

P220/2
ECONOMICS
PAPER 2
April 2019
3 hours

MWALIMU EXAMINATIONS BUREAU

UACE END OF TERM 1 RESOURCE EXAMINATIONS 2019

S.6 ECONOMICS

PAPER 2

3 hours

INSTRUCTIONS

Section A is compulsory.

*Answer **four** questions in section B.*

Credit will be given for use of relevant diagrams.

SECTION A (20 MARKS)

1. (a) (i).Distinguish between *market price* and *Equilibrium Price*. (2mks)
(ii).State **two** roles of prices in a free market economy. (2mks)
- (b). (i) Define National Income. (1mk)
(ii).Adjust Gross Domestic product at factor cost to net National product at Market prices. (3mks)
- (c).(i) State the Keynesian theory of unemployment. (1mk)
(ii).Outline three limitations of the Keynesian theory of unemployment in Uganda. (3mks)
- (d).Give four steps that government can take to redistribute incomes in Uganda. (4mks)
- (e).(i)Define the term ‘*legal tender*’ as used in monetary economics. (1mk)

(ii)Mention three determinants of money supply in Uganda. (3mks)

SECTION B (80 MARKS)

2. (a)Account for the predominance of small scale firms in Uganda. (10mks)
- (b).Discuss the disadvantages of small scale firms in Uganda. (10mks)
3. (a).Distinguish between *joint demand* and *competitive demand*. (4mks)
- (b).Explain the conditions that lead to a change in demand in Uganda. (16mks)
4. (a).What is meant by under development? (4mks)
- (b) Account for the low levels of economic development in Uganda. (16mks)
5. (a) Explain the Malthusian theory of population relevant to Uganda? (14mks)
- (b) To what extent is the Malthusian theory of population relevant to Uganda? (14mks)
6. (a) Explain the importance of computing national income statistics in Uganda. (10mks)
- (b) What are the limitations of using income per capita for measuring changes in people welfare in Uganda? (10mks)
7. (a)Explain the merits and demerits of the balances growth strategy of economic development. (12mks)
- (b).Why is the balanced growth strategy difficult to implement in Uganda. (8mks)

END