

HONG KONG EXAMINATIONS AUTHORITY
HONG KONG ADVANCED LEVEL EXAMINATION 1995

LIBERAL STUDIES (CHINA TODAY) AS-LEVEL

9.00 am–11.30 am (2½ hours)
This paper must be answered in English

1. This paper consists of Sections 1, 2 and 3. Sections 1 and 3 both carry 25% of the module marks, and Section 2 carries 50%.
2. Candidates are required to answer ALL questions from Sections 1 and 2, and ONE question from Section 3. They are advised to spend 40 minutes on each of Sections 1 and 3, and 70 minutes on Section 2.
3. Answers to all questions should be written in the same answer book.
4. The weighting of each question is indicated in brackets. It is a guide to the length of answer required, which may vary from one to several paragraphs.
5. Candidates are reminded that this subject emphasises the ability to present and support points of view in a clear, concise and logical manner, rather than the ability to recite facts.

SECTION 1

[25% of the module marks]

Answer *all* the questions in this section.

1. The following is an adapted extract from a notice issued by the Central Military Commission of China. It called for the streamlining of the commercial activities of all military production units:

In the People's Liberation Army, the problems of confusing the responsibilities of the Army with those of commercial enterprises, operating businesses without a licence, profiteering, and indulging in extravagance and waste are common. Thus all corporations directly run by military departments should immediately stop their commercial activities. Those units that use professionals on hand to run corporations providing scientific-technological, educational, information, and consulting services, are allowed to continue to engage in related businesses but are prohibited from expanding their operations without authorization.

- (a) Explain why the People's Liberation Army (PLA) engages in business and trade activities. (6%)
 - (b) Discuss the effects of the PLA's engagement in business and trade activities on the politics of China. (6%)
2. In a forum discussing the development of Special Economic Zones (SEZs) in China, a Chinese official made the following comment:

The main function of SEZs is to serve as bridges for introducing foreign capital, advanced technology and equipment, and as classrooms for training personnel capable of mastering advanced technology.

- (a) To what extent have the SEZs fulfilled the above function? Explain your answer. (7%)
- (b) Suggest ways in which the further development of the SEZs may be promoted. (6%)

SECTION 2

[50% of the module marks]

Answer *all* the questions in this section.

3. (a) Study the following information related to the main indicators of the Chinese economy in 1992 and 1993:

Main indicators of the Chinese Economy in 1992 and 1993
(Unless otherwise stated, the figures in the table show the percentage changes over the previous year.)

	1992	first half of 1993	1993
1. Real national income	13.0	13.9	13.4
2. Industrial output (constant prices)*	25.6	25.1	21.1
(a) State-owned enterprises	12.4		6.4
(b) Collectively owned enterprises	39.3		28.6
3. Investment in fixed capital# (current prices) +	36.8	61.0	50.6
(a) State-owned enterprises	45.3	70.7	58.7
(b) Collectively owned enterprises	94.8	104.6	53.9
(c) Urban/rural residents	3.3	6.1	15.8
4. Real income of urban residents	9.0		10.2
5. Real income of rural residents	3.2		3.2
6. Retail price index	6.6	13.9	13.0
7. Cost of living index for 35 major cities	13.3	21.6	19.6
8. Amount of currency in circulation	36.0	54	25.3
9. Total bank loans	19.8		22.4
10. Trade balance	US\$4.4 billion	-US\$3.5 billion	-US\$12.2 billion
11. Import			
(a) Growth			29.0
(b) Volume	US\$80.6 billion	US\$40.7 billion	US\$104.0 billion
12. Export			
(a) Growth			8.0
(b) Volume	US\$85.0 billion	US\$37.2 billion	US\$91.8 billion
13. Foreign investment			
(a) Growth	66.2		91.7
(b) Volume	US\$19.2 billion		US\$36.8 billion

- Notes: * Figures measured in constant prices imply that the effect of inflation has been deducted.
Investment in fixed capital covers the value of investment expenditure on buildings and construction as well as machinery and equipment.
+ Figures measured in current prices imply that the values are affected by inflation.

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- (i) Identify the significant features in the performance of the Chinese economy in 1992 and 1993. (12%)
- (ii) Discuss the impact of these features on the lives of the Chinese people. (13%)

- (b) The following table lists the average income of peasants (measured in Renminbi) and the rural retail price indices in China for the period 1984 to 1993:

Year	Average income (current prices) ⁺	Rural retail price index 1978 = 100 [#]	Average income (constant prices) [*]
1984	355.33 yuan	115.20	308.45 yuan
1985	397.60 yuan	123.25	322.60 yuan
1986	423.76 yuan	129.42	327.43 yuan
1987	462.55 yuan	137.55	336.28 yuan
1988	544.94 yuan	161.05	338.37 yuan
1989	601.51 yuan	191.29	314.45 yuan
1990	686.31 yuan	197.37	347.73 yuan
1991	708.55 yuan	201.31	351.96 yuan
1992	783.99 yuan	209.20	374.75 yuan
1993	921.00 yuan	258.14	386.74 yuan

Notes: + Figures measured in current prices imply that the values are affected by inflation.
 # The year 1978 is chosen as the base year, i.e. the price index in the year 1978 is taken as 100.
 * Figures measured in constant prices imply that the effect of inflation has been deducted.

- (i) Identify the significant changes in the average income of the peasants in China during this period. (5%)
- (ii) Explain why there are such changes. (8%)
- (iii) Discuss the challenges facing the peasants in China in the process of modernization of agriculture. (12%)

SECTION 3

(25% of the module marks)

Answer *one* question from this section.

4. In a Liberal Studies class, two students had the following debate:

Student A: The National People's Congress (NPC) of the People's Republic of China is a 'rubber-stamp'. It fails to prevent the government from abusing its power. Therefore, it is not a body really representative of the Chinese people.

Student B: That's not true! The NPC is the highest organ of state power in the People's Republic of China. In fact, NPC deputies are responsible to the people and subject to their supervision.

In the above debate, which student's argument do you think is more convincing? Explain your answer. (25%)

5. Teachers, as intellectuals, were labelled by Yao Wenyan (姚文元) during the Cultural Revolution as 'an exploiting class with strong bourgeois prejudices'.

Do you think the status of teachers in China has changed since the 1980s? Explain your answer. (25%)

6. Study the following two comments on the legal systems in China and Hong Kong:

(Comment of a Western political commentator on the legal system of China)

The judiciary of China, including the courts, has always been viewed by the Chinese government as an instrument for implementing state policies. The Chinese government uses the legal apparatus to achieve the revolutionary goals of the society and to suppress those people considered to be counter-revolutionaries. The courts in China cannot enjoy full autonomy.

(Comment of a Hong Kong lawyer on the legal system of Hong Kong)

The legal system in Hong Kong is firmly based on the principles of the rule of law and the independence of the judiciary. Courts in Hong Kong can exercise judicial power independently and are not subject to interference by administrative organs, public organizations or individuals.

Discuss whether you think the two comments above accurately reflect the differences with regard to the relationship between the judiciary and the government in China and Hong Kong. (25%)

7. The following is a comment made by a Chinese official on the economic structure of China:

We are unanimous in the view that China's economic structure is one that combines a planned economy with market regulations, and will never go back to the old road of a highly centralized economy.

Is the Chinese economy of the 1990s a typical example of the socialist economy advocated by Marx? Justify your answer. (25%)

END OF PAPER