

P220/2
Economics
Paper 2
July / August 2019
3hours

BUGANDA EXAMINATIONS COUNCIL MOCKS

Uganda Advanced Certificate of Education

ECONOMICS

PAPER 2

INSTRUCTIONS

- Answer **five** questions only.
- Section **A** is compulsory. Answers to this section should be precise and concise.
- Answer **four** 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) answered **will not** be marked.

SECTION A (20 MARKS)

- 1 (i) Distinguish between Real GDP and Nominal GDP. (02 marks)
(ii) Given GDP_{fc} adjust to NNP_{mp} (02 marks)
- b) (i) Define the term informal sector. (01 mark)
(ii) Mention any three problems that arise out of the growing informal sector in Uganda. (03 marks)
- c) (i) Distinguish between piece rate system and time rate system. (02 marks)
(ii) State any two reasons for adopting the piece rate system of wage payment in Uganda. (02 marks)
- d)(i) What is meant by the term Bank deposit Multiplier? (01mark)
(ii) Given that the initial deposit in a bank is Ug.shs.5, 000,000 and the cash ratio is 10%. Calculate the total amount of credit that will be created in a multi-bank system.(02marks)
- e) (i) Differentiate between structural inflation and cost push inflation. (02 marks)
(ii) State any two causes of structural inflation in Uganda. (02 marks)

SECTION B (80 MARKS)

Answer any four questions in this section.

- 2(a) Distinguish between change in supply and a change in quantity supplied. (04 marks)
(b) Explain the factors that lead to an increase in supply of a commodity in Uganda. (16marks)
- 3(a) Describe the main features of an oligopoly market. (10 marks)
(b) How do oligopoly firms increase their market share in Uganda? (10 marks)
- 4(a) Account for the unemployment problem in Uganda. (10 marks)
(b) Suggest measures of reducing the unemployment problem in Uganda. (10 marks)
- 5(a) Differentiate between private enterprises and public enterprises. (04 marks)
(b) Why should public enterprises be privatized in Uganda? (16 marks)
- 6(a) Distinguish between a deficit budget and a surplus budget. (04 marks)
(b) Discuss the causes of persistent budget deficit in Uganda. (16 marks)
- 7(a) What are the characteristics of a good economic development plan? (10 marks)
(b) Account for the failure to effectively implement economic development plans in Uganda. (10marks)

END