

**P220/2**

**ECONOMICS**

**PAPER 2**

**JULY/AUG 2024**

**3 HOURS**



**NATIONAL EDUCATION RESEARCH & EXAMINATIONS BUREAU**

**UACE NEREB NATIONAL MOCKS 2024**

**ECONOMICS**

**PAPER 2**

**3 HOURS**

**INSTRUCTIONS TO CANDIDATES**

- 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.
- Credit will be given for use of relevant diagrams.
- Any additional question attempted in section **B** will not be marked.

### **SECTION A: (20 MARKS)**

1. (a) (i) Define the term **localization** of Industry. (1 mark)
- (ii) Give three benefits of localizing industries in Uganda. (3 marks)
- (b) (i) Differentiate between **Consumption expenditure** and **Investment expenditure**. (2 marks)
- (ii) State two factors that may lead to a decrease in consumption expenditure in Uganda. (2 marks)
- (c) (i) Distinguish between **prime cost** and **supplementary cost** (2 marks)
- (ii) Give any two reasons which lead to increase in cost of production in Uganda. (2 marks)
- (d) (i) Differentiate between **liquidity ratio** and **liquidity preference**. (2 marks)
- (ii) Give two reasons for the high liquidity preference in Uganda. (2 marks)
- (e) (i) Define the term **trade liberalization**. (1 mark)
- (ii) Mention any three costs of carrying out trade liberalization in Uganda. (3 marks)

### **SECTION B (80 MARKS)**

2. (a) Distinguish between **state of inflation** and **type of inflation**. (4 marks)
- (b) Examine the measures which have been taken to reduce inflationary tendencies in Uganda. (16 marks)
3. (a) Define the term **inward looking development strategy**. (2 marks)
- (b) What have been the limiting factors to effective import substitution in Uganda? (18 marks)
4. (a) What have been the causes of unemployment in Uganda? (10 marks)
- (b) Suggest measures which can be taken to reduce the unemployment problem in Uganda. (10 marks)
5. (a) Distinguish between **Balance of payment** and **Balance of trade**. (4 marks)
- (b) Account for the persistent Balance of payment deficits in Uganda. (16 marks)

6. (a) Distinguish between **tax compliance** and **tax administration**.  
(4 marks)
- (b) What have been the causes of increasing public debt in Uganda?  
(16 marks)
7. (a) Explain the significance of carrying out **economic development planning** in Uganda.  
(8 marks)
- (b) Explain the constraints to economic development planning in Uganda.  
(12marks)