

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



WAKISSHA JOINT MOCK EXAMINATIONS

Uganda Advanced Certificate of Education

ECONOMICS

Paper 2

3 hours

INSTRUCTIONS TO CANDIDATES:

- Answer **five** questions only.
- Section **A** is **compulsory**. Answers to this section should be *precise and 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(s) answered will **not** be marked.

SECTION A (20 MARKS)

Answer **all** parts of this question.

1. (a) (i) Distinguish between **transfer earnings** and **transfer payments**. (02 marks)
(ii) Give **two** examples of transfer payments in Uganda. (02 marks)
- (b) (i) Differentiate between **labour saving techniques** and **capital saving techniques**. (02 marks)
(ii) Mention **two** objectives of adopting labour saving techniques in Uganda. (02 marks)
- (c) (i) Define the term **banking financial intermediaries**. (01 mark)
(ii) Give **three** functions of banking financial intermediaries in Uganda. (03 marks)
- (d) (i) Distinguish between **tax evasion** and **tax compliance**. (02 marks)
(ii) Mr. Opeduni's gross income for the year 2023 was Shs. 110,000,000 and his allowable expenses amounted to Shs. 85,000,000. Calculate his chargeable income. (02 marks)
- (e) (i) What is meant by the term **comprehensive planning**? (01 mark)
(ii) Give **three** merits of comprehensive planning in Uganda. (03 marks)

SECTION B (80 MARKS)

Answer only **four** questions from this section.

2. (a) Why do prices of agricultural products fluctuate in Uganda? (10 marks)
(b) Examine the effects of agricultural price fluctuation in Uganda. (10 marks)
3. (a) Describe the features of the informal sector in Uganda. (10 marks)
(b) Explain the role of the growing informal sector in Uganda. (10 marks)
4. (a) Account for the low level of investment in Uganda. (10 marks)
(b) Explain the benefits of foreign direct investment in Uganda. (10 marks)
5. (a) What are the merits of high population growth rate in Uganda. (10 marks)
(b) Why is there need to control the rapid population growth rate in Uganda? (10 marks)
6. (a) What are the demerits of inflation in Uganda. (10 marks)
(b) Explain the measures that have been taken to control inflation in Uganda. (10 marks)
7. (a) Explain the factors that affect tax compliance in Uganda. (12 marks)
(b) Account for the preference of indirect taxes in raising public revenue in Uganda. (08 marks)

END