

P220/2
ECONOMICS
Paper 2
July/August 2023
3 hours



WAKISSHA JOINT MOCK EXAMINATIONS

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 **precise and 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 **derived demand** and **aggregate demand**. (02 marks)
(ii) Give **two** causes of an increase in aggregate demand in Uganda. (02 marks)
- (b) (i) Define the term **Gross Domestic Product** at factor cost. (01 mark)
(ii) Given that GDP at market price is Shs. 900 billion, outlays are Shs. 620 billion and subsidies are Shs. 400 billion, Calculate the Gross Domestic Product at factor cost. (03 marks)
- (c) (i) Distinguish between **agricultural mechanization** and **agricultural modernization**. (02 marks)
(ii) Mention **two** objectives of agricultural modernization in Uganda. (02 marks)
- (d) (i) State the **big push theory**. (01 mark)
(ii) Give **three** constraints to the adoption of the big push theory in Uganda. (03 marks)
- (e) (i) Distinguish between **nationalization** and **divestiture**. (02 marks)
(ii) Mention any **two** costs of divestiture in Uganda. (02 marks)

SECTION B (80 MARKS)

Answer only **four** questions from this section.

2. (a) Describe the features of the industrial sector in Uganda. (10 marks)
(b) Explain the measures being taken to promote the industrial sector in Uganda. (10 marks)
3. (a) Distinguish between **economic growth** and **economic development**. (04 marks)
(b) Assess the impact of economic growth in Uganda. (16 marks)
4. (a) Explain the methods used to determine wages in Uganda. (06 marks)
(b) Analyse the factors that affect the level of wages in Uganda. (14 marks)
5. (a) Describe the process of credit creation. (08 marks)
(b) Suggest the measures that can be taken to promote credit creation in Uganda. (12 marks)
6. (a) Account for the persistent Balance of payment dis-equilibrium in Uganda. (10 marks)
(b) Explain the measures that have been taken to reduce the balance of payment disequilibrium in Uganda. (10 marks)
7. (a) Explain the canons of taxation. (08 marks)
(b) Examine the role of taxation in Uganda. (12 marks)

END