

KIIRA COLLEGE BUTIKI

Uganda Advanced Certificate of Education

ECONOMICS

Paper 1

LOCK DOWN REVISION QUESTIONS

SECTION A: (20 Marks)

1. (a) Distinguish between;
 - (i) Free good and economic good (02mks)
 - (ii) Inferior good and complementary good (02mks)
- (b)(i) Define the term injection (01mks)
- (ii) State three examples of injections in the circular flow of income (03mks)
- (c) (i) What is meant by liquidity preference (01mks)
- (ii) Give three reasons why individuals demand for money in an economy. (03mks)
- (d) Mention any four forms of trade protectionism in an economy (04mks)
- (e)(i) Define the term currency devaluation. (01mks)
- (ii) State three effects of currency devaluation in an economy (03mks)

SECTION B (80 Marks)

2. (a) Differentiate between increase in supply and increase in quantity Supplied. (04mks)
- (b) Explain the factors that lead to a change in supply of a commodity (16mks)
3. (a) Explain how profits are maximized under monopoly (08mks)
- (b) What are the merits and demerits of monopoly in an economy? (12mks)
4. (a) Account for the uneven distribution of income in developing Countries (10mks)
5. (a) Explain the factors that determine economic growth in an economy (10mks)
- (b) What are the benefits of economic growth in an economy? (10mks)
6. (a) Explain the quantity theory of money (06mks)
- (b) What are the limitations of the quantity theory of money? (14mks)
7. (a) Distinguish between budget surplus and budget deficit? (04mks)
- (b) Explain the significance of a national budget in an economy. (16mks)