetary policies by major economies, including the Federal Reserve's interest rate hikes, put further pressure on Singapore’s export-driven economy.

(a) Explain how the above events led to adverse consequences on the Singapore’s economy. [10]

(b) Discuss the policies implemented by the Singapore government to mitigate the adverse consequences brought by the above global events. [15]

6 Amidst global economic slowdown and rising unemployment, there is growing dissatisfaction with free trade, globalisation, and increasing protectionism of some countries.

(a) Explain the reasons for the rise in protectionism in some countries. [10]

(b) Discuss whether the use of policies promoting greater free trade is the best strategy for Singapore to improve her balance of trade amidst rising protectionism in the globalised world. [15]

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