

**GAYAZA HIGH SCHOOL
TERM I HOLIDAY COURSE WORK 2013
SENIOR SIX ECONOMICS**

SECTION A.

- 1 (a) (i)** Define the term labour mobility. *(01 mark)*
(ii) Mention any three ways of increasing labour mobility in your country. *(03 marks)*
- b (i)** Distinguish between equilibrium of a firm and equilibrium of an industry. *(02 marks)*
(ii) State any two conditions for a firm to be in equilibrium. *(02 marks)*
- c (i)** Define the term “exceptional demand curve.” *(01 mark)*
(ii) Give three circumstances under which a consumer may buy less of a commodity when its price falls? *(03 marks)*
- d (i)** Distinguish between Transfer payment and Transfer earnings. *(02 marks)*
(ii) Outline two sources of transfer payments in your country. *(02 marks)*
- e (i)** Distinguish between forward vertical integration and backward vertical integration of firms. *(02 marks)*
(ii) What is the rationale for merging of firms in your country? *(02 marks)*
- f (i)** Define the term galloping inflation. *(01 mark)*
(ii) Clearly explain the relationship between inflation and interest rates on borrowing. *(03 marks)*
- g (i)** Distinguish between “Intermediate goods” and “Capital goods.” *(02 marks)*
(ii) State any two examples of intermediate goods in your country. *(02 marks)*
- h (i)** Distinguish between “Extractive industry” and Tertiary industry.” *(02 marks)*
(ii) Give any two examples of extractive industry in your country. *(02 marks)*
- i (i)** Define the term “Marginal Efficiency of Capital.” *(01 mark)*
(ii) Give any three determinants of Marginal Efficiency of Capital in your country. *(03 marks)*
- j (i)** Define the term “Under development.” *(01 mark)*
(ii) Give three causes of under development in your country. *(03 marks)*
- k (i)** Distinguish between Price control and Price discrimination. *(02 marks)*
(ii) Give two conditions for the success of price discrimination in an economy. *(02 marks)*
- l (i)** Distinguish between Gross Domestic Product (GDP) and Gross National Product (GNP). *(02 marks)*
(ii) Give two reasons why the Domestic Product of Canada is higher than the National Output of Uganda. *(02 marks)*
- m (i)** Distinguish between Balanced growth strategy and Unbalanced growth strategy.

- (ii) Give any two obstacles to adoption of Balanced growth strategy in your country. *(02 marks)*
- n (i) Define the term “Mechanisation of agriculture.” *(01 mark)*
(ii) State any three benefits of mechanising agriculture in your country. *(03 marks)*
- o (i) Distinguish between Banking and Non-Banking Financial intermediaries. *(02 marks)*
(ii) Give any two features of Non-banking financial intermediaries in your country. *(02 marks)*
- p (i) What is meant by Public sector? *(01 mark)*
(ii) State any three factors responsible for the poor performance of the Public sector in your country. *(03 marks)*
- q (i) Distinguish between Appropriate technology and Technology transfer *(02 marks)*
(ii) Justify the need to carry out technology transfer in your country. *(02 marks)*
- r (i) Distinguish between “Demand” and “Supply.” *(02 marks)*
(ii) Give two reasons why people demand for goods and services in your country. *(02 marks)*

SECTION B.

- 2 (a) Explain the role of capital in the development process of your country. *(10 marks)*
(b) Account for the low levels of capital formation in your country. *(10 marks)*
- 3 (a) Distinguish between Conglomerate merging and Lateral merging of firms. *(04 marks)*
(b) Examine the implications of merging of firms in your country. *(16 marks)*
- 4 (a) Explain the steps taken when constructing the Cost of living index. *(08 marks)*
(b) Explain the uses of price indices in your country. *(12 marks)*
- 5 (a) Distinguish between “Consumer sovereignty” and “Price mechanism.” *(04 marks)*
(b) Assess the role of price mechanism in allocating resources in your country. *(16 marks)*
- 6 (a) Distinguish between an Optimum firm and a Marginal firm. *(04 marks)*
(b) Explain the various benefits enjoyed by a firm as it expands its scale of production. *(16 marks)*
- 7 (a) What are the indicators of “Drive to maturity” stage of economic growth according to Rostow? *(06 marks)*

(b) Under what circumstances may an increase in economic growth fail to increase economic development in your country? **(14 marks)**

8 (a) Explain the factors which may limit consumer sovereignty in your country. **(06 marks)**

(b) Why should government interfere with the market forces of demand and supply in allocating resources in your country? **(12 marks)**

9 (a) Distinguish between price floor and price ceiling. **(04 marks)**

(b) Why may the use of price controls be avoided in an economy? **(16 marks)**

10. Study the table below showing commodity prices for selected items (2009 and 2011) and answer the questions that follow.

Commodity	Average Price Index 2000 in Ug. Shs.	Simple Index (2009)	Simple Price (2011) in Ug. Shs.	Weight Index (2011)
Soap	1000	100	1200	2
Sugar	800	100	1000	4
Rice	400	100	650	3
Beef	750	100	900	5
Milk	1500	100	1800	1

(a) Calculate the:

(i) Simple index for each commodity for 2011.

(ii) Weighted Index for 2011

(b) Explain the limitations of using per capita income figures as an index of differences in people's socio-economic welfare in an economy over time?

(c) Explain the limitations of using per capita income to compare people's standards of living between countries?

11 (a) What is meant by the term "Economic development strategy"?

(b) Explain the merits of diversification in production as an economic development strategy.

(c) Justify the need for diversification in production as an economic development strategy in your country.

END

"Don't say you don't have enough time. You have exactly the same number of hours (24 hours) per day that were given to Helen Keller, Pasteur, Michelangelo, Mother Teresa, Leonardo Da Vinci, Thomas Jefferson, and Albert Einstein."

H. Jackson Brown.

