

SECTION A (20 MARKS)

Answer all parts of this section.

1. (a) (i) Differentiate between **market price** and **equilibrium price**. (02 marks)
(ii) Give any **two** uses of price in Uganda. (02 marks)
- (b) (i) State the difference between **capital accumulation** and **capital consumption**. (02 marks)
(ii) State **two** factors that limit capital accumulation in Uganda. (02 marks)
- (c) (i) Distinguish between **Net National Product** and **Gross Domestic Product**. (02 marks)
(ii) Give **two** conceptual problems encountered when compiling Gross Domestic Product in Uganda. (02 marks)
- (d) (i) Outline any **two** aims of the import substitution strategy of industrialisation in Uganda. (02 marks)
(ii) State any **two** requirements for the success of the import substitution strategy of industrialisation in Uganda. (02 marks)
- (e) (i) Distinguish between a **free exchange rate system** and a **fixed exchange rate system**. (02 marks)
(ii) List any **two** merits of using free exchange rate system in Uganda. (02 marks)

SECTION B (80 MARKS)

Answer any four questions from this section.

2. (a) Describe the features of the oligopoly market structure in Uganda. (06 marks)
(b) Why do prices of the products of oligopoly firms in Uganda tend to be stable? (14 marks)
3. (a) Describe the structure of the agricultural sector in Uganda. (10 marks)
(b) Suggest strategies that should be adopted to improve the agricultural sector in Uganda. (10 marks)

4. (a) Explain the process of credit creation followed by commercial banks in Uganda. (08 marks)
(b) Advise commercial banks in Uganda on the measures that should be taken to promote credit creation. (12 marks)
5. (a) What are the benefits of international trade to Uganda? (08 marks)
(b) Explain the challenges Uganda encounters in international trade. (12 marks)
6. (a) Explain the role of Uganda Revenue Authority (URA) in tax administration. (08 marks)
(b) Suggest measures that should be taken by URA to improve tax compliance in Uganda. (12 marks)
7. (a) Examine the role of the private sector in Uganda. (10 marks)
(b) Explain the challenges faced by the private sector in Uganda. (10 marks)