

P220/2
ECONOMICS
PAPER 2
Resource Mock Examinations
May 2015
3HOURS

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

- Any extra question attempted will not be marked.

SECTION A (20MARKS)

1. a) i) Distinguish between inferior goods and complementary goods. (2marks)
ii) Give any two examples of complementary goods in your country. (2marks)

b) i) Define investment multiplier.(1mark)
ii) Given that the change in the initial investment expenditure is shs. 40billion and the marginal propensity to consume is 0.8; calculate the final change in the national income. (3marks)

c) i) Distinguish between external resource dependence and sectoral dependence.(2marks)
ii) Mention any two demerits of external resource dependence in your country. (2marks)

d) i) Differentiate between impact of a tax and incidence of a tax. (2marks)
ii) State any two reasons for levying taxes in your country. (2marks)

e) i) Define partial planning. (1mark)
ii) Mention any three demerits of partial planning in your country. (3marks)

SECTION B (80MARKS)

2. a) Explain the benefits of large scale production in your country. (6marks)
b) Examine the factors limiting the scale of production of firms in your country. (14marks)
3. a) Explain the role of the agricultural sector to the economic development of your country. (10marks)
b) Examine the challenges faced in modernization of agriculture in your country. (10marks)
4. a) Distinguish between nominal wage and real wage. (4marks)
b) Account for the high wage differentials in your country. (16marks)
5. a) Explain the benefits of the increasing population in your country. (6marks)
b) Explain the rationale for population growth rate in your country. (14marks)
6. a) Account for the privatization of public enterprises in your country. (10marks)
b) Explain the problems encountered in the privatization of public enterprises in your country. (10marks)
7. a) Explain the causes of the unfavorable terms of trade in your country. (8marks)

- b) Explain the measures that have been taken to improve the terms of trade in your country.
(12marks)

END