

P220/2  
ECONOMICS  
PAPER 2  
July/August 2023  
3 Hours

**KABALE DISTRICT JOINT MOCK EXAMINATIONS 2023**

**UGANDA ADVANCED CERTIFICATE OF EDUCATION**

**ECONOMICS**

**P220/2**

**PAPER 2**

**TIME: 3 Hours**

**INSTRUCTIONS TO CANDIDATES:**

- Answer **Five (5)** 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

**Turn Over**

## SECTION A (20 Marks)

Answer all parts of this section

1. a) (i) Distinguish between fixed costs and variable costs. (02 Marks)  
(ii) State any three factors that influence costs of production in Uganda (02 Marks)
- b) (i) Differentiate between national income at market price and national income at factor cost. (02 Marks)  
(ii) Given that Growth National income is valued at Shs 260 trillion and Net income from abroad is Shs. 25 trillion; calculate the Gross Domestic Product. (02 Marks)
- c) (i) What is meant by the term “bottle neck inflation”? (01 Marks)  
(ii) Outline any three causes of bottleneck inflation in Uganda. (03 Marks)
- d) State any four negative effects of economic dependence in Uganda. (04 Marks)
- e) (i) Define the term “Public expenditure.” (01 Mark)  
(ii) Mention any three measures that have been taken to reduce public expenditure in Uganda. (03 Marks)

## SECTION B: (80 Marks)

2. a) Why are prices of agricultural products not stable in Uganda? (10 Marks)  
b) Explain the effects of unstable prices of agricultural products to the economy of Uganda. (10 Marks)
3. a) Explain the Keynesian theory of unemployment (06 Marks)  
b) Assess the relevance of the Keynesian theory of unemployment to Uganda. (14 Marks)
4. a) Why is there a need to industrialize in Uganda? (10 Marks)  
b) What are the challenges of industrialization in Uganda? (10 Marks)
5. a) Account for the balance of payments disequilibria in Uganda. (10 Marks)  
b) Suggest possible measures to overcome the balance of payments disequilibrium in Uganda. (10 Marks)
6. a) Describe the features of the informal sector in Uganda. (08 Marks)  
b) Explain the contribution of the informal sector to the development of Uganda. (12 Marks)
7. a) Explain the methods used by labor organizations to settle industrial disputes in Uganda. (06 Marks)  
b) Examine the challenges faced by labor organizations in Uganda. (12 marks)

END.