

**ENTEBBE BRIGHT SECONDARY SCHOOL  
END OF TERM III EXAMINATIONS 2018  
S. 5 ECONOMICS PAPER 1**

**SECTION A (20 MARKS)****2HRS**

- 1(a) i state the law of supply (01mark)  
 ii Mention any two factors that influence supply of a commodity (02 marks)
- (b) i Distinguish between voluntary and involuntary (02 marks)  
 ii Outline any two causes of voluntary unemployment in an economy. (02 marks)
- (c) (i) Define the term location of an industry. (01 mark)  
 (ii) Give three reasons why government should influence the location of industry in an economy. (03marks)
- (d) b) i) Define a producer transformation curve. (1 mark)  
 ii) Mention circumstances that lead to outward of a transformation curve. (02 marks)
- (e) Study the table below showing income and quantity demanded of commodity X and answer questions that follow.

Income in ug shs.	Quantity demanded of x mkg.
100,000	50
300,000	50

- (i) Calculate the income elasticity of demand for commodity x. (02 marks)  
 (ii) What type of commodity is x? (01 marks)
- (f) Mention three importance of population census in an economy (03 marks)

**SECTION B (80 MARKS)***Attempt four numbers in this part*

2. (a) Explain the causes of agricultural price fluctuation. (10 marks)  
 (b) What measures can be taken to control Agricultural price fluctuation in an economy? (10 marks)
- 3(a) Distinguish between price legislation and price support (04 marks)  
 (b) Why may use of price controls be encouraged in an economy? (16 marks)
- 4 (a) what are the solutions to unemployment according to J.M. Keynes. (06marks)  
 (b) Explain the limitations of the Keynesian theory of unemployment in LDCS (14 marks)
- 5(a) Describe the features of a good economic development plan. (10 marks)  
 (b) Account for the failure by developing countries to implement the economic development plans (10 marks)
- 6(a) Distinguish between creeping and galloping inflation. (04 marks)  
 (b) What are the effects of inflation in an economy? (16 marks)
- 7(a) Using diagrams differentiate between a change in quantity demanded and change in demand (04 marks)  
 (b) Explain the causes of change in demand of a commodity (16 marks)

**END**  
***MERRY X-MASS AND HAPPY NEW YEAR***