

P220/2
Economics
Paper 2
July/August 2024
3 hours



**RWENZORI REGION SESEMAT AND ASSHU
(RRSA) MOCK EXAMINATIONS
UGANDA ADVANCED CERTIFICATE OF EDUCATION.**

ECONOMICS

PAPER 2

(THEORY)

3 hours

INSTRUCTIONS TO CANDIDATES.

- Answer **five** questions only
- Section A is **compulsory**, and answers should be concise.
- Answer any **four** questions from section B.
- All questions carry **equal marks** in Section B.
- Any additional questions answered will not be marked.

SECTION A (20 MARKS)

(Answer All parts of this question)

1. (a) (i) Distinguish between public goods and economic goods. (02 marks)
- (ii) Give any two examples of public goods in Uganda (02 marks)
- (b) (i) Differentiate between vertical Integration and horizontal Integration of firms. (02 marks)
- (ii) Give any two factors limiting the Integration of firms in Uganda. (02 marks)
- (c) (i) What is structural inflation? (01 mark)
- (ii) Give any three causes of structural inflation (03 marks)
- (d) (i) Differentiate between liquidity ration and high liquidity preference. (02 marks)
- (ii) Give at least two reasons for high liquidity preference in Uganda. (02 marks)
- (e) (i) Distinguish between trade diversion and trade creation. (02 marks)
- (ii) Mention two disadvantages of trade diversion. (02 marks)

SECTION B (80 MARKS)

2. (a) What are the causes of price fluctuation of Agricultural products in Uganda? (10 marks)
- (b) Explain the measures that have been taken to minimize price fluctuations of Agricultural products in Uganda? (10 marks)
3. (a) What are the features of oligopolistic markets in Uganda? (10 marks)
- (b) Discuss the merits of oligopolistic markets in Uganda. (10 marks)

4. Examine the role of Multi-national corporations in the economic development of Uganda? (20 marks)
5. (a) Describe the process of credit creation by commercial banks in Uganda. (06 marks)
- (b) What factors limit the ability of commercial banks to create credit in Uganda? (14 marks)
6. (a) What are the causes of youth unemployment in Uganda? (10 marks)
- (b) Explain the measures being taken to tackle youth unemployment in Uganda? (10 marks)
7. (a) Assess the role of taxation in Uganda (10 marks)
- (b) Suggest ways of how tax collection can be improved in Uganda. (10 marks)

END