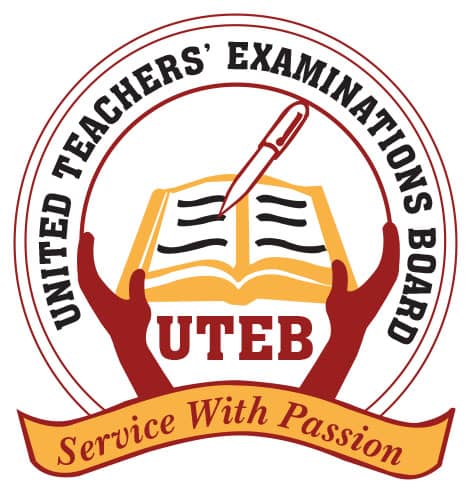
**P220/2**

ECONOMICS

**Paper 2**

Jul. /Aug. 2019

**3 Hours**

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**JOINT MOCK EXAMINATIONS, 2019**

**Uganda Advanced Certificate of Education**

ECONOMICS

**Paper 2**

3 hours

**INSTRUCTIONS TO CANDIDATES**

* Answer **five** questions only.
* 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 additional question(s) attempted **WILL NOT** be marked.

**Turn Over**

**SECTION A (20 MARKS)**

Answer **all** parts of this question.

1. (a) (i) Distinguish between market price and a reserve price. **(02 marks)**

(ii) Outline any two factors that influence a reserve price in your country**.(02 marks)**

(b) (i) What is meant by the term “Marginal efficiency of capital”? **(01 mark)**

(ii) Mention any three factors that affect marginal efficiency of capital in your country.  **(03 marks)**

(c) (i) Define the term “critical minimum effort.”  **(01 mark)**

(ii) State any three factors that limit the adoption of a balanced growth strategy in your country.  **(03 marks)**

(d) Mention any four features of your country’s economy. **(04 marks)**

(e) (i) What is meant by the term “public debt management”? **(01 mark)**

(ii) Give any three objectives of public debt management in your country.

**(03 marks)**

**SECTION B (80 MARKS)**

Answer any **four** questions from this section

2. (a) Distinguish between consumption expenditure and investment expenditure.

**(04 marks)**

(b) Explain the factors that influence the level of investment in your country. **(16 marks)**

3. (a) Distinguish between balanced growth strategy and unbalanced growth strategy.

**(04 marks)**

(b) Account for the low level of economic development in your country. **(16 marks)**

4. (a) Examine the causes of inflation in your country. **(10 marks)**

(b) Suggest measures that should be taken to reduce inflation in your country.

**(10 marks)**

5. (a) Explain the role of private enterprises in the development of your country. **(10 marks)**

(b) What are the challenges for private sector development in your country? **(10 marks)**

6. (a) Describe the structure of Uganda’s industrial sector.  **(10 marks)**

(b) Explain the implications of the structure of Uganda’s industrial sector on the economy.

**(10 marks)**

7. (a) What is the significance of the government budget in your country. **(10 marks)**

(b) Account for the persistent budgetary deficit of your country. **(10 marks)**

**End**