RAFFLES INSTITUTION
2025 YEAR 6 TIMED PRACTICE
Higher 2

ECONOMICS 9570/02

Paper 2 Essay Questions

1 July 2025

1 hour 40 minutes

Additional Materials: Answer Paper
Cover Sheets

READ THESE INSTRUCTIONS FIRST

Write your name, index number and civics class 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 diagrams, graphs or rough working.
Do not use paper clips, highlighters, glue or correction fluid.

Answer **two** questions.

Start each question on a fresh sheet of answer paper.
Attach a cover sheet and attach the answer to each question separately.

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

Answer **two** questions.

1 In 2022, the United States experienced a higher inflation rate than Singapore. To achieve price stability, the Monetary Authority of Singapore (MAS) aims for a gradual and modest appreciation of the Singapore dollar.

(a) Explain how the above difference in inflation rates will impact the value of the Singapore dollar, and how the MAS may intervene to manage the value of the Singapore dollar. [10]

(b) Discuss the internal and external impacts of an appreciation of the Singapore dollar on the Singapore economy. [15]

2 **(a)** Explain why a small and open economy like Singapore may face macroeconomic challenges such as price instability and non-inclusive growth. [10]

(b) Discuss the most appropriate policy to achieve inclusive growth to improve the standard of living in Singapore. [15]

3 Global economies have been affected by China's economic slowdown and increased energy costs from the Russian-Ukraine conflict, raising stagflation concerns and prompting some countries to shift to green energy.

(a) Explain how the above-mentioned events may impact aggregate demand and aggregate supply for different economies. [10]

(b) Discuss whether demand-side or supply-side policy is more appropriate in addressing stagflation in a country. [15]

********END OF PAPER********

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COVER SHEET – ESSAY QUESTIONS

Name: ______________________

Civics Class: ________________

Economics Tutor: ____________

Paper	Question	Marks
2	(write question attempted)	/25

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COVER SHEET – ESSAY QUESTIONS

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Paper	Question	Marks
2	(write question attempted)	/25

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