

UGANDA MARTYRS UNIVERSITY

NKOZI

UNIVERSITY EXAMINATIONS

END OF SEMESTER II FINAL ASSESSMENT 2021/2022 YEAR III

BACHELOR OF SCIENCE GENERAL

BACHELOR OF ECONOMICS AND STATISTICS

BACHELOR OF ARTS/SCIENCE WITH EDUCATION

ECO 3201

INTERMEDIATE / ADVANCED MACRO ECONOMICS

DATE: Monday 11 July 2022

TIME: 09:30AM – 12:30PM

Instructions:

1. Attempt any **FOUR (04)** questions
 2. All questions carry equal marks
 3. Do not write anything on the questions paper.
 4. Carefully read through **ALL** the questions before attempting.
 5. No **names** should be written anywhere on the examination booklet.
 6. Ensure your work is **clear** and **readable**. Untidy work shall be penalized.
 7. Any type of examination Malpractice will lead to automatic disqualification.
 8. Ensure that your **ID number** is indicated on all pages of the examination answer booklet.
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Question one

- a) Distinguish between Gross National Income and Gross National Product (05marks)
- b) Examine the dangers of using national income figures to predict the standards of living in a country. (20marks)

Question two

- a) Using illustrations, define demand pull inflation. (10marks)
- b) Examine the policy mix that can be employed to control demand pull inflation. (15marks)

Question three

- a) Applying the Keynesian theory, examine the causes of unemployment in the developing countries. (10marks)
- b) Supposing an economy is hit by a double jeopardy of both inflation and unemployment, as an economist, discuss the relevant policy measures that can stabilize the economy. (15marks)

Question four

- a) Describe the categories of accounts considered in the balance payments accounts. (15marks)
- b) Examine the reasons of persistent unfavorable balance of payments in Uganda. (10marks)

Question five

- a) Compare and contrast the absolute theory and comparative theory of international trade. (16marks)
- b) What is the role of international trade in the economic growth of any economy? (09marks)

Question six

- a) Examine the factors that attract countries to implement the fixed rate exchange system. (10marks)
- b) Examine the reasons why exchange rates have been liberalized in many economies. (15marks)

END