**NAME:------------------------------------------INDEX NO:------------------**

**DATE:----------------------------------------------SIGNATURE:-------------**

**P220/1**

**ECONOMICS**

**3 HRS**

**UGANDA ADVANCED CERTIFICATE OF EDUCATION**

**RESOURCEFUL MOCK EXAMINATIONS 2017**

**ECONOMICS**

**P220/1**

**TIME: 3 HOURS**

***Instructions to candidates:***

* ***Section A is compulsory; answers to this section should be concise.***
* ***Attempt FOUR questions from section B.***
* ***All questions in section B carry equal marks.***

**SECTION A (40 marks)**

1.(a)(i) Distinguish between public goods and merit goods. (2mks)

(ii) Mention two features of public goods. (2mks)

(b)(i) Distinguish between money and currency. (2mks)

(ii) Give two qualities of good money. (2mks)

(c)(i) What is structural unemployment? (1mk)

(ii) Give three causes of structural unemployment in an economy. (3mks)

(d)(i) What is under population? (1mk)

(ii) Give three demerits of under population in an economy. (3mks)

(e)(i) What are public corporations? (1mk)

(ii) Give three reasons for establishing public corporations. (3mks)

**SECTION B (80marks)**

2.(a) Distinguish between aggregate demand and effective demand. (4mks)

(b) Examine the factors that influence the level of aggregate demand in an economy. (16mks)

3.(a) Explain the factors that limit economic growth in developing countries.

(10mks)

(b) What are the costs of economic growth in an economy? (10mks)

4.(a)What is per capita income? (2mks)

(b) Explain the problems encountered when using per capita income for measuring the standard of living of economy overtime. (18mks)

5.(a) Explain the marginal productivity theory of distribution. (6mks)

(b) What are the limitations of the marginal productivity theory in developing countries? (14mks)

6.(a) Distinguish between public revenue and public expenditure. (2mks)

 (b) Explain the role of public finance in the development of a country. (18mks)

7.(a) Distinguish between centralized and decentralized planning. (4mks)

(b) Account for the existence of decentralized planning in developing countries.

(16mks)

**E N D**