

P220/2  
ECONOMICS  
Paper 2  
Nov./Dec. 2022  
3 hours



UGANDA NATIONAL EXAMINATIONS BOARD  
Uganda Advanced Certificate of Education

ECONOMICS

Paper 2

3 hours

**INSTRUCTIONS TO CANDIDATES:**

*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)

*Answer all parts of this question.*

1. (a) (i) Distinguish between a **public good** and an **economic good**. (02 marks)  
(ii) Give any **two** examples of public goods in Uganda. (02 marks)
- (b) (i) What is meant by **labour mobility**? (01 mark)  
(ii) Mention **three** merits of labour mobility in Uganda. (03 marks)
- (c) State **four** elements of tax compliance in Uganda. (04 marks)
- (d) (i) Distinguish between a **partial plan** and a **macro-economic plan**. (02 marks)  
(ii) Give **two** ways of financing macro-economic plans in Uganda. (02 marks)
- (e) (i) State the principle of **comparative advantage** as used in international trade. (02 marks)  
(ii) Give any **two** ways in which the principle of comparative advantage is relevant to Uganda's economy. (02 marks)

### SECTION B (80 MARKS)

*Answer any four questions from this section.*

2. (a) What is meant by the term **capital accumulation**? (02 marks)  
(b) Examine the factors that influence the rate of capital accumulation in Uganda. (18 marks)
3. (a) Describe the structure of Uganda's economy. (10 marks)  
(b) Account for the need to change the structure of Uganda's economy. (10 marks)
4. (a) Explain the role of the agricultural sector to the economic development of Uganda. (10 marks)  
(b) What are the dangers of relying on the agricultural sector for Uganda's economic development? (10 marks)
5. (a) Analyse the causes of open-urban unemployment in Uganda. (10 marks)  
(b) Explain the measures that can be taken to minimise the unemployment problem in Uganda. (10 marks)

6. (a) State the objectives of the **monetary policy** in Uganda. (08 marks)  
(b) Explain the factors that limit the effective implementation of the monetary policy in Uganda. (12 marks)
7. (a) Differentiate between **demand-pull inflation** and **cost-push inflation**. (04 marks)  
(b) Assess the impact of inflation on Uganda's economy. (16 marks)