



INNOVA JUNIOR COLLEGE
JC 2 PRELIMINARY EXAMINATION 2
in preparation for General Certificate of Education Advanced Level
Higher 2

ECONOMICS

9732/02

Paper 2: Essay Questions

17 September 2015

2 hours 15 minutes

Additional Materials: Writing Paper and Cover Page

READ THESE INSTRUCTIONS FIRST

Write your name and class on all the work you hand in.
Write in dark blue or black pen on both sides of the paper.
You may use a soft pencil for any diagrams, graphs or rough working.
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, **one** from Section B and **one** from either Section A or Section B.

Please begin each question on a **fresh sheet of paper**.

At the end of the examination, **submit Sections A and B separately**.

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

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

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

This document consists of **3** printed pages and **1** blank page.



Answer **three** questions in total.

Section A

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

- 1 India is having bumper wheat harvests aided by government subsidies. Wheat is used by millers to produce flour, an important ingredient in many food items, such as bread, baked goods, pasta and noodles. At the same time, increasing affluence in the country has led to a growing middle class.

Using economic analysis, discuss the likely impact of these events on producers and consumers in India. [25]

- 2 (a) Explain the factors affecting the price and output decisions of firms in monopolistic competition and oligopoly. [10]

(b) Discuss the extent to which the behaviour of the firms in these market structures is dependent on the actions of other firms. [15]

- 3 (a) Explain why merit goods and immobility of factors of production may lead to market failure. [10]

(b) Evaluate policies that can be used by the Singapore government to correct these market failures. [15]

Section B

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

- 4 (a) Explain why high unemployment and high inflation are concerns to governments. [10]
- (b) Discuss the extent in which increase in labour productivity can help to address these problems. [15]
- 5 The achievement of macroeconomic objectives by an economy is dependent on other economies. Discuss. [25]
- 6 (a) Explain how an economy is affected by globalisation. [10]
- (b) Assess whether protectionism is the best approach to minimise the adverse impact of globalisation. [15]

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