

### S.5 ECONOMICS EXERCISE

1. a) Define Net Income. *(1mk)*  
b) Give **three** sources income in an economy. *(3mks)*
  
2. a) Distinguish between disposable income and personal income. *(2mks)*  
b) Give **two** determinants of real income. *(2mks)*
  
3. Give **four** determinants of National income in Uganda. *(4mks)*
  
4. a) Describe the circular flow of Income in a two sector economy. *(4mks)*  
b) Give **two** assumptions on which the circular flow is based. *(2mks)*
  
5. Why is identity  $E=O=E$  not always true?
  
6. a) Show how National income is calculated according to the income approach. *(2mks)*  
b) Give **four** problems met in using this approach in National income accounting. *(4mks)*
  
7. State **four** statistical problems met in National income accounting. *(4mks)*
  
8. a) Define standard of living. *(1mk)*  
b) Give **three** determinants of standard of living in an economy. *(3mks)*
  
9. Given the statistics below:  
GDP at Factor Cost = £ 840,000  
Income of foreigners = £120,000  
Income of Nationals = £ 320,000  
Capital Consumption = £ 150,000  
Indirect taxes =£ 280,000  
Subsidies =£ 160,000  
  
Calculate the:  
a) GNP at Factor Cost *(2mks)*  
b) GNP at Market price *(2mks)*  
c) GDP at Market Price *(2mks)*  
d) NNP at Factor Cost *(2mks)*