**NAME: …………………………………………….............STREAM ……. INDEX NO ………**

**KING’S COLLEGE - BUDDO**

**UGANDA ADVANCED CERTIFICATE OF EDUCATION**

**INTERNAL MOCKS EXAMINATION 2020**

**ECONOMICS P220/2**

**PAPER TWO**

**TIME: 3 HOURS**

**INSTRUCTIONS:**

* *Answer five questions in all*
* *Section A is compulsory, Answers to this question should be concise*
* *Answer any four questions in section B*
* *All questions in section B carry equal marks*
* *Any additional question(s) attempted will not be marked.*
* *Credit will* be *given for use of relevant diagrams*

**SECTION A (20 MARKS)**

1. a(i) Differentiate between conglomerate and horizontal amalgamation of firms. *(02 marks)*

ii) Give two merits of conglomerate and amalgamation of firms in Uganda. *(02 marks)*

b(i) What is meant by the term price mechanism? (01 mark)

 (ii) State any three reasons for the interference in the price mechanism in Uganda. *(03 marks)*

c(i) Distinguish between complementary demand and composite demand.

 *(02 marks)*

 (ii) Mention two examples of complementary demand in Uganda.

 *(02 marks)*

d(i) Distinguish between hyperinflation and mild inflation.

 *(02 marks)*

 (ii) Give two measures that should be taken to control inflation in Uganda. *(02 marks*)

e(i) Define the term “export multiplier” *(01 mark)*

(ii) Given that the current national income is US $ 150 billion, increase in export earnings is US $ 20 billion, and the marginal propensity to save is 20%. Calculate the final level of income. *(03 marks)*

**SECTION B (80 MARKS)**

1. a) Distinguish between an increase in demand and increase in quantity demanded. *(04 marks)*

b) Account for an increase in demand for a commodity in Uganda.

 *(16 marks)*

1. a) Why are public enterprises privatized in Uganda? *(10 marks)*

b) Explain the problems that have been encountered in the privatization of public enterprises in Uganda. *(10 marks)*

1. a) Differentiate between Real National income and nominal National income. *(04 marks)*

b) Explain the measures being taken to increase the size of Real National income in Uganda. *(16 marks)*

1. a) Distinguish between voluntary unemployment and involuntary unemployment. *(04 marks)*

b) Assess the effects of involuntary unemployment in Uganda.

 *(16 marks)*

1. a) What are the uses of a government budget in Uganda*.(06 marks)*

b) Examine the measures that can be undertaken to minimize budgetary deficits in Uganda. *(14 marks)*

1. a) Why do prices of agricultural products fluctuate in Uganda*?(10 marks)*

b) Discuss the consequences of agricultural price fluctuations in Uganda. *(10 marks)*

**END**