

P220/1
ECONOMICS
PAPER 1
3 HOURS

UGANDANDA ADVANCED CERTIFICATE OF EDUCATION

END OF TERM II EXAMINATIONS 2024

S.5 ECONOMICS PAPER 1

INSTRUCTIONS TO CANDIDATES

Answer **five** questions only

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

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

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

SECTION A: (20 MARKS)

(Attempt all parts of this question)

1(a) (ii) Define the term “**production possibility frontier curve**” (01mk)

(ii) Give any three Assumptions underlying production possibility frontier curve in an economy.(03mks)

(b) Give any four reasons why supply curve of labour may be regressive in an economy. (04mks)

(c)(i) Distinguish between producer’s surplus and consumer’s surplus. (02mks)

(ii) Given that the market price of a commodity is **65,000 ug.shs**. Calculate the producer’s surplus in the table below. (02mks)

Price	30,000	35000	40,000	45,000	50,000	55,000	60,000	65,000
Quantity	1	2	3	4	5	6	7	8

(d)(i) What is **Resale price maintenance**? (01mk)

(ii) Mention any three advantages of Resale price maintenance in developing countries. (03mks)

(c) Give any **four ways** through which Resale price maintenance is being achieved. (04mks)

SECTION B: (80MARKS)

(Attempt any four questions from this section)

2. Study the table below and answer the questions that follow.

	A	B	C	D
Price of maize in shs	10	20	30	40
Quantity of maize supplied.	50	100	150	200

(a) Draw the supply curve using the information above. (02mks)

(b) Calculate the price Elasticity of supply from point A to point D. (02mks)

(c) Examine the factors that influence the quantity of the commodity supplied in an economy. (16mks)

3. Distinguish between the following;

(a)(i) A change in demand and A change in quantity demanded. (04mks)

(ii) An increase in demand and a decrease in demand. (04mks)

(iii) An increase in quantity demanded and A decrease in quantity demanded. (04mks)

(b) Explain the conditions that lead to change in demand of a commodity in an economy. (08mks)

4(a) Describe the characteristics of alaises-faire economy. (06mks)

(b) Explain the merits and Demerits of alaises-faire economic system (14mks)

5(a)(i) Distinguish between the law of demand and the law of supply. (04mks)

(ii) Explain the forms of price determination in an economy. (06mks)

(b) What is the role of price in the economic development of a country? (10mks)

6(a) Distinguish between Income Elasticity of demand and price Elasticity of demand. (04mks)

(b) Discuss the determinants of price Elasticity of demand in developing countries. (16mks)

7. Examine the Arguments for and Arguments against the merging of firms in developing countries. (20mks)

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SECTION A: (20MARKS)

(Attempt all parts of this question)

- 1.(a) (i) Define the term labour force. (01mk)
(ii) Give any three determinants of the size of labour force in Uganda. (03mks)
(b)(i) Distinguish between **capital appreciation** and **capital depreciation**. (02mks)
(ii) State any two conditions that may cause a decline in capital formation in Uganda. (02mks)
(c) Suggest any **four** ways through which Resale price maintenance is being achieved in Uganda. (04mks)
(d)(i) Distinguish between normal profit and supernormal profit. (02mks)
(ii) Mention any two determinants of profits in Uganda. (02mks)
(e)(i) What are infant industries? (01mk)
(ii) Suggest any three ways of protecting infant industries in Uganda. (03mks)

SECTION B: (80MARKS)

(Attempt any four questions from this section)

- 2.(a) What is meant by localization of industries. (02mks)
(b) Assess the implications of localization of industries in Uganda. (18mks)
- 3.(a) Account for the survival of small-scale firms alongside large scale industries in Uganda. (10mks)
(b) What is the role of small scale industries in Uganda? (10mks)
4. (a) Explain the role of capital in economic development of Uganda. (10mks)
(b) Suggest possible measures that should be taken to increase the level of capital formation in Uganda. (10mks)
5. (a) Differentiate between a **firm** and an **industry**. (04mks)
(b) Explain the objectives of firms in Uganda. (06mks)
(b) Discuss the conditions which determine the growth of firms in Uganda. (10mks)
- 6(a) Distinguish between labour supply and demand for labour. (04mks)
(b) Examine the factors that determine labour supply in Uganda. (16mks)
- 7(a) Distinguish between **lateral** and **conglomerate** integration of firms. (04mks)
(b) Explain the merits and demerits of integration of firms in Uganda. (16mks)