

JC2 PRELIMINARY EXAMINATION

GENERAL PAPER

8807/01

Higher 1

Paper 1

26 August 2016
1 hour 30 minutes

Additional Materials: Writing Paper

READ THESE INSTRUCTIONS FIRST

Write your name, CT group and GP Tutor's name on all the work you hand in.

Write in dark blue or black pen on both sides of the paper.

Do not use staples, paper clips, highlighters, glue or correction fluid.

Answer **one** question.

Note that **20** marks out of **50** will be awarded for your use of language.

At the end of the examination, fasten all your work securely together.

All questions in this paper carry equal marks.

This document consists of **2** printed pages.

PJC 2016

[Turn over]

Answer **one** question from this Paper.

Answers should be between 500 and 800 words in length.

1. Discuss the value and appeal of science fiction.
2. 'A shrinking world results in more, not fewer problems.' Discuss.
3. 'Festivals and rituals still have an important role.' Is this true in your society?
4. Is crime a result of poor governance?
5. 'It is impossible to balance individual rights with the collective needs of a society.' To what extent is this true?
6. Is there a necessity for marriage in this time and age?
7. Consider the view that cities are developing at the expense of the environment.
8. Is it true that the world will be an increasingly difficult place for the disadvantaged?
9. Can a national identity ever be forged in multi-cultural societies?
10. 'Profits must be the sole focus of businesses.' Do you agree?
11. 'The job of raising children is made difficult with the prevalence of technology.' Comment.
12. 'In the world of modern science and technology we live on the brink of a disaster.' Do you agree?

Insert

Aneel Karnani makes the case against corporate social responsibility.

1	Can companies do well by doing good? Yes—sometimes. But the idea that companies have a responsibility to act in the public interest and will profit from doing so is fundamentally flawed. Large companies now routinely claim that they are not in business just for the profits, that they are also intent on serving some larger social purpose. They trumpet their efforts to produce healthier foods or more fuel-efficient vehicles, conserve energy and other resources in their operations, or otherwise make the world a better place.	1 5
2	It is not surprising that this idea has won over so many people—you can have your cake and eat it too! But it is an illusion, and a potentially dangerous one. Very simply, in cases where private profits and public interests are aligned, the idea of corporate social responsibility is irrelevant. In circumstances in which profits and social welfare are in direct opposition, an appeal to corporate social responsibility will almost always be ineffective because executives are unlikely to act voluntarily in the public interest and against shareholder interests. The danger is that a focus on social responsibility will delay or discourage more-effective measures to enhance social welfare in those cases where profits and the public good are at odds. As society looks to companies to address these problems, the real solutions may be ignored.	10 15
3	Consider the market for healthier food. Fast-food outlets have profited by expanding their offerings to include salads and other options designed to appeal to health-conscious consumers. Other companies have found new sources of revenue in low-fat, whole-grain and other types of foods that have grown in popularity. Social welfare is improved; everybody wins. Similarly, auto makers have profited from responding to consumer demand for more fuel-efficient vehicles, a plus for the environment. Plus, many companies have boosted profits while enhancing social welfare by reducing their energy consumption and thus their costs.	20 25
4	But social welfare is not the driving force behind these trends. Healthier foods and more fuel-efficient vehicles did not become so common until they became profitable for their makers. These companies are benefiting society while acting in their own interests; social activists urging them to change their ways had little impact. It is the relentless maximisation of profits, not a commitment to social responsibility that has proved to be a boon to the public in these cases.	30
5	Privately-owned companies are a different story. If an owner-operated business chooses to accept diminished profit in order to enhance social welfare, that decision is not being imposed on shareholders. Indeed, many shareholders themselves use significant amounts of the money they make from their investments to help fund charities or otherwise improve social welfare.	35
6	Still, the fact is that while companies sometimes can do well by doing good, more often they cannot because in most cases, doing what is best for society means sacrificing profits. This is true for most of society's pervasive and persistent problems: if it were not those problems would have been solved long ago by companies seeking to maximise their profits. A prime example is the pollution caused by manufacturing. Reducing that pollution is costly to the manufacturers and that eats into profits. Poverty is another obvious example. Companies could pay their workers more and charge less for their products, but their profits would suffer.	40
	Executives are hired to maximise profits; that is their responsibility to their company's shareholders. Even if executives wanted to forgo some profit to benefit society, they could	

7	<p>expect to lose their jobs if they tried—and be replaced by managers who would restore profit as the top priority. The movement for corporate social responsibility is in direct opposition, in such cases, to the movement for better corporate governance. That is one reason so many companies talk a great deal about social responsibility but do nothing—a tactic known as greenwashing. This is not to say, of course, that companies should be left free to pursue the greatest possible profits without regard for the social consequences. But, appeals to corporate social responsibility are not an effective way to strike a balance between profits and the public good.</p>	45 50
8	<p>The ultimate solution is government regulation. Its greatest appeal is that it is binding. Government has the power to enforce regulation. No need to rely on anyone's best intentions. But government regulation is not perfect, and it can even end up reducing public welfare because of its cost or inefficiency. The government also may lack the resources and competence to design and administer appropriate regulations, particularly for complex industries requiring much specialised knowledge. Industry groups might find ways to influence regulation to the point where it is ineffective or even ends up benefiting the industry at the expense of the general population. Outright corruption can make the situation even worse. What is more, all the problems of government failure are exacerbated in developing countries with weak and often corrupt governments. Still, with all their faults, governments are a far more effective protector of the public good than any campaign for corporate social responsibility.</p>	55 60 65
9	<p>Civil society also plays a role in constraining corporate behaviour that reduces social welfare, acting as a watchdog and advocate. Various non-profit organizations and movements provide a voice for a wide variety of social, political, environmental, ethnic, cultural and community interests. Overall, though, such activism has a mixed track record, and it cannot be relied on as the primary mechanism for imposing constraints on corporate behaviour—especially in most developing countries, where civil society lacks adequate resources to exert much influence and there is insufficient awareness of public issues among the population.</p>	70
10	<p>Self-regulation is another alternative, but it suffers from the same drawback as the concept of corporate social responsibility: Companies are unlikely to voluntarily act in the public interest at the expense of shareholder interests. But self-regulation can be useful. It tends to promote good practices and target specific problems within industries, impose lower compliance costs on businesses than government regulation, and offer quick, low-cost dispute-resolution procedures. Self-regulation can also be more flexible than government regulation, allowing it to respond more effectively to changing circumstances. The challenge is to design self-regulation in a manner that emphasizes transparency and accountability, consistent with what the public expects from government regulation. It is up to the government to ensure that any self-regulation meets that standard. The question is whether the government is prepared to step in and impose its own regulations if the industry fails to police itself effectively.</p>	75 80 85
11	<p>In the end, social responsibility is a financial calculation for executives, just like any other aspect of their business. The only sure way to influence corporate decision making is to impose unacceptable costs such as regulatory mandates, taxes, punitive fines, public embarrassment on socially unacceptable behaviour. Pleas for corporate social responsibility will be truly embraced only by those executives who are smart enough to see that doing the right thing is a by-product of their pursuit of profit. And that renders such pleas needless.</p>	90
<p><i>Adapted from Wall Street Journal</i></p>		

2016 Prelim Paper 2_SAQ_Suggested Answers

- 1) What does the word 'trumpet' (line 5) tell you about the efforts of large companies? **Use your own words as far as possible.** (1m)

From the passage	Suggested answer_IYOWAFAP
<p>But the idea that companies have a responsibility to act in the public interest ... is fundamentally flawed...Large companies now routinely claim that ... they are also intent on serving some larger social purpose. They trumpet their efforts to ... make the world a better place (line 1-6)</p>	<p>The word suggests that</p> <ol style="list-style-type: none"> 1. large companies may boast about/ proclaim/ exaggerate/declare loudly/amplify/extensively/greatly advertised their intentions to improve society

- 2) Explain what the author means by 'you can have your cake and eat it too'? (line 8-9) **Use your own words as far as possible.** (2m)

From the passage	Suggested answer_Inference
<p><i>companies have a responsibility to act in the public interest and will profit from doing so... (line 1-2)/ serve some larger purpose...</i> It is not surprising that this idea has won over so many people—you can have your cake and eat it too! (line 7-8)</p>	<p>The author means that</p> <ol style="list-style-type: none"> 1. Companies can not only provide for the needs of society, [1m] 2. they can also benefit financially [1m] <p>Allow lifts for profit and public interest</p> <p><i>0 or 2 marks</i></p>

- 3) According to paragraph 2, why does the author believe that corporate social responsibility is 'an illusion'? (line 9) (3m)

From the passage	Suggested answer_IYOWAFAP
<ol style="list-style-type: none"> 1. In cases where private profits and public interests are aligned 2. profits and social welfare are in direct opposition, 3. <u>an appeal</u> [subject matter] to corporate social responsibility will almost always be ineffective (lines 10–11) 4. executives are unlikely to act voluntarily in the <u>public interest</u> and (line 13) 5. against shareholder interests. 	<p>This is because...</p> <ol style="list-style-type: none"> 1. when profits and social welfare match/are similar/ the same/ alike/ conjunct (it CSR becomes irrelevant) 2. profits and social welfare are in conflict/contradictory/have different agenda/motives 3. <u>an appeal</u> to corporate social responsibility is counterproductive 4. executives will not/willingly help the masses and 5. disadvantage/will not benefit shareholders.// the management of the firms are essentially profit driven) <p><i>1pt-1m</i> <i>2-3pts-2m</i></p>

	4-5pts-3m
	Underlined words means needed component

4) From paragraph 3, identify the sentence that hints at the author's disapproval of companies that profit while benefitting society. (1m)

From the passage	Suggested answer_Inference
'Social welfare is improved; everybody wins.' (lines 20-21)	The sentence is 'Social welfare is improved; everybody wins.' [1m]

5) Why does the author believe that 'social welfare is not the driving force' (line 26) behind corporate social responsibility? Use your own words as far as possible. (3m)

From the passage	Suggested answer_IYOWAFAP
1. (a). '...did not become so common (effect)	1. (a) It was not widely practised/mainstream (effect)
2. (b) until they became profitable (cause)... (line 27)	2. (b) until it became lucrative/money-maker/marketable/ beneficial / reaping much revenue (cause)
6. 'These companies are benefiting society while acting in their own interests ' (line 27)	3. Improving the welfare of the masses is only/merely an incidental/ secondary result of pursuing financial gains OR not an intended goal/aim.
7. ' social activists urging them to change their ways had little impact ' (line 27-28)	4. Advocates of change/ calls for change / protesters... imploring/compelling/exhorting them to review their methods saw hardly any/ limited positive results.
	<i>1m each. Any 3 points for full marks</i>

6) Why are the movements for corporate social responsibility and better corporate governance in direct opposition? (line 48-49) Use your own words as far as possible. (3m)

From the passage	Suggested answer_IYOWAFAP
1. Executives are hired to maximise profits; that is their responsibility to their company's shareholders.	1. Executives are accountable/have a duty to/ hired/ employed/tasked to benefit their shareholders
2. <u>Even</u> if executives wanted to forgo some profit to benefit society,	2. <u>Although/even if/ when</u> they are willing to sacrifice/give up monetary gains for the wellbeing of the greater public. // held liable
3. they could <u>expect</u> to lose their jobs if they tried—	3. They would be fired/retrrenched/forced out
	<i>Credit as long as conditionality is implied.</i>

<p>OR</p> <p>and be replaced by managers who would</p> <p>4. restore profit as the top priority. (line 46-49)</p>	<p>OR</p> <p>And be substituted/taken over by</p> <p>4. Managers who are willing to replenish/regain financial edge</p> <p><i>1 point – 1 mark</i> <i>2-3 points – 2 marks</i> <i>4 points – 3 marks</i></p> <p><i>Answer has to show contrast/tension and consequences of forgoing profits (point 2)</i></p>
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7) In paragraph 11, what does the author think are the definite ways to influence business decisions? (2m)

From the passage	Suggested answer_IYOWAFAP
<p>1. ...to impose an</p> <p>// regulatory mandates</p> <p>2. unacceptable</p> <p>3. cost/ taxes, punitive fines</p> <p>4. public embarrassment</p>	<p>1. When governments enforce/ make it compulsory // Government-enforced decrees/ laws/rules</p> <p>(Do not accept 'implement')</p> <p>2. Unwanted/objectionable/unrealistic/ unfavourable / ludicrous / punishing</p> <p>3. expenditure/monetary penalties/tariffs/liabilities/penalties</p> <p>4. Public shame/ humiliation</p> <p>1-2 pt – 1m >/= 3 – 2m</p>

8) Explain why pleas for corporate social responsibility may be 'needless' (line 93) Use your own words as far as possible (2m)?

From the passage	Suggested answer_IYOWAFAP
<p>1. ... smart enough to see that doing the right thing</p> <p>2. is a by-product of their pursuit of profit. (line 88-91)</p>	<p>1. Companies are sufficiently intelligent/wise to realise that making the correct choice</p> <p>2. Is the secondary/incidental/unforeseen/unintended outcome of their chase/hunt/search for monetary gains</p> <p>Other acceptable answers This is because for directors who are able to realise that by appeasing the public by carrying out what is socially acceptable, they get less complaints about their practise</p>

	<p>and thus are able to increase their earnings in the long run with less troubles</p> <p>The <u>knowledge that society benefits are indirectly caused</u> by monetary-driven causes will enable people to be aware that corporate soc. Resp. is being fulfilled. This renders the need for such to be nullified</p> <p><u>Smart enough to realise that they can earn profits while helping people.</u></p> <p>.... Intellectual and they are <u>align their business profits with societal gains</u>,</p> <p><u>Being socially responsible is the only way to maximise revenue</u> after the government implements policies. Thus the government does not have to go around encouraging firms to be socially responsible</p> <p>1pt – 1mark</p>
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9) Using material from paragraphs 8 and 10 of the passage, summarise what the author has to say about the limitations and difficulties of government regulation and self-regulation in striking a balance between profits and public good.

Write your summary in **no more than 120 words** not counting the opening words which are printed below. **Use your own words as far as possible.**

Government regulation is not perfect because..... [8]

Lifted Points		Paraphrased points
<i>Limitations of government regulation</i>		
1.	can even end up reducing public welfare (line 58, 59)	Can possibly decrease public welfare
2.	its cost or (line 59)	Because of the expenses
3.	Inefficiency (line 59)	weak/slow in allocation...distribution <i>(Do NOT credit for 'ineffective' unless it is accompanied by a method of production like allocation/distribution etc Inefficient (process) vs. Ineffective (result))</i>
4.	The government also may lack the resources (line 59, 60)	The authorities may not have sufficient reserves/supplies/support/wealth/means
5.	competence to design (line 60)	Capability/ability/proficiency/knowledge
6.	Administer	Manage/oversee/govern/implement/enforce/take charge/impose
7.	appropriate regulations (line 60)	Suitable//necessary/correct/proper rules/systems/procedures/policies Do not accept 'measures'

8.	particularly for complex industries requiring much specialised knowledge (line 61)	Especially/Specifically for complicated businesses needing a lot of focused/dedicated/expertise/acumen <i>Ensure both keywords are paraphrased</i>
9.	Industry groups might find ways to influence regulation (line 61, 62)	Business groups might look for alternatives to manipulate/sway/impact rules/systems For 'industry groups' – BOD for 'firms/companies'
10	to the point where it is ineffective	to the point it is useless/unproductive/undermines goal/weakens/ reduces ability
11	even ends up benefiting the industry at the expense of the general population (line 62, 63)	Even winds up helping the business at the cost/ at the detriment of/while sacrificing the public
12	Outright corruption can make the situation even worse (Line 64)	Blatant dishonesty/fraud/bribery can make the circumstances/conditions poorer
13	weak and often corrupt governments. (line 65)	Fragile/incompetent/unstable authorities
14.	all the problems of government failure are exacerbated in <u>developing countries</u> (line 64, 65)	All the problems/glitches/difficulties of government breakdown/malfunction are worsened/aggravated/made worse in <u>developing countries</u>
<i>Difficulties of self-regulation</i>		
15	Companies are unlikely to voluntarily act in the public interest	Businesses/Industries are unwilling to do good/work for the benefit/represent the population <i>The unwillingness to do good should be implied in the answer, rather than simply the lack of will</i>
16	public interest at the expense of shareholder interests (line 76, 77)	at the cost of the stakeholders/investors/firms/shareholder. Pressure from the shareholders As the wants of society and firms- stakeholders clash
17	The challenge is to design self-regulation in a manner that emphasizes transparency (line 82)	It is hard to achieve clarity/openness/honesty
18	Accountability (line 83)	Responsibility/ answerable/ dependable/ trustworthy
19	consistent with what the public expects from government regulation (line 83)	Coherent with what the population anticipates/demands from the rules by authority Do NOT accept 'what the people <u>think/perceive</u> of govt rules...'
20	is up to the government to ensure that any self-regulation meets that standard . (line 83, 84)	Is up to the authority to guarantee that any ability to control our behaviour meets that criteria/benchmark

21	The government must be prepared to step in and (line 84, 85) 'prepared' is not bolded	The authority must be ready to interfere/intervene
22.	and impose its own regulations if the industry fails to police itself effectively. (line 84, 85)	and enforce its own rules if the business stops to regulate/monitor itself well/successfully

No. of Points	Marks Awarded
1-2	1
3-4	2
5-6	3
7-8	4
9	5
10-11	6
12-13	7
>14	8

10) Aneel Karnani makes the case against corporate social responsibility. How applicable are her views to you and your society? Support your answer with examples drawn from your society. [10]

<p>Agree: <u>Today's world/SG society is increasingly profit-motivated and competitive. Companies are unwilling to give up profits. Government regulation plays a huge role to keep companies in check.</u></p> <p><i>Examples: checks on migrant workers dormitory n sanitary needs, CO2 emissions tax, government incentives to encourage lifelong learning and skills upgrading etc. Singapore Business Federation (SBF) Act is an incentive which automatically includes all companies with a paid-up capital of \$500,000 and above as members of the SBF, the apex body of the business community in Singapore representing its interests locally and overseas. The SBF has been promoted to a "principal member" of the compact to help promote corporate sustainability in Singapore. It makes sense for all businesses who are members of SBF (currently at 21,500) to be inducted into the corporate sustainability movement, given its benefits, growing relevance in the global business landscape and Singapore's own sustainability goals.</i></p>	<p>Disagree - <u>However, there are certain start-up businesses that are primarily focused on effecting social change</u></p> <p><i>Examples: Wow Wow West, Xin Soon Huat Bak Kut Teh, Chatters Cafe Greenpac (The firm also has an inclusive hiring policy - it employs a disabled worker and subcontracts selected projects to ex-offenders under the Yellow Ribbon initiative), 80% of the companies based in Singapore claim to engage in some form of environmental conservation activity</i></p>
<p>Agree: <u>Profit driven companies cannot be trusted to place the public's interest ahead of their own.</u></p>	<p>Disagree: SG corporations rely a lot on image portrayed to investors and stake-holders - stakeholders such as consumers, investors,</p>

<p>Examples: <i>Corrupt Practices Investigation Bureau (CPIB) deals with corrupt practices in the private sector - Private sector cases made up 85 per cent of all registered cases for investigation in 2014 E.g. Lee Kian Hwa, a project manager of Integrated Building Construction Pte Ltd, was fined S\$10,000 after being found guilty of three charges of corruptly obtaining bribes totalling S\$10,000 from Chong Tet Foh, a director of De Fong Builder, in return for awarding a contract for the construction of a terrace house.</i></p>	<p>governments and employees know what good corporate behaviour should be. Hence, <u>SG companies are morally obliged to be responsible as it affects their image and profits too.</u></p> <p>Examples: <i>BreadTalk's dishonest repackaging of Yeo's soyamilk as 'freshly prepared' was unethical and caused it its reputation – with customers threatening to not patronise it.</i></p>
<p>Agree: <u>SG very dependent on economy and profits. Cannot rely on CSR alone as we are accountable to our stakeholders. Civil society/pressure is very important to promote social change and improve social welfare</u></p> <p>Examples: <i>Mediacorp cares: SL trips beach cleaning, school initiatives to visit and help the elderly/needy, NGOs, organising of awareness events, Macdonald's pressured to produce healthier food.</i></p>	<p>Disagree: <u>Business success is directly linked to sustainable business strategies. It is also SG's ambition to be a leading sustainable city</u></p> <p>Examples: <i>SG is part of United Nations Global Compact (UNGC), a worldwide initiative started 15 years ago to engage corporates to adopt sustainability principles such as the safeguarding of human and labour rights, environmental conservation and anti-corruption.</i></p> <p><u>Hence, consumers are increasingly buying products and services provided by sustainable companies, and the youth are flocking to them for work too.</u></p>

