

P220/2
ECONOMICS
Paper 2
July/Aug 2019
Time: 3 hours



WESTERN JOINT MOCK EXAMINATIONS
Uganda Advanced Certificate Of Education
ECONOMICS
PAPER 2
3 hours

INSTRUCTIONS TO CANDIDATES:

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

SECTION A: COMPULSARY (20MARKS).

1. a (i) What is meant by aggregate demand? (01mrk)
- (ii) Give any three components of aggregate demand in an open economy. (03mrks)
- (b)(i) Differentiate between a progressive tax and a proportional tax. (02mrks)
- (ii) State the effects of a progressive tax in Uganda. (02mrks)
- (c)(i) What do you understand by public debt management? (01mrk)
- (ii) Mention any three objectives of public debt management in Uganda. (03mrks)
- (d)(i) What is "Beggar-my-neighbour policy?" (01mrk)
- (ii) State any three reasons for imposing Beggar-my-neighbour policy in Uganda. (03mrks)
- (e) Outline the structure of Uganda's economy. (04marks)

SECTION B;

Answer any four questions (80marks)

- 2(a) Explain the causes of inflation in Uganda. (10mrks)
- (b) Explain the measures that have been taken to reduce inflation in Uganda. (10mrks)
- 3(a) Explain the role of infrastructure in economic development in Uganda. (10mrks)
- (b) Explain the measures being taken to improve infrastructure in Uganda. (10mrks)
- 4(a) Explain the causes of unfavourable terms of trade in Uganda. (14mrks)
- (b) Suggest measures to improve terms of trade in Uganda. (06mrks)
- 5(a) Explain the causes of agricultural price fluctuations in Uganda. (14mrks)
- (b) What are the effects of agricultural price fluctuations on Uganda's economy? (06mrks)
- 6(a) Explain the factors that have affected the effectiveness of economic development planning in Uganda. (10mrks)
- (b) What are the challenges of economic development planning in Uganda? (10mrks)
- 7(a) What is meant by "Foreign direct investment"? (04mrks)
- (b) Assess the role of foreign direct investment in Uganda. (16mrks)

END