

P220/1
ECONOMICS
Paper 1
July/August 2023
3 hours



WAKISSHA JOINT MOCK EXAMINATIONS.

Uganda Advanced Certificate of Education.

ECONOMICS

Paper 1

3 hours

INSTRUCTIONS TO CANDIDATES:

- *Answer **five** questions only.*
- *Section **A** is **compulsory**. Answers to this section should be **precise and concise**.*
- *Answer **four** questions from Section **B**.*
- *All questions in section **B** carry equal marks.*
- *Credit will be given for use of relevant diagrams.*
- *Any additional question(s) answered will **not** be marked.*

SECTION A (20 MARKS)

Answer **all** parts of this question

1. (a) (i) Define the term an **economic good**. (01 mark)
(ii) Give any **three** reasons why leisure is regarded as an economic good. (03 marks)
- (b) Mention any **four** traits of Rostows take off stage of economic growth. (04 marks)
- (c) (i) Distinguish between **Bottleneck inflation** and **cost push inflation**. (02 marks)
(ii) Suggest any **two** remedies to bottle neck inflation. (02 marks)
- (d) State any **four** motives of forming labour organizations in an economy. (04 marks)
- (e) (i) Differentiate between **centralized planning** and **decentralised planning**. (02 marks)
(ii) Mention any **two** demerits of centralized planning in an economy. (02 marks)

SECTION B (80 MARKS)

Answer any **four** questions from this section.

2. (a) Distinguish between a **decrease in supply** and a **decrease in quantity supplied**. (04 marks)
(b) Examine the factors that limit the supply of a commodity in an economy. (16 marks)
3. (a) How does **monopoly** arise in an economy? (08 marks)
(b) Explain how a monopoly firm maximises profits in the short run. (06 marks)
(c) Suggest the measures that should be taken to reduce monopoly power in an economy. (06 marks)
4. (a) Distinguish between **real income per capita** and **nominal income per capita**. (04 marks)
(b) What are the limitations of using income per capita to compare welfare of people between countries? (16 marks)
5. (a) Explain the quantity theory of money as presented by professor Irving Fisher. (06 marks)
(b) What are the limitations of the quantity theory of money? (14 marks)
6. (a) Why do countries give assistance to others? (08 marks)
(b) Examine the effects of foreign assistance on developing countries. (12 marks)
7. (a) Distinguish between **tax evasion** and **tax compliance**. (04 marks)
(b) Explain the factors that influence tax compliance in an economy. (16 marks)

END