

**P220/1**

**ECONOMICS**

**Paper 1**

**July/August.2023**

**3 hours**



**UGANDA NATIONAL ECONOMICS & ENTREPREURSHIP SOCIETY (UNEESO)**

**Uganda Advanced Certificate of Education**

**Mock Examinations 2023**

**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. Rubric(s) shall not be marked

All questions in section B carry equal marks.

Credit will be given for use of relevant graphs.

### SECTION A (20 Marks)

Answer all parts of this section.

- (a) (i) Distinguish between **horizontal merging** and **vertical merging**. (02 marks)
- (ii) Give **two** advantages that consumers may gain from integration of firms. (02 marks)
- (b) (i) Define the term Gross Domestic Product (**GDP**). (01 mark)
- (ii) **Table 1** below shows data on the national income and population for an economy for 2018 and 2019.

**Table 1**

GDP (2019)	£900 000 million
Population (2018)	30 million
Population growth rate (2018–19)	4%

- Using **Table 1**, calculate GDP per capita for 2019 to the nearest £. (03 marks)
- (c) (i) Differentiate between **privatization** and **nationalization of enterprises**. (02 marks)
- (ii) Outline any **two** forms of privatization in developing countries. (02 marks)
- (d) (i) Distinguish between **decentralized planning** and **centralized planning**. (02 marks)
- (ii) Mention any two merits of **decentralised planning** in developing countries. (02 marks)
- (e) (i) Distinguish between **tax compliance** and **tax administration**. (02 marks)
- (ii) Suggest **two measures** to enhance tax compliance in developing countries. (02 marks)

### SECTION B (80 marks)

**Attempt only four questions**

2. (a) Explain the determinants of prices in an economy. (10 marks)
- (b) Discuss the demerits of fluctuations in prices of agricultural commodities in developing countries. (10 marks)
3. (a) How does a monopolist maximize profits in the long-run? (06 marks)
- (b) Explain the effects of price discrimination in developing countries. (14 marks)
4. (a) State the factors that may lead to low level of investment in an economy. (10 marks)
- (b) Discuss the reasons for the growth of Multi-National Corporations (MNCs) in developing countries. (10 marks)

5. (a) Describe the process of credit creation. **(10 marks)**  
(b) Suggest measures that may encourage credit creation by commercial banks in developing countries. **(10 marks)**
6. (a) Account for the existence of trade unions in developing countries. **(06 marks)**  
(b) Explain the tools used by trade unions to achieve their objectives in developing countries. **(14 marks)**
7. (a) Explain the principle of comparative cost advantage. **(06 marks)**  
(b) Examine the relevance of the principle of comparative cost advantage to developing countries. **(14 marks)**

END

*Best wishes and Good Luck*

*“An investment in knowledge pays the best interest” Benjamin Franklin*

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