

P220/2

ECONOMICS

Paper 2

Nov./Dec. 2012

3 hours



UGANDA NATIONAL EXAMINATIONS BOARD

Uganda Advanced Certificate of Education

ECONOMICS

Paper 2

3 hours

INSTRUCTIONS TO CANDIDATES:

Answer five questions.

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

Answer four questions from section B.

All questions in section B carry equal marks.

Credit will be given for use of relevant diagrams.

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

SECTION A: (20 MARKS)

Answer all parts of this question.

1. (a) (i) Differentiate between nominal and real Gross Domestic Product (GDP).
(ii) Given that a country's GDP is Shs 400 billion, net income from abroad is Shs40 billion and depreciation is Shs20 billion; calculate the Net National Product (NNP).
- (b) Mention any two;
(i) factors that have influenced the level,
(ii) benefits
Of foreign direct investment in your country.
- (c) State any four features of dualism in your country.
- (d) (i) Distinguish between cost-push inflation and bottleneck inflation.
(ii) Mention any two causes of bottleneck inflation in your country.
- (c) (i) What is meant by labour – saving techniques of production?
(ii) Mention any two merits of the labour – saving techniques of production in an economy.

SECTION B: (80 MARKS)

Answer any four questions from this section.

2. (a) Differentiate between competitive supply and joint supply.
(b) Explain the conditions that may lead to a decrease in the supply of a commodity in your country.
3. (a) Distinguish between economic growth and economic development.
(b) Explain the costs of economic growth in your country.
4. (a) Explain the causes of voluntary unemployment.
(b) Suggest measures that should be taken to reduce the level of unemployment in your country.
5. (a) Distinguish between banking financial institutions and non-banking financial institutions.
(b) Explain the functions of banking financial institutions in your country.

6. (a) What is meant by the term balance of payments?

(b) Account for the persistent balance of payments deficit in your country.

7. (a) Distinguish between government recurrent expenditure and development expenditure.

(b) Account for the increase in public expenditure in your country.

END