

P220/1
ECONOMICS
PAPER 1

Resource Mock Examinations

May 2015
3HOURS

ST. JOSEPH'S SENIOR SECONDARY SCHOOL NAGGALAMA
UGANDA ADVANCED CERTIFICATE OF EDUCATION
RESOURCE MOCK EXAMINATIONS 2015

ECONOMICS
PAPER 1
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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.
- Any extra question attempted will not be marked.

SECTION A (20 Marks)

1. a) (i) Distinguish between cross elasticity and price elasticity of demand. (2 marks)
(ii) State any two uses of price elasticity of demand to government. (2 marks)
- b) (i) Distinguish between structural and frictional unemployment. (2 marks)
(ii) Give two solutions to structural unemployment. (2 marks)
- c) (i) What is meant by the term 'Trade Union' (1 mark)
(ii) Mention any three factors that determine the strength of trade unions in an economy. (3 marks)
- d) (i) What is economic dependence? (1 mark)
(ii) Give three demerits of economic dependence in an economy. (3 marks)
- e) Give any four features of Rostow's take off stage of economic growth. (4 marks)

SECTION B (80 MARKS)

2. a) What is the basis of monopoly power in an economy. (8 marks)
b) Explain the implications of the existence of monopoly in an economy. (12 marks)
- 3 (a) How is National Income computed? (6 marks)
(b) Why may per capita Income figures be an inappropriate indicator of the level of people's welfare in an economy. (14 marks)
4. (a) Distinguish between a customs union and a common market. (4 marks)
(b) What are the implications of economic integration in an economy (16 marks)
5. a) Explain the tools of monetary policy. (12 marks)
b) What factors limit the effective operation of monetary policy in developing countries (8 marks)
6. a) What is meant by nationalization of enterprises (2 marks)
b) Discuss the demerits of nationalizing enterprises in an economy. (18 marks)
7. (a) Describe the features of a good development plan. (8 marks)
b) Account for the failure of many developing countries to plan effectively (12marks)

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