

CANDIDATE’S NAME:.....

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**P220/1**  
**Economics**  
**Paper 1**  
**3 hours**




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# Apex Examination Council

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PRE-ENTRY EXAMINATIONS SET TWO 2026

Uganda Advanced certificate of education

Economics

Paper 1

3 hours

**INSTRUCTIONS TO STUDENTS:**

- Attempt only 5 items.

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**Item 1**

The price of commodity A increased by a very big percentage from shs. 12,000 to shs. 20,000. However, the response to a change in quantity demanded of the same commodity by the consumer was negligible from 20kgs to 18kgs.

**Task**

- a) Calculate the degree of response in demand by the consumer
- b) Categorise the degree of response in demand and justify your answer
- c) Explain to the consumers in your community about the factors responsible for such responsiveness in demand

**Item 2**

The persistent quantitative increase in the volume of goods and services in reference to Uganda is still low as evidenced by excess capacity in many sectors of the economy and scarcity output during some periods. This is attributed to various social, political and economic factors.

**Task**

- a) Examine the factors responsible for the above economic situation
- b) Suggest measures that the government of Uganda can adopt to address the above challenge.

**Item 3**

Tororo cement firm employs a large number of workers with varying skills in production of cement. Over time, the company sales and profits have kept on diminishing as the quality and quantity of output becomes more questionable. This has forced Tororo cement firm to carry out specialized research on what is affecting the company sales and profits. A report of findings was availed to you which you analysed.

**Task:**

- a) Analyse the factors which have affected the quality and quantity of cement produced by workers in Tororo cement firm.
- b) Advise Tororo cement firm on what it can do to increase efficiency in production.

**Item 4**

Farmers in Ntooke village are frustrated about persistent variations in prices of food and cash crops and are planning to abandon agricultural practices for other ventures. However, you have been invited as a senior economist in the area to address the farmers on the situation.

**Task**

- a) Present the causes of such variations in prices that farmers should understand
- b) Suggest to farmers and government, the policy interventions that may be adopted to address the above challenge.

**Item 5**

In the recent periods in Uganda, we have seen increased tendencies where ownership, liabilities and assets of certain firms are taken over by some other firms as a result of certain economic circumstances for instance warid was taken over by Airtel. Firms believe that this situation greatly improves the performance of firms while critics argue that it is associated with numerous draw backs to economy.

**Task**

- a) Explain the impacts of the above economic situation on Uganda's economy.
- b) What are the factors that may limit the success of this economic situation among firms in Uganda?

**Item 6**

In Uganda, shifts in technology, market demand and demographic patterns have been reshaping the structure of employment. However much new opportunities are emerging in some sectors others face a decline. The ease with which labour moves from one job to another keeps on varying as some workers readily change occupations while others remain in the same roles despite changing conditions in Uganda.

**Task**

As a student of economics, examine the wide range of factors the influence the ease with which labour moves from one job to another or from one area to another \_\_\_\_\_

**END**

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