SEMINAR QUESTIONS FOR ECONOMICS

HELD AT SACRED HEART SEMINARY LACOR

SECTION A

la)i) What is meant by scale of preference?

ii) Give any three benefits of the scale of preference in an economy.

b)i) Distinguish between reserve price and equilibrium price.

ii) State any two factors affecting pricing of goods in Uganda.

c)i) What is a mixed economy?

ii) Outline the merits of a mixed economy

1. i) State the law of variable proportions.
2. ii) Outline any three assumptions underlying the law of variable proportions.
3. i) What is meant by excess capacity?
4. ii) Give three causes of excess capacity in Uganda.
5. i) Distinguish between productivity of labour and marginal product of labour.

i) Give any two causes of increase in the marginal product of labour.

g) i) Distinguish between inflationary gap and deflationary gap.

ii) State any two effects of inflationary gap in Uganda.

1. Why is education taken to be;
2. a consumer good?

ii) an investment

1. i) What is under development?

ii) What are the causes of under development in an economy?

1. i) Distinguish between renewable resources and non-renewable resources. (02mks) ii) Suggest measures to promote sustainable use of natural resources in Uganda.

* k)i) What is meant by monetary policy?
* ii) Outline the tools of contractionary monetary policy used in Uganda.
* l)i) What is meant by regional economic integration?
* ii) State the conditions necessary for the success of economic integration.
* m)i) Define tax compliance.
* ii) List the elements of tax compliance. (03mks)

n)i) What is "chargeable income" as used in taxation?

ii) Big Pond investments limited had Gross income for the year 2022 of Shs20,000,000 and allowable expenses were shs800,000. Calculate his chargeable income.

**SECTION B** 

2a) Distinguish between increase in demand and increase in quantity demanded. (4mks)

b) Account for the increase in demand for a commodity in an economy. (16mks)

3a) Describe the features of monopoly in an economy.

1. How does a monopolist maximise profits?
2. Why should monopoly be controlled in an economy?
3. Suggest methods that may be used to control monopoly in an economy.

4a) You have realise that people in your community have a negative attitude towards payment of taxes to the respective authorities. As a student of economics, inform them about the Authorities in charge of collecting taxes in Uganda.

b) Peter purchased electric appliances in June 2022 at shs. 40000000 (**VAT** **Exclusive**) and sold the in January 2023 at shs.59000000 (**VAT** **Inclusive**). Using the current standard VAT rate, compute;

i) Input VAT ii) VAT on sales iii) Actual VAT payable to URA.

c) You have been approach by 3 of your friends claiming that the organisation employing them deducts their monthly salary without their consent. They have provided you with be benefits as below;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **EMPLOYEE NAME** | **BASIC PAY (SHS)** | **HOUSING ALLOWANCE**  **(SHS)** | **TRANSPORT ALLOWANCE**  **(SHS)** | **AIRTIME**  **(SHS)** |
| JOHN | 200000 | 30000 | 10000 |  |
| JAMES | 500000 | 50000 | 20000 | 25000 |
| PAUL | 13000000 | 400000 | 200000 |  |

Given the following tax rates for **PAYE** following financial year 2022/2023,

|  |  |  |
| --- | --- | --- |
| **s/n** | **Chargeable income** | **Tax rates** |
| 1 | Not exceeding shs. 235,000 | Nill |
| 2 | Exceeding shs. 235,000 but not exceeding shs. 335,000 | 10% of the amount by which chargeable income exceeds shs. 235000 |
| 3 | Exceeding shs.335, 000 but not exceeding shs. 410,000 | Shs. 10000 plus 20% of the amount by which chargeable income exceeds shs. 335000 |
| 4 | Exceeding shs. 410000 | 1. Shs 25,000 plus of the amount by which chargeable income exceeds shs. 410,000 2. Where chargeable income exceeds shs 10000000 an additional 10% is charged on the amount exceeding shs. 1000000 |

Compute each employees

1. Gross income

ii) PAYE tax payable

5a) Describe the procedure of compiling price indices in an economy.

b) Discuss the challenges faced in compiling price indices in developing countries.

6a) Describe the structure of Uganda's industrial sector.

b) Explain the measures being taken to overcome problems faced by Uganda's industrial sector.

7a) Describe the forms of privatization used in Uganda.

b) What is the impact of privatization on Uganda's economy? 

8a) Discuss the forms of economic dependence in Uganda.

b) What are the dangers of economic dependence in Uganda?

9a) Describe the features of the private sector in Uganda. 

b) Examine the role of private enterprises in Uganda.

10a) Distinguish between public enterprises and private enterprises.

b) Discuss the factors limiting expansion of the private sector in Uganda.

11a) Distinguish between balanced growth and unbalanced growth strategies.

b) Examine the implications of adopting the unbalanced growth strategy in an economy.

12a) What are multi-national corporations?

b) Explain the problems associated with multi-national corporations in developing countries.

13a) Explain the quantity theory of money.

b) Account for the limited applicability of the quantity theory of money in developing countries.

14a) How do commercial banks create credit?

b) Explain the limitations to the process of credit creation in developing countries.

15a) Discuss the functions of;

1. Central bank

ii) commercial banks.

b) How do commercial banks reconcile their conflicting objectives?

16a) Distinguish between structural inflation and suppressed inflation.

b) Explain measures that have been taken to control inflation in Uganda.

17a) Explain the factors affecting tax compliance in Uganda.

b) What are the consequences of non- compliance in Uganda?

18a) Explain the causes of unfavourable terms of trade in Uganda?

b) Discuss the policy measures being taken to improve the terms of trade in Uganda.

19a) Distinguish between voluntary unemployment and involuntary unemployment.

b) Account for the high level of unemployment in Uganda. 20a) Assess the contribution of trade unions in an economy.

b) Discuss the methods used by trade unions to achieve their objectives in Uganda.

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