P220/2

**ECONOMICS**

Paper 2

**July/Aug 2019**

Time: 3 hours



WESTERN JOINT MOCK EXAMINATIONS

Uganda Advanced Certificate Of Education

**ECONOMICS**

PAPER 2

3 hours

**INSTRUCTIONS TO CANDIDATES:**

* Answer **five** questions in all.
* Section **A** is compulsory. Answers to this section should be concise and precise.
* Answer **four** questions from section **B**.

**SECTION A**: *COMPULSARY (20MARKS).*

1. a (i) What is meant by aggregate demand? (*01mrk)*

(ii) Give any tree components of aggregate demand in an open economy. (*03mrks)*

(b)(i) Differentiate between a progressive tax and a proportional tax. *(02mrks)*

(ii) State the effects of a progressive tax in Uganda. *(02mrks)*

(c)(i) what do you understand by public debt management? *(01mrk)*

(ii) Mention any three objectives of public debt management in Uganda. (*03mrks)*

(d)(i) What is “Beggar-my-neighbour policy?” *(01mrk*)

(ii) State any three reasons for imposing Beggar-my-neighbour policy

in Uganda. (*03mrks)*

(e) Outline the structure of Uganda’s economy. (*04marks)*

**SECTION B**;

***Answer any four questions*** *(80*marks)

2(a) Explain the causes of inflation in Uganda. (*10mrks)*

(b) Explain the measures that have been taken to reduce inflation

in Uganda. (*10mrks)*

3(a) Explain the role of infrastructure in economic development in Uganda. (10mrks)

(b) Explain the measures being taken to improve infrastructure in Uganda. (*10mrks)*

4(a) Explain the causes of unfavourable terms of trade in Uganda. (*14mrks)*

(b) Suggest measures to improve terms of trade in Uganda. (*06mrks)*

5(a) Explain the causes of agricultural price fluctuations in Uganda. (*14mrks*)

(b) What are the effects of agricultural price fluctuations on Uganda’s economy? (*06mrks)*

6(a) Explain the factors that have affected the effectiveness of economic

development planning in Uganda. (*10mrks)*

(b) What are the challenges of economic development planning in Uganda? (*10mrks)*

7(a) What is meant by “Foreign direct investment”? *(04mrks)*

(b) Assess the role of foreign direct investment in Uganda. (*16mrks*)

***END***