

Candidate's Name	CT Group	GP Tutor's Name

# RAFFLES INSTITUTION

## 2012 YEAR 6 PRELIMINARY EXAMINATION

### GENERAL PAPER

PAPER 2

8806/02

Monday

27 August 2012

1 hour 30 minutes

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Candidates answer on the question paper.

Additional material: 1 insert.

### READ THESE INSTRUCTIONS FIRST

Write your name, CT group and GP tutor's name in the spaces at the top of this page.

Write in dark blue or black ink in the spaces provided on the question paper.

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

Answer **all** questions.

The insert contains the passages for comprehension.

**(Note that 15 marks out of 50 will be awarded for your use of language.)**

The number of marks is given in brackets [ ] at the end of each question or part question.

For Examiner's Use	
Content	/35
Language	/15
TOTAL	/50

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This question paper consists of **8** printed pages and an insert.

## MONEY AND HAPPINESS

**Passage 1.** *Drake Bennett thinks money can buy happiness when used correctly.*

- 1 Can money buy happiness? Since the invention of money, or nearly enough, people have been telling one another that it cannot. Philosophers and gurus, holy books and self-help manuals have all warned of the futility of equating material gain with true well-being. But starting to emerge now is a different answer to that age-old question. A few researchers are looking again at whether happiness can be bought, and they are discovering that it quite possibly can. 5
- 2 “Just because money *does not* buy happiness does not mean money *cannot* buy happiness,” says Elizabeth Dunn, a social psychologist and assistant professor at the University of British Columbia. “People just might be using it wrong.” The intriguing explanation for the poor wealth-to-happiness exchange rate is that the problem is not money, it is us. For deep-seated psychological reasons, when it comes to spending money, we tend to value goods over experiences, ourselves over others, things over people. When it comes to happiness, none of these decisions are right: the spending that makes us happy, it turns out, is often spending where the money vanishes and leaves something ineffable in its place. Figuring out what to do would hopefully give us a chance to use our spending money, however much it may be, as a vehicle to a more fulfilling life rather than just a better accessorised one. 10 15
- 3 To demonstrate this, Dunn teamed up with Michael Norton, a psychologist and assistant professor at Harvard Business School, to survey 632 Americans on their general happiness, along with what they spent their money on. They found that higher “prosocial spending” – gifts for others and donations to charity – was indeed correlated with higher self-reported happiness. 20
- 4 Another theme that has emerged in similar research is that money spent on experiences – vacations or theatre tickets or meals out – makes you happier than money spent on material goods. Leaf Van Boven, an associate psychology professor at the University of Colorado, and Thomas Gilovich, chair of the psychology department at Cornell University, have run surveys asking people about past purchases and how happy they made them. They generally found very consistent evidence that experiences made people happier than material possessions they had invested in. 25
- 5 As experiences are inherently more social – when we vacation or eat out or go to the movies it is usually with other people – we are liable also to relive the experience when we see those people again. And past experiences can work as a sort of social adhesive even with people who did not participate with us, providing stories and conversational fodder in a way that a new watch or speedboat rarely can. In addition, experiences do not usually trigger the same sort of pernicious comparisons that material possessions do. We like our car less whenever we catch a glimpse of our neighbour’s newer, nicer car, but we do not like our honeymoon any less because our neighbour went on a fancier one. While we quickly grow accustomed to a new suit or a bigger house, no matter how much we originally loved it, experiences instead tend to get burnished in our memory – a year after a vacation, we look back not on the stress of dealing with lost luggage or the fights over which way the hotel was, but the beauty of the scenery. 30 35
- 6 Why, then, do we not spend more of our money this way? Part of the problem is that happiness is not necessarily what is motivating us when we reach for our wallets. Much of the impetus for discretionary spending – even for seeming essentials like cars, houses, and clothes – comes from a desire to send certain signals about our buying power and our tastes. We might mistake that motivation for happiness, or for having a better life, but it is driven by something else, a human need to compete or to fit in. And \$5,000 worth of new stuff, or even \$500,000 worth, is unlikely to permanently quell that need. 40 45
- 7 Whether or not that turns out to be true, an important change is afoot in work like Dunn and Norton’s and Van Boven and Gilovich’s. Talking about money and happiness in the same breath, it turns out, is not necessarily a surrender to crass materialism – it can also be a route to a new and more humane way to think about vitally important things like consumption,

satisfaction, investment, and value. It can also turn the familiar logic of money, prudence, and charity almost on its head. Seen this way, blowing money on a bar crawl with friends is not necessarily a waste of your hard-earned paycheck – it is something of an investment. And a generous philanthropic donation is also an act of hedonism even more gratifying than a new Lexus or a handmade watch. Making money vanish can have a payoff every bit as real, and possibly more beneficial, than putting it somewhere to make it grow. You just have to do it the right way.

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**Passage 2.** *Matthew Herper thinks money cannot buy happiness.*

- 1 It is now official: Money cannot buy happiness. Surveys have found virtually the same level of happiness between the very rich individuals on the Forbes 400 and the Maasai herdsman of East Africa. Lottery winners return to their previous level of happiness after five years. Increases in income just do not seem to make people happier – and most negative life experiences likewise have only a small impact on long-term satisfaction.
- 2 So, why does wealth not bring a constant sense of joy? "Part of the reason is that people are not very good at figuring out what to do with the money," says George Loewenstein, an economist at Carnegie Mellon University. People generally overestimate the amount of long-term pleasure they will get from a given object. Sometimes, Loewenstein notes, the way people

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