

P220/2

ECONOMICS

Paper 2

July/August, 2023

3 Hours



TESO SECONDARY SCHOOLS MOCK EXAMINATION

ASSOCIATION (TESSMEA)

Uganda Advanced Certificate of Education

ECONOMICS

Paper 2

3 Hours

INSTRUCTIONS TO CANDIDATES:

This paper consists of two Sections, A and B.

Section A is compulsory and requires short answers.

Answer four questions in Section B.

All questions carry equal marks

Use of relevant diagrams and illustrations earn credit to a student.

Turn Over

SECTION A (20 MARKS)

1. (a) (i) Distinguish between Composite demand and derived demand. (02 Marks)
(ii) State any two examples of Composite demand. (02 Marks)
- (b) (i) Differentiate between Average Product and Marginal Product. (02 Marks)
(ii) Mention any two factors that may lead to a fall in marginal product of labour in Uganda (02 Marks)
- (c) (i) Distinguish between cost push inflation and monetary inflation. (02 marks)
(ii) Name any two causes of monetary inflation in Uganda. (02 Marks)
- (d) (i) Define Tax Compliance (01 Mark)
(ii) Outline any three elements of tax compliance in Uganda. (03 Marks)
- (e) (i) Differentiate between customs Union and common market. (02 Marks)
(ii) State any two features of common market (02 Marks)

SECTION B (80 MARKS)

2. (a) What causes price fluctuations of agricultural products in Uganda? (10 Marks)
(b) Explain the measures that have been taken to minimize price fluctuations in Uganda. (10 Marks)
3. (a) Explain the Keynesian theory of Unemployment. (06 Marks)
(b) To what extent is the Keynesian theory of unemployment applicable to Uganda? (14 marks)
4. (a) Distinguish between credit creation and Credit multiplication. (04 Marks)
(b) Given a country's initial deposit as Ug.shs.100,000,000 and cash ration as 0.2; calculate the total credit created. (02 Marks)
(c) Describe factors responsible for low level of Credit creation in Uganda. (14 Marks)
5. (a) Explain the factors limiting tax Compliance in Uganda. (10 Marks)
(b) Suggest measures that can be taken by the government to encourage tax compliance in Uganda. (10 Marks)
6. (a) Differentiate between centralized planning and decentralized planning. (04 Marks)
(b) Explain the benefits of centralized planning in Uganda. (16 marks)
7. (a) What is the rationale for adopting protectionism in Uganda? (10 Marks)
(b) What dangers are associated with protectionism in Uganda. (10 marks)