Economics

**Essays – Economic Growth, Inflation and Unemployment**

**Essay Question 1**

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]

**Essay Question 2**

Chinese consumption decreased from 51% of Gross Domestic Product in 1985 to 43% in 1995, 38% in 2005, and 34% in 2013. By comparison, consumption is around 61% in Japan and 69% in the United States. Regardless of its relative percentage of GDP, China’s consumption has been growing faster than any other economy’s in absolute terms.

Discuss whether raising domestic consumption as percentage of GDP is the best approach to achieve sustained economic growth. [15]

**Essay Question 3**

**Governments in economies worldwide solve unemployment problems through the use of loose monetary policy and investment in human capital.**

**(a) Explain why reducing unemployment is a key macroeconomic objective in many countries. [10]**