

Uganda Martyrs University

School of Arts and Social Sciences

Department of Governance, Peace and International Studies

Bachelor of Arts in Public Administration and Management

Year II: 2023/2024

END OF SEMESTER ONE EXAMINATION

PAM 1106: INTRODUCTION TO MACROECONOMICS

Date: Wednesday, 13th November, 2023

Time: 9:30-12:30 pm

INSTRUCTIONS:

1. Read the instructions very carefully.
 2. Answer four questions in all; One from section A and any three two from section B
 3. Question 1 is compulsory and carries 40 Marks, and all other questions carry 60 Marks.
 4. Each answer must start on a new page.
 5. Write clearly and neatly. Unreadable work attracts loss of marks.
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Section A

Question one

- a) Define the term economics. (05 Marks)
- b) Using examples, explain the relevance of studying macroeconomics and microeconomics, particularly the analysis of macroeconomics. (10 Marks)
- c) Identify and explain the differences between short run and long run analysis of macroeconomics. (10 Marks)
- d) Differentiate between Growth Domestic Product, Gross National Product, and Price Index (10 Marks)
- e) Briefly describe the objectives of the government formulation of monetary policy. (05 marks)

Section B

Question two

- a) Define the term national income. (02 Marks)
- b) Using clear examples from your own country, explain any five (05) causes of complexities of measuring of national income. (10 Marks)
- c) Using your knowledge acquired from the study of macroeconomics, briefly suggest any four (04) ways through which the Government of Uganda can minimize the difficulties of measuring national incomes. (08 Marks)

Question three

- a) Differentiate between per capita income and personal income. (05 Marks)
- b) Using relevant examples, identify and explain any five (05) recommended methods that economists use in the measuring of national income. (15 marks)

Question four

Imagine the Ministry of Gender and Social Development has invited you to present a paper on inequality in income and the ways income disparities can be alleviated. Based on this scenario:

- a) Prepare a detailed report showing and explaining why income inequalities amongst the population in Uganda have existed for decades. (10 Marks)
- b) Using relevant examples, suggest any five mechanisms through which the Government of Uganda can alleviate income inequalities amongst the population of Uganda. (10 Marks)

Question five

- a) Define the term price index. (02 Marks)
- b) Identify and explain, with relevant examples, the procedures that economists tend to use in the compilation of price index numbers. (08 Marks)
- c) With relevant examples, explain any five (05) difficulties of compilation of index numbers by economists in Uganda. (10 Marks)

Question six

The Uganda Investment Authority has invited you to address the government officials on the issues of attracting investors in Uganda. Based on this invitation:

- a) Using your knowledge of macroeconomics, explain the factors that determine investment in a country. (15 Marks)
- b) Differentiate between liquidity, savings, investment and money. (05 Marks)

Good luck