

Uganda Advanced Certificate Of Education
ECONOMICS

Paper 2

3hours

INSTRUCTIONS

- Answer **five** questions only.
- Section **A** is compulsory. Answers to this section should be 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)

1. a) i) What is **disguised unemployment**? (01marks)
ii) Give three causes of disguised unemployment in Uganda? (03marks)
- b) i) Distinguish between **sectoral dependence** and **trade dependence**. (02marks)
ii) Give **two** forms of trade dependence in Uganda. (02marks)
- c) i) What is **fiscal policy**? (01mark)
ii) Give **three** instruments of fiscal policy in Uganda. (03marks)
iii) State **four** methods of wage determination in Uganda. (04marks)
- e) i) Distinguish between **perspective planning** and **comprehensive planning**. (02marks)
ii) Give **two** advantages of comprehensive planning in Uganda. (02marks)

SECTION B (80 MARKS)

2. a) Account for the current inflation in Uganda. (10marks)
b) Why is government concerned about the high rate of inflation in Uganda? (10marks)
3. a) Account for unfavourable terms of trade in developing countries. (10marks)
b) Suggest possible measures to improve the terms of trade in developing countries. (10marks)
4. a) Explain the **Keynesian theory of unemployment**. (06marks)
b) To what extent is this theory applicable to the economies of developing countries? (14marks)
5. a) Account for uneven distribution of income in Uganda. (10marks)
b) Why is the necessary to reduce uneven distribution of income in Uganda? (10marks)
6. a) What are the features of the agricultural sector in Uganda? (10marks)
b) Examine the factors affecting the development of the agricultural sector in Uganda. (10marks)
7. a) Distinguish between **debt servicing** and **debt conversion**. (04marks)
b) Account for the rising public debt in Uganda. (16marks)

END