

**P220/2**

**ECONOMICS**

**PAPER 2**

**3 HOURS**

**Af Educators**

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**UGANDA ADVANCED CERTIFICATE OF EDUCATION**

**ECONOMICS PAPER 2**

**TIME: 3 HOURS.**

Examiner: Mr. Oton Alex +256726414565 (Call or WhatsApp for any assistance)

**INSTRUCTIONS TO CANDIDATES.**

- Answer **five** questions only.
- **Section A** is **compulsory**. Answers to this section should be concise.
- Answer **four** questions in Section B.
- Any additional question(s) answered from **section B** shall **not** be marked.
- All questions in section B carry equal marks.

## SECTION A : ( 20 MARKS).

1. (a) (i) Define the term **Joint supply**. (01 mark)  
(ii) State any **three** causes of high supply of a commodity in your country. (03 marks)
- (b) (i) What is meant by **Marginal Cost**? (01 mark)  
(ii) Given that an increase in a firm's output from **15,000 units** to **16,250 units** resulted into a change in total costs from **shs 850,000** to **shs 1,350,000**. Calculate the **Marginal cost**. (03 marks)
- (c) (i) Define the term **Wage freeze**. (01 mark)  
(ii) Mention any **three** factors that determine the level of wages in your country. (03 marks)
- (d) (i) What is meant by **Government development expenditure**? (01 mark)  
(ii) Give any **three** causes of the increase in government expenditure in your country. (03 marks)
- (e) (i) Define a **Public Corporation**. (01 mark)  
(ii) Outline any **three** reasons for establishing Public enterprises in your country. (03 marks)

## SECTION B: (80 MARKS)

2. (a) Distinguish between **Nominal GDP** and **Real GDP**. (04 marks)  
(b) Examine the factors that influence the level of national income in your country. (16 marks)
3. (a) Describe the features of the agricultural sector in your country. (06 marks)  
(b) Explain the contribution of agriculture to the economic development of your country. (14 marks)
4. (a) Differentiate between **Bi-lateral Aid** and **Multi-lateral Aid**. (04 marks)  
(b) Assess the implications of Foreign Aid on the development of your country. (16 marks)

5. (a) What are the features of a good development plan? **(06 marks)**  
(b) Explain the obstacles to effective implementation of economic development plans in your country. **(14 marks)**
6. (a) Account for the persistent unemployment in your country. **(10 marks)**  
(b) Suggest measures that can be taken by government to increase levels of employment in your country. **(10 marks)**
7. (a) Explain the functions of Banking financial institutions in your country **(10 marks)**  
(b) Discuss the problems faced by commercial banks in your country. **(10 marks)**

**END.**