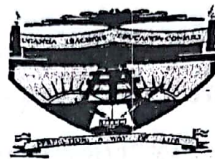


P220/2
ECONOMICS
Paper 2
July / Aug. 2023
3 hours



UGANDA TEACHERS' EDUCATION CONSULT (UTEC)

Uganda Advanced Certificate of Education

ECONOMICS

Paper 2

3 hours

INSTRUCTIONS TO CANDIDATES:

Answer FIVE questions.

Section A is compulsory. Answers to this Section A should be concise and precise.

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 questions answered will not be marked

Turn Over

SECTION A (40 MARKS)
Attempt ALL questions in this question

1. (a) (i) Differentiate between **collusive pricing** and **price leadership**. (02 marks)
- (ii) Give any two uses of price in Uganda. (02 marks)
- (b) (i) What is **sole proprietorship**? (01 mark)
- (ii) Mention any **three** demerits of sole proprietorship business in Uganda. (03 marks)
- (c) (i) Define the term "**consumption**". (01 mark)
- (ii) State any **three** determinants of consumption in Uganda. (03 marks)
- (d) (i) What is meant by "**Fiscal Policy**". (01 mark)
- (ii) State any **three** instruments of fiscal policy used in Uganda. (03 marks)
- (e) (i) Distinguish between interest. (01 mark)
- (ii) A commercial bank lends out shs. 500,000 at a compound interest of 10% per annum. Calculate the interest the borrower pays back after 2 years. (03 marks)

SECTION B (80 MARKS)
Attempt FOUR questions from this section

2. (a) What are the sources of monopoly power in Uganda? (06 marks)
- (b) Explain the implications of monopoly in Uganda. (14 marks)
3. (a) Distinguish between **capital intensive techniques** and **labour intensive techniques** of production. (04 marks)
- (b) Examine the merits of adopting capital intensive techniques of production in Uganda. (16 marks)
4. (a) What are the benefits of employment opportunities in Uganda? (10 marks)
- (b) Explain the measures being taken to control unemployment in Uganda. (10 marks)

5. (a) How have private enterprises contributed to the development of Uganda's economy? (10 marks)
- (b) Suggest the measures that can be taken to improve the performance of the private enterprises in Uganda. (10 marks)
6. (a) What are non – banking financial intermediaries? (04 marks)
- (b) Explain the role played by non – banking financial intermediaries in the development of Uganda's economy. (16 marks)
7. (a) Distinguish between government consumption expenditure and capital expenditure. (04 marks)
- (b) Account for the increase in public expenditure in Uganda. (16 marks)

END