

NAME:STREAM INDEX NO

KING'S COLLEGE - BUDDO
UGANDA ADVANCED CERTIFICATE OF EDUCATION
INTERNAL MOCKS EXAMINATION 2020
ECONOMICS P220/2
PAPER TWO
TIME: 3 HOURS

INSTRUCTIONS:

- *Answer five questions in all*
- *Section A is compulsory, Answers to this question should be concise*
- *Answer any four questions in section B*
- *All questions in section B carry equal marks*
- *Any additional question(s) attempted will not be marked.*
- *Credit will be given for use of relevant diagrams*

SECTION A (20 MARKS)

1. a(i) Differentiate between conglomerate and horizontal amalgamation of firms. (02 marks)
- ii) Give two merits of conglomerate and amalgamation of firms in Uganda. (02 marks)
- b(i) What is meant by the term price mechanism? (01 mark)
- (ii) State any three reasons for the interference in the price mechanism in Uganda. (03 marks)
- c(i) Distinguish between complementary demand and composite demand. (02 marks)
- (ii) Mention two examples of complementary demand in Uganda. (02 marks)
- d(i) Distinguish between hyperinflation and mild inflation. (02 marks)
- (ii) Give two measures that should be taken to control inflation in Uganda. (02 marks)

- e(i) Define the term “export multiplier” *(01 mark)*
(ii) Given that the current national income is US \$ 150 billion, increase in export earnings is US \$ 20 billion, and the marginal propensity to save is 20%. Calculate the final level of income. *(03 marks)*

SECTION B (80 MARKS)

2. a) Distinguish between an increase in demand and increase in quantity demanded. *(04 marks)*
b) Account for an increase in demand for a commodity in Uganda. *(16 marks)*
3. a) Why are public enterprises privatized in Uganda? *(10 marks)*
b) Explain the problems that have been encountered in the privatization of public enterprises in Uganda. *(10 marks)*
4. a) Differentiate between Real National income and nominal National income. *(04 marks)*
b) Explain the measures being taken to increase the size of Real National income in Uganda. *(16 marks)*
5. a) Distinguish between voluntary unemployment and involuntary unemployment. *(04 marks)*
b) Assess the effects of involuntary unemployment in Uganda. *(16 marks)*
6. a) What are the uses of a government budget in Uganda. *(06 marks)*
b) Examine the measures that can be undertaken to minimize budgetary deficits in Uganda. *(14 marks)*
7. a) Why do prices of agricultural products fluctuate in Uganda? *(10 marks)*
b) Discuss the consequences of agricultural price fluctuations in Uganda. *(10 marks)*

END