1 A severe shortage of vets has made it challenging for clinics to hire and retain talent, despite offering significantly higher salaries. It typically takes around 8 years to become a vet. To attract new blood, clinics are working towards offering better work-life balance and mentorship opportunities. Since the COVID-19 pandemic, pet ownership has risen by about 30 per cent despite calls for more responsible pet ownership.

Adapted from CNA, 22 January 2024

(a) Explain why a severe shortage of vets still exists despite clinics offering significantly higher salaries. [10]

(b) Discuss possible strategies to reduce the severe shortage of vets. [15]

2 GrabFood leads the online food delivery industry with a 56% market share, followed by Foodpanda (35%) and Deliveroo (8%). Rising labour and equipment costs, along with consumers opting for cheaper dine-in options offered at hawker centres and food courts, have pressured profit margins of these firms.

Channel News Asia 17 April 2023

(a) Explain how barriers to entry determine the level of competition in the online food delivery industry and lead to high and stable prices for delivery services. [10]

(b) In the light of rising costs and change in consumer behaviour, discuss the extent to which a firm can survive in the online food delivery industry in the long run. [15]

3 **(a)** Explain the economic rationale on why some countries provide subsidies while others tax the use of petroleum. [10]

(b) In view of efficiency and equity, discuss whether government intervention in the market for petroleum does more harm than good. [15]

4 **(a)** Explain the likely macroeconomic and microeconomic consequences of high unemployment. [10]

(b) Discuss the extent to which potential conflicts between macroeconomic objectives will influence a government's policy choice to maintain a low rate of unemployment in an economy. [15]

5 Countries are finding it increasingly difficult to achieve sustainable and inclusive growth in a post-pandemic world with challenges of slow global growth, climate change, supply-chain and technological disruptions.

(a) Explain why countries find it increasingly difficult to achieve a sustainable and inclusive economic growth. [10]

(b) In view of the challenges, discuss the extent to which the Singapore government should increase real GDP growth rates to better achieve sustainable and inclusive economic growth. [15]

6 In 2022, the U.S. trade deficit was US$1.18 trillion. Further data reveals that U.S. trade deficit with China was US$367 billion while U.S. foreign direct investment (FOi) into China was US$126 billion. Immigrants contribute a large portion of the growth in the U.S. labour force and help to ease labour market tightness.

(a) Explain the causes of a large and persistent balance of trade deficit. [10]

(b) Discuss the impacts of globalisation on the standard of living in an economy. [15]