

**P220/2**  
**ECONOMICS**  
**PAPER 2**  
**JULY 2019**  
**3 HOURS**

**MOCK EXAMINATIONS 2019**  
*Uganda Advanced Certification of Education*

**ECONOMICS**  
**Paper 2**  
**TIME: 3 HOURS**

**INSTRUCTIONS TO CANDIDATES:**

- (i) Answer **five** questions only.
- (ii) Section **A** is **compulsory**. Answers to this section should be concise.
- (iii) Answer **only four** questions from **Section B**.
- (iv) All questions in Section **B** carry equal marks.
- (v) Any additional question(s) answered will **not** be marked.
- (vi) Draw a Mark-grid on the first page of your answer sheet in the left margin.  
Indicate in the grid the number of each question answered.

**SECTION A: (20 MARKS)**  
**Answer all parts of this question**

- 1. (a) (i) Define the term **resale price maintenance**. *(1 mark)*  
(ii) Mention any **three** merits of resale price maintenance in Uganda. *(3 marks)*
  
- (b) (i) What is meant by **Investment multiplier**? *(01 mark)*  
(ii) Given that in a two-sector economy; the final level of national income is shs **385 billion**, MPC = **0.6** and the initial change in investment = **shs 50 billion**; determine the original level of National Income. *(03 marks)*
- (c) (i) What is meant by the term **Infant industries**? *(01 mark)*  
(ii) State any **three** ways through which government is protecting infant firms in Uganda. *(03 marks)*
  
- (d) Mention any **four** features of the agriculture sector in Uganda. *(04 marks)*

- (e) (i) Distinguish between **tax evasion** and **tax avoidance**. (02 marks)  
(ii) State any **two** causes of **tax evasion** in Uganda. (02 marks)

**SECTION B: 80 MARKS)**

2. (a) Account for the predominance of small scale enterprises in Uganda. (10 marks)  
(b) Explain the demerits of small scale enterprises in Uganda. (10 marks)
3. (a) Distinguish between **Gross Domestic Product** and **Gross National Product**. (4 marks)  
(b) Why is there the need to increase Gross Domestic Product in Uganda? (16 marks)
4. (a) Discuss the demerits of youth unemployment in Uganda. (06 marks)  
(b) Explain the measures which have been taken to increase level of employment in Uganda. (14 marks)
5. (a) What are the objectives of soliciting for Foreign Aid in Uganda? (06 marks)  
(b) Explain the dangers of over relying on Foreign Aid in Uganda (14 marks)
6. (a) What are the benefits of decentralized planning in an economy? (06 marks)  
(b) Examine the factors that influence the implementation of economic development plans in Uganda. (14 marks)
7. (a) Distinguish between **Trade Liberalization** and **Free trade**. (04 marks)  
(b) Assess the implications of trade liberalization on the economy of Uganda. (16 marks)

**End**