ANSWERING QUESTIONS IN ECONOMICS

**Question interpretation**

Students are encouraged to read and understand each and every part in the question to ensure proper interpretation

These setters of questions dictate the nature of the answer to be given and the student is expected to be in line with the wishes of the setter for proper interpretation

Students are encouraged to read the question in a number of times until they are sure of the answer. Clarity must be emphasized by the learners while answering the questions. Unclear answers lead to loss of marks

**Parts of a question.**

**There are three main parts of the question and these determine the nature of the answer to be written**

1. **Qualifier.** This is a word or group of words that indicate what the respondent to the question must do e.g. explain, examine, assess, how, why, state, give outline etc.
2. **Key words.** this indicates what the respondent must work upon e.g. causes, effects, intentions, challenges
3. **Concept**. This indicates what is being examined e.g. price mechanism, inflation, demand, changes in demand etc.

**Examples**

1. **Explain the role of price mechanism in the allocation of resources in an economy**

Qualifier explain

Key word role

Concept price mechanism

**The question requires only positive roles**

1. Assess the role of price mechanism in the allocation of resources in an economy

The question requires both positive and negative roles due to change of the qualifier from explain to assess which requires critical analysis of the roles

**Parts of an answer**

**There are two main parts of an answer to the question and they include**

1. Statement of the point. This should clearly answer the question as vague statements will lead to loss of marks. Avoid hanging answers and ensure that every statement of the point has a qualifier e.g. size of the market and not market, level of skills and not skills leads to creation of employment and not employment etc.
2. Explanation of the point. This should be clearly expound on the statement of the point and the respondent should restrict himself to the point statement. Explanations in economics should clearly bring out the How or Why as the situation may demand.

**Structure and demands of the papers in economics**

**P220/1**

This tests learners on knowledge of economics theory and concepts without emphasizing application of. It requires a student to have good knowledge of the economics theory and concept[[1]](#footnote-1)s of economics

The questions are open ended (nonrestrictive) because they don’t tie the respondent to any particular economy. This therefore allows a variety of answers to the learners e.g. what are the features of oligopolistic firms? This accommodates all the features as studied in class

In this paper the present simple tense is used when answering questions on outcomes causes roles and contributions while for solution questions strictly the future tense is used

**P220/2**

This tests learners on their ability to apply the concepts learnt in context of Uganda. Itrequires learners to have facts about Uganda’s economy. The question s are highly restrictive since the learners are tied only to what happens in Uganda.

In this paper the present simple tense is used when answering questions of outcomes roles and contributions while for causes we can use present simple tense, present continuous tense and past tense depending on the question. Solution questions require a candidate to use the future tense and present continuous tense.

Note the questions for both papers are selected from the same content, therefore there are no specific topics for each paper

Both papers have two sections i.e. A and B

**SECTION A**

The questions in this section require short but complete answers. Here learners are expected to write meaningful statements. The common qualifiers used include; define, state, list, outline give etc.it requires one to have read comprehensively since the questions are few and are chosen from a wide range of topics and subtopics e.g. state any three uses of computing price indices

**SECTION B**

This requires the student to state the point and exhaustively explain the point. The explanation depends on the key words used in the question. In most cases the number of points required on the question are never indicated however a student can be guided by the number of marks allocated for the question.

**Areas examined in ECONOMICS**

**NOTE** questions in economics focus on the following

* + - 1. Theories
      2. Solutions
      3. Causes
      4. Role or contributions
      5. Importance
      6. Intentions
      7. Conditions
      8. Features

Procedures

**CAUSES**

A cause is a factor that has an effect in case it happens or it brings about a change in a situation or any activity. Some causes are deliberate while others are not deliberate

Deliberate causes; these can be manipulated to bring about a positive or negative effect

The common terms used by the setters for deliberate causes include

**Sample question**

Explain the factors that affect the level of demand in an economy

The question requires neutral responses well explained

**Sample answer**

Level of income, low level of income limits demand due to the low purchasing power of consumers while high level of income leads to high demand because of the high purchasing power of consumers.

Explain the factors that lead to low demand for a commodity

**Note** the question requires biased but negative statement and explanation of the point e.g. low income level, consumers buy small quantities of goods due to low purchasing power

**Explain the factors that may lead to high demand for a good**

The question requires biased but positive answers

**E.g.** high level of income. Consumers buy big quantities of goods because they have a high purchasing power,

Discuss the factors that may lead to a change in demand for a commodity

The question requires neutral and balanced points with the explanation indicating a shift or change in the answers

**Sample answer**

Change in income of consumers. Increase in income of the consumer increases demand because of a rise in the consumer’s purchasing power while a decrease in income leads to a fall in demand because of a reduction in the purchasing power

Explain the factors that may lead to a fall in demand for a good

**Sample answer**

Decease in the income of the consumer .consumer buys less quantity of a good due to a fall in their purchasing power

Discuss the factors that may lead to an increase in demand for a good

**Sample answer**

Increase in income of the consumer. Consumers buy more quantities of a good due to a rise in their purchasing 67power

Unintended causes (non- deliberate)

These are factors that happen uninfluenced or without manipulation AND they usually lead to negative change

**E.g.**

Explain the factors that are responsible for the instabilities in prices of agricultural products in Uganda

Note the answers should focus on what causes an increase or decrease in prices of agricultural products

**Sample answer**

Long gestation period of agricultural products, the supply of agricultural products cannot be increased in the short run which leads to shortages in the short run leading to increase in prices however supply increases in the long run as farmers harvest and bring to the market which leads to a decrease in prices

Explain the causes of inflation in Uganda

The emphasis should be put on what triggers prices to rise but not necessarily being high

**SOLUTIONS**

A solution is an answer or a remedy to a problem /challenge .solutions are given in form of measures //steps //policies //ways. Good measures /solutions should have the following characteristics

1. It should be workable and with measurable output i.e. one should be able to determine the effect [[2]](#footnote-2)of the measure
2. It should indicate effort e.g. something done, been done, to be done i.e. solutions don’t happen miraculously.
3. It should indicate the period of the action
4. Explanations to solutions should focus how the measures solves the problem and not how you achieve a measure

**Example**

Suggest measures that should be taken to increase the rate of economic growth in Uganda

**Sample answer**

Note this is an opinion seeking which requires one to express an idea to solve the problem

Improve the state of infrastructures/ infrastructure should be improved e.g. construct better roads. This will reduce the costs of transportation of goods to markets and attract more to invest and increase production

Explain the measures that have been taken to increase the rate of economic growth in Uganda

Note. this requires a student to give measures which are already on ground and therefore using the past tense / past participle ( have /has ) suggestive answers are not applicable in this case

**Sample answer**

Improved infrastructure / infrastructure has been improved e.g. better roads have been constructed. This has lowered transportation costs of goods to the markets which has attracted people to invest and increase production

Explain the measures that are being taken to increase the rate of economic growth in Uganda

Note .this requires the student to give measures that are happening now or are ongoing. This necessitates the use of present continuous tense (now tense)

**Sample answer**

Improving infrastructure / infrastructure is being improved e.g. better roads are being constructed. This is reducing transportation costs of goods to the market and attracting many people to invest and increase production

Note. To avoid giving wrong solutions, one should know the nature of the problem to be solved

**OUTCOMES**

These are results of a process /situation /activity. The common terms used by setters to indicate outcomes include; effects /consequences. / Impacts / implications

These may be positive or negative. Positive outcomes are also known as benefit /merits /advantages while negative outcomes can be called dangers /costs /demerits / adverse effects /short comings / defects

Note the statement of the outcome should be a direct result of the process activity and not a secondary one. The explanation of the outcome should focus on how the process leads to the outcome and not the effect of the effect

e.g.

1. Explain the effects of economic growth in Uganda
2. Asses the effects of economic growth in Uganda

Note these two questions require both positive and negative outcomes

**Sample answer of the positive effects**

* **Increase government revenue**. this is because many investment firms /economic activities are set up and the government imposes taxes on their incomes/ profits

**Note** it may not be necessary to show the use of the tax revenue

Sample answer of a negative effect

* It leads to rural urban migration and its evils. This is because rising level of urbanization attracts many people to leave rural areas and go to urban areas to look for employment

Discuss the benefits of economic growth in Uganda

This requires only the positive outcomes of the process

Explain the costs of economic growth in Uganda.

This requires only negative outcomes of the process

There are some concepts in economics which are negative in nature such that when one is asked to explain or assess the effects only negative effects are given e.g.

Explain the effects of hyperinflation in an economy

Explain the effects of UN employment in Uganda

**Note** sometimes setters demand for outcomes indirectly when they use key words such as case for and against. Such questions are set using the qualifier “discuss”

**Sample questions**

1.”Developing countries should rely more on foreign aid to achieve faster rate of economic growth” Discuss

Explain the arguments for and against relying on foreign aid in developing countries

Explain the case for and against relying on foreign aid in developing countries

The questions above require the candidate to give the likely outcomes of relying on foreign aid in developing countries

Learners are advised to use the present simple tense when stating and explaining the outcomes for both papers

**ROLES /CONTRIBUTIONS;** these are in most cases confused with outcomes which is not right. This is because roles and contributions are duties which are performed or done on a regular basis. Due to the nature of roles and contributions certain precautions have to be taken by candidates when answering such questions and these include

1. The recommended tense is present simple tense e.g. promotes encourages develops etc.
2. Roles and contributions should not be stated as objectives i.e. don’t use TO…..
3. Avoid using words like leads results helps because they will indicate an outcome not a role

Note: roles and contributions are positive in nature. Therefore a candidate is not expected to give negative roles except in certain situations

When setters use qualifiers like explain describe and what …the candidate is expected to give only the positive roles

Examples

1. Explain the role of price mechanism in resource allocation in an economy
2. Describe the contribution of public enterprises in the development of Uganda
3. What is the role of the informal sector in Uganda

However, when the setter use qualifiers such as examine and assess, the candidate is expected to give two sides i.e. the roles and the demerits

**Examples**

1. Asses the role of price mechanism in resource allocation in an economy
2. Examine the contribution of public enterprises in Uganda

**IMPORTANCE**: This refers to the significance or use of something. The setter can use importance or significance or use as key words in the question and the presentation of the answers remain the same

**Examples**

1. Explain the importance of a national budget in Uganda
2. Explain the significance of a national budget in Uganda
3. Explain the uses of a national budget in Uganda

**Sample answer**

Used to generate government revenue. The government identifies tax and non-tax sources of revenue

Used to promote economic growth. The government provides incentives to the producers to lower the costs to increase production

**INTENTIONS:** These are targets set to be achieved in a given period of time. They indicate what one intends to achieve in some time to come. Common terms used by the setters to indicate intentions include objectives, aim, purpose, rationale, motive, why account for etc.

The easiest way to present intentions is to use qualifiers like “TO” “IN ORDER TO “”SO AS TO ““FOR PURPOSES OF “”

Some questions are direct while others are not

**DIRECT QUESTIONS**: such questions are easy to interpret because the key word is leading

1. What are the objectives of measuring national income in Uganda
2. Explain the aims of compiling price indices in an economy

**INDIRECT QUESTIONS**: Some questions are not easy to interpret because the key word is hidden

1. Why is it necessary to encourage economic liberalization in Uganda
2. Account for the need to promote economic liberalization in Uganda

**Note**: the intention is to target the benefits i.e. the candidate turns the benefits into objectives

Both the benefits and objectives have the same explanations

**Sample answer**

To increase employment opportunities. This is because the government will ease restrictions on economic activities which will attract many people to set up economic activities and increase jobs

[[3]](#footnote-3)Why economic liberalization may be discouraged in Uganda. The question requires one to set targets to get rid of the demerits

The explanation focuses on how to do away with the demerit

**Sample answer**

To ensure stable prices of goods. This is because with reduced liberalization the state will have control over the prices of goods and hence minimize the influence of forces of demand and supply

**CONDITIONAL/CIRCUMSTANCIAL QUESTIONS**

A condition is situation / factor that seems to be very paramount or necessary for something to happen or be done

**Conditional questions are of two types**

1. Conditional questions that require one to give a condition that justifies ones action with such questions the learners are encouraged to use qualifiers such as when ,in case ,if , where .when making statement of the point

**E xamples**

Under what circumstances may price mechanism be encouraged?

**Sample answer**

When there’s need to improve the quality of goods. This is because it will encourage competition among firms

Under what circumstances may price mechanism be discouraged?

**Sample answer**

If there’s need to stabilize the economy. This is because the state will control prices and interest rate and thus avoid fluctuations

1. Conditional questions that require the candidate to give the conditions that must exist for something to happen

Examples

1. Explain the conditions necessary for price discrimination to be successful

**Sample answer**

The seller must be a monopolist

1. Explain the conditions necessary for devaluation to succeed

Sample answer

The demand for exports should be price elastic

1. Discuss the conditions that are necessary for economic integration to succeed

Sample answer

The countries should be in the same region

1. Explain the conditions that should exist for development planning to succeed in Uganda

**Sample answer**

There should be good infrastructure

**FEATURES/ CHARACTERISTICS /TRAITS**

A feature is a statement which describes the identity of something. Many aspects /concepts in economics have got features. Learners are advised to use qualifiers while stating features in order to give them a clear meanings. The common qualifiers used are mainly, many, majorly, high, few etc.

**Note: a** qualifier is a word or a group of words added to the points stated to give it meaning i.e. it reveals the quantity or the extent of something.

What are the features of the agricultural sector in Uganda?

**Sample answers**

* Majorly rural based
* Mainly labour intensive
* Few cash crops grown

**Note:** qualifiers may not be used for certain features for fear of distorting the meaning e.g. features of market structures and some of the features of Uganda’s economy

**Examples**

1. What are the features of monopoly power

Existence of one producer **and NOT** mainly one producer

1. What are the features of Uganda’s economy

It is an open economy **NOT** mainly an open economy

**PROCEDURAL QUESTIONS**: These require a candidate to present the points in a systematic and logical way

**Examples**

1. How is the cost of living index compiled in Uganda
2. Explain the process of credit creation

**ECONOMIC THEORIES**: These are peoples thoughts about how certain things happen

They are supported by assumptions to ensure that the desired effect is achieved

The common theories studied in economics include

* Rostow’s stages of economic growth
* Balanced growth theory
* Unbalanced growth theory
* Keynesian theory of unemployment
* Marginal productivity theory of wages
* Comparative and absolute cost advantage
* Malthusian theory of population growth
* Iron law /subsistence theory of wages

The main interest of the setter on theories is on the following aspects

1. **Statement of the theory :** This requires the candidate to write briefly about the originator of the theory
2. **Explanation of the theory** :this requires the candidate write the statement of the theory and give more description about it
3. **Assumptions.** A question on assumptions requires the candidate to write the statements that supports the theory
4. **Relevancy /inapplicability /limitations /criticisms of the theory**: This requires the candidate to give the aspects of the theory that are not in agreement with the current situation in the economy

**Sample question**

State the Malthusian theory of population growth

Explain the weaknesses of Malthusian theory of population

To what extent is the Malthusian population theory of population relevant to developing countries?

Etc.

1. [↑](#footnote-ref-1)
2. [↑](#footnote-ref-2)
3. [↑](#footnote-ref-3)