



**CATHOLIC JUNIOR COLLEGE**  
**JC2 PRELIMINARY EXAMINATIONS**  
In preparation for  
**General Certificate of Education Advanced Level**  
**Higher 2**

---

**ECONOMICS**

Paper 2: Essay Questions

Additional Materials : Writing Paper

**9732/02**

**1 September 2015**

**1300 - 1515**

**2 hours 15 min**

---

**READ THESE INSTRUCTIONS FIRST**

Write your name, class and question number 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 paper clips, highlighters, glue or correction fluid.

**Begin each question on a new sheet of paper.**

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.

At the end of the examination, **hand in EACH question separately.**

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

Answer **three** questions in total.

### Section A

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

- 1** In 2013, Singapore's population grew by 1.6% to 5.4 million. The Downtown Line's first phase consisting of 6 MRT stations is set to complete in 2014, while the price of crude oil recorded a 50% fall.

Discuss the likely impacts these events have on various public transport markets in Singapore. [25]

- 2 (a)** Explain the economic problem that all rational individuals, firms and governments face. [8]

**(b)** The economic problem is best left to the free market to manage. However, governments are often seen to intervene in some markets with the use of taxes and moral suasion.

Discuss whether governments should intervene with the use of taxes and moral suasion in the free market. [17]

- 3 (a)** Explain the reasons for government intervention in the case of market dominance. [10]

**(b)** Discuss if barriers to entry is the only determinant of a firm's profitability. [15]

**Section B**

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

- 4** Singapore's recorded a 6.3% annual growth in Gross Domestic Product (GDP) and enjoyed a current account surplus of \$51.4 billion in 2013, a massive 18.6% of GDP.

Discuss the extent to which the above figures may be used as an indication of improving living standards in Singapore. [25]

- 5** In line with the Government's restructuring efforts to achieve economic growth driven by sustained productivity improvements, the Ministry of Manpower is taking steps to raise the quality of our workforce and reduce reliance on foreign labour.

*Ministry of Manpower, March 2013*

**(a)** Explain how raising the quality of our workforce and reducing reliance on foreign labour will bring about productivity improvements. [10]

**(b)** Discuss the view that the government should focus on supply side policies rather than demand management policies to achieve sustained economic growth. [15]

- 6** Discuss the view that protectionism brings harm to the free market economy. [25]

**BLANK PAGE**