

## **ECONOMICS DISCUSSION QUESTIONS**

### **SECTION A (20 Marks)**

1. (a) (i) State the law of supply. (01 mark)  
(ii) Mention any three factors that cause a decrease in supply of goods in Uganda. (03 marks)
- (b) (i) Distinguish between a mixed economy and a dual economy? (02 mark)  
(ii) State any two advantages of a dual economy. (02 marks)
- (c) Mention four uses of price indices in an economy. (04 marks)
- (d) (i) Distinguish between shut-down point and break –even point of a firm. (02 marks)  
(ii) Give two reasons why a firm may continue operating below the break –even point? (02 marks)
- (e) (i) Distinguish between barter terms of trade and income terms of trade. (02 marks)  
(ii) Give two effects of deteriorating terms of trade in an economy (02 marks)

### **SECTION B (80 MARKS)**

2. (a) Distinguish between price elasticity of demand and income elasticity of demand. (04 marks)  
(b) Explain the determinants of price elasticity of demand in an economy. (16 marks)
3. (a) How do firms in Oligopoly maximize profits in the short run (06 marks)  
(b) Examine the impact of Oligopoly markets in Uganda (14 marks)
4. (a) Describe the methods used to compute national income in Uganda. (06 marks)  
(b) Account for the low level of national income in Uganda. (14 marks)
5. (a) Describe the structure of Uganda's agricultural sector. (08 marks)  
(b) What measures are being taken to improve the agricultural sector in Uganda? (12 mks)
6. (a) Explain the Keynesian theory of unemployment. (06 marks)  
(b) What are the limitations of the Keynesian theory of unemployment in developing countries? (14 marks)
7. (a) Describe the features of a good development plan. (06 marks)  
(b) Explain the factors that limit successful implementation of economic development plans in developing countries. (14 marks)

**END**