

P220/2
ECONOMICS
PAPER 2
3 HOURS

Uganda Advanced Certificate of Education
ECONOMICS
Paper 2
3 hours

Instructions

- Answer **FIVE** questions only.
- Section A is compulsory. Answers to this section should be concise.
- Answer **FOUR** questions from section B.
- All questions in section B carry equal marks.
- Credit will be given for use of relevant diagrams.

SECTION A: (20MARKS)

1. a) i) Distinguish between reserve price and market price. (2marks)
ii) Mention any two methods of price determination in your country. (2marks)
- b) i) Define aggregate demand. (1mark)
ii) Give any three components of aggregate demand in your country. (3marks)
- c) i) Differentiate between creeping inflation and suppressed inflation. (2marks)
ii) Mention any two effects of creeping inflation in your country. (2marks)
- d) i) Distinguish between commodity money and fiat money. (2marks)
ii) Give any two factors causing increase in the demand for money in your country. (2marks)
- e) Mention any four challenges facing public enterprises in your country. (4marks)

SECTION B: (80MARKS)

2. a) Examine the factors that influence the level of investment in your country. (10marks)
b) Explain the measures that should be taken to promote investment in your country. (10marks)
3. a) Describe the features of the industrial sector in your country. (10marks)
b) Discuss the role of the industrial sector to the economic development of your country. (10marks)
4. a) What is meant by unbalanced budget? (14marks)
b) Account for the persistent unbalanced budget in your country. (16marks)
5. a) Explain the Keynesian Theory of unemployment. (8marks)
b) To what extent is the Keynesian Theory of unemployment relevant to your country? (12marks)

6. a) How do trade unions achieve their objectives in your country?
(12marks)
- b) Examine the challenges faced by the trade unions in your country.
(8marks)
7. a) Why are the tools of protectionism applied in your country?
(10marks)
- b) Explain the problems of over protectionism in an economy.
(10marks)

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