



YISHUN INNOVA JUNIOR COLLEGE
JC 2 PRELIMINARY EXAMINATION
Higher 2

CANDIDATE
NAME

CG

INDEX NO

ECONOMICS

9570/02

Paper 2 Essays

25 August 2026

2 hours 30 minutes

Additional Materials: Writing Papers
 Cover Pages

READ THESE INSTRUCTIONS FIRST

Write your name, index number and civics group on all the work you hand in.
Write in dark blue or black pen on both sides of the paper.
You may use an HB pencil for any diagrams or graphs.
Do not use staples, paper clips, highlighters, glue or correction fluid/tape.

Answer **three** questions in total, of which **one** must be from Section A and **one** from Section B.

Start **each question** (not each section) on a **fresh piece of writing paper**.

At the end of the examination, fasten your work for **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** Rising wages have a dual effect: they increase consumers' purchasing power while also driving up production costs for labour-intensive goods. These have driven up the prices of some essential goods such as healthcare services.

 - (a)** Explain the likely impact of this increase in consumers' purchasing power on producers' revenue and producer surplus on different types of goods. [10]
 - (b)** Discuss whether subsidy is more effective than price ceiling in maintaining the affordability of essential goods. [15]

- 2** SkillsFuture is a national initiative that supports lifelong learning by enabling Singaporeans to continually upskill and reskill. The SkillsFuture Level-Up Programme provides additional financial support for Singaporeans aged 40 and above through training allowances for approved full-time and part-time courses, with the aim of encouraging greater participation in skills upgrading. MySkillsFuture portal service and media outreach programmes aim to encourage workers to advance their careers through continuous training.

Source: www.skillsfuture.gov.sg, accessed 1 July 2026

 - (a)** Explain how imperfect information in the market for skills training and factor immobility in the labour market, might be allocated undesirably in Singapore. [10]
 - (b)** Discuss the effectiveness of the policies available to the Singapore government in overcoming the imperfect information in Singapore's skills training market. [15]

- 3** Firms with substantial market power may restrict output and charge prices above marginal cost. Governments may therefore intervene through measures such as price controls like **average cost pricing** and regulations to influence the behaviour of these firms.

 - (a)** Explain why a profit-maximising monopoly may be economically inefficient. [10]
 - (b)** Discuss whether average cost pricing is the best form of government intervention for improving economic efficiency in monopoly market. [15]

Section B

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

- 4** Singapore has invested heavily in innovation and technology to strengthen its competitiveness in an increasingly digital global economy. At the same time, the government continues to invest in education, infrastructure and social support to achieve sustainable and inclusive growth.
- (a) Explain the key determinants of actual and potential economic growth in an economy. [10]
- (b) Discuss whether technological advancement contributes to sustainable and inclusive growth in Singapore. [15]
- 5** In recent years, some economies have faced persistent deflationary pressures. Governments and central banks have adopted a range of policy responses in their efforts to reflate their economies.
- (a) Explain the likely impact of deflation on a country's domestic and external economy. [10]
- (b) Discuss whether **devaluation of the domestic currency** is the most appropriate policy to tackle deflation for all countries. [15]
- 6** Globalisation has accelerated in recent decades, increasing the interconnectedness of economies through international trade and investment. However, geopolitical tensions and supply chain disruptions have raised questions about whether governments should continue to promote globalisation.
- (a) Explain the factors that have contributed to globalisation. [10]
- (b) Discuss the extent to which governments should continue to promote globalisation to improve standard of living. [15]

- End of Paper -

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