

P220/1
ECONOMICS
Paper 1
June/July 2023
3 Hours



ACEITEKA JOINT MOCK EXAMINATIONS 2023

Uganda Advanced Certificate of Education

ECONOMICS

Paper 1

3 Hours

INSTRUCTIONS TO CANDIDATES:

- i. *Answer five questions only.*
- ii. *Section A is compulsory. Answers to this section should be concise.*
- iii. *Answer four questions from section B.*
- iv. *All questions in section B carry equal marks.*
- v. *Credit will be given for use of relevant diagrams.*
- vi. *Any additional question(s) attempted will not be marked.*

SECTION A (20 Marks)

Answer all parts of this question.

1. (a) (i) Define the term **income elasticity** of demand. (01 mark)
(ii) Given that an individual's income increased from Shs. 60,000 to Shs. 100,000 per month and this led to an increase in demand for a commodity by 20%. Calculate the elasticity of demand. (03 marks)
- (b) (i) Distinguish between **quasi rent** and **economic rent**. (02 marks)
(ii) Why are payments to land always considered economic rent? (03 marks)
- (c) (i) Distinguish between **forward linkages** and **backward linkages**. (02 marks)
(ii) Give any **two** examples of backward linkages in developing countries. (02 marks)
- (d) (i) Distinguish between **appropriate technology** and **intermediate technology**. (02 marks)
(ii) Give any **two** factors which have affected the development of appropriate technology in developing countries. (02 marks)
- (e) (i) Distinguish between an operational plan and a partial plan. (02 marks)
(ii) Give any two demerits of a partial plan in an economy. (02 marks)

SECTION B (80 Marks)

Answer any four questions from this section.

2. (a) Trace the sources of monopoly markets in developing countries. (10 marks)
(b) Suggest the policy measures to regulate monopoly powers in an economy. (10 marks)
3. (a) Differentiate between the **output** and **expenditure** approaches of measuring national Income. (04 marks)
(b) What are the challenges encountered when compiling national Income? (16 marks)
4. (a) Distinguish between **overpopulation** and **optimum population**. (04 marks)
(b) Assess the implications of an increasing population in an economy. (16 marks)
5. (a) Explain the Irving Fisher's Quantity theory of money. (06 marks)
(b) What are the limitations of the Quantity theory of money? (14 marks)
6. (a) What is the role of foreign aid in economic development of less developed countries? (10 marks)
(b) Explain the problems associated with over relying on foreign aid. (10 marks)
7. (a) Describe the features of a good economic development plan. (10 marks)
(b) Explain the factors limiting economic development planning in developing countries. (10 marks)

END