P220/2

ECONOMICS

PAPER 2

JUNE 2016

3 HOURS

DEPARTMENT OF ECONOMICS

MOCK EXAMINATIONS, JUNE 2016

UGANDA ADVANCED CERTIFICATE OF EDUCATION

ECONOMICS P220/2

TIME: 3 HOURS

**INSTRUCTIONS TO CANDIDATES**

* *Answer* ***FIVE*** *questions only.*
* ***Section A is compulsory.***
* *Answers to this Section should be concise and precise.*
* *Answer* ***FOUR*** *questions from Section B.*
* *All questions in Section B carry equal marks.*
* *Credit will be given for use of relevant diagrams.*

**SECTION A**

1. (a) (i) What is meant by Price mechanism? (01mk)

(ii) State three roles of price mechanism in allocation of resources in

your country. (03mks)

(b) (i) Distinguish between Real GDP and Nominal GDP. (02mks)

(ii) Given adjust to . (02mks)

(c) (i) What is meant by Informal Sector? (01mk)

(ii) Mention three features of informal sector in your country. (03mks)

(d) State four qualities of good money. (04mks)

(e) Mention four features of the economy of Uganda. (04mks)

**SECTION B**

2. (a) Describe the features of oligopoly firm. (10mks)

(b) Explain the characteristics of non – price competition under oligopoly in

your country. (10mks)

3. (a) Distinguish between direct tax and indirect tax. (04mks)

(b) Examine the role of indirect tax in your country. (16mks)

4. (a) What are the assets and liabilities of commercial banking? (04mks)

(b) How do commercial banks reconcile their conflicting objectives of liquidity,

security and profitability in your country? (16mks)

5. (a) Account for the price fluctuation of agricultural commodities in your country.

(10mks)

(b) Explain the effects of price fluctuation of agricultural commodities in your country.

(10mks)

6. (a) Distinguish between Privatization and Nationalisation. (04mks)

(b) For what reason was privatization done in your country? (16mks)

7. (a) Describe the characteristics of the agricultural sector in your country. (08mks)

(b) Explain the role of Agriculture in the economic development of your country.

(12mks)

***END***