

S6 RESOURCE MOCK EXAM P2 SET 2 2019

ECONOMICS PAPER TWO

P220/2

Time: 3 Hours

INSTRUCTIONS:

- This paper consists of two sections; A and B
- Section A is compulsory. Questions in this section require precise and concise answers.
- Attempt only **four** questions from section B. Rubrics shall not be marked
- Questions in section B carry equal marks.

SECTION A (Compulsory - 20 marks)

1. a) i) Distinguish between capital **formation** and capital **accumulation**. **(2 marks)**
ii) State the factors that influence investment level in Uganda. **(2 marks)**
- b) State **four** features of Uganda's formal sector. **(4 marks)**
- c) Give **four** factors which are responsible for the low tax revenue in Uganda. **(4 marks)**
- d) i) What is a private sector? **(1 mark)**
ii) Outline the challenges facing Uganda's private sector. **(3 marks)**
- e) i) Distinguish between terms of trade and balance of trade. **(2 marks)**
ii) State four reasons for instabilities in Uganda's terms of trade. **(2 marks)**

SECTION B (Answer **four** questions - 80 marks)

2. a) What is meant by commercialisation? **(4 marks)**
b) Explain the factors which have retarded the growth of Uganda's commercial sector? **(16 marks)**
3. a) Account for the slow rate of employment creation in Uganda. **(10 marks)**
b) What measures are being taken to create more employment opportunities in Uganda? **(10 marks)**

4. a) Explain the causes of the persistent inflation existing in Uganda. **(10 marks)**
b) What measures are being undertaken to control inflation in Uganda?
(10 marks)
5. a) Explain why foreign aid is a major component of LDCs development budget.
(10 marks)
b) Explain the dangers faced by Uganda due to relying on foreign aid. **(10 marks)**
6. a) What are the causes of budgetary deficits in Uganda? **(10 marks)**
b) What measures are taken to solve the problem of budgetary deficits in Uganda?
(10 marks)
7. a) Why is there need for economic development planning in Uganda? **(10 marks)**
b) Explain the reasons for plan failures in Uganda. **(10 marks)**

GOOD LUCK