

P220/1
ECONOMICS
Paper 1
July/Aug. 2023
3 hours



UGANDA TEACHERS' EXAMINATIONS SCHEME

Uganda Advanced Certificate of Education

JOINT MOCK EXAMINATIONS 2023

ECONOMICS

Paper 1

3 hours

INSTRUCTIONS TO CANDIDATES:

*Attempt **five** (5) questions only.*

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

*Answer **four** (4) questions from section **B**.*

*All questions in section **B** carry **equal marks**.*

*Any additional question(s) attempted will **not** be marked.*

Credit will be given for use of relevant diagrams.

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Turn Over

SECTION A: (20 MARKS)

Answer all parts of this question.

1. (a) (i) State the law of variable proportions. (01 mark)
(ii) Mention any **three** assumptions underlying this law. (03 marks)
- (b) (i) Define term 'marginal propensity to import'. (01 mark)
(ii) Given that a country's GDP increased from 125 million shillings to 400 million shillings and the value of imports increased from 35 million shillings to 85 million shillings. Calculate the marginal propensity to import. (03 marks)
- (c) (i) State the 'Big-push' theory of economic growth. (01 mark)
(ii) Mention any **three** limitations of the Big-push theory in developing countries. (03 marks)
- (d) (i) Distinguish between incidence of a tax and impact of a tax. (02mark)
(ii) Give any **two** demerits of regressive taxes. (02 marks)
- (e) (i) Distinguish between nationalization and privatization of enterprises. (02 marks)
(ii) Give any **two** merits of nationalization of enterprises in an economy. (02 marks)

SECTION B: (80 MARKS)

2. (a) Distinguish between a change in demand and a change in quantity demanded. (04 marks)
- (b) Explain the factors that cause a change in demand for a commodity. (16 marks)

3. Study the table below and answer the questions that follow:

Commodity	Base year prices	Base year simple index	Simple price index	Weighted price index
Beans ($\frac{1}{2}$ kg)	1500	100	140	560
Posho (1kg)	1200	100	125	250
Rice (kg)	1200	100	150	150
Salt ($\frac{1}{2}$)	300	100	150	450

- (a) Calculate the;
- current year prices (04 marks)
 - weights of each commodity. (04 marks)
 - average weighted index (02 marks)
 - average price index (02 marks)
- (b) Explain the challenges faced during the computation of price indices. (08 marks)
4. (a) What is meant by the term 'under development'. (04 marks)
- (b) Explain the causes of under development in third world countries. (16 marks)
5. (a) What are parastatal organizations? (02 marks)
- (b) Assess the contributions of Parastatal organizations in an economy. (18 mark)
6. (a) Distinguish between a Comprehensive plan and a Partial plan. (04 marks)
- (b) Examine the role of planning in an economy. (16 marks)
7. (a) What are trade Unions? (04 marks)
- (b) Under what circumstances are trade Unions justified to demand for wage increase? (16 marks)

END