

P220/2
ECONOMICS
Paper 2
Nov./Dec. 2023
3 hours



UGANDA NATIONAL EXAMINATIONS BOARD
Uganda Advanced Certificate of Education

ECONOMICS

Paper 2

3 hours

INSTRUCTIONS TO CANDIDATES:

*Answer **five** questions only.*

*Section **A** is **compulsory**. Answers to this Section should be concise.*

*Answer any **four** questions from Section **B**.*

*All questions in Section **B** carry equal marks.*

Credit will be given for use of relevant diagrams.

*Any additional question(s) answered will **not** be marked.*

SECTION A (20 MARKS)

Answer **all** parts of this question.

1. (a) (i) State the **law of diminishing marginal utility**. (01 mark)
(ii) How is the law of diminishing marginal utility relevant to consumers in Uganda? (03 marks)
- (b) (i) Distinguish between a **merger** and a **take-over** of businesses. (02 marks)
(ii) Give any **two** factors limiting the merging of firms in Uganda. (02 marks)
- (c) State any **four** measures that are being taken by the government to reduce the informal sector in Uganda. (04 marks)
- (d) (i) Distinguish between **currency** and **legal tender**. (02 marks)
(ii) Mention any **two** determinants of money supply in Uganda. (02 marks)
- (e) (i) Differentiate between a **proportional tax** and a **regressive tax**. (02 marks)
(ii) Mention **two** effects of using regressive taxes in Uganda. (02 marks)

SECTION B (80 MARKS)

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

2. (a) How does the government of Uganda control international trade? (08 marks)
(b) Suggest strategies that the government of Uganda can take to increase the volume of exports. (12 marks)
3. (a) Describe the indicators of under development in Uganda. (10 marks)
(b) Explain the measures that are being taken to increase the rate of economic development in Uganda. (10 marks)
4. (a) What are the challenges facing the agricultural sector in Uganda? (10 marks)
(b) Explain the steps being taken to improve the agricultural sector in Uganda. (10 marks)

- ✗ 5. (a) Differentiate between **frictional** and **structural** unemployment. (04 marks)
- (b) Suggest measures that should be taken to increase the level of employment in Uganda. (16 marks)
6. (a) What is the difference between **debt repudiation** and **debt servicing**? (04 marks)
- (b) Examine the strategies that have been adopted to reduce the national debt in Uganda. (16 marks)
- ✗ 7. (a) What are the necessary conditions for effective economic development planning in Uganda? (10 marks)
- (b) Analyse the importance of economic development planning in Uganda. (10 marks)