

P220/2
ECONOMICS
PAPER 2
JULY 2019
3 HOURS

ACEITEKA MOCK EXAMINATIONS 2019
Uganda Advanced Certification of Education

ECONOMICS
Paper 2
TIME: 3 HOURS

INSTRUCTIONS TO CANDIDATES:

- (i) Answer **five** questions only.
- (ii) Section **A** is **compulsory**. Answers to this section should be concise.
- (iii) Answer **only four** questions from **Section B**.
- (iv) All questions in Section **B** carry equal marks.
- (v) Any additional question(s) answered will *not* be marked.
- (vi) Draw a Mark-grid on the first page of your answer sheet in the left margin.
Indicate in the grid the number of each question answered.

SECTION A: (20 MARKS)
Answer all parts of this question

- 1. (a) (i) Define the term **resale price maintenance**. *(1 mark)*
(ii) Mention any **three** merits of resale price maintenance in Uganda. *(3 marks)*

- (b) (i) What is meant by **Investment multiplier**? *(01 mark)*

- (ii) Given that in a two-sector economy; the final level of national income is shs **385 billion**, MPC = **0.6** and the initial change in investment = **shs 50 billion**; determine the original level of National Income. *(03 marks)*
- (c) (i) What is meant by the term **Infant industries**? *(01 mark)*
(ii) State any **three** ways through which government is protecting infant firms in Uganda. *(03 marks)*
- (d) Mention any **four** features of the agriculture sector in Uganda. *(04 marks)*
- (e) (i) Distinguish between **tax evasion** and **tax avoidance**. *(02 marks)*
(ii) State any **two** causes of **tax evasion** in Uganda. *(02 marks)*

SECTION B: 80 MARKS)

2. (a) Account for the predominance of small scale enterprises in Uganda. *(10 marks)*
(b) Explain the demerits of small scale enterprises in Uganda. *(10 marks)*
3. (a) Distinguish between **Gross Domestic Product** and **Gross National Product**. *(4 marks)*
(b) Why is there the need to increase Gross Domestic Product in Uganda? *(16 marks)*
4. (a) Discuss the demerits of youth unemployment in Uganda. *(06 marks)*
(b) Explain the measures which have been taken to increase level of employment in Uganda. *(14 marks)*
5. (a) What are the objectives of soliciting for Foreign Aid in Uganda? *(06 marks)*
(b) Explain the dangers of over relying on Foreign Aid in Uganda *(14 marks)*
6. (a) What are the benefits of decentralized planning in an economy? *(06 marks)*
(b) Examine the factors that influence the implementation of economic development plans in Uganda. *(14 marks)*
7. (a) Distinguish between **Trade Liberalization** and **Free trade**. *(04 marks)*
(b) Assess the implications of trade liberalization on the economy of Uganda. *(16 marks)*

End