

P220/1
ECONOMICS
PAPER 1
July/August 2023
3 Hours

KABALE DISTRICT JOINT MOCK EXAMINATIONS 2023
UGANDA ADVANCED CERTIFICATE OF EDUCATION

ECONOMICS

P220/1

PAPER 1

TIME: 3 Hours

INSTRUCTIONS TO CANDIDATES:

- Answer **five (5)** questions in all
- Section A is compulsory. Answers to this section should be concise
- Answer **four (4)** questions from section B.
- Credit will be used for use of relevant diagrams
- Any additional questions will not be marked.

Turn Over

Kabale District Joint Mock Examinations @2023

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SECTION A:

1. a) (i) What is a Laissez – faire economy? (01 Mark)
(ii) Give two demerits of a Laissez – fair economy. (03 Marks)
- b) (i) Define price elasticity of demand (01 Mark)
(ii) Calculate the price elasticity of demand if an increase in the price of sugar from shs. 2000 to shs. 2500 per kilogram resulted into a 10% decrease in demand (03 Marks)
- c) (i) What is meant by normal profit (01 Mark)
(ii) How is normal profit obtained under perfect competition? (03 Marks)
- d) (i) State the Law of comparative advantage (01 Mark)
(ii) What are the limitations of the law of comparative advantage (03 Marks)
- e) (i) Distinguish between regressive taxation and progressive taxation. (02 Marks)
(ii) What are the advantages of progressive taxation? (02 Marks)

SECTION B

2. a) Distinguish between an increase in supply and a decrease in quantity supplied. (04 Marks)
b) What are the causes for an increase in supply in an economy (16 Marks)
3. a) What are the origins of monopoly in an economy? (08 Marks)
b) How are profits maximized under monopoly market structure? (06 Marks)
c) What are the demerits of monopoly in an economy? (06 Marks)
4. a) Why are national income figures computed? (10 Marks)
b) How can the level of National income be increased in an economy (10 Marks)
5. a) State the Marginal productivity theory of Labor. (02 Marks)
b) What are the limitations of the marginal productivity theory of labor? (18 Marks)
6. a) Distinguish between Nationalization and denationalization (04 Marks)
b) What are the merits of denationalization in an economy? (16 Marks)
7. a) What are the features of a good development plan? (08 Marks)
b) Account for centralized planning in an economy (12 Marks)

END

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