

P220/2
ECONOMICS
Paper 2
13th Aug. 2024
3 hours



KAMPALA WAKISO GIANT SCHOOLS ASSOCIATION (KWGSA)

Uganda Advanced Certificate of Education

National Joint Mock Examinations 2024

ECONOMICS

Paper 2

3 hours

INSTRUCTIONS TO CANDIDATES:

- ✓ *Attempt any **five** (5) questions.*
- ✓ *Section **A** is compulsory. Answers to this section should be **precise and concise**.*
- ✓ *Answer any **four** (4) questions from section **B**.*
- ✓ ***All** questions in section **B** carry **equal** marks.*
- ✓ *Any additional question(s) attempted will **not** be marked.*
- ✓ *Credit will be given for use of relevant diagrams.*

SECTION A: (20 marks)

Answer **all** parts of this question.

1. (a) (i) What is meant by the term "**bottle neck inflation?**" (01 mark)
(ii) Outline any **three** causes of bottleneck inflation in Uganda. (03 marks)
- (b) (i) Distinguish between **excess capacity** and **over production**. (2 marks)
(ii) Give any **two** causes of excess capacity in Uganda. (02 marks)
- (c) (i) Distinguish between **change in demand** and **change in quantity demanded**. (02 marks)
(ii) Outline any **two** factors that may cause a change in demand for a good in Uganda. (02 marks)
- (d) (i) Distinguish between **merger** and **takeover** of a business. (01 mark)
(ii) Mention **three** factors that limit merging of firms in your country. (03 marks)
- (e) (i) Differentiate between a **consumer surplus** and **producer surplus**. (02 marks)
(ii) Given the market price of a commodity in Uganda is Shs. 60,000. Calculate the producer surplus using the table below. (02 marks)

Price (Shs)	30,000	35,000	40,000	45,000	50,000	55,000	60,000	65,000
Supply	1	2	3	4	5	6	7	8

SECTION B (80 MARKS)

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

2. (a) Account for the balance of payment disequilibrium in your country. (10 marks)
(b) Suggest possible measures being taken to overcome BOP disequilibrium in your country. (10 marks)
3. (a) Give the traits of an informal sector? (06 marks)
(b) Assess the contribution of the informal sector to the development of Uganda. (14 marks)
4. (a) Account for the reliance of Uganda's economy on foreign aid. (06 marks)
(b) Why is there need to reduce to reliance on foreign aid by Uganda. (14 marks)
5. (a) What are the conditions for effective development planning in Uganda? (06 marks)
(b) Analyze the importance economic development planning in Uganda. (14 marks)
6. (a) Why are national income statics computed in Uganda? (08 marks)
(b) Why are national income statistics not a good measure of standard of living between nations. (12 marks)
7. (a) Account for the persistent budget deficits in Uganda. (10 marks)
(b) Suggest measures that should be taken to reduce budgetary deficits in Uganda. (10 marks)

END