

**ECONOMICS P220/1**  
**PAPER ONE**  
**3 HOURS**

**KING'S COLLEGE - BUDDO**  
**UGANDA ADVANCED CERTIFICATE OF EDUCATION**  
**INTERNAL MOCK EXAMINATIONS 2020**  
**ECONOMICS PAPER 1**

**3 HOURS**

**INSTRUCTIONS TO CANDIDATES:**

- Answer **five** questions.
- Section **A** is compulsory. Answers to this section should be concise.
- Answer **four** questions from section **B**.
- All questions in section **B** carry equal marks.
- Any extra question(s) attempted in section **B** will not be marked.

**SECTION A (20 marks)**

1. ai) Distinguish between Joint supply and competitive supply. (02 marks)  
ii) Mention any two examples of competitive supply in an economy. (02 marks)
- bi) Define the term “public goods” (01 mark)  
ii) Give any three challenges faced during delivering public goods in developing economies. (03 marks)
- ci) What is meant by the term “liquidity preference”. (01 mark)  
ii) State any three causes of high liquidity preference in developing countries. (03 marks)
- di) Define the term “Excess capacity” (01 mark)  
ii) Outline any three causes of excess capacity in an economy. (03 marks)

ei) Given that the price of commodity Y decreased from shs 15,000 to shs. 10,000 and this caused an increase from commodity x from 2000kgs to 6000kg. Calculate;

- i) CED for commodity X and Y. (03 marks)
- ii) State the relationship between X and Y. (01 mark)

### **SECTION B (80 MARKS)**

- 2. a) Distinguish between labour efficiency and labour productivity. (04 marks)  
b) Explain the factors that limit labour efficiency in developing economies. (16 marks)
- 3. a) Define the term agricultural mechanization” (02 marks)  
b) Assess the impact of Agricultural mechanization in an economy. (18 marks)
- 4. a) Discuss the features of a good Economic development plan. (08 marks)  
b) Examine the factors that influence the implementation of an economic development plan in an economy. (12 marks)
- 5. a) Differentiate between Absolute cost advantage and comparative cost advantage. (04 marks)  
b) What are the limitations of comparative cost Advantage in developing countries? (16 marks)
- 6. a) Explain the process of credit creation by commercial banks.(08 marks)  
b) Account for limited credit creation in developing countries. (12 marks)
- 7. a) What are the causes of Income disparities in developing economies? (10 marks)  
b) Discuss the effects of income disparities in developing countries. (10 marks)

**END**

