

P220/1

Economics

Paper 1

July - August, 2022

3 Hours



UGANDA MUSLIM TEACHERS' ASSOCIATION
UMTA JOINT MOCK EXAMINATIONS 2022
UGANDA ADVANCED CERTIFICATE OF EDUCATION

Economics

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INSTRUCTIONS TO CANDIDATES

- *Attempt five questions only*
- *Section A is compulsory. Answers to this section should be precise*
- *Answer four questions in section B*
- *Credit will be given for the use of relevant diagrams*
- *Do not answer extra questions from section B since they will not be marked*
- *Draw an answer grid on the first page of your script and indicate attempted questions.*

SECTION A (20 MARKS)

- 1(a)(i) What is meant by the term price mechanism? (1 mark)
- (ii) State **three** merits of relying on the price mechanism in an economy. (3 marks)
- b (i) Define the term income inequalities. (1 mark)
- (ii) Mention any **three** demerits of income inequalities in an economy. (3 marks)
- c (i) Give **four** merits of export promotion industries to an economy. (4 marks)
- d (i) Define the term collective bargaining. (1 mark)
- (ii) Mention **three** methods used by trade unions to negotiate for the improvement in their member's welfare. (3 marks)
- e (i) Distinguish between private finance and public finance. (2 marks)
- (ii) Give any **two** objectives of public finance. (2 marks)

SECTION B (80 MARKS)

- 2(a) What is the significance of measuring National income in developing countries? (8 marks)
- (b) Explain the statistical problems faced when compiling National income statistics in developing countries. (12 marks)
- 3(a) Discuss the factors that give rise to monopoly in an economy. (10 marks)
- (b) Suggest measures that can be used to reduce monopoly power in an economy. (10 marks)

- 4(a) Discuss the benefits of economics growth to an economy. (10 marks)
- (b) Account for the low rates of economics growth in developing countries. (10 marks)
- 5(a) Given that the final amount of credit created is Shs. 150,000 billion and the cash ratio is 0.5%, Calculate the Initial Deposit. (4 marks)
- (b) Explain the factors that limit credit creation in an economy. (16 marks)
- 6(a) why do countries restrict Trade with other countries? (8 marks)
- (b) Explain the demerits of restricting International Trade on an economy. (12 marks)
- 7(a) Account for the high public debt in developing countries. (10 marks)
- (b) Explain the methods used to settle public debts in developing countries. (10 marks)

END