

P220/1
ECONOMICS
Paper 1
July/Aug. 2022
3 hours



MATIGO MOCK EXAMINATIONS 2022

Uganda advanced certificate of education

ECONOMICS

Paper 1

3 hours

INSTRUCTIONS TO STUDENTS:

*Answer **five** questions only.*

*Section **A** is **compulsory**.*

*Answer **four** questions from section **B**.*

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

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

Credit will be given for use of relevant diagrams

SECTION A (20 MARKS)

Answer all parts of this question

1. (a) (i) Define **Reserve price**. (01 mark)
(ii) Give any **three** factors that determine reserve price in an economy. (03 marks)
- b) (i) What is meant by **Subsistence output**? (01 mark)
(ii) Give any **three** demerits of a large subsistence sector in a country. (03 marks)
- c) Give any **four** features of Rostow's take-off *stage* of economic growth. (04 marks)
- d) (i) Distinguish between a **Tax** and a **Fee**. (02 marks)
(i) Mention any **two** non-tax sources of government revenue. (02 marks)
- e) (i) Define the term **Public Enterprise**. (01 mark)
(ii) State any **three** demerits of public enterprises in an economy. (03 marks)

SECTION B (80 MARKS)

Answer any four questions from this section.

2. a) What are the benefits of industrializing the economies of developing countries? (10 marks)
b) Explain the measures that have been taken to expand the industrial sector in LDCs. (10 marks)
3. a) Distinguish between **trade protectionism** and **trade liberalization**. (04 marks)
b) Assess the consequences of adopting trade protectionism in an economy. (16 marks)
4. a) How do trade unions achieve their objectives in a country? (08 marks)
b) Examine the challenges faced by trade unions in developing countries. (12 marks)
5. a) Examine the causes of increased public debts in many developing countries. (10 marks)
b) What are the implications of public borrowing on an economy? (10 marks)
6. a) Describe the features of a good economic development plan. (10 marks)
b) Account for the failure by LDCs to effectively implement economic development plans. (10 marks)
7. a) Differentiate between **Interest** and **Rent**. (04 marks)
b) What are the determinants of interest rates in an economy? (16 marks)