



JOURNEY OF SUCCESS EXAMINATIONS BOARD

Uganda advanced certificate of education

ECONOMICS PAPER 2

3HOURS

INSTRUCTIONS TO CANDIDATES:

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

SECTION A (20MARKS)

1. (a) (i) Distinguish between **latent demand and composite demand** (1mark)
(ii) Give any **three** examples of composite demand in your country (3marks)
- (b) (i) What is meant by the **balance growth strategy** of economic development? (1mark)
(ii) State any **three** factors that limit the application of the balanced growth strategy in Uganda (3marks)
- (c) (i) Distinguish between a **regressive** and a **proportional tax system** (2marks)
(ii) Give **any two** reasons for imposing progressive taxes in your country. (2marks)
- (d) (i) Differentiate between **price mechanism** and **price legislation** (2marks)
(ii) Give any **two** conditions necessary for the successful operation of price mechanism in Uganda (2marks)
- (e) (i) Differentiate between **money supply** and **money demand**. (2marks)
(ii) Mention any **two** reasons for demand for money in Uganda (2marks)

SECTION B (80 MARKS) Answer any four questions from this section.

2. (a) Differentiate between **location** and **localization** in your country. (4 marks)
(b) Assess the impact of localization of industries in your country. (16 marks)
3. (a) Explain the role of capital in the development of your country. (08 marks)
(b) Discuss the factors that influence capital accumulation in your country. (12marks)
4. (a) What is meant by a **Trade Union**? (04 marks)
(b) Explain the challenges faced by Trade Unions in your country. (16 marks)
5. (a) Account for the persistent balance of payments deficits in your country. (10marks)
(b) Suggest measures that should be taken by the government to reduce balance of payment deficits in your country. (10 marks)
6. (a) Explain the causes of unemployment in your country. (10 marks)
(b) Suggest measures that should be taken by the government to reduce unemployment in your country. (10marks)
7. (a) Explain the importance of taxes in your country. (08 marks)
(b) Discuss the demerits of imposing taxes in your country. (12 marks)