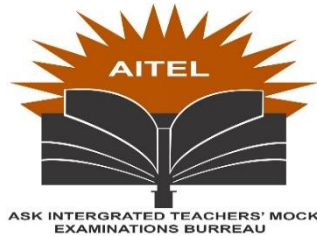


P220/2
Economics
Paper 2
2023

3hrs



AITEL JOINT MOCK EXAMINATION

Uganda Advanced Certificate of Education

ECONOMICS

P220/2

Duration :3hrs

INSTRUCTIONS TO CANDIDATES

- *Attempt **five** questions in all.*
- *Section **A** is **compulsory**. Answers to this section should be concise.*
- *Choose the other **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) attempted will not be marked*

SECTION A : (20marks)

Answer ALL parts in this question

1. (a) (i) Define the term **composite demand**. (01mk)
- ii) Give any **three** examples of composite demand in your country. (03mks)
- b) (i) Distinguish between **economic profits** and **normal profits**. (02mks)
- ii) Mention any **two** factors that influence the level of profits in your country. (02mks)
- c) (i) What are the characteristics of *Rostow's* take off stage. (02mks)
- ii) Give any **two** limitations of this theory. (02mks)
- d) (i) What is a **tariff**? (01mk)
- ii) Give any **three** non tariff barrier in your country. (03mks)
- e) (i) What is meant by the term **credit multipliers**. (01mk)
- ii) Given that the initial deposit in a bank is Uganda shillings 10,000,000 and the cash ratio is 20%.
- Calculate the total amount of credit that will be created in a multi bank system. (03mks)

SECTION B (80marks)

Answer **any four** questions from this section

2. (a) Differentiate between **change in supply** and **change in quantity supplied**.
(04mks)
b) Examine the factors that lead to a change in supply of a commodity.
(16mks)
3. (a) Account for income inequalities in Uganda. (10mks)
b) Examine the merits and demerits of income inequalities. (10mks)
4. (a) Explain the Keynesian theory of unemployment. (04mks)
b) To what extent is the Keynesian theory of unemployment applicable to your country?
(16mks)
5. (a) Differentiate between **free trade** and **protectionism**. (04mks)
b) Under what circumstances may protectionism be adopted in your country.
(16mks)
6. (a) Explain the role of the National Budget in your country. (10mks)
b) Account for the persistent budgetary deficit in your country. (10mks)
7. (a) Differentiate between **imported inflation** and **structural inflation**
(04mks)
b) Assess the impact of inflation in your country. (16mks)

END