

**YISHUN JUNIOR COLLEGE
JC2 PRELIMINARY EXAMINATION 2017**

H2 ECONOMICS

9732/02

9757/02

PAPER 2

13 SEPTEMBER 2017

0800 – 1015 hrs

TIME 2 hours 15 minutes

Additional materials: writing papers, cover page



INSTRUCTIONS TO CANDIDATES

Write your name and CTG on all the work you hand in.

Write in dark blue or black pen.

You may use a soft pencil for any diagrams, graphs or rough working.

Do not use highlighters, glue or correction fluid.

Start a **new** question on a **fresh** piece of paper.

At the end of the examinations, fasten your answers to the three questions attempted **separately** and tie a cover page to the **first question** attempted:

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

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

This paper consists of **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** In the past few years there have been weak economic activities worldwide and increased activities to produce oil.

Discuss the impact these events are likely to have on consumers and producers in the markets for oil and alternative energy. [25]

- 2 (a)** Explain why barriers to entry is a key determinant of a firm's profits. [10]

(b) Discuss whether firms in the real world set prices at profit-maximising levels. [15]

- 3 (a)** Explain how factor immobility and market dominance may result in market failure. [10]

(b) Evaluate the possible policies that the Singapore government can adopt to correct the market failure caused by market dominance. [15]

Section B

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

- 4** In 2015, the Gross Domestic Product (GDP) of the United States of America (USA) was US\$17.95 trillion, and US\$292.7 billion for Singapore.

Using economic analysis, explain why some economies have higher GDP than others, and assess whether this necessarily means that standard of living is higher in larger economies. [25]

- 5** The Monetary Authority of Singapore (MAS) shifted from a modest and gradual appreciation of the Singapore dollar to a zero per cent appreciation stance in a move to support economic growth against a dimmer global economic outlook since its last meeting.

Source: The Straits Times, accessed 1 July 2017

(a) Explain the effects of an appreciation of the Singapore dollar on the Singapore economy. [10]

(b) Discuss whether the shift to a zero per cent appreciation stance is the most appropriate policy to support economic growth against a dimmer global economic outlook. [15]

- 6 (a)** Explain the factors that will influence a government's decision to open up their economy to globalisation. [10]

(b) Assess the measures adopted by the Singapore government to improve Singapore's global competitiveness. [15]