



ANDERSON JUNIOR COLLEGE

JC2 PRELIMINARY EXAMINATION 2016 Higher 2

ECONOMICS

9732/02

Paper 2

19 September 2016

Additional Materials: Answer Paper

2 hours 15 minutes

READ THESE INSTRUCTIONS FIRST

Write your name, PDG and index number in the spaces provided 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.

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 your answer to **each question** on a fresh sheet of writing paper.

At the end of the examination, fasten your answers to each question **separately**.

Fasten this **cover page in front of the first question attempted**.

Indicate in the table below the **question numbers** of the **three** questions you have attempted.

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

Name: _____ ()

PDG: ____/15

Question Number	Marks Awarded
	/25
	/25
	/25
Total Marks	/75

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

[Turn over]

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Answer **three** questions in total.

Section A

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

1. Singapore is experiencing sluggish economic conditions. In addition, foreign worker levies will go up across the board from July 2014 and it will affect some businesses more than others.

Discuss how a rise in foreign worker levy and sluggish economic conditions will impact the various markets for goods and services in Singapore. [25]

2. The table below shows a sampling of ticket prices at Odeon, a cinema operator in the United Kingdom (UK).

	Standard Ticket Price
Off-Peak (2D Movies) Tuesday, Wednesday, and Thursday before 5pm	£6.90
Peak (2D Movies) Tuesday, Wednesday, and Thursday after 5pm All day Friday through Sunday	£8.40
Peak (3D Movies) Tuesday, Wednesday, and Thursday after 5pm All day Friday through Sunday	£10.40

Source: <http://www.movietheaterprices.com/>, accessed on 18 August 2016

- (a) Explain whether this pricing policy is an example of price discrimination. [10]
- (b) Discuss if price discrimination is beneficial. [15]
3. Street lighting and the early morning rides on the Mass Rapid Transit (MRT) into the city area are provided free by the government in Singapore.
- (a) Explain the economic case for the free provision in each of the above markets. [10]
- (b) Discuss the limitations of providing MRT rides for free to achieve an efficient allocation of resources. [15]

Section B

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

4. A successful economy has been traditionally characterised by sustained positive growth rates, low inflation rates, low unemployment rates and a healthy balance of payments.
- (a) Explain the domestic and external causes of a high rate of inflation for an economy. [10]
- (b) Discuss whether the above traditional measures of success are sufficient for an economy today. [15]
5. Inclusive growth is economic growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society.

Source: <http://www.oecd.org>, accessed on 10 July 2016

- (a) Explain why a government might aim to achieve inclusive growth. [10]
- (b) Evaluate the measures adopted by the Singapore government to achieve inclusive growth. [15]
6. Singapore's pattern of trade with the world has changed significantly both in terms of the countries we trade with as well as the type and volume of goods and services we trade in.
- Discuss the factors that have resulted in the changing pattern of trade of Singapore with the rest of the world. [25]

End of Paper