

Past Year Econ Essay Questions 101

YEAR	QUESTION	TOPICS
2013 Promo	Technological advancement in home theatre systems has meant that watching movies at home is as enjoyable as being in a cinema. Greater accessibility to cable television, with its list of popular movies, has also increased the attractiveness of watching movies at home. Assess how the markets of home theatre systems, cinemas and cable television may be affected by these developments. [25]	PRICE THEORY
2015 Prelim	Drivers in Singapore will have to pay more for petrol as the Government announced an increase in petrol duty rates. Source: The Straits Times, 23 February 2015 Discuss the relative importance of factors in determining the price of petrol in Singapore and the impact of a rise in petrol taxes on related markets. [25]	PRICE THEORY
2010 CT	“Visitor arrivals to Singapore hit 982,500 in March, a 17.3 per cent surge over the same month last year” I. Explain the factors that could account for the increase in the number of visitor arrivals to Singapore [10] II. Discuss the usefulness of elasticity of demand concepts to a travel agency in Singapore [15]	PRICE THEORY ELASTICITY
2011 Promo	Food prices are near record peaks and have fluctuated throughout the year. This large change in food prices has affected the average man on the street, farmers, as well as the profit margins of many processed food manufacturers. Explain why food prices have fluctuated and discuss what determines whether consumers or producers are more likely to bear the cost of these food price changes. [25]	PRICE THEORY ELASTICITY
2012 Promo	Samsung is the global leader for electronic products and the sole producer of processing chips and display screens for smart-phones. It made a record profit due mainly to the sales of its Galaxy series smart-phones. With successful branding, Samsung’s foray into China has also generated significant sales revenue despite a high import tax of 20%. I. Explain whether Samsung is more likely than Chinese consumers to bear the burden of an import tax on goods and services. [8] II. How far can Samsung’s record profits be explained using demand elasticity concepts?	PRICE THEORY ELASTICITY
2011 CT	In 2007, the Singapore government raised the rate of Goods and Services Tax (GST) from 5% to 7%. Incomes rose by approximately 7.5% in 2007. I. Explain the likely effect of this change in GST on expenditure by consumers on different types of goods. [10] II. Discuss whether the combined effect of the rise in incomes and the rise in GST is likely to cause the quantities of different types of goods sold to rise or fall. [15]	PRICE THEORY INTERVENT ION
2013 CT	The Thai government set the price of rice above the free market rate during bumper harvests to stabilise the price of rice and help improve farmers’ incomes. Data from the Thai government indicated that its rice stockpiles have been increasing over the years. I. Explain how price signals bring about an efficient allocation of resources	PRICE THEORY INTERVENT ION

	<p>in a free market. [8]</p> <p>II. Discuss the desirability of the above policy to society. [17]</p>	
2014 PRELIM	<p>Against a backdrop of steadily rising household incomes, the Malaysian government has decided to reduce government subsidies on fossil fuels in Malaysia. Assess the impact of these changes on total expenditure in the market for fossil fuels and related markets. [25]</p>	PRICE THEORY INTERVENTION
2010 CT	<p>The new \$12 million Fairprice Xtra hypermarket, at AMK hub offers a wider range of goods than the typical Fairprice supermarket, and includes new lines like electronic products and fashion wear</p> <p>I. Explain why large firms such as Fairprice Xtra may enjoy lower costs [10]</p> <p>II. In view of the benefits of large scale production, discuss the survival of neighbourhood provision shops in Singapore [15]</p>	TOTF
2014 Prelim	<p>(a) Using appropriate examples, explain how small and large firms can coexist in the food and beverage industry. [10]</p> <p>(b) Discuss whether the strategies of these two groups of firms will differ when faced with a recession and rising labour costs. [15]</p>	TOTF
2010 Promo	<p>In Singapore, the increasing cost of driving makes public transport a good alternative. In both 2006 and 2007, the two rail operators applied to the Public Transport Council (PTC) for approval to raise MRT fares on grounds of significant energy cost increases.</p> <p>I. Explain the advantages to the economy when rail service is provided by large firms. [10]</p> <p>II. The PTC is a regulatory body tasked with the twin responsibilities of safeguarding the interests of the public and ensuring the long-term viability of public transport operators. Discuss the extent to which it can rely on the concepts of demand elasticity in deciding whether to approve the fare increase</p>	TOTF ELASTICITY
2011 CT	<p>With economic growth, more Singaporeans are getting branded bags like those from Kate Spade, Louis Vuitton and Coach online. As a result, many enterprising individuals have set up online stores offering these products. Many of these stores operate out of small offices and keep stock in warehouses. Their clients range from students to professionals.</p> <p>a. Using examples, distinguish between a firm's fixed costs and its variable costs. [10]</p> <p>b. Discuss whether the different elasticity concepts could be useful in explaining what is happening in the above market.</p>	TOTF ELASTICITY
2014 Promo	<p>. With growing affluence and falling food costs, more families in the UK are choosing to have their meals out instead. Microwave meal sales dipped compared to 2013 and are expected to continue falling. (a) Explain how the concepts of price and income elasticity of demand can assist in understanding the changes in the sales volume of the different meal options. [10] (b) Discuss how firms in the microwave meal industry may respond to the above threat.</p>	TOTF ELASTICITY
2012 CT	<p>Kellogg's recent acquisition of Pringles potato chips for US\$2.7billion made it second only to PepsiCo Inc in the highly concentrated global snack food market, which consists of major player such as PepsiCo's Frito-Lay, Kraft's Nabisco and</p>	TOTF MARKET STRUCT

	<p>Diamond Foods. Source: Reuters, February 15th 2012</p> <ol style="list-style-type: none"> Identify and explain the type of market structure that Kellogg is likely to operate in. [10] Discuss whether cost advantages will always arise from the growth of a firm. [15] 	
2014 Promo	<p>The hotel industry in USA is dominated by large hotels from international chains, while the European hotel industry is highly fragmented with several small independent lodgings. These small establishments range from luxury boutique hotels to simple guesthouses that provide personalised services.</p> <ol style="list-style-type: none"> Explain the effect of an increase in occupancy on average fixed and variable costs of a hotel. [8] Discuss the desirability of having large dominant chain hotels in a country, as compared to small independent establishments. [17] 	TOTF MARKET STRUCT
2010 Promo	<ol style="list-style-type: none"> Using appropriate examples, compare the features of monopolistic competition with those of an oligopoly. [12] To what extent might barriers to entry affect the profit levels of firms? [13] 	MARKET STRUCT
2011 Promo	<p>The government has unveiled plans to build a S\$60 million food and trade hub for small and medium enterprises in Singapore. The hub will be a one-stop physical centre for all food-related facilities, including warehousing, cold room and chillers and will also house a central kitchen and lab facilities.</p> <ol style="list-style-type: none"> Explain how the setting up of such hubs is beneficial to the small and medium enterprises. [8] Discuss the extent to which monopolistic competition is the most desirable market structure in Singapore. [17] 	MARKET STRUCT
2012 Promo	<ol style="list-style-type: none"> Explain why firms in monopolistic competition make different levels of profits in the short run and the long run. [10] Discuss whether monopolistic competition is a more desirable market structure compared to an oligopoly [15] 	MARKET STRUCT
2015 Prelim	<ol style="list-style-type: none"> Compare the key features of oligopolistic and monopolistically competitive markets. [10] Discuss whether the behaviour of oligopolistic firms is consistent with the objective of profit maximisation. 	MARKET STRUCT Planned
2014 Prelim	<ol style="list-style-type: none"> Explain using examples, how factor immobility and market dominance exacerbate income inequality. [10] Evaluate the policies a government can adopt to tackle factor immobility and market dominance. 	MARKET STRUCT INTERVENT ION
2013 Promo	<ol style="list-style-type: none"> What is meant by price discrimination and explain why the price difference between adult and senior citizen fares in public transport is a form of price discrimination. [10] To what extent do you agree that the government should nationalise the public rail service in a small country like Singapore? [15] 	PRICE D INTERVENT ION
2010 Promo	<p>A minimum price for alcohol could be imposed on nearly four million consumers in the North West of England. If introduced nationwide, it would reduce alcohol consumption by 7%, see deaths fall by 3,393 a year and result in 97,900 fewer</p>	MARKET FAILURE

	<p>hospital admissions, in addition to cutting drink-fuelled violence.</p> <ol style="list-style-type: none"> Explain why excessive alcohol consumption is a form of market failure. [10] Discuss whether the use of minimum pricing is the best measure in correcting the above market failure. 	
2011 Promo	<p>In a bid to promote a healthy lifestyle through exercising, the Singapore government will increase resources to build more exercises corners in public parks.</p> <ol style="list-style-type: none"> What is meant by a public good and consider whether the above example can be considered a public good. [10] Discuss whether the Singapore government currently adopts appropriate policies to promote a healthy lifestyle. [15] 	MARKET FAILURE
2012 Promo	<p>While flood control and national defence can only be provided by governments, electricity and water can be provided by either governments or private monopolies. Consider whether government provision of such goods and services is the best way to ensure an efficient allocation of resources. [25]</p>	MARKET FAILURE
2013 Promo	<p>Some of the policies the Singapore government has adopted against alcohol consumption include taxes and campaigns informing the public about the dangers of overconsumption of alcohol.</p> <ol style="list-style-type: none"> Explain why the government intervenes in the market for alcohol. [10] Discuss whether the Singapore government should change its current policies in handling alcohol consumption. [15] 	MARKET FAILURE
2014 Promo	<p>Discuss the effectiveness of government intervention in the market for merit goods in Singapore.</p>	MARKET FAILURE
2015 Prelim	<p>Discuss the view that the allocation of resources should be left to the free market as government intervention results in greater inefficiency.</p>	MARKET FAILURE