

P220/2

ECONOMICS

Paper 2

Nov./Dec. 2008

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: (MARKS)

Answer all questions from this section.

1. (a) Distinguish between the following:
 - (i) Free good and economic good.
 - (ii) Public good and private good.
- (b) (i) Define the term "industrial inertia".
 - (ii) Why should the government influence the location of an industry?
- (c) State any four features of under-development in your country.
- (d) Mention any four factors which limit agricultural mechanization in your country.
- (e) (i) Define the term "labourforce".
 - (ii) Give any three determinants of the size of labourforce in your country.
- (f) (i) Distinguish between disguised unemployment and under-employment.
 - (ii) State any two causes of disguised unemployment in your country.
- (g)(i) Distinguish between currency revaluation and currency under-valuation.
 - (ii) State any two effects of currency under-valuation.
- (h) (i) what is meant by the term "protectionism"?
 - (ii) Give any three reasons why there is need for protectionism in your country.
- (i)(i) What is meant by decentralized economic planning?
 - (ii) State any three merits of decentralized economic planning.
- (j)(i) Distinguish between a private and public enterprise.
 - (ii) Give any two reasons for the establishment of public enterprises in your country.

SECTION B: (60 MARKS)

Answer three questions from this section.

2. (a) Account for the survival of small - scale firms alongside large- scale firms in your country.
(b) What are the merits of small-scale firms alongside firms in your country?
3. (a) Describe the features of an oligopolistic market.
(b) Explain the demerits of oligopolistic market.
4. (a) Define the term “monetary policy”?
(b) Explain the tools of monetary policy used in your country.
5. (a) Describe the structure of the industrial sector in your country.
(b) Explain the factors which have influenced the development of the industrial sector in your country.
6. (a) Explain the causes of unemployment, according to J.M Keynes.
(b) What are the effects of unemployment in your country?
7. (a) Distinguish between a floating exchange rate and a fixed exchange rate.
(b) Explain the merits and demerits of foreign exchange control in an economy.
8. (a) Explain the principles of taxation.
(b) What are the problems faced by tax authorities in your country?

END