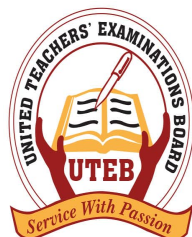


P220/2
ECONOMICS
Paper 2
Jul. /Aug. 2019
3 Hours



JOINT MOCK EXAMINATIONS, 2019

Uganda Advanced Certificate of Education

ECONOMICS

Paper 2

3 hours

INSTRUCTIONS TO CANDIDATES

- 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 additional question(s) attempted **WILL NOT** be marked.

SECTION A (20 MARKS)

Answer **all** parts of this question.

1. (a) (i) Distinguish between market price and a reserve price. (02 marks)
(ii) Outline any two factors that influence a reserve price in your country. (02 marks)
- (b) (i) What is meant by the term “Marginal efficiency of capital”? (01 mark)
(ii) Mention any three factors that affect marginal efficiency of capital in your country. (03 marks)
- (c) (i) Define the term “critical minimum effort.” (01 mark)
(ii) State any three factors that limit the adoption of a balanced growth strategy in your country. (03 marks)
- (d) Mention any four features of your country’s economy. (04 marks)
- (e) (i) What is meant by the term “public debt management”? (01 mark)
(ii) Give any three objectives of public debt management in your country. (03 marks)

SECTION B (80 MARKS)

Answer any **four** questions from this section

2. (a) Distinguish between consumption expenditure and investment expenditure. (04 marks)
(b) Explain the factors that influence the level of investment in your country. (16 marks)
3. (a) Distinguish between balanced growth strategy and unbalanced growth strategy. (04 marks)
(b) Account for the low level of economic development in your country. (16 marks)

4. (a) Examine the causes of inflation in your country. (10 marks)
(b) Suggest measures that should be taken to reduce inflation in your country. (10 marks)
5. (a) Explain the role of private enterprises in the development of your country. (10 marks)
(b) What are the challenges for private sector development in your country? (10 marks)
6. (a) Describe the structure of Uganda's industrial sector. (10 marks)
(b) Explain the implications of the structure of Uganda's industrial sector on the economy. (10 marks)
7. (a) What is the significance of the government budget in your country. (10 marks)
(b) Account for the persistent budgetary deficit of your country. (10 marks)

End