P220/2
ECONOMICS
Paper 2
Nov./Dec. 2024
3 hours

UGANDA NATIONAL EXAMINATIONS BOARD

Uganda Advanced Certificate of Education

ECONOMICS

Paper 2

3 hours

INSTRUCTIONS TO CANDIDATES:

This paper consists of **two** *sections;* **A** *and* **B**.

Section **A** *is* **compulsory**. *Answers to this section should be* **concise**.

Answer any **four** *questions from Section* **B**.

Answer **five** *questions in all.*

Credit will be given for the use of relevant diagrams.

Any additional question(s) answered will **not** *be marked.*

Begin answering each question on a fresh page.

 Turn Over

SECTION A (20 MARKS)

Answer all parts of this question.

1. (a) (i) Distinguish between **a commodity market** and **a factor market**. *(02 marks)*

(ii) Give any **two** factors that determine the price of a commodity in Uganda. *(02 marks)*

(b) (i) Differentiate between **marginal propensity to save** and **average propensity to save**. *(02 marks)*

(ii) Mention **two** determinants of the marginal propensity to save in Uganda. *(02 marks)*

(c) (i) What is meant by the term **frictional unemployment**? *(01 mark)*

(ii) State **three** measures of reducing frictional unemployment in Uganda. *(03 marks)*

(d) (i) Distinguish between **demand pull inflation** and **structural inflation**. *(02 marks)*

(ii) Give **two** strategies of controlling demand pull inflation in Uganda. *(02 marks)*

(e) (i) What is meant by **commercial policy**? *(01 mark)*

(ii) State any **three** objectives of commercial policy in Uganda. *(03 marks)*

SECTION B (80 MARKS)

Answer any **four** *questions in this section.*

2. (a) Explain the role of capital in the economic development of Uganda. *(08 marks)*

(b) Examine the factors that influence capital accumulation in Uganda. *(12 marks)*

3. [illegible]e the structure of imports and exports in Uganda. *(08 marks)*

(b) Assess the implication of these structures in 3(a) to Uganda's economic development. *(12 marks)*

4. (a) Describe the features of small-scale industries in Uganda. (*10 marks*)

(b) Explain the measures being taken by the government of Uganda to improve the development of the industrial sector. (*10 marks*)

5. (a) Explain the objectives of the monetary policy in Uganda. (*08 marks*)

(b) Assess the effectiveness of the monetary policy in Uganda. (*12 marks*)

6. (a) Other than raising of revenue, account for levying of taxes in Uganda. (*06 marks*)

(b) Advise the government of Uganda on the strategies that should be adopted to increase tax revenue. (*14 marks*)

7. (a) Distinguish between a **public corporation** and a **public enterprise**. (*04 marks*)

(b) Justify the existence of public corporations alongside private enterprises.in Uganda. (*16 marks*)

END