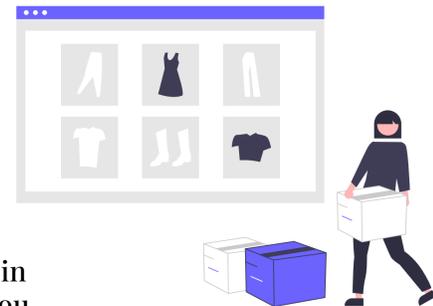


PART B0

Read the following text and answer questions 1-20 in the Question-Answer Book for Part B0.

Text 1

Indispensable By Product of Globalization, Dropshipping, Is It Harmful for the Economy?



Chapter 1: Introduction

- 1 [1] Dropshipping isn't a new idea. Over the past few decades, many products have been made in China and sold to various countries or places because they are undoubtedly cheap. But have you ever wondered why people must pay a higher price for something cheaper during dropshipping? This is nothing stereotypical; however, from our Asian perspective, purchasing something overpriced isn't a smart move. In that case, does it damage the economy? In this essay, I'll explain what's dropshipping, sort the cases, and in the end, explain why it's an ordinary and simple market mechanism and doesn't affect the economy as badly as it might seem.

Chapter 2: What's Dropshipping?

- 10 [2] Reselling. Indeed, this word is almost enough to explain dropshipping as they share many similarities. Both dropshipping and reselling involve acting as a middle-man for goods and related services. The main difference between them is dropshipping business owners don't necessarily have to own a stock of goods; resellers do. To make dropshipping work, all you have to do is contact a specific supplier, and whenever you get sales through marketing, you can ask the supplier to produce and ship the product directly to the buyers with a fee as compensation.

- 15 [3] When the pandemic kicked in in 2019, everything on the internet about making fast cash, and huge profit business models thrived. Fiverr, a marketplace to connect freelancers and recruiters, is an example. Its stock price rose from around \$20 per stock in 2019 to around \$200 per stock in the following years; an astonishing approximate 900% growth. Dropshipping, as a part of the boom, reaped popularity. Shopify, an online store builder, assisted 300 - 500 million people who had the same dream of participating in the boom to create online stores during that period. AliExpress, a retail service provider, started to become the source of dropshipping products.

- 20 [4] Dropshipping stores share nearly the same model. Build an online store using a particular web builder, connect products from a supplier using the platform of a retail service provider, and do marketing, often via Meta Ads. That's how most of the dropshipping stores were built.

Chapter 3: Dropshipping and Reselling

- 25 [5] I've been to England, London specifically. I observed the business environment during the visit and noticed many stores are identical. In short, they are reselling items produced in China to the visitors. I believe this is the initial business model of dropshipping as dropshipping became popular after the rise of people on the internet talking about it, and before that, reselling stores and shops, as they are physical, must have already been established earlier.

- 30 [6] To further prove this, I searched through the internet. Retail started in ancient times when goods were traded across all human civilizations in the Middle Eastern Town during the 7th millennium BCE. The term "resell" first appeared and was used in 1572, in the meaning defined "above". Fast forward to the 16th Century, reselling was discovered in Vicenza, Italy, according to the study of Luca Clerici, in which cheese and butter were produced by hucksters who were not enrolled in any guilds and sold by the members of two craft guilds. Dropshipping, however, kick-started in the '60s and '70s, when the internet wasn't as popular as nowadays. Back in the day, mail-order companies utilized mail-order catalogs, allowing people to order something from the companies by mail delivery, so the companies could contact the producer to produce the merchandise, and then deliver it straight to the buyers.

[7] Nowadays dropshipping has roots in mail-order catalogs and reselling. In the era of the Dot-Com Bubble in the '90s, dropshipping was on its prosperity. Individual sellers replaced the big companies. The idea hasn't been forgotten by the time I am writing this.

- 35 [8] I found what I stated almost correct but the fact that dropshipping started before the internet was widely used was surprising.

Chapter 4: Cases

- 40 [9] I tried to build a Shopify store and a TeeSpring (A print-on-demand web builder) store. What I learned is people are rational about their purchases. Usually, Shopify or dropshipping guru will tell you that as long as you market your dropshipping item impeccably, people will buy it. Yet, when you try to sell a product, you will realize that people know what you're selling, won't purchase completely useless things, and buy something when they need something.

[10] This is how you can measure whether people need your goods or not. Create an online store for a product, spend three times how much your product can profit on ad campaigns, and if you get zero in sales, your product isn't necessary for people.

[11] I once sold a \$35 t-shirt to someone I don't know online but the process was tough. I spent \$20 on someone who could find me a buyer, then I spent days persuading a potential buyer to buy the product, and after three days of consideration, he finally bought it. But, after deducting the platform fees, I lost around \$15. So, the utopia of people buying whatever you sell without a second thought is unrealistic, it's a shame most people don't understand it.

Chapter 5: Impact on the Economy

[12] Back to what I have mentioned in the beginning, buying overpriced items seems odd. Nevertheless, as we now understand its origin, a picture of why it exists was illustrated.

[13] Before we dive into that, we must understand how dropshipping impacts a country's GDP (Gross Domestic Product). When a US dropshipping store buys a product from China for \$10 and sells it for \$25, China's GDP gains \$10 from exporting goods; the USA's GDP gains \$15 from consumption minus import. It might seem the \$15 is a complete waste as the work behind is connecting buyer and seller, nothing physical is produced, and hence it looks like money printing out of nowhere and causing damage to the market, but that isn't the case.

[14] When we recall the history of reselling and dropshipping, the market's demand and supply were highlighted; when people had the desire and ability to obtain something in ancient times or nowadays, supplying what people want is always what's reasonable. The supply and demand will be adjusted until the market is at equilibrium. The market has its system, it reflects willingness, so dropshipping isn't a flaw of the economy. Not to mention when people point out that nothing physical is produced during the dropshipping, they often forget services are also included in the GDP, which makes the statement "dropshipping harms the economy" nonsense.

Chapter 6: Conclusion

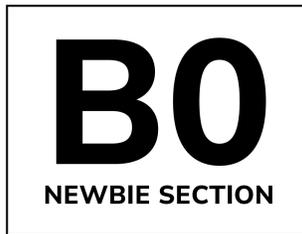
[15] I wouldn't call dropshipping a dumb endeavor. It follows the flow of the market, it showcases what people want will eventually turn into what people sell. The market is a force, but also a benchmark, through observation, we could find something interesting.

[16] If you finish the whole text seriously, appreciate it, sincerely, from a secondary 6 student.

65 Additional: Sources

[17]
https://en.wikipedia.org/wiki/Drop_shipping
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END OF READING PASSAGE



Read the essay in your reading passage booklet and answer questions 1-20.

1. Why does the writer think dropshipping wouldn't affect the economy badly? (Line 6)

2. Based on the information from paragraphs 2-3, fill in each missing blank with ONE word extracted from the article.

The owner of a dropshipping or reselling business acts as a _____. One of the differences between dropshipping and reselling is running a dropshipping business doesn't necessarily have to own a _____ of goods. During the pandemic, a money-related _____ occurred on the internet, making dropshipping thrive.

3. Based on the information from paragraphs 2-4, match the following brands with the corresponding functionality.

Brands	
A. Shopify	B. Fiverr
C. AliExpress	D. Meta Ads

- 1. A platform for dropshipping store owners to promote their items. _____
- 2. A platform to connect talents to their employers _____
- 3. A platform used to build online stores _____
- 4. The source of dropshipping products _____

4. What does "this" in line 23 means?

Answers written in the margins will not be marked.

Answers written in the margins will not be marked.

Answers written in the margins will not be marked.

Answers written in the margins will not be marked.

Answers written in the margins will not be marked.

5. According to paragraph 5, why does the writer guess reselling stores must have been established earlier than dropshipping stores?

6. Find a word in paragraph 6 meaning “above” in ancient times.

7. According to paragraph 6, why is the act of two craft guilds selling cheese and butter considered “reselling”?

- | | | | | | |
|----|--|-----------------------|-----------------------|-----------------------|-----------------------|
| A. | They are selling goods to their customers | A | B | C | D |
| B. | The hucksters were not enrolled in any guilds | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. | The sold goods were received from other sources | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. | Goods were traded across all human civilizations | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

8. When was the idea of dropshipping formed?

- | | | | | | |
|----|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| A. | 7th millennium BCE | A | B | C | D |
| B. | 1572 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. | '60s | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. | '90s | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

9. Decide whether the following statements are TRUE (T), FALSE (F), or NOT GIVEN (NG).

STATEMENTS	T	F	NG
(i) Dropshipping and mail-order catalogs are the same thing.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(ii) People will consider whether they should purchase something.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(iii) You should quit promoting a particular item if it cannot generate profit.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(iv) The writer did not earn from his print-on-demand business with fees excluded.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. Describe the writer’s attitude when he stated “It’s a shame most people don’t understand it.”

Answers written in the margins will not be marked.

Answers written in the margins will not be marked.

11. According to paragraph 12 and the full text, why does buying overpriced items seem odd?

12. According to paragraph 13, what contributes to the GDP of both countries when it comes to dropshipping a product from China and selling it to the USA via a local seller?

(i) China: _____

(ii) The United States of America: _____

13. Find a metaphor meaning “Easy and fast cash” in paragraph 13.

14. “When we recall the history of reselling and dropshipping, the market’s demand and supply were highlighted”. Explain why the writer mentions the history in the first place. (Paragraph 6-7)

15. Find a word in paragraph 14 that has a similar meaning to “want”.

16. According to paragraph 14, why is the statement “dropshipping harms the economy” nonsense?

17. Find a word in paragraph 15 meaning “a standard point”.

Answers written in the margins will not be marked.

Answers written in the margins will not be marked.

Answers written in the margins will not be marked.

18. How was the writer's tone in paragraph 15?

- A. Exaggerated
- B. Hopeful
- C. Interesting
- D. Desperate

A	B	C	D
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

19. Which one of the following is the best alternative title for the essay?

- A. Introducing Dropshipping and the Impact Caused by It.
- B. The Immense Shift of People's Purchasing Habits.
- C. Is the Economy Damaged? Exposing the True Reason.
- D. How to Be a Successful Dropshipping Store Owner.

A	B	C	D
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

20. Based on the Text, describe the writer in terms of who he is and what he is enthusiastic about.

END OF PART B0

Answers written in the margins will not be marked.

Answers written in the margins will not be marked.