**P220/2**

**ECONOMICS**

**PAPER 2**

**JUNE, 2014**

**3 HOURS**

**ST.JOSEPH OF NAZARETH HIGH SCHOOL**

**Uganda Advanced Certificate of Education**

**PRE-MOCK EXAMS, 2014**

**ECONOMICS**

**Paper 2**

***3 Hours***

**INSTRUCTIONS:**

* *ATTEMPT* ***ALL*** *QUESTIONS IN SECTION* ***A*** *AND* ***FOUR*** *QUESTIONS FROM SECTION* ***B****.*

**SECTION A: (20 Marks)**

1.(a)(i) Define the term **competitive demand**. *(01mk)*

(ii) State any **three examples** of competitive demand in your country. *(03mks)*

(b)(i) Distinguish between **foreign private investment** and **foreign aid**. *(02mks)*

(ii) Mention any **two factors** that limit foreign private investments in your country*(02mks)*

(c)(i) Define the term **money supply**. *(01mk)*

(ii) State **three factors** that influence money supply in your country. *(03mks)*

(d)(i) Define the term **trade liberalization**. *(01mk)*

(ii) Mention any **three ways** of liberalizing trade in your country. *(03mks)*

(e)(i) Distinguish between **a floating debt** and **a funded debt**. *(02mks)*

(ii) State any **two demerits** of public debts in your country. *(02mks)*

**TURN OVER**

**SECTION B:**

2.(a) What are the **advantages** of relying on the price mechanism in your country. *(10mks)*

(b) Account for the government interference in the operation of the price mechanism

in your country. *(10mks)*

3.(a) Account for the **existence** of trade unions in your country. *(06mks)*

(b) Explain the **factors** that determine the strength of trade unions in your country. *(14mks)*

4.(a) Distinguish between **an industry** and **a firm**. *(04mks)*

(b) Assess the **contribution** of the industrial sector in the development of your country.

*(16mks)*

5.(a) Differentiate between **disguised unemployment** and **frictional unemployment.**

*(04mks)*

(b) Why does government strive to control unemployment in your country? *(16mks)*

6.(a) Explain the **benefits** of adopting protectionist policies in your country. *(10mks)*

(b) What are the **demerits** of protectionist policies in your country? *(10mks)*

7.(a) Distinguish between **public enterprises** and **private enterprises.** *(04mks)*

(b) Assess the **contribution** of public enterprises in the development of your country.

*(16mks)*

***END.***