

P220/2
ECONOMICS
Paper 2
July/Aug.2023
3 hours



KAMOTA MOCK EXAMINATIONS 2023

Uganda Advanced Certificate Of Education

ECONOMICS

Paper 2

3 hours

INSTRUCTIONS TO CANDIDATES:

- (i) Answer **five** questions only.
- (ii) **Section A** is compulsory. Answers to this section should be concise.
- (iii) Answer **only four** questions from **Section B**.
- (iv) All questions in Section **B** carry equal marks.
- (v) Any additional question(s) answered will **not** be marked.
- (vi) Draw a Mark- grid on the first page of your answer sheet in the left margin.
Indicate in the grid the number of each question answered.

SECTION A (20 MARKS)

Answer all parts of this question.

1. (a) (i) What is meant by **Subsistence output**? (01 mark)
(ii) Mention any **three** demerits of a large subsistence sector in Uganda. (03 marks)
- (b) (i) Define the term **Government multiplier**. (01 mark)
(ii) Given that a country's investment expenditure rises from **shs 125 billion** to **shs 160 billion** and Marginal Propensity to Save (MPS) is **40%**. Calculate the final change in national income. (03 marks)
- (c) (i) Distinguish between **Capital consumption** and **Capital accumulation**. (02 marks)
(ii) Give **two** factors influencing capital accumulation in Uganda. (02 marks)
- (d) (i) Define **disguised unemployment**. (01 mark)
(ii) Mention **three** causes of disguised unemployment in an economy. (03 marks)
- (e) (i) Differentiate between **tax base** and **taxable capacity**. (02 marks)
(ii) State any **two** factors responsible for the narrow tax base in Uganda. (02 marks)

SECTION B (80 MARKS)

Answer only four questions from this Section.

2. (a) How are prices of commodities determined in Uganda? (06 marks)
(b) Examine the factors that affect supply of goods by producers in Uganda. (14 marks)
3. (a) Describe the structure of the industrial sector in Uganda. (06 marks)
(b) Assess the impact of industrialization on the economy of Uganda. (14 marks)
4. (a) What is the role of education in the economic development process of Uganda? (06 marks)
(b) What strategies have been adopted by the government of Uganda to improve on the education sector? (14 marks)
5. (a) Differentiate between **Centralized planning** and **Decentralized planning**. (04 marks)
(b) Suggest measures that should be taken to improve implementation of economic development plans in Uganda. (16 marks)
6. (a) Distinguish between **Balance of trade** and **Balance of payments**. (04 marks)
(b) Account for the persistent balance of payment deficits in Uganda. (16 marks)
7. (a) What are the objectives of expanding the private sector in Uganda? (10 marks)
(b) Explain the factors which limit the development of the private sector in Uganda. (10marks)

END.

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