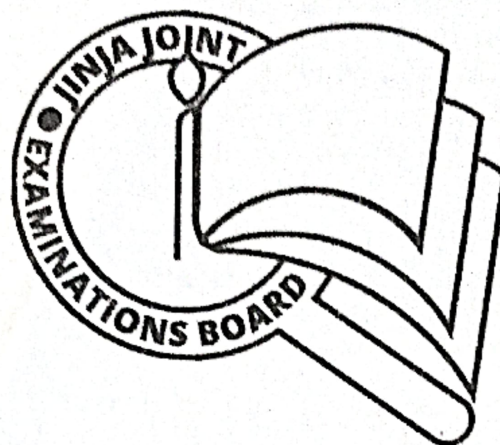


P220/1
ECONOMICS
Paper 1
AUGUST, 2023
3 hours



JINJA JOINT EXAMINATIONS BOARD

Uganda Advanced Certificate of Education

MOCK EXAMINATIONS – AUGUST, 2023

ECONOMICS

Paper 1

3 hours

INSTRUCTIONS:

Answer Five questions only

Section A is Compulsory. Answers to this section should be concise.

Answer four questions from section B.

All questions in section B carry equal marks.

Any additional questions attempted will not be marked.

SECTION A: (20MARKS)

1. a) (i) Define the term resale price maintenance. (1 mark)
 (ii) Give any three merits of resale price maintenance in an economy. (3 marks)
- b) (i) Distinguish between conglomerate merging and vertical merging of firms. (2 marks)
 (ii) State any two merits of merging of firms. (2 marks)
- c) (i) Differentiate between liquidity preference and cash ratio (2 marks)
 (ii) State any two causes of high liquidity preference in an economy. (2 marks)
- d) Give any four causes of cost-push inflation in an economy. (4 marks)
- e) (i) Distinguish between comprehensive planning and perspective planning. (2 marks)
 (ii) Mention two demerits of partial planning in an economy. (2 marks)

SECTION B 80 Marks

2. a) Distinguish between change in supply and change in quality supplied. (4 marks)
 b) Examine the measures the factors that lead to a change in supply of a commodity in an economy. (10 marks)
3. a) Explain the measures used by oligopolistic firms to increase sales in an economy. (10 marks)
 b) What are the demerits of oligopolistic firms in an economy. (10 marks)
4. a) Explain the Keynesian theory of unemployment. (6 marks)
 b) Examine the limitations of the Keynesian theory of unemployment in developing countries. (14 marks)
5. a) Why do countries draw their national budgets? (10 marks)
 b) Account for the persistent budgetary deficits in developing countries. (10 marks)
6. a) Differentiate between import substitution and export promotion industrial strategies. (4 marks)
 b) Explain the reasons for pursuing export promotion industrial strategy in developing countries. (16 marks)
7. a) Explain the justification of giving foreign aid by donor countries. (6 marks)
 b) Assess the role of foreign aid in the economic development of developing countries. (14 marks)