

P220/2
ECONOMICS
Paper 2
Jul./Aug. 2025
3 hours



WAKISO-KAMPALA TEACHERS' ASSOCIATION (WAKATA)

WAKATA MOCK EXAMINATIONS 2025

Uganda Advanced Certificate of Education

ECONOMICS

Paper 2

3 hours

INSTRUCTIONS TO CANDIDATES:

*Answer **five** questions only.*

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

*Answer **four** questions from section **B**.*

*All questions in section **B** carry equal marks.*

Credit will be given for the use of relevant diagrams.

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

SECTION A (20 MARKS)

Answer all parts of this question

1. (a) (i) Distinguish between **complementary demand** and **composite demand**. (02 marks)
(ii) Give any **two** examples of complementary demand in Uganda. (02 marks)
- (b) (i) Define **marginal propensity to consume**. (01 mark)
(ii) Given that the initial change in investment expenditure is shs. 20 billion and the final change in national income is shs. 50 billion. Calculate the marginal propensity to consume (MPC). (03 marks)
- (c) (i) Define a **regressive tax**. (01 mark)
(ii) Mention any **three** demerits of regressive tax in Uganda. (03 marks)
- (d) Mention any **four** functions of banking financial intermediaries in Uganda. (04 marks)
- (e) (i) Distinguish between **voluntary unemployment** and **structural unemployment**. (02marks)
(ii) Mention any **two** causes of structural unemployment in Uganda. (02marks)

SECTION B: (80 MARKS)

Answer any four questions from this section

2. (a) Distinguish between **change in supply** and **change in quantity supplied**. (04 marks)
(b) Explain the factors that may cause a decrease in the supply of a commodity in Uganda. (16 marks)
3. (a) Examine the factors limiting the level of national income in Uganda. (10 marks)
(b) Explain the measures being taken to increase national income figure in Uganda. (10 marks)
4. (a) Describe the structure of the population of Uganda. (08 marks)
(b) Assess the implications of the structure of the population of Uganda. (12 marks)
5. (a) Why is there need to promote the growth of the private sector in Uganda? (10 marks)
(b) Discuss the problems encountered in the privatization of public enterprises in Uganda. (10 marks)
6. (a) Account for the persistent increase in the general price level of goods and services in Uganda. (10 marks)
(b) Suggest measures to control the persistent increase in the general price level of goods services in Uganda. (10 marks)
7. (a) Distinguish between **inward looking** and **outward looking** strategies of industrialization. (08 marks)
(b) Examine the factors that influence the adoption of inward looking strategy of industrialization in Uganda. (16 marks)