

P220/1  
ECONOMICS  
Paper 2  
July/August 2023  
3 hours

# MWALIMU EXAMINATIONS BUREAU

## UACE RESOURCE MOCK EXAMINATIONS – 2023

### ECONOMICS

#### PAPER 2

3 Hours

#### INSTRUCTIONS

- Answer five questions
- Section A is compulsory. Answers to this section should be concise.
- Choose four questions from section B.
- Indicate the questions attempted in the mark grid below.

Question	Marks
TOTAL	

### SECTION A (20 MARKS)

1. a).i). What is meant by a reserve price? (1mk)
- ii). State three methods of determining prices in Uganda. (3mks)
- b).i). Define the term savings. (1mk)
- ii). Mention **three** factors that may lead to an increase in savings in Uganda. (3mks)
- c).i). Distinguish between formal sector and informal sector. (2mks)
- ii). Give **two** costs of informal sector in Uganda (2mks)
- d).i). Distinguish between overpopulation and under population. (2mks)
- ii). State **two** demerits of under population in Uganda. (2mks)
- e).i). State the quantity theory of money by Irving Fisher. (1mk)
- ii). Mention three assumptions of the quantity theory of money. (3mks)

### SECTION B (80 MARKS)

2. a). Why is it necessary to control fluctuation of prices in the agricultural sector in Uganda? (10mks)
- b). Discuss the measures that are being taken to control fluctuation of prices in the agricultural sector in Uganda. (10mks)
3. a). How does a firm under monopoly market structure maximize profits in the long run? (06mks)
- b). Assess the impact of monopoly firms in Uganda (14mks)
4. a). Distinguish between import substitution industries and export promotion industries. (04mks)
- b). Suggest measures that can be taken to promote import substitution industries in Uganda. (16mks)
5. a). Distinguish between bilateral aid and multilateral aid. (04mks)
- b). "Foreign aid should be acquired if Uganda is to accelerate the rate of economic growth". Discuss. (16mks)
6. a). Differentiate between piece rate and time rate systems of wage payment. (04mks)
- b). Why do wages differ among individuals in Uganda? (16mks)
7. a). Why is it necessary to control the rate of inflation in Uganda? (10mks)
- b). Explain the steps that have been taken to reduce the rate of inflation in Uganda. (10mks)

**END**