

**P220/1  
ECONOMICS  
PAPER 1  
2022  
TIME: 3 HOURS**



**MATIGO MOCK EXAMINATIONS 2022  
UGANDA ADVANCED CERTIFICATE OF EDUCATION  
P220/1 ECONOMICS  
PAPER 1  
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**INSTRUCTIONS TO CANDIDATES:**

- Answer five questions
- Section A is compulsory. Answers to this section should be precise and concise.
- Answer four questions from Section B.

**Turn over**

**SECTION A: (20 MARKS)**

1. (a)(i) Distinguish between price ceiling and price floor. (2 marks)  
 (ii) Give two reasons why government may establish a price ceiling (2 marks)
  
- (b)(i) What is collusive monopoly? (1 mark)  
 (ii) Give two demerits of collusive monopoly. (3 marks)
  
- (c)(i) What is Gross domestic product at market price? (1 mark)  
 (ii) Given Net domestic product at factor cost, what adjustments do you make to get Gross domestic product at Market price? (3 marks)
  
- (d)(i) Distinguish between imported inflation and bottleneck inflation. (2 marks)  
 (ii) Mention two causes of bottleneck inflation. (2 marks)
  
- (e)(i) Distinguish between divestiture and leasing as used in privatization. (2 marks)  
 (ii) Give two reasons for the privatization of public enterprises in developing countries. (2 marks)

**SECTION B: (80 MARKS)**

2. (a) Distinguish between elasticity of supply and price elasticity of supply. (4 marks)  
 (b) Under what circumstances may the elasticity of supply for a commodity be low? (16 marks)
  
3. (a) Explain the uses of National income statistics. (6 marks)  
 (b) What problems are encountered when comparing National Income between two Countries? (14 marks)
  
4. (a) Explain the quantity theory of money (6 marks)  
 (b) What are the limitations of the quantity theory of money?(16 marks)
  
5. (a) Distinguish between grants and loans. (4 marks)

- (b) What are the implications of relying on foreign aid in developing countries? (16 marks)
6. (a) Distinguish between a balanced and unbalanced budget.(4 marks)  
(b) Why may a county deliberately plan for an unbalanced budget? (16 marks)
7. (a) Explain the features of a good development plan. (6 marks)  
(b) Account for the existence of decentralized planning in developing countries. (14 marks)

**END**