

**P220/2**  
**ECONOMICS**  
Paper 2  
3 hours

**STANDARD HIGH SCHOOL ZZANA**

**Uganda Advanced Certificate of Education**

**ECONOMICS**

Paper 2

3 hours

**INSTRUCTIONS TO CANDIDATES:**

*Attempt **five** (5) questions only.*

*Section **A** is compulsory. Answers to this section should be **precise and concise**.*

*Answer **four** (4) questions from section **B**.*

*All questions in section **B** carry **equal** marks.*

*Credit will be given for use of relevant diagrams.*

*Any additional question(s) attempted will **not** be marked.*

**Turn Over**

## SECTION A: (20 marks)

*Answer **all** parts of this question.*

1. (a) (i) Differentiate between **real NNP** and **real GNP**. (02 marks)  
(ii) Mention any **two statistical problems** faced in computation of **National income** in Uganda. (02 marks)
- (b) (i) Distinguish between **income elasticity of demand** and **cross elasticity of demand**. (02 marks)  
(ii) State any **two** uses of **income elasticity of demand** in your country. (02 marks)
- (c) (i) Distinguish between **disguised unemployment** and **frictional unemployment**. (02 marks)  
(ii) Give any **two** possible solutions to the problem of **disguised unemployment** in your country. (02 marks)
- (d) (i) Differentiate between **taxable base** and **taxable capacity**. (02 marks)  
(ii) Suggest any **two** measures that should be taken to increase **taxable base** in your country. (02 marks)
- (e) (i) Define the term '**commercial policy**'. (01 mark)  
(ii) State any **three** instruments of **commercial policy** in your country. (03 marks)

## SECTION B: (80 marks)

*Answer any four questions from this section.*

2. (a) What are the **salient features** of **oligopolistic markets** in your country? (10 marks)  
(b) Discuss the **merits** and **demerits** of **oligopolistic markets** in your country. (10 marks)
3. (a) Account for the **privatisation of parastatals** in your country. (10 marks)  
(b) Examine the **challenges** encountered in the **privatisation of these parastatals** in Uganda (10 marks)
4. (a) Describe the structure of **foreign trade** in your country. (08 marks)  
(b) Suggest possible **measures** that should be adopted to **increase** the benefits of **foreign trade** in your country. (12 marks)
5. (a) Examine the role of **specialised financial institutions** in the economic development of Uganda. (10 marks)  
(b) What problems are faced by **specialised financial institutions** in your country? (10 marks)
6. (a) Examine the causes of **hyper inflation** in Uganda today. (10 marks)  
(b) What measures are being applied to control the problem of **hyper inflation** in your country? (10 marks)
7. (a) Explain the **Malthusian population trap theory**. (06 marks)  
(b) To what extent is this theory **less relevant** to your country? (14 marks)

**END**