



MERIDIAN JUNIOR COLLEGE
JC2 PRELIMINARY EXAMINATION 2015

H2 Economics

9732/02

Paper 2 Essay Questions

22 September 2015

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.

9732/02/PRELIM/JC2/MJC/2015

Answer **three** questions in total.

Section A

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

- 1** The price of oil has halved compared to a year ago due to weak global economic performance, increased oil production through fracking and speculators' pessimistic outlook. This has produced winners and losers in the alternative energy and goods markets.

Discuss the likely impact of the above events on producers' revenue in the market for oil and related products. [25]

- 2** Electronic Road Pricing (ERP) and subsidies for public transport for the low-wage workers are used by the Singapore government to address market failure in road usage.

(a) Explain why negative externalities and income inequality may lead to market failure. [10]

(b) Discuss whether there is a need to change the current policies adopted by the Singapore government to deal with excessive road usage. [15]

- 3** The fast food industry in Singapore consists of a few dominant firms such as McDonald's and Kentucky Fried Chicken. With rising labour costs some chains such as Wendy's have left the market.

(a) Explain the factors a firm should consider in deciding whether to close down in view of the rising labour costs. [10]

(b) Discuss the view that the exit of firms in the market is desirable. [15]

Section B

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

- 4 (a)** Using Keynesian analysis, explain the impact of a worldwide recession on an economy's national income. [10]
- (b)** Assess the extent to which conflicts in macroeconomic goals limit the scope to use interest rate policy in any economy. [15]
- 5 (a)** Explain the possible causes of a balance of payments surplus on current account. [10]
- (b)** Discuss if there is a need to change the current policies adopted by Singapore government to manage its balance of payments. [15]
- 6** "Despite the benefits of globalization, developed economies need protectionist measures to deal with its challenges."
- Discuss whether you agree with the view. [25]

- End of Paper -



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COVER SHEET

H2 ECONOMICS

Section A & B: Essay Question

Name: _____

Civics Group: _____

Register Number: _____

Tutor: _____

22 September 2015

2 Hours 15 Minutes

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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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