



MERIDIAN JUNIOR COLLEGE
JC2 PRELIMINARY EXAMINATION 2014

H2 Economics

9732/02

Paper 2 Essay Questions

23 Sep 2014

2 Hours 15 Minutes

Additional Materials: Writing Paper

READ THESE INSTRUCTIONS FIRST

Do not open this booklet until you are told to do so.

Write your name, class and register number in the spaces at the top of the answer sheets.

Write in dark blue or black pen.

Write your answers on the separate answer paper provided.

You may use a soft pencil for any diagrams, graphs or rough working.

Do not use staples, paper clips, highlighters, glue or correction fluid.

You are reminded of the need for good English and clear presentation in your answers.

Section A & B: Essay Questions (2h 15 min)

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.

Begin each essay question on a fresh sheet of paper.

At the end of the examination, fasten all your work securely to the cover sheet with the string provided.

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

[Turn Over]

This document consists of **3** printed pages and **3** cover sheets.

Answer **three** questions in total.

Section A

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

- 1 Growing demand for non-renewable energy such as crude oil and a rise in its extraction cost have led to huge government subsidies on renewable energy such as biofuel.
 - (a) Explain how price elasticity concepts determine whether the producers or consumers of renewable energy will be more likely to benefit from a subsidy. [10]
 - (b) Discuss how the combination of the above changes might affect consumer expenditure on renewable and non-renewable energy. [15]
- 2 Distinguish between oligopolistic competition and monopolistic competition and discuss which of these two market structures best explains the market behaviour of retailers in Singapore. [25]
- 3 In Indonesia, plantation companies must commit to zero deforestation and stop illegal practices such as fire clearing for crop production. Currently, forest protection measures are poorly enforced.

Source: *Greenpeace*, accessed on 20 Aug 2014

- (a) Explain why government intervention is advocated when externalities are present. [10]
- (b) Assess the view that the regulation of plantation companies, as opposed to the imposition of pollution taxes, is the best way of solving the above problem. [15]

Section B

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

- 4 (a)** Explain the possible causes of an increase in the average standard of living in a country. [10]
- (b)** Assess the desirability of aiming for high economic growth rates in Singapore. [15]
- 5** Governments in economies worldwide solve unemployment problems through the use of loose monetary policy and investment in human capital.
- (a)** Explain the trade-offs that a government might face in solving the problem of unemployment. [10]
- (b)** Discuss the view that Singapore would be better off reducing unemployment through the use of exchange rate policy. [15]
- 6** A small and open economy may find it more beneficial to embrace globalisation, as compared to a large and less open economy.
- Discuss the extent to which you agree with the above view. [25]

- End of Paper -

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COVER SHEET

H2 ECONOMICS

Section A & B: Essay Question

Name: _____

Civics Group: _____

Register Number: _____

Tutor: _____

23 Sep 2014

2 Hours 15 Minutes

READ THESE INSTRUCTIONS FIRST

Write your name, civics group, register number and tutor's name in the spaces at the top of this cover page and on all the work you hand in.

WRITE down the question number you have attempted.

At the end of the examination, fasten this cover sheet to your answer scripts for the essay with the string provided before submission.

QUESTION ATTEMPTED	MARKS
Question _____	/25

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COVER SHEET

H2 ECONOMICS

Section A & B: Essay Question

Name: _____

Civics Group: _____

Register Number: _____

Tutor: _____

23 Sep 2014

2 Hours 15 Minutes

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QUESTION ATTEMPTED	MARKS
Question _____	/25

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COVER SHEET

H2 ECONOMICS

Section A & B: Essay Question

Name: _____

Civics Group: _____

Register Number: _____

Tutor: _____

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