

P220/2  
ECONOMICS

Paper 2

3 hours

WAKISSHA

Uganda Advanced Certificate of Education

ECONOMICS

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**INSTRUCTIONS TO CANDIDATES:**

- 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)

Answer **all** parts of this question.

1. (a) (i) Define the term **labour efficiency**. (01 mark)  
(ii) Give any **three** ways of increasing labour efficiency in Uganda. (03 marks)
- (b) State **four** features of the industrial sector in Uganda. (04 marks)
- (c) (i) Distinguish between **economic dependence** and **economic interdependence**. (02 marks)  
(ii) Mention **two** forms of economic dependence in Uganda. (02 marks)
- (d) (i) Differentiate between **cost push inflation** and **structural inflation**. (02 marks)  
(ii) Give **two** causes of cost push inflation in Uganda. (02 marks)
- (e) (i) What is meant by the term **privatization**? (01 mark)  
(ii) Mention **three** benefits of privatization in Uganda. (03 marks)

## SECTION B (80 MARKS)

Answer only **four** questions from this section.

2. (a) What is the rationale of developing the industrial sector in Uganda? (10 marks)  
(b) Explain the measures being taken to promote industrial development in Uganda. (10 marks)
3. (a) Distinguish between **bilateral aid** and **multilateral aid**. (04 marks)  
(b) Assess the role of foreign aid in the development of Uganda. (16 marks)
4. (a) How are wages determined in Uganda? (06 marks)  
(b) Account for wage differentials in Uganda. (14 marks)
5. (a) Describe the process of credit creation. (08 marks)  
(b) Examine the factors that affect credit creation in Uganda. (12 marks)
6. (a) Distinguish between a surplus budget and a deficit budget. (04 marks)  
(b) Account for the persistent budget deficits in Uganda. (16 marks)
7. (a) What are the benefits of economic development planning? (10 marks)  
(b) Explain the measures that have been taken to promote effective implementation of development plans in Uganda. (10 marks)

END