04

UGANDA BUSINESS AND TECHNICAL EXAMINATIONS BOARD

Business and Humanities Certificate Examinations

NOV-DEC SERIES

PROGRAMME

CERTIFICATE IN BUSINESS AND MANAGEMENT STUDIES

PAPER NAME

ELEMENTS OF ECONOMICS

PAPER CODE

CBMS214

YEAR II, SEMESTER I

2½ HOURS

FRIDAY, 6TH DECEMBER, 2019

INSTRUCTIONS TO CANDIDATES

1. *This paper consists of **two** sections **A** and **B**.*
2. *Section **A** is compulsory and carries **20** marks.*
3. *Section **B** consists of **six** questions. Answer only **four** questions from this section.*
4. *All questions carry equal marks.*
5. *All answers to each question should begin on a fresh page.*
6. ***Do not** write on the question paper.*
7. *All answers and rough work should be done in the official answer booklet provided.*
8. *Read other instructions on the answer booklet.*

SECTION A - (20 MARKS)

Answer all questions in this section

Question One

(a) State **two** economic problems a producer may face during production. (02 marks)

(b) List **two** factors that may cause the opportunity cost curve to shift outwards. (02 marks)

(c) Identify **two** types of production in an economy. (02 marks)

(d) Define the term **demand schedule** as used in economics. (02 marks)

(e) Write down **two** factors that affect supply of a commodity. (02 marks)

(f) List **two** factors of production in an economy. (02 marks)

(g) State **two** approaches used in measuring National income. (02 marks)

(h) Outline **two** qualities of good money in an economy. (02 marks)

(i) Define the term **incidence of a tax** as used in economics. (02 marks)

(j) State **two** tools used in restricting international trade in an economy. (02 marks)

SECTION B - (80 MARKS)

Answer only four questions from this section

Question Two

(a) With the aid of an illustration, distinguish between **minimum price legislation** and **maximum price legislation.** (08 marks)

(b) State **six** reasons why the Government may control prices in an economy. (12 marks)

Question Three

(a) Define the term **price discrimination** as applied in economics. (02 marks)

(b) Explain **four** merits of price discrimination in an economy. (08 marks)

(c) Discuss **five** conditions necessary for price discrimination to be successful. (10 marks)

Question Four

(a) Explain **five** reasons for the preference of small scale firms. (10 marks)

(b) Discuss **five** disadvantages of operating small scale firms (10 marks)

Question Five

(a) Commercial Banks are wide spread financial institutions and like other businesses, they need to maximise profits. Explain **five** functions of such banks in an economy. (10 marks)

(b) Identify **five** challenges faced by the above financial institutions in developing countries. (10 marks)

Question Six

(a) Explain **five** benefits which Uganda enjoys from the trade. (10 marks)

(b) Suggest **five** ways in which such a trade may be improved for increased gains. (10 marks)

Question Seven

(a) State **five** reasons why National Income Figures need to be compiled year after year. (10 marks)

(b) Discuss **five** challenges encountered in measuring National Income. (10 marks)

END