

P220/2 Economics

Paper 2

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AF EDUCATORS

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Uganda Advanced Certificate of Education ECONOMICS

PAPER 2

TIME: 3 HOURS

Senior Economics Teacher: Mr. Otong Alex, +256726414565. (Call for any assistance)

Instructions

- 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.

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SECTION A (20 MARKS)

Answer **all** parts of this question.

1. (a) (i) Distinguish between **consumption expenditure** and **investment expenditure**.
(02marks)
- (ii) Mention any **two** factors that influence consumption expenditure in Uganda.
(02marks)
- (b) State any **four** roles of public enterprises in Uganda. (04marks)
- (c) (i) Define the term **Demand for labour**. (01mark)
- (ii) State any **three** factors that determine the demand for labour in Uganda. (01mks)
- (d) (i) What is meant by **fiduciary issue** in banking? (01mark)
- (ii) Give any **three** functions of money in Uganda. (03marks)
- (e) (i) Distinguish between a **specific tax** and an **advalorem tax**. (02marks)
- (ii) state any **two** demerits of levying a specific tax in Uganda. (02 marks)

SECTION B (80MARKS)

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

2. (a) How does a firm in a monopolistic competitive market determine output, price and profits in the;
(i) Short-run and (06marks)
(ii) Long-run? (06marks)
3. (a) Differentiate between **economic growth** and **economic development**. (04marks)
- (b) Suggest measures that should be adopted to increase the rate of economic growth in Uganda. (16marks)
4. (a) Examine the role of Multi-National Corporations in economic development of Uganda. (10marks)
- (b) What problems are faced by Multi-National Corporations in Uganda. (10marks)
5. (a) Differentiate between **import substitution** and **export promotion** strategy of industrial development. (04marks)

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- (b) Assess the **impact** of import substitution strategy of industrialization on the development of Uganda's economy. (16marks)
- 6. (a) Distinguish between **demand-pull inflation** and **imported inflation**. (04marks)
- (b) Explain the **effects** of inflation in Uganda. (16marks)
- 7. (a) Account for the persistent budgetary debt burden in Uganda. (08marks)
- (b) Describe the **methods** being used to reduce the public debt in Uganda. (12marks)

END