

 NYJC	PRELIMINARY EXAM 2016
	JC2 Economics H2 (9732/02)

Paper 2 - Essay

Tuesday

20 September 2016

08:00 – 10:15

TIME: 2 hours 15 mins

INSTRUCTIONS TO CANDIDATES

Write your name, class and name of economics tutor in the space provided on the writing paper.

Do not use staples, paper clips, 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.

The number of marks is given in the brackets at the end of each question or part question. Write your answers on the writing papers provided. At the end of the examination, fasten all your work securely together.

There are 2 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 Many countries are reporting economic growth due to an increase in merchandise trade, technology transfer and labour mobility.
Assess the impact of these developments on different product markets in Singapore. [25]
- 2 (a) Explain how firms can increase market power. [10]
(b) Discuss the extent to which the performance of a firm is determined by its market power. [15]
- 3 Shisha smoking was banned in Singapore in 2014 because smokers were at risk of developing the same health problems as cigarette smokers, such as cancer and heart disease.
(a) Explain why government intervention is advocated in the markets for both merit and demerit goods. [10]
(b) Discuss whether a ban is the best response in addressing the market failure arising from shisha smoking. [15]

Section B

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

- 4 Amid the slowest GDP growth in six years and the flattest employment growth in more than a decade, Finance Minister Heng Swee Keat announced a Budget with a strong focus on economic restructuring such as tightening the foreign labour market to raise productivity.
Source: channelnewsasia.com/news/singapore/budget-2016
(a) Explain the key determinants of sustained economic growth. [10]
(b) To what extent should the Singapore government focus on raising productivity to achieve sustained economic growth? [15]
- 5 (a) Explain the different types of unemployment an economy can face. [10]
(b) Discuss the view that structural unemployment is the most significant macroeconomic problem faced by open economies. [15]
- 6 Globalisation has made the planet more equal. As communication gets cheaper and transport gets faster, developing countries have closed the gap with their rich-world counterparts. But within many developing economies, inequality has worsened.
Discuss the effects of globalisation on the standard of living in the different economies. [25]