

# UGANDA MARTYRS UNIVERSITY

UNIVERSITY EXAMINATIONS

FACULTY OF EDUCATION

DEPARTMENT OF ECONOMICS

YEAR TWO SEMESTER ONE 2023/2024 FINAL ASSESMENT

**COURSE CODE :** ECO 2112

**COURSE UNIT :** STRUCTURE OF UGANDA'S ECONOMY

**PROGRAM :** BA ECON II

**DATE:** Tuesday 12/12/23

**TIME:** 9.30-12.30 pm

**DURATION:** 3 Hours

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**Instructions:**

1. This examination consists of **SIX** questions.
2. Attempt any **FOUR** questions. Each question carries 25 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 **Registration number** is indicated on all pages of the examination answer booklet.
9. Remember to indicate the question numbers you have attempted.

### QUESTION ONE

- (a) What is meant by an economic structure? (01 mark)
- (b) Uganda is grouped among economies that have the potential to grow and develop. Discuss some the opportunities Uganda has, if utilized it can grow. (12 marks)
- (c) Despite these opportunities, Ugandan is faced with a number of challenges. Discuss some of these challenges? (12 marks)

### QUESTION TWO

Uganda discovered commercial oil reserves nearly 20 years ago but production has been delayed by lack of infrastructure. The president of Uganda officially launched the first oil drilling programme of development and production wells at the Kingfisher development area in Kikuube district, western Uganda, on January 24<sup>th</sup>, 2023. The Kingfisher field is part of a \$10bn scheme to develop Uganda's oil reserves under Lake Albert in the west of the country and build a vast pipe-line to ship the crude oil to international markets via the Indian Ocean port in Tanzania. This is a key milestone as the country races to meet its target of first oil output in 2025.

- (a) What will be the impact of commercial exploitation of oil on Uganda's economy? (12 marks)
- (b) Discuss the challenges of oil production for Uganda. (08 marks)
- (c) What are the optimal policies to meet the challenges of oil? (05 marks)

### QUESTION THREE

- (a) In Uganda, the service sector's contribution to GDP has averaged above 50% for the past 25 years, exceeding the contributions of both the Agricultural and industrial sectors. Explain reasons to justify the role of the service sector to the Uganda's Economy. (12 marks)
- (b) Despite the moderate contribution the service sector has made to Uganda's GDP over the recent past, unemployment and poverty rates have not declined. Examine this inconsistency. (13 marks)

#### **QUESTION FOUR**

- (a) Explain the steps being taken to improve the agricultural sector in Uganda. **(10 marks)**
- (b) What are the challenges facing the agricultural sector in Uganda? **(15 marks)**

#### **QUESTION FIVE**

By the late 1980s Uganda's large enterprise sector had become a major drain on the Treasury and a bottleneck to economic growth. To address this situation, the government of Uganda embarked on a major privatization and public enterprise reform programme in 1993.

- (a) As an economics student, discuss the contributions of privatization to Uganda's economy? **(13 marks)**
- (b) What are the arguments against privatization? **(6 marks)**
- (c) Discuss the constraints to privatization in Uganda. **(6 marks)**

#### **QUESTION SIX**

- (a) Discuss the features of the industrial sector in Uganda **(05 marks)**
- (b) Discuss the positive and negative implications of the structure of the industrial sector in Uganda. **(20 marks)**

**SUCCESS**