NANYANG JUNIOR COLLEGE

2025 JC2 Preliminary Examination

H2 ECONOMICS

Paper No: 9570/02

16th September 2025	Time:	0800 – 1030 hrs
Tuesday	Duration:	2 hours 30 mins

INSTRUCTIONS TO CANDIDATES

Do not turn over this paper until you are told to do so.

Write your name, class and the name of your Economics tutor in the space provided on the answer 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 the brackets at the end of each question or part question.

Write your answers on the answer booklet provided.

If you use more than one answer booklet, slot the additional booklets into the first booklet.

Please **start each question on a fresh page**.

You are advised to spend several minutes reading through the questions and plan before you begin writing your answers.

There are **3** printed pages including this cover page.
Answer **three** questions in total.

Section A

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

1 The Restaurant Association of Singapore (RAS) reports that many food and beverage (F&B) outlets are understaffed by 20% to 30% even after offering salary increases of 25% to 30%. This persistent problem is attributed to a combination of factors, including Singaporeans' reluctance to take on F&B jobs due to long hours and physical demands, and tightened border controls limiting the number of foreign workers.

Source: RAS, 2025

(a) Explain why a shortage of F&B workers might still exist even with the rise in the salaries of F&B workers. [10]

(b) Discuss possible measures Singapore government can adopt to overcome future shortages of F&B workers. [15]

2 Despite Singapore's ambitious target to deploy 2 gigawatt-peak of solar energy by 2030 as part of its green transition plan to reduce carbon emissions, the adoption of renewable energy remains below desired levels. Many households and businesses remain hesitant to invest in renewable energy installations, prompting discussions about the most effective policy interventions to accelerate adoption.

(a) Explain why the free market may result in an under-consumption of renewable energy. [10]

(b) Discuss whether command-and-control measures are more effective than market-based solutions in promoting renewable energy adoption in Singapore. [15]

3 Digital platforms in sectors like ride-hailing and food delivery have transformed the way services are accessed and delivered. The structure and behaviour of firms in these markets raise interesting questions about how competition works in the digital economy.

(a) Explain why digital platform market such as ride-hailing (e.g. Grab) or food delivery apps (Foodpanda, Deliveroo) might be considered to be an oligopoly and how economic theory suggests this market structure would affect the firms' pricing and output decisions. [10]

(b) Discuss the most appropriate strategy that a firm in the digital economy could adopt if its objective was to reduce the competition that it faces. [15]

Section B

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

4 The global economy faced significant macroeconomic challenges in 2022–2023, including high inflation, ongoing geopolitical tensions such as the Russia-Ukraine war, and supply chain disruptions.

(a) Explain how the above macroeconomic challenges may affect Singapore's aggregate demand and aggregate supply. [10]

(b) Discuss the likely impact of the 'significant macroeconomic challenges' on Singapore's domestic economy and external sector. [15]

5 "Philippines faces a staggering budget deficit of 1.37 trillion pesos in 2020 and 566.2 billion pesos as of the first five months of 2021, and 4.1-per cent inflation last June. Add to this list the 4.14 million Filipinos or 8.7 per cent of the labour force out of jobs as of April, and the 21 per cent of the population living in poverty."

Source: The Straits Times, Jul 26, 2021

(a) Explain a possible demand-side reason and a possible supply-side reason for the rise in the rate of inflation in a country. [10]

(b) Discuss the factors that determine the choice of policies that the Philippines' government would use to reduce inflation. [15]

6 "Tariffs are the greatest! Either a country which has treated the United States unfairly negotiates a fair deal, or it gets hit with Tariffs. It's as simple as that."

Donald J. Trump, Twitter (July 24, 2018)

(a) Explain the possible costs and benefits to the United States of imposing tariffs on imported goods. [10]

(b) Discuss the measures a small and open economy like Singapore can take in response to protectionist trade policies such as U.S. tariffs. [15]

***** The End *****