

P220/1  
ECONOMICS  
Paper 1  
July/Aug. 2024  
3 hours



UGANDA TEACHERS' EXAMINATIONS SCHEME  
Uganda Advanced Certificate of Education  
JOINT MOCK EXAMINATIONS  
ECONOMICS  
Paper 1  
3 hours

**INSTRUCTIONS TO CANDIDATES:**

*Attempt five (5) questions only.*

*Section A is compulsory. Answers to this section should be precise and concise.*

*Answer four (4) questions from section B.*

*All questions in section B carry equal marks.*

*Any additional question(s) attempted will not be marked.*

*Credit will be given for use of relevant diagrams.*

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**Turn Over**

### SECTION A: (20 MARKS)

*Answer all parts of this question.*

1. (a) (i) Distinguish between **effective demand** and **latent demand**.  
(02 marks)
- (ii) Suggest any **two** ways of **increasing effective demand** for goods and services in an economy.  
(02 marks)
- (b) (i) Distinguish between **injections** and **leakages** as used in economics.  
(02 marks)
- (ii) Give any **two examples** of **leakages** in an economy.  
(02 marks)
- (c) (i) Define the term "**critical minimum effort**" as used in the balanced growth strategy of economic development. (02 marks)
- (ii) Mention any **two limitations** of the balanced growth strategy.  
(02 marks)
- (d) (i) Define the term "**dumping**" as used in taxation. (02 marks)
- (ii) Mention any **two effects of dumping** in an economy.  
(02 marks)
- (e) (i) What is meant by the term "**collective bargaining**"? (01 mark)
- (ii) Give any **three features of trade unions** in developing countries.  
(03 marks)

### SECTION B: (80 MARKS)

*Answer any four questions from this section.*

2. (a) Explain the **role of price mechanism** in the **allocation of resources** in an economy.  
(08 marks)
- (b) Assess the **implications of relying on price mechanism** in the allocation of resources in an economy.  
(12 marks)

- ✓ 3. (a) Differentiate between **bi-lateral** and **multi-lateral** aid. (04 marks)  
(b) What measures **can be taken to reduce** the **over-reliance** on foreign aid in an economy? (16 marks)
4. (a) Explain the **quantity theory** of money (08 marks)  
(b) What are the **limitations of the quantity theory** of money? (12 marks)
- ✓ 5. (a) Explain the **Malthusian theory** of population. (06 marks)  
(b) To what extent **is the theory relevant** to developing countries? (14 marks)
- ✓ 6. (a) Explain the **benefits of regional economic cooperation**. (10 marks)  
(b) What **factors have determined the achievement** of regional economic cooperation in developing countries? (10 marks)
- \* ✓ 7. "Developing countries **should privatise public enterprises** if they are to attain economic growth and development" **Discuss**. (20 marks)

**END**