

Name: Index No:

Signature:

*P220/1
Economics
June, 2019
3 Hours*

EXTERNAL MOCK EXAMINATIONS
Uganda Advanced Certificate of Education
ECONOMICS
Paper 1
3 Hours

INSTRUCTIONS TO CANDIDATES:

- *Section A is compulsory.*
- *Attempt **FOUR** questions from section B.*
- *All questions in section B carry equal marks.*
- *Credit will be given for use of relevant diagrams.*
- *Any additional questions attempted will not be marked.*

SECTION A: (20 Marks)
Answer ALL parts of this section

1. (a) (i) Define the term opportunity cost. (1 mk)
(ii) State 3 uses of opportunity cost to a producer in an economy. (3 mks)
- (b)(i) Differentiate between joint demand and competitive demand. (2 mks)
(ii) Mention two reasons for increased commodity demand without a change in its price. (2 mks)
- (c) Given that the price of commodity Q increased from 600 – 1000 shillings and as a result, the quantity demanded of commodity R increased from 200 to 400 units.
(i) Calculate the cross elasticity of demand. (3 mks)
(ii) How are commodities Q and R related? (1 mk)
- (d) (i) Differentiate between piece rate and time rate system of wage payment. (2 mks)
(ii) State 2 merits of piece rate method of wage determination. (2 mks)
- (e) What is meant by the term interest rate? (1 mk)
(ii) Mention 3 determinants of interest rate in an economy. (3 mks)

SECTION B (80 Marks)
Answer any FOUR questions from this section

2. (a) How is national income measured? (6 mks)
(b) What problems are encountered while computing national income in an economy? (14 mks)
3. (a) Differentiate between over population and under population. (4 mks)
(b) Examine the effects of an increasing population in an economy. (16 mks)
4. (a) What are the features of monopolistic competitive firms? (6 mks)
(b) Explain the merits and demerits of monopolistic competitive firms. (14 mks)
5. (a) Account for the privatization drive in developing economies. (10 mks)
(b) Explain the problems encountered during the privatization process in developing economies. (10 mks)
6. "Developing economies should embark on agricultural development in order to attain a faster rate of economic development." Discuss (20 mks)