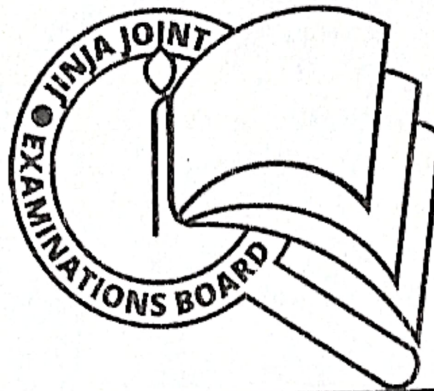


P220/2
ECONOMICS
Paper 2
AUGUST, 2023
3 hours



JINJA JOINT EXAMINATIONS BOARD

Uganda Advanced Certificate of Education

MOCK EXAMINATIONS – AUGUST, 2023

ECONOMICS

Paper 2

3 hours

INSTRUCTIONS:

Answer Five Questions in All.

Section A is Compulsory. Answers to this Section Should be concise.

Answer four questions in section B.

All questions in section B carry equal marks

Credit will be given for the use of relevant diagrams and illustrations.

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Turn Over

SECTION A (20 MARKS)

1. (a). The value of capital stock at the beginning of the year was 200 billion shillings and the total output produced by the capital during the year was 500 billion shillings. If the depreciation cost of the capital was 10%, calculate;
 - (i). the value of depreciation of the capital. (2 marks)
 - (ii). the net output produced during the year. (2marks)
- (b) (i). Distinguish between implicit costs and explicit costs. (2marks)
- (ii). Give any two reasons for the rising production costs in Uganda. (2marks)
- (c) (i). Distinguish between bottle neck inflation and cost push inflation. (2 marks)
- (ii). Mention any two causes of bottle neck inflation in Uganda. (2 marks)
- (d) (i). Define tax incidence. (1 mark)
- (ii). Give any three ways in which price elasticity of demand affects tax incidence. (3 marks)
- (e) (i). Distinguish between commercial policy and trade liberalization policy. (2 marks)
- (ii). Give any two instruments of commercial policy in Uganda. (2 marks)

SETION B (80 MARKS)

2. (a). Explain the methods used in compiling national income statistics in Uganda. (6 marks)
- (b). Discuss the challenges faced while compiling national income statistics in Uganda. (14 marks)
3. (a). Why is there need to adopt inward looking strategy of industrialization in Uganda? (10marks)
- (b). Suggest measures that can be taken to promote inward looking strategy of industrialization in Uganda? (10 marks)
4. (a). Describe the structure of Uganda's population. (8 marks)
- (b). Assess the impact of high population increase in Uganda. (12 marks)
5. (a). Explain the objectives of fiscal policy in Uganda. (8 marks)
- (b). Account for the huge government spending in Uganda. (12 marks)
6. (a). How does the central bank control credit creation in Uganda? (10 marks)
- (b). Discuss the factors that limit the process of credit creation in Uganda. (10 marks)
7. (a). Explain the features of a good economic development plan. (10 marks)
- (b). Discuss the measures that have been taken to promote successful implementation of economic development plans in Uganda. (10 marks)