

P220/2
ECONOMICS
Paper 2
Nov./Dec. 2015
3 hours



UGANDA NATIONAL EXAMINATIONS BOARD

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 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) Define the term **income elasticity** of demand. (01 mark)
(ii) Given that an increase in the income of a consumer from Shs25,000 to Shs40,000 resulted in a change in demand for a commodity from 780 units to 600 units, calculate the income elasticity of demand. (03 marks)
- (b) State **four** characteristics of the formal sector in your country. (04 marks)
- (c) (i) What is meant by the term **economic dependence**? (01 mark)
(ii) Mention any **three** forms of economic dependence in your country. (03 marks)
- (d) (i) Define the term **capital intensive technology**. (01 mark)
(ii) Give any **three** factors that limit the adoption of capital intensive technology in your country. (03 marks)
- (e) (i) What is a **national budget**? (01 mark)
(ii) Mention any **three** objectives of a budget in your country. (03 marks)

SECTION B: (80 MARKS)

Answer any four questions from this section.

2. (a) How are salaries and wages determined in your country? (06 marks)
(b) Account for the differences in salary and wage rates in your country. (14 marks)
3. (a) What is meant by the term **trade liberalisation**? (04 marks)
(b) Examine the implications of trade liberalisation on an economy. (16 marks)
4. (a) Describe the population structure of your country. (08 marks)
(b) Examine the economic implications of such a population structure. (12 marks)

5. (a) What are the objectives of the monetary policy in your country? (06 marks)
- (b) Explain the methods used by the central bank to regulate money supply in your country. (14 marks)
6. (a) What are the benefits of economic development planning? (08 marks)
- (b) Explain the factors that influence the implementation of economic development plans in your country. (12 marks)
7. (a) Why have public enterprises been privatised in your country? (10 marks)
- (b) Explain the contribution of the private sector to the economic development of your country. (10 marks)