TOPICAL ECONOMICS QUESTIONS

INTRODUCTION TO ECONOMICS

SECTION A

1. a) Distinguish between scarcity and choice. (02 marks)
   b) Mention any two importances of choice in economics. (02 marks)

2. a) Distinguish between scarcity and choice. (02 marks)
   b) What is the relationship between scarcity and choice? (02 marks)

3. a) Define the term scale of preference. (01 mark)
   b) What is the relationship between the three fundamental economic problems? (03 marks)

4. a) Define the term opportunity cost. (01 mark)
   b) Give three importances of opportunity cost principle in an economy. (03 marks)

5. a) Define the term opportunity cost. (01 mark)
   b) State any three circumstances under which the opportunity cost principle can be applied in economics. (03 marks)

6. a) Define the term opportunity cost. (01 mark)
   b) State any three circumstances under which opportunity cost principle can be applied by a producer in your country. (03 marks)

1. a) What is the relationship between choice and opportunity cost? (02 marks)
   b) Give any two uses of the opportunity cost concept to a producer. (02 marks)

7. a) Distinguish between opportunity cost and marginal cost. (02 marks)
   b) State the significance of opportunity cost in economics. (02 marks)

8. a) What is meant by a transformation curve? (02 mark)
   b) Mention any two factors that may cause a transformation curve to shift outwards. (02 marks)

9. a) Define economic goods. (01 mark)
   b) Mention any three economic goods. (03 marks)

10. a) What is a public good? (01 mark)
    b) Mention three characteristics of public goods in Uganda. (03 marks)

11. a) What are public goods? (01 mark)
    b) Outline any three challenges faced by your country when providing public goods. (03 marks)

12. Distinguish between the following:
13. a) Distinguish between economic goods and free goods.
   b) Mention two characteristics of economic goods.

14. a) Distinguish between merit goods and demerit goods.
   b) Give two examples of merit goods in Uganda.

15. a) Distinguish between public goods and economic goods.
   b) Give any two examples of public goods in an economy.

16. a) Distinguish between intermediate goods and capital goods.
   b) State any two examples of intermediate goods.

17. a) Differentiate between inferior goods and complementary goods.
   b) Give any two examples of complementary goods.

18. a) Distinguish between a public good and a private good.
   b) State any two features of a private good.

19. a) Distinguish between public goods and free goods.
   b) Give two examples of public goods in an economy.

20. a) Distinguish between a merit good and a public good.
    b) Give two reasons why street lights are public goods in your country.

21. Differentiate between the following:
   (i) Free good and economic good
   (ii) Public good and private good

22. a) Differentiate between public goods and merit goods.
    b) State any two examples of merit goods in your country.

23. a) What is a laissez faire economy?
    b) Give three demerits of a laissez faire economy.

24. Mention any four problems associated with laissez faire system of economic organisation.

25. a) What is a centrally planned economy?
    b) Give three features of a centrally planned economy.

26. a) What is meant by a mixed economy?
    b) Give any three merits of a mixed economy.
27. a) Distinguish between a **laissez faire economy** and a **mixed economy**
   b) Outline any **two** characteristics of a laissez faire economy.

28. a) Distinguish between a **mixed economy** and a **dual economy**.
   b) State **two** features that qualify your country as a mixed economy.

29. a) Differentiate between **laissez faire** and **command** economies.
   b) State any two demerits of a command economy.

**SECTION B**

1. a) What is an **economic system**?
   b) State any four salient features of a market economy.
   c) Examine the merits and demerits of a market economy.

2. a) What is a **command economy**?
   b) Explain the merits and demerits of a command economy.

3. a) Define a **mixed economy**.
   b) What are the significant features of a mixed economy?
   c) Discuss the merits of a mixed economy.

**PRICE THEORY**

**SECTION A**

1. a) What is meant by the term **price**?
   b) State any **three** methods of price determination in your country.

2. a) Define the term **price**.
   b) Outline **three** uses of price.

3. a) Distinguish between **market price** and **reserve price**.
   b) Give **two** reasons for high reserve price in the market.

4. a) Differentiate between a **normal price** and a **market price**.
   b) State any **two** ways of price determination in your country.

5. a) Distinguish between **market price** and **reserve price**.
   b) State any **two** determinants of price in your country.


7. a) What is meant by **resale price maintenance**?
8. a) What is meant by Resale Price Maintenance?  
b) State any two merits of Resale Price Maintenance.

9. a) Define resale price maintenance.  
b) Give three roles of prices in an economy.

10. a) Differentiate between Resale Price Maintenance and Reserve Price.  
b) State any two uses of prices in your country.

11. a) Distinguish between resale price maintenance and price leadership.  
b) Mention two advantages of resale price maintenance in your country.

12. a) Define a market.  
b) Give three features of a market.

13. a) Define the term effective demand.  
b) Give any three factors that limit effective demand in an economy.

14. a) Differentiate between effective demand and derived demand.  
b) Give any two factors limiting effective demand for goods and services in Uganda.

15. a) Define the term joint demand.  
b) Give any three examples of joint demand in Uganda.

16. a) What is composite demand?  
b) Give any three examples of composite demand in Uganda.

17. a) What is meant by derived demand?  
b) State any three commodities with derived demand in an economy.

18. a) State the law of diminishing marginal utility.  
b) Explain the relationship between diminishing marginal utility and the demand curve.

19. a) What is meant by consumer surplus?  
b) Study the table below and answer the question that follows.

<table>
<thead>
<tr>
<th>Price in Shs</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>650</td>
<td>1</td>
</tr>
<tr>
<td>600</td>
<td>2</td>
</tr>
<tr>
<td>550</td>
<td>3</td>
</tr>
<tr>
<td>500</td>
<td>4</td>
</tr>
<tr>
<td>450</td>
<td>5</td>
</tr>
<tr>
<td>400</td>
<td>6</td>
</tr>
</tbody>
</table>

Calculate the consumer surplus when the market price is Shs 500 and 4 units are bought. (03 marks)
20. a) What is consumer’s surplus?
   b) Study the table below and answer the question that follows.

<table>
<thead>
<tr>
<th>Price consumers are willing to pay (Shs)</th>
<th>Units purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,000</td>
<td>1</td>
</tr>
<tr>
<td>8,000</td>
<td>2</td>
</tr>
<tr>
<td>7,000</td>
<td>3</td>
</tr>
<tr>
<td>6,000</td>
<td>4</td>
</tr>
<tr>
<td>5,000</td>
<td>5</td>
</tr>
<tr>
<td>4,000</td>
<td>6</td>
</tr>
<tr>
<td>3,000</td>
<td>7</td>
</tr>
<tr>
<td>2,000</td>
<td>8</td>
</tr>
</tbody>
</table>

Calculate the consumer’s surplus for the first 5 units of the commodity purchased. (02 marks)

21. a) Study the table below showing the price and quantity purchased of commodity X and answer the questions that follow.

<table>
<thead>
<tr>
<th>Price consumers are willing to pay (shs)</th>
<th>Units purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>300</td>
<td>1</td>
</tr>
<tr>
<td>250</td>
<td>2</td>
</tr>
<tr>
<td>200</td>
<td>3</td>
</tr>
<tr>
<td>150</td>
<td>4</td>
</tr>
<tr>
<td>100</td>
<td>5</td>
</tr>
<tr>
<td>50</td>
<td>6</td>
</tr>
</tbody>
</table>

   (i) What is meant by consumer’s surplus? (01 mark)
   (ii) Calculate the consumer’s surplus if 4 units of the commodity were purchased at shs 150. (03 marks)

22. a) Distinguish between producers’ surplus and consumers’ surplus. (02 marks)
   b) Given that the market price of a commodity is Uganda Shs 65,000, calculate the producers’ surplus in the table below.

<table>
<thead>
<tr>
<th>Price Ugx</th>
<th>30,000</th>
<th>35,000</th>
<th>40,000</th>
<th>45,000</th>
<th>50,000</th>
<th>55,000</th>
<th>60,000</th>
<th>65,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

   (02 marks)

23. State any four cases of abnormal demand curves. (04 marks)

24. State any four reasons why a consumer buys less of a commodity when its price falls. (04 marks)
25. a) Distinguish between a change in demand and a change in quantity demanded.  
    b) State any two factors that lead to an increase in demand in an economy.  

26. a) Distinguish between increase in demand and increase in quantity demanded.  
    b) Mention two causes of increase in commodity demand in Uganda.  

27. a) State the law of supply.  
    b) Mention any three factors that cause a decrease in supply of goods in an economy.  

28. a) State the law of demand and supply.  
    b) How is the price of a commodity determined in a laissez faire economy?  

29. Give any four reasons why the labour supply curve may be regressive.  

30. Distinguish between change in supply and change in quantity supplied.  

31. a) What is meant by the term elasticity of demand?  
    b) Mention any three factors which determine the elasticity of demand for a commodity.  

32. a) Define price elasticity of demand.  
    b) Give any three uses of price elasticity of demand in your country.  

33. a) Distinguish between elasticity of demand and price elasticity of demand.  
    b) State any two factors that determine price elasticity of demand.  

34. a) Define the term income elasticity of demand.  
    b) Given that an increase in the income of a consumer from Shs 25,000 to Shs 40,000 resulted in a change in demand for a commodity from 780 units to 600 units, calculate the income elasticity of demand.  

35. a) Define the term income elasticity of demand.  
    b) State any three uses of income elasticity of demand in your country.  

36. a) Define the term income elasticity of demand.  
    b) Given that an individual’s income increased from Shs 50,000 to Shs 80,000 per month and this led to an increase in the demand for a commodity by 10%, calculate the income elasticity of demand.  

37. Study the table below showing income and quantity demanded of commodity X and answer the questions that follow:  

<table>
<thead>
<tr>
<th>Income (Ug. Shs)</th>
<th>Quantity demanded of X (kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000</td>
<td>50</td>
</tr>
<tr>
<td>30,000</td>
<td>20</td>
</tr>
</tbody>
</table>

a) Calculate the income elasticity of demand for commodity X.  

https://t.me/majorchain
b) What type of commodity is \( X \)? Give reasons for your answer. (02 marks)  

38. a) Define the term **income elasticity of demand**.  
38. b) Mr. Kasolo’s income increased from Shs. 50,000 to Shs. 70,000 and as a result his demand for sodas increased from 215 bottles to 225 bottles. Calculate the income elasticity of demand. (03 marks)  

39. a) Distinguish between **income elasticity of demand** and **price elasticity of demand**. (02 marks)  
39. b) State any **two** uses of the concept of price elasticity of demand in your country. (02 marks)  

40. a) Define **cross elasticity of demand**. (01 mark)  
40. b) An increase in the price of commodity \( X \) from Shs 2000 to Shs 3000 resulted into a rise in the quantity demanded of commodity \( Y \) by 100 units from 400 units. Calculate the cross elasticity of demand. (03 marks)  

41. a) What is meant by the term **cross elasticity of demand**? (01 mark)  
41. b) As the price of commodity \( X \) reduced from Shs 25,000 to Shs 18,000, Jemimah’s demand for commodity \( Z \) increased from 15 kgs to 18 kgs. Calculate the cross elasticity of demand. (03 marks)  

42. a) Distinguish between price **elasticity of demand** and **cross elasticity of demand**. (02 marks)  
42. b) State **two** causes of price inelastic demand in Uganda. (02 marks)  

43. a) Distinguish between **price elasticity of demand** and **cross elasticity of demand**. (02 marks)  
43. b) Calculate the cross elasticity of demand given that an increase in the price of a commodity \( X \) from Shs 1000 to Shs 1200 led to a decrease in the demand for a commodity \( Z \) by 80%. (02 marks)  

44. a) Distinguish between **price elasticity of demand** and **cross elasticity of demand**. (02 marks)  
44. b) Given that the price of commodity \( W \) increased from £ 250 to £ 380 bringing about an increase in quantity demanded of commodity \( P \) from 55 units to 75 units, calculate the cross elasticity of demand. (02 marks)  

45. a) An increase in price of commodity \( X \) from Shs 2,720 to Shs 3,485 resulted into a change in quantity demanded of commodity \( Y \) from 1,580 units to 2,100 units, calculate the cross elasticity of demand. (03 marks)  
45. b) Name the relationship between goods \( X \) and \( Y \). (01 mark)  

46. a) Given that the price of commodity \( A \) decreased by 20% and as a result the quantity demanded of commodity \( B \) increased from 50 units to 90 units per month, calculate the cross elasticity of demand. (03 marks)  
46. b) How are commodities \( A \) and \( B \) related? (01 mark)  

47. Given that the quantity demanded of a commodity \( T \) changed from 40 kgs to 60 kgs as a result of a change in price of a commodity \( S \) from Shs 2000 to Shs 1500.  
47. a) Calculate the cross elasticity of demand. (03 marks)  
47. b) What is the relationship between the two commodities? (01 mark)
48. The change in price of commodity A from Shs 2000 to Shs 3000 resulted into an increase in the quantity demanded of another commodity B from 80 units to 100 units.
   a) Determine the coefficient of cross elasticity of demand for these commodities.
   b) Identify commodities A and B.

49. a) Calculate the cross elasticity of demand if the price of cars falls from Ug. Shs 20,000,000 to Ug. Shs 16,000,000 per car and the quantity demanded of fuel increases from 400,000 litres to 600,000 litres.
   b) State the relationship between cars and fuel.

50. a) An increase in price of commodity Z from shillings 1300 to shillings 1850 led to an increase in quantity demanded of commodity Y from 110 units to 138 units. Calculate the relevant elasticity of demand.
   b) State the relationship between the two commodities.

51. a) Given that an increase in the price of commodity X from Shs 1500 to Shs 1800 resulted into a change in quantity demanded for commodity Y from 600 units to 570 units; calculate the cross elasticity of demand.
   b) State the relationship between commodities X and Y.

52. a) Calculate the cross elasticity of demand if the price of Commodity X falls from Uganda shillings (Ug. Sh.) 2,000,000 to Ug. Sh. 1,600,000 per unit and the quantity demanded of commodity Y increases from 40,000 to 60,000 units.
   b) State the relationship between commodities X and Y.

53. a) Given that the price of a commodity Y decreased from Shs 15,000 to Shs 10,000 and the quantity demanded of a commodity Z increased from 200,000 kg to 600,000 kg, calculate the cross elasticity of demand for commodity Z.
   b) State the relationship between commodities Y and Z.

54. a) Calculate the cross elasticity of demand for Commodity Y in the table below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Price of commodity X (in Shs)</th>
<th>Quantity demanded of commodity Y (kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>12,000</td>
<td>300,000</td>
</tr>
<tr>
<td>1999</td>
<td>10,000</td>
<td>500,000</td>
</tr>
</tbody>
</table>

   b) State the relationship between commodities X and Y.

55. a) Define elasticity of supply.
   b) Mention three causes of low price elasticity of supply in your country.

56. a) What is price elasticity of supply?
   b) Mention any three causes of price inelastic supply of agricultural products in your country.
57. Given that the supply of a commodity $P$ has increased from 400 units to 600 units per week due to a decrease in price for commodity $Z$ from Shs 100 to Shs 80 per unit.

a) Calculate the elasticity of supply of commodity $P$. 
(02 marks)
b) Give two possible examples of $P$ and $Z$. 
(02 marks)
PES 2016 P220/1

58. a) What is meant by price mechanism? 
(01 mark)
b) State any three limitations of price mechanism in the allocation of resources in your country. 
(03 marks)
CRTA 2015 P220/2

59. a) Distinguish between maximum price and minimum price. 
(02 marks)
b) Mention any two reasons for fixing maximum price in an economy. 
(02 marks)
MEC 2016 P220/1

60. a) What is meant by the term price support? 
(01 mark)
b) Give three advantages for use of price floor in an economy. 
(03 marks)
PES 2016 P220/1

SECTION B

1. a) Define the term demand. 
(02 marks)
b) Discuss the determinants of demand. 
(18 marks)
PES 2016 P220/1

2. a) Define the term composite demand. 
(02 marks)
b) Explain the factors that lead to high demand of a commodity. 
(18 marks)
PES 2016 P220/2

3. a) Distinguish between complementary demand and competitive demand. 
(04 marks)
b) Explain the factors that lead to low demand in Uganda. 
(16 marks)
PES 2016 P220/1

4. a) State the law of demand. 
(02 marks)
b) Why do people demand for goods? 
(06 marks)
c) Account for the negative slope of the normal demand curve. 
(12 marks)
PES 2016 P220/1

5. a) Discuss the reasons for the downward slope of the demand curve. 
(10 marks)
b) Explain the factors that violet the law of demand in Uganda. 
(10 marks)
PES 2016 P220/2

6. a) Why is more of a commodity demanded as its price is reduced? 
(10 marks)
b) Under what circumstances may demand for a commodity reduce when its price is reduced? 
(10 marks)
PES 2016 P220/1

7. a) Distinguish between a change in demand and a change in quantity demanded. 
(04 marks)
b) Explain the factors that cause a change in demand for a commodity. 
(16 marks)
UNEB 2007 P220/1

8. a) Distinguish between complementary demand and competitive demand. 
(04 marks)
b) Account for instabilities in demand for a commodity in your country. 
(16 marks)
UTIS 2016 P220/2

9. a) Differentiate between composite demand and complementary demand. 
(04 marks)
b) Discuss the reasons for continued instabilities in the demand for a commodity in your country. (16 marks)

10. a) What is a **decrease in demand**? (02 marks)
b) Explain the factors that lead to a decrease in demand of a commodity. (18 marks)

11. a) Distinguish between **increase in demand** and **increase in quantity demanded**. (04 marks)
b) Explain the factors that can lead to increase in demand of a commodity in an economy. (16 marks)

12. a) Differentiate between joint demand and competitive demand. (16 marks)
b) Explain the conditions that may lead to an increase in demand of a commodity in Uganda. (04 marks)

13. a) Define the term supply. (02 marks)
b) Explain the factors that influence the supply of a commodity in an economy. (18 marks)

14. a) Distinguish between change in supply and change in quantity supplied. (04 marks)
b) Explain the factors that lead to change in commodity supply in your country. (16 marks)

15. a) Differentiate between an increase in supply and a change in supply. (04 marks)
b) Explain the factors that lead to change in supply of a commodity. (16 marks)

16. a) Distinguish between competitive supply and joint supply. (04 marks)
b) Examine the causes of a change in the supply of commodities in an economy. (16 marks)

17. a) Distinguish between an increase in supply and an increase in quantity supplied of a commodity. (04 marks)
b) Explain the factors that lead to an increase in supply of a commodity. (16 marks)

18. a) Differentiate between competitive supply and joint supply. (04 marks)
b) Explain the conditions that may lead to a decrease in the supply of a commodity in your country. (16 marks)

19. a) Give four examples of competitive supply. (04 marks)
b) Explain the factors that lead to an increase in supply of a commodity in an economy. (16 marks)

20. a) Distinguish between elasticity of demand and price elasticity of demand. (04 marks)
b) Explain the factors that influence price elasticity of demand in an economy. (16 marks)

21. a) Distinguish between elasticity of demand and cross elasticity of demand. (04 marks)
b) Explain the factors that influence the price elasticity of demand for a product. (16 marks)

22. a) Distinguish between price elasticity of demand and income elasticity of demand. (04 marks)
b) Explain the factors that influence price elasticity of demand. (16 marks)
23. a) Study the table below showing income and answer the questions that follow.

<table>
<thead>
<tr>
<th>Income (Shs)</th>
<th>Quantity demanded of X (Kgs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,000</td>
<td>40,000</td>
</tr>
<tr>
<td>40,000</td>
<td>60,000</td>
</tr>
</tbody>
</table>

(i) calculate the income elasticity of demand for commodity X. (02 marks)
(ii) state the nature of commodity X, give reasons for your answer. (02 marks)

b) Examine the factors that influence the price elasticity of demand.

24. a) Differentiate between income elasticity of demand and price elasticity of demand. (04 marks)
b) Explain the causes of low price elasticity of demand in an economy. (16 marks)

25. a) Distinguish between low price elasticity of demand and high price elasticity of demand. (04 marks)
b) Examine the factors that lead to low price elasticity of demand in your country. (16 marks)

26. a) What are the uses of price elasticity of demand in an economy? (06 marks)
b) Explain the factors that make the demand for a commodity inelastic in an economy. (14 marks)

27. a) Distinguish between elasticity of supply and price elasticity of supply. (04 marks)
b) Explain the factors that influence price elasticity of supply in an economy. (16 marks)

28. a) What is meant by price elasticity of supply? (02 marks)
b) Outline any four uses of price elasticity of supply in Uganda. (04 marks)
c) Discuss the factors that influence price elasticity of supply in Uganda. (14 marks)

29. Study the supply schedule below and answer the questions which follow.

<table>
<thead>
<tr>
<th>Price of maize in Shs/kg</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity of maize supplied in kg</td>
<td>50</td>
<td>100</td>
<td>150</td>
<td>200</td>
</tr>
</tbody>
</table>

a) (i) Draw a supply curve using the information in the schedule. (02 marks)
(ii) Calculate the price elasticity of supply for the commodity from point A to D. (02 marks)
b) Examine the factors that influence the quantity of a commodity supplied in an economy. (16 marks)

30. a) Distinguish between joint supply and competitive supply. (04 marks)
b) Account for low price elasticity of supply in your country. (16 marks)

31. a) What is price-profit mechanism? (02 marks)
b) State any four assumptions of price mechanism. (04 marks)
c) Explain the implications of price mechanism in resource allocation. (14 marks)

32. a) What is meant by the term price mechanism? (02 marks)
b) Explain the factors that influence the price mechanism in resource allocation. (18 marks)
33. a) What is meant by the term **price mechanism**?  
   b) Explain the role of price mechanism in the allocation of resources in an economy. (04 marks)  
   UNEB 2003 P220/1

34. a) Discuss the role of price mechanism in resource allocation.  
   b) What are the effects of relying on price mechanism in an economy? (16 marks)  
   UTEC 2015 P220/1

35. a) Examine the role of price mechanism in an economy.  
   b) What are the limitations of the price mechanism in allocating resources? (10 marks)  
   UNEB 2004 P220/2

36. a) Discuss the demerits of relying on price mechanism in an economy.  
   b) Explain the measures that can be taken to control the shortcomings of price mechanism in an economy. (10 marks)  
   MEC 2016 P220/1

37. a) Why should price mechanism be interfered with in an economy?  
   b) Suggest the measures to control the shortcomings of price mechanism. (10 marks)  
   UTIS 2016 P220/1

38. a) Account for government interference in the operation of price mechanism.  
   b) Explain the factors that limit effective operation of the price mechanism in your country. (10 marks)  
   NBTA 2015 P220/1

39. a) Why may a government impose price controls in an economy?  
   b) Examine the implications of price controls in an economy. (10 marks)  
   MEC 2015 P220/1

40. a) Differentiate between price control and price discrimination.  
   b) Examine the merits and demerits of price control in an economy. (04 marks)  
   PES 2016 P220/2

41. a) Distinguish between price control and price support.  
   b) Examine the merits and demerits of price control in an economy. (04 marks)  
   UNEB 2002 P220/1

42. a) Differentiate between maximum price legislation and minimum price legislation.  
   b) Examine the merits and demerits of government price control. (06 marks)  
   UNEB 2000 P220/1

43. a) Differentiate between price ceiling and price floor.  
   b) Explain the effects of price control in an economy. (04 marks)  
   UNEB 1998 P220/1

44. a) Distinguish between maximum and minimum price legislation.  
   b) Why may the use of price controls be avoided? (04 marks)  
   UNEB 2010 P220/1

45. a) How are prices determined in your country?  
   b) Account for the price instability of agricultural products in your country. (06 marks)  
   UNEB 2006 P220/2

46. a) Why do prices of agricultural products fluctuate?  
   b) What are the effects of agricultural price fluctuations on an economy? (10 marks)  
   UNEB 2012 P220/1

47. a) Explain the causes of agricultural price fluctuations in your country. (10 marks)
b) What are the effects of such price fluctuations in your country?  

48. a) Account for the price fluctuations of agricultural products in an economy.  
   b) Suggest measures that should be taken to stabilise prices of agricultural products in an economy.

49. a) Explain the causes of agricultural price fluctuations in your country.  
   b) What measures should be taken to solve this problem?

50. a) Why is there need to stabilise prices of agricultural products in an economy?  
   b) Describe the measures that should be adopted to stabilise prices of agricultural products in developing countries.

51. a) What are the effects of agricultural price fluctuations on an economy?  
   b) Suggest measures that can be taken to stabilise prices of agricultural products in an economy.

**PRODUCTION**

**SECTION A**

1. a) Define the term production.  
   b) Mention any three agents of production in your country.

2. a) Define the term subsistence production.  
   b) Give any three demerits of a large subsistence sector.

3. a) What is meant by subsistence output?  
   b) Give any three demerits of a large subsistence sector in your county.

4. a) What is meant by subsistence sector?  
   b) Mention three reasons for a large subsistence sector in your country.

5. a) What is meant by factor prices?  
   b) Name three different factor prices in an economy.

6. a) Distinguish between quasi rent and economic rent.  
   b) State any two factors that influence the level of economic rent.

7. a) Distinguish between quasi rent and economic rent.  
   b) Why are payments to land always considered economic rent?

8. a) Differentiate between commercial rent and economic rent.  
   b) Given that a factor of production receives a transfer earning of Ug. Shs 100,000 and its economic rent is twice its transfer earnings, calculate the factor’s actual earnings.
9. a) Distinguish between **commercial rent** and **economic rent**.
   b) Give any **two** determinants of economic rent in Uganda.

10. a) Differentiate between **transfer earnings** and **economic rent**.
    b) Given that a factor of production earns Shs. 500,000 and its transfer earnings is a half the actual earnings. Calculate the factor’s economic rent.

11. a) Distinguish between **transfer earnings** and **economic rent**.
    b) Mention any **two** factors that determine the level of economic rent.

12. a) What is meant by the term **labour productivity**?
    b) Mention any **three** causes of low labour productivity in Uganda.

13. a) What is meant by the term **productivity of labour**?
    b) Mention any **three** factors which determine the productivity of labour in your country.

14. a) Define the term **labour productivity**.
    b) Suggest any **three** ways to increase labour productivity in Uganda.

15. a) Define the term **labour efficiency**.
    b) Give any three factors that determine labour efficiency in an economy.

16. a) Distinguish between **labour mobility** and **efficiency of labour**.
    b) State any **two** factors which influence the efficiency of labour in an economy.

17. a) Distinguish between **labour productivity** and **labour efficiency**.
    b) State **two** factors that influence labour efficiency in an economy.

18. a) What is meant by the term **labour mobility**?
    b) Suggest any **three** ways of increasing geographical mobility of labour in your country.

19. a) Define the term **occupational mobility of labour**.
    b) Give any **three** factors which limit occupational mobility of labour in your country.

20. Mention any **four** factors which limit occupational mobility of labour in your country.

21. a) Define the term **labour force**.
    b) Give any three determinants of the size of labour force in your country.

22. a) Define the term **labour force**.
    b) Mention any **three** factors which determine the size of the labour force in an economy.

23. a) Distinguish between **labour force** and **labour supply**.
    b) State any **two** limitations of labour supply.
24. a) What is meant by demand for labour?
   b) Mention any three factors which determine the demand for labour in an economy.

25. a) Distinguish between labour demand and labour supply.
   b) Mention any two factors responsible for the low labour supply in your country.

26. a) What is meant by the term capital accumulation?
   b) Mention any three factors that limit capital accumulation in an economy.

27. a) Distinguish between human capital and capital accumulation.
   b) Under what circumstances may capital accumulation be low in an economy?

28. a) Differentiate between interest and profit.
   b) Calculate the compound interest earned on the principal sum of Shs 100,000 lent for a period of three years at an interest rate of 10% per annum.

29. a) Distinguish between interest and rent.
   b) Mention any two determinants of interest rates in your country.

30. a) Define the term marginal efficiency of capital.
   b) Give any three factors that determine marginal efficiency of capital in your country.

31. a) What is meant by marginal efficiency of capital?
   b) Mention three ways of increasing the marginal efficiency of capital in your country.

32. a) Distinguish between economic profits and normal profits.
   b) Mention any two factors that influence the level of profits in your country.

33. a) Distinguish between normal profit and pure profit.
   b) How is normal profit determined under perfect competition?

34. a) Distinguish between normal profit and supernormal profit.
   b) Mention any two determinants of profit in your country.

35. a) What is meant by factor mobility?
   b) Mention any three factors that affect factor mobility in an economy.

36. a) What is meant by factor mobility?
   b) Give any three barriers to factor mobility in your country.

37. a) Define the term localisation of industries.
   b) State any three problems which result from localisation of industries.
38. a) Define the term **industrial inertia**.
   b) Why should the government influence the location of an industry?

39. a) Distinguish between **industrial inertia** and **industrial localisation**.
   b) Give two circumstances under which government may influence location of industries in your country.

40. a) Differentiate between **vertical** and **horizontal integration** of firms.
   b) Give any two factors limiting the integration of firms in Uganda.

41. a) Distinguish between **lateral integration** and **conglomerate integration** of firms.
   b) Give any two conditions necessary for the success of lateral integration of firms.

42. a) Distinguish between **lateral merging** and **conglomerate merging** of firms.
   b) State any two factors that may hinder the merging of firms in an economy.

43. a) Distinguish between **lateral merging** and **conglomerate merging**.
   b) Give two reasons for merging of firms in your country.

44. a) Distinguish between **vertical** and **horizontal merging** of firms.
   b) Give any two reasons for the merging of firms in your country.

45. a) Distinguish between **vertical merging** and **horizontal merging** of firms.
   b) Mention any two advantages of horizontal merging of firms.

46. a) Differentiate between **horizontal** and **vertical merging** of firms.
   b) State any two reasons for the merging of firms.

47. a) Distinguish between **horizontal integration** and **vertical integration** of firms.
   b) State two advantages of horizontal integration of firms.

48. a) Distinguish between **vertical integration** and **horizontal integration** of firms.
   b) Mention any two merits of integration of firms.

49. a) Distinguish between forward **linkages** and backward **linkages**.
   b) Give any two examples of backward linkages in your country.

50. a) Distinguish between **vertical merging** and **conglomerate merging** of firms.
   b) State two reasons for the merging of firms.

51. a) Distinguish between **average product** and **marginal product**.
   b) State any two factors that may lead to an increase in the marginal product of labour.

52. a) Differentiate between **marginal product of labour** and **average product of labour**.

https://t.me/majorchain
b) Mention any two factors which may increase the average product of labour in an economy. (02 marks)  

53. a) State the law of variable proportions. (01 mark)  
   b) Mention any three assumptions underlying this law. (03 marks)  

54. a) State the law of variable proportions. (01 mark)  
   b) Give any three assumptions underlying the law of variable proportions. (03 marks)  

55. a) State the law of diminishing returns. (01 mark)  
   b) State any three assumptions of the law of diminishing returns. (03 marks)  

56. Distinguish between:  
   (i) Total costs and marginal costs of a firm. (02 marks)  
   (ii) Break-even and shut-down point of a firm. (02 marks)  

57. Given that the firm’s output is 2000 units and its fixed cost is Shs 50,000 while the variable cost is Shs 75 per unit, calculate;  
   (i) The total cost of the firm (02 marks)  
   (ii) The average fixed cost of the firm (02 marks)  

58. Study the table below and answer the questions that follow.  

<table>
<thead>
<tr>
<th>Salt (kg)</th>
<th>Total revenue (Shs)</th>
<th>Total costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>3,200</td>
<td>2,400</td>
</tr>
<tr>
<td>12</td>
<td>4,800</td>
<td>3,600</td>
</tr>
</tbody>
</table>

(i) Calculate the price of salt per kilogram. (02 marks)  
(ii) What is the profit per kilo of salt when output is 12? (02 marks)  

59. a) Distinguish between break-even point and shutdown point of a firm. (02 marks)  
   b) State any two reasons why a firm may continue to operate below the break-even point. (02 marks)  

60. a) What are infant industries? (01 mark)  
   b) Suggest any three ways of protecting infant industries in your country. (03 marks)  

61. a) Define the term marginal revenue. (01 mark)  
   b) State the relationship between average revenue and marginal revenue of a perfectly competitive firm. (03 marks)  

62. a) Distinguish between average revenue and marginal revenue. (02 marks)  
   b) Establish that Average revenue = Price (02 marks)  

63. a) Differentiate between marginal cost and marginal revenue. (02 marks)  
   b) What is the importance of marginal cost and marginal revenue concepts in production? (02 marks)
64. a) Differentiate between **average cost** and **marginal cost**.  
   b) State any **two** ways of reducing average cost by a producer.  

65. What is the relationship between marginal cost and average cost?  

66. a) Distinguish between **fixed costs** and **variable costs**.  
   b) Mention any **two** examples of fixed costs incurred by firms in Uganda.  

67. a) Distinguish between **economies of scale** and **returns to scale**.  
   b) Explain the relationship between economies of scale and returns to scale.  

68. Explain and illustrate how normal profits are determined under perfect competition.  

69. a) Distinguish between **equilibrium of a firm** and **equilibrium of an industry**.  
   b) Mention **two** necessary conditions for a firm in a perfectly competitive industry to be in equilibrium.  

70. a) Distinguish between **excess capacity** and **over production**.  
   b) Give any **two** causes of excess capacity in your country.  

71. a) Distinguish between **sheltered monopoly** and **natural monopoly**.  
   b) Give two ways of controlling monopoly power in your country.  

72. State any **four** factors that have given rise to monopoly in your country.  

73. a) What is meant by **price discrimination**?  
   b) Give any three conditions necessary for the success of price discrimination in an economy.  

74. a) What is meant by **price discrimination**?  
   b) State **three** necessary conditions for price discrimination to succeed.  

75. a) Distinguish between **price legislation** and **price discrimination**.  
   b) State any **two** merits of price discrimination in a market economy.  

76. a) Distinguish between **price discrimination** and **price leadership**.  
   b) State any **two** conditions for the success of price discrimination in your country.  

77. a) Distinguish between **price support** and **price discrimination**.  
   b) State any **two** conditions necessary for the effectiveness of price discrimination.  

78. a) Define product differentiation.  
   b) State **three** methods of product differentiation.  

79. a) Differentiate between **perfect oligopoly** and **imperfect oligopoly**.  
   b) Give any **two** advantages of oligopolistic markets to the consumer.
80. a) Differentiate between perfect oligopoly and imperfect oligopoly.
b) Mention two measures used to increase sales by oligopoly firms in your country.

81. a) What is meant by non-price competition?
b) Mention three forms of non-price competition used in developing countries.

SECTION B

1. a) Distinguish between efficiency of labour and mobility of labour.
b) Explain the factors that determine the efficiency of labour in an economy.

2. a) Distinguish between labour productivity and labour efficiency.
b) Explain the factors affecting labour efficiency in Uganda.

3. a) Distinguish between efficiency of labour and productivity of labour.
b) Examine the factors that reduce labour efficiency in your country.

4. a) Distinguish between labour supply and labour force.
b) Explain the factors that determine labour supply in an economy.

5. a) Distinguish between horizontal mobility and vertical mobility of labour.
b) Explain the determinants of labour mobility.

6. a) Explain the role of capital in the development of your country.
b) Discuss the factors that influence capital accumulation in your country.

7. a) Discuss the role of capital in the development of Uganda.
b) What are the factors that limit capital accumulation in Uganda?

8. a) Define the term capital accumulation.
b) Explain the factors that limit capital accumulation in an economy.

9. a) Distinguish between capital formation and capital appreciation.
b) Explain the factors that determine the level of capital formation in your country.

10. a) Distinguish between capital formation and capital depreciation.
b) Explain the factors that limit capital formation in developing countries.

11. a) Distinguish between a firm and an industry.
b) Account for the survival of small scale firms in your country.

12. a) Distinguish between a firm and an industry.
b) Assess the role of small scale industries in the development of an economy.
13. a) Account for the dominance of small scale firms in your country. (10 marks)
   
   b) Explain the problems faced by small scale firms in your country. (10 marks)

14. a) Account for the survival of small scale firms alongside large scale firms in your country. (10 marks)
   
   b) Examine the merits of small scale firms in your country. (10 marks)

15. a) Differentiate between location and localisation of an industry. (04 marks)
   
   b) Assess the impact of localisation of industries in your country. (16 marks)

16. a) Explain the factors which determine the growth of a firm in an economy? (10 marks)
   
   b) Why may a firm continue to operate even when its Average Variable Costs (AVC) are greater than its Average Revenue (AR)? (10 marks)

17. a) Distinguish between horizontal integration and vertical integration of firms in an industry. (04 marks)
   
   b) Explain the merits and demerits of integration of firms in an economy. (16 marks)

18. a) Giving examples, distinguish between vertical merging and lateral merging of firms. (04 marks)
   
   b) Examine the economic factors that make the merging of firms difficult. (08 marks)
   
   c) Give the demerits of merging of firms in an economy. (06 marks)

19. a) Differentiate between vertical merging and horizontal merging. (04 marks)
   
   b) What are the merits and demerits of merging of firms in an economy? (16 marks)

20. a) Differentiate between lateral merging and conglomerate merging. (04 marks)
   
   b) Account for survival of small scale firms despite the economies of scale enjoyed by large scale firms in your country. (16 marks)

21. a) Differentiate between internal economies and external economies of scale. (04 marks)
   
   b) Account for the continued existence of small-scale firms in your country. (16 marks)

22. a) Complete the table below

<table>
<thead>
<tr>
<th>Output</th>
<th>TFC</th>
<th>TVC</th>
<th>TC</th>
<th>MC</th>
<th>ATC</th>
<th>AFC</th>
<th>AVC</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>100</td>
<td>0</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>1</td>
<td>100</td>
<td>400</td>
<td></td>
<td>-</td>
<td>500</td>
<td>100</td>
<td>400</td>
</tr>
<tr>
<td>2</td>
<td>100</td>
<td>700</td>
<td></td>
<td>-</td>
<td>400</td>
<td>50</td>
<td>350</td>
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<td>3</td>
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<td>900</td>
<td></td>
<td>-</td>
<td>333.3</td>
<td>33.3</td>
<td>300</td>
</tr>
<tr>
<td>4</td>
<td>100</td>
<td>1200</td>
<td></td>
<td>-</td>
<td>325</td>
<td>25</td>
<td>300</td>
</tr>
<tr>
<td>5</td>
<td>100</td>
<td>1550</td>
<td></td>
<td>-</td>
<td>330</td>
<td>20</td>
<td>310</td>
</tr>
</tbody>
</table>

   Find the Total costs (TC) and Marginal costs (MC) for the 5 units of the commodity produced. (10 marks)

   b) Explain any five internal economies of scale enjoyed by firms in Uganda. (10 marks)

23. a) Account for the survival of small-scale firms alongside large-scale firms in your country. (10 marks)
b) What are the merits of small-scale firms in your country? (10 marks)

UNEB 2008 P220/2

24. a) Distinguish between a **firm** and an **industry**. (04 marks)

b) Assess the role of small-scale industries in the development of your country. (16 marks)

UNEB 2002 P220/2

25. a) Define **small scale industries**. (02 marks)

b) Assess the role of small scale industries in the development of Uganda. (18 marks)

PES 2016 P220/2

26. a) Given the table below, use it to answer the questions that follow.

<table>
<thead>
<tr>
<th>Fixed factor</th>
<th>Variable factor</th>
<th>Total product</th>
<th>Average product</th>
<th>Marginal product</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>14</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>3</td>
<td>25.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>40</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>60</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>6</td>
<td>72</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>7</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>8</td>
<td>80</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>9</td>
<td>81</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>10</td>
<td>75</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(i) calculate the average product of the variable factor. (06 marks)

(ii) calculate the marginal product of the variable factor. (06 marks)

b) What are the factors influencing the productivity of workers in LDCs? (08 marks)

PES 2016 P220/1

27. a) Explain the assumptions underlying firms under perfect competition. (08 marks)

b) What are the merits and demerits of small scale firms in your country? (12 marks)

ACTK 2015 P220/2

28. a) Describe the characteristics of a perfectly competitive market. (08 marks)

b) Explain how profits are determined under perfect competition both in the short run and long run. (12 marks)

WKS 2015 P220/1  WKS 2014 P220/1

29. a) What are the features of a perfectly competitive market? (08 marks)

b) Explain the merits and demerits of a perfectly competitive market. (12 marks)

KSPA 2015 P220/1

30. a) How are profits maximised in perfect competition market in the short run? (08 marks)

b) Examine the advantages and disadvantages of a perfectly competitive market. (12 marks)

UNEB 2006 P220/1

31. a) How are profits maximised in a perfect competition market in the short run? (08 marks)

b) Examine the advantages and disadvantages of a perfectly competitive market. (12 marks)

UNEB 2003 P220/1

32. a) How are profits maximised in a perfectly competitive market? (12 marks)

b) Examine the merits of a perfectly competitive market. (08 marks)

JJEB 2015 P220/1
33. a) Distinguish between **shut-down** and **break-even point** of a firm. (04 marks)

   b) Why may a firm continue operating even if its revenue does not cover the fixed costs? (16 marks)

34. a) Given the table below:

<table>
<thead>
<tr>
<th>Output</th>
<th>Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>600</td>
</tr>
<tr>
<td>3</td>
<td>1650</td>
</tr>
<tr>
<td>4</td>
<td>1860</td>
</tr>
<tr>
<td>5</td>
<td>2100</td>
</tr>
<tr>
<td>6</td>
<td>2400</td>
</tr>
<tr>
<td>7</td>
<td>2800</td>
</tr>
<tr>
<td>8</td>
<td>3400</td>
</tr>
<tr>
<td>9</td>
<td>4300</td>
</tr>
<tr>
<td>10</td>
<td>5800</td>
</tr>
</tbody>
</table>

   (i) What is the average fixed cost when output is 10? (01 mark)

   (ii) What is the average variable cost when output is 4? (01 mark)

   (iii) What level of output represents the break-even point of the firm? (03 marks)

   (iv) What level of output represents the shut-down point of the firm? (04 marks)

   (v) If the marginal revenue is constant at 600 per unit of output, what would be the equilibrium level of output? (03 marks)

   b) State and explain four reasons why firms of different sizes may exist in the same industry. (08 marks)

35. a) Given the table below, answer the questions that follow.

<table>
<thead>
<tr>
<th>Output</th>
<th>Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>1</td>
<td>60</td>
</tr>
<tr>
<td>2</td>
<td>70</td>
</tr>
<tr>
<td>3</td>
<td>75</td>
</tr>
<tr>
<td>4</td>
<td>80</td>
</tr>
<tr>
<td>5</td>
<td>90</td>
</tr>
<tr>
<td>6</td>
<td>102</td>
</tr>
<tr>
<td>7</td>
<td>119</td>
</tr>
<tr>
<td>8</td>
<td>140</td>
</tr>
</tbody>
</table>

   Calculate;

   (i) Average supplementary cost when output is 5

   (ii) Average prime cost when output is 3.

   (iii) Marginal cost when output is 2.

   (iv) At what level of output is the firm at break-even point?

   (v) At what level of output is the firm at shutdown point? (10 marks)

   b) Why may a firm continue operating below the break-even point? (10 marks)

36. a) What are the underlying assumptions of monopoly? (06 marks)

   b) Why should monopoly be discouraged in an economy? (14 marks)
37. a) Illustrate how profits are maximised under monopoly.
   b) Explain the merits and demerits of monopoly in an economy.

38. a) How are profits maximised in a monopoly market situation?
   b) Examine the merits and demerits of monopoly in an economy.

39. a) With help of a diagram, explain how a monopolist firm maximises profits.
   b) Explain the implications of the existence of absolute monopoly in a developing country.

40. a) Account for the rise of monopoly in your country.
   b) Examine the effects of monopoly in your country.

41. a) Account for the rise of monopoly in an economy.
   b) Assess the impact of monopoly in an economy.

42. a) What are the causes of monopoly power in an economy?
   b) Suggest measures that can be taken to control monopoly power in an economy.

43. a) Explain the factors that give rise to monopoly power in Uganda.
   b) Why is there need to control monopoly power in Uganda?

44. a) How does a monopoly firm maximise profits in the short run?
   b) Explain the implications of monopoly power in an economy.

45. a) Distinguish between price legislation and price discrimination.
   b) Explain the necessary conditions for the effectiveness of price discrimination.

46. a) What are the similarities and distinguishing features between perfect competition and monopoly?
   b) Explain the equilibrium of a firm under perfect competition in the short run.

47. a) What are the distinguishing features between perfect competition and monopoly?
   b) Explain the implications of the existence of monopoly in an economy.

48. a) Describe the features of monopolistic competition.
   b) How does the firm under monopolistic competition maximise profits in the:
      (i) short run?
      (ii) long run?

49. a) What are the features of monopolistic competition in Uganda?
   b) Describe the forms of non-price competition used by monopolistic competitive firms in Uganda.
50. a) How does a firm in a monopolistic competitive market determine output, price and profits in the long run? (06 marks)
   b) Explain the merits and demerits of monopolistic competition. (14 marks)

51. a) How does a firm under monopolistic competition maximise profit, output and revenue in the;
   (i) short run (04 marks)
   (ii) long run (04 marks)
   b) What are the merits and demerits of monopolistic competition in an economy? (12 marks)

52. a) Distinguish between excess capacity and over production. (04 marks)
   b) Account for the existence of small scale firms in your country. (16 marks)

53. a) Explain the differences and similarities between pure monopoly and monopolistic competitive markets. (14 marks)
   b) How does the existence of monopolistic competitive markets affect producers in your country? (06 marks)

54. a) What are the;
   (i) similarities (06 marks)
   (ii) differences (06 marks)
   b) How are profits maximised by a firm under monopolistic competition in the long run? (12 marks)

55. a) Describe the features of an oligopolistic market. (08 marks)
   b) Examine the merits and demerits of oligopolistic markets. (12 marks)

56. a) Describe the features of an oligopolistic market. (10 marks)
   b) Explain the demerits of oligopolistic markets in an economy. (10 marks)

57. a) What are the features of oligopolistic markets in your country? (10 marks)
   b) Discuss the merits and demerits of oligopolistic markets in your country? (10 marks)

58. a) Examine the features of an oligopolistic market in an economy. (10 marks)
   b) Examine the demerits of an oligopolistic market in an economy. (10 marks)

59. a) What are the features of an oligopolistic market? (06 marks)
   b) Describe the forms of non-price competition used by oligopolistic firms in your country. (14 marks)

60. a) Outline the:
   (i) features of an oligopolistic market structure. (06 marks)
   (ii) advantages of an oligopolistic market to the consumers. (06 marks)
   b) Explain how an oligopolistic firm maximises profits in the short run. (08 marks)

61. a) Distinguish between perfect oligopoly and imperfect oligopoly. (04 marks)
   b) Explain the merits and demerits of oligopolistic firms in your country. (16 marks)
62. a) Describe the features of an oligopoly market.  
    b) How do oligopoly firms increase their market share in an economy?  

63. a) Explain the benefits of oligopoly in Uganda.  
    b) Discuss the measures used oligopoly firms to promote sales in Uganda.  

64. a) How are profits maximised by oligopoly firms in the short run?  
    b) Explain the merits and demerits of oligopoly in an economy.  

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**NATIONAL INCOME**

**SECTION A**

1. a) Define the term National income.  
    b) Give three uses of national income statistics in your country.  

2. a) Define the term Gross Domestic Product.  
    b) Given that the country’s GDP is Ushs. 60 trillion, net income from abroad is Ushs. 2 trillion, depreciation is Ushs. 1.5 trillion; Calculate the Net National Product (NNP).  

3. a) What is meant by the term Gross Domestic Product?  
    b) Given that Gross National Income is Shs 285,000,000 million and net income from abroad is Shs 25,000,000 million; calculate the Gross Domestic Product.  

4. a) Define the term Net National Product.  
    b) State any three statistical problems faced in computing national income in an economy.  

5. a) Distinguish between personal income and net income from abroad.  
    b) Give any two conceptual problems of measuring national income in a market economy.  

6. a) Differentiate between nominal and real Gross Domestic Product (GDP).  
    b) Given that a country’s GDP is Shs 400 billion, net income from abroad is Shs 40 billion and depreciation is Shs 20 billion; calculate the Net National Product (NNP).  

7. a) Distinguish between real national income and nominal national income.  
    b) Given Gross Domestic Product, what adjustments are required to obtain Net National Product?  

8. a) What is meant by the term Gross Domestic Product?  
    b) Given GDP at factor cost, what adjustments are required to obtain NNP at market price?  

9. Given NNPfc, what adjustments would be made to arrive at GDPmp?  

10. a) Differentiate between Gross Domestic Product (GDP) and Net Domestic Product (NDP).
b) Given GDP at factor cost for country Y is 300 billion €, indirect taxes (on expenditure) are 100 billion, subsidies are 150 billion €; calculate the country’s GDP at market price. 

11. a) Define **real Gross National Product (GNP)**.
   b) Given that the nominal GNP of a country is Shs 240 billion and the consumer price index is 120; calculate real GNP of the country.

12. a) Differentiate between **Gross National Product (GNP)** and **Gross Domestic Product (GDP)**.
   b) Given that GDP at market prices is £ 500 billion, indirect taxes amount to £ 155 billion and subsidies are £ 200 billion: Calculate the GDP at factor cost.

13. a) Distinguish between **Gross Domestic Product** and **Gross National Product**.
   b) Given that current GDP of a country is Shs. 78,520 billion, investment expenditure increased from Shs 2,840 billion to Shs 3,680 billion. Calculate the country’s final level of income, if the marginal propensity to consume is 80%.

14. a) Distinguish between **Gross Domestic Product (GDP)** and **Gross National Product (GNP)**.
   b) State any **two** uses of national income statistics in your country.

15. a) Distinguish between **national income at market price** and **national income at factor cost**.
   b) Given that Gross National Income is Shs 275,000,000 million and the Net Income from abroad is Shs 15,000,000 million; calculate the Gross Domestic Income.

16. a) Define the term **transfer payment**.
   b) Give **three** examples of transfer payments in an economy.

17. a) Differentiate between **transfer earnings** and **transfer payments**.
   b) Give any **two** examples of transfer payments in your country.

18. a) What is meant by the term **Real Gross Domestic Product**?
   b) Given that nominal Gross Domestic Product is Shs 150,000,000,000 and the consumer price index is 105, calculate the Real Gross Domestic Product.

19. a) Define the term **real income**.
   b) State any **three** determinants of real income in an economy.

20. a) Distinguish between **nominal income** and **real income**.
   b) Mention any **two** determinants of real income in your country.

21. a) Distinguish between **nominal income** and **real income**.
b) Mention any two determinants of real income. (02 marks)  

22. Given that a country's stock of machinery is valued at Ug. Shs 100 billion at the beginning of the year, the total output from the machinery during the year was Ug. Shs 500 billion, depreciation costs during the year were 20%, calculate the:
   (i) Value of depreciation (02 marks)  
   (ii) Net output during the year. (02 marks)  

23. Given that a country’s stock of machinery is valued at shs 100 billion at the start of the year; the total output from these machines during the year was shs 500 billion; depreciation costs during the year were 20%; calculate the:
   (i) Value of depreciation. (02 marks)  
   (ii) Net output. (02 marks)  

24. a) Differentiate between transfer earnings and transfer payments. (02 marks) 
   b) State any two sources of transfer payments in your country. (02 marks)  

25. a) Distinguish between standard of living and cost of living. (02 marks) 
   b) State any two uses of price indices in an economy. (02 marks)  

26. a) Define the term per capita income. (01 mark) 
   b) Given that the national income increased from 100 million dollars in period A to 300 million dollars in period B and the population increased from 20 million people in period A to 90 million people in period B, calculate the change in per capita income. (03 marks)  

27. Study the table below showing the population and GNP of countries A and B and answer the questions that follow.

<table>
<thead>
<tr>
<th>Country</th>
<th>GNP (million $)</th>
<th>Population (million people)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1,200</td>
<td>20</td>
</tr>
<tr>
<td>B</td>
<td>750</td>
<td>15</td>
</tr>
</tbody>
</table>

   a) Calculate the per capita income of country A and country B. (02 marks) 
   b) Give two reasons why high income per capita may not necessarily imply high standard of living. (02 marks)  

28. a) Differentiate between Gross National Product (GNP) and Gross Domestic product (GDP). (02 marks)
b) Given GNP at factor cost, how would you derive GDP at market price? (02 marks)

29. a) Differentiate between national income at market price and national income at factor cost. (02 marks)

b) Given that GNP is valued at Shs 275 million and Net income is Shs 15 million, calculate the GDP. (02 marks)

30. a) Differentiate between the output and expenditure approaches of measuring national income. (02 marks)

b) Give any two problems of using the output approach in measuring national income in your country. (02 marks)

31. State any four statistical problems faced while compiling national income in your country. (04 marks)

32. a) Define income inequality.

b) Give three forms of income inequality. (03 marks)

33. a) What is meant by the term price index?

b) Mention any three uses of price indices in your country. (03 marks)

34. a) Define the term retail price index.

b) Give any three uses of price indices. (03 marks)

35. a) What is meant by consumer price index?

b) Give three reasons why the consumer price index is measured in Uganda. (03 marks)

36. a) What is meant by retail price index?

b) Study the table below and answer the questions that follow.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Current Year index</th>
<th>Base year index</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>90</td>
<td>100</td>
<td>3</td>
</tr>
<tr>
<td>B</td>
<td>120</td>
<td>100</td>
<td>2</td>
</tr>
<tr>
<td>C</td>
<td>150</td>
<td>100</td>
<td>1</td>
</tr>
</tbody>
</table>

Calculate the average weighted index in the current year. (03 marks)

37. a) What are leakages from the circular flow of income and expenditure? (01 mark)

b) State three examples of leakages from the circular flow of income. (03 marks)

38. a) Distinguish between injections and leakages.

b) State any two examples of leakages in your country. (02 marks)
39. a) Distinguish between leakages and injections.
   b) State any two examples of injections in Uganda.

40. With examples, distinguish between injections into and leakages from a circular flow of income in an open economy.

41. a) What is meant by aggregate supply?
   b) Mention three determinants of aggregate supply in a market economy.

42. a) Differentiate between aggregate supply and aggregate demand.
   b) Mention two factors that determine the level of aggregate supply in your country.

43. State any four determinants of aggregate demand in your country.

44. a) What is an inflationary gap?
   b) How can an inflationary gap be closed in an economy?

45. a) What is meant by an inflationary gap?
   b) State three effects of an inflationary gap in an economy.

46. a) What is an inflationary gap?
   b) How can an inflationary gap in an economy be closed?

47. a) Distinguish between inflationary gap and deflationary gap.
   b) Give two ways of closing the deflationary gap.

48. a) Define the term savings.
   b) State reasons why savings are low in Uganda.

49. Give any four factors which influence the rate of savings in your country.

50. a) Define the term investment.
   b) Mention any three factors that influence the level of investment in your country.

51. a) What is meant by the term Marginal Propensity to Save (MPS)?
   b) Given that initial national income of a country is Shs 22 billion and that the MPS is 40%, calculate the final income in that country.

52. a) Define the term Marginal Propensity to Save.
   b) Given that the current level of Gross Domestic Product is 300 million shillings, the increase in national investment expenditure is 50 million shillings; and the marginal propensity to save is 0.2; calculate the final level of national income.
53. a) Distinguish between **marginal propensity to save** and **marginal propensity to consume**.  

b) Give any **two** determinants of marginal propensity to save in your country.  

54. a) Distinguish between **marginal propensity to save** and **marginal propensity to consume**.  

b) Given that the current level of Gross Domestic Product is 350 million shillings, the increase in national investment expenditure is 65 million shillings and the marginal propensity to save is 0.4; calculate the final level of national income.  

55. a) What is meant by **marginal propensity to save**?  

b) Given that a rise in national income from £5,200 million to £5,280 million led to an increase in savings from £400 million to £420 million; calculate the marginal propensity to save.  

56. a) Differentiate between **Average Propensity to Consume (APC)** and **Marginal Propensity to Consume (MPC)**.  

b) Given that a country’s total income is Shs 60,000 billion and its total consumption is Shs 48,000 billion; calculate its APC.  

57. a) Define the term **marginal propensity to consume**.  

b) Given that a country’s national income is Uganda Shs. 100 million: the marginal propensity to consume is 0.6; calculate the country’s final level of income.  

58. a) What is meant by **marginal propensity to consume**?  

b) Give **three** factors that determine the marginal propensity to consume in an economy.  

59. a) Define the term **multiplier**.  

b) Given that a country’s level of GDP is Shs 500m, MPC is 0.75 and the change in investment expenditure is Shs 200m, calculate the final level of income in an economy.  

60. Study the table below showing a closed economy with no government sector.  

<table>
<thead>
<tr>
<th>National income in million shillings</th>
<th>60</th>
<th>80</th>
<th>100</th>
<th>120</th>
<th>140</th>
<th>160</th>
<th>180</th>
<th>200</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption expenditure in million shillings</td>
<td>88.2</td>
<td>102.6</td>
<td>117.0</td>
<td>131.4</td>
<td>145.8</td>
<td>160.2</td>
<td>174.6</td>
<td>189.0</td>
</tr>
</tbody>
</table>

Calculate the;  
(i) **Value of the marginal propensity to consume**.  
(ii) **Size of the multiplier**.  

61. a) What is meant by the term **marginal propensity to import**?  

b) Give any **three** effects of a high marginal propensity to import in an economy.  

62. a) Differentiate between the **investment multiplier** and the **government multiplier**.  

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63. a) Differentiate between the multiplier and accelerator theories of investment. (02 marks)
   b) Given that the Marginal Propensity to Consume (MPC) is 0.75; calculate the size of the multiplier. (02 marks)

64. a) Given that the Marginal Propensity to Consume (MPC) in a tow-sector economy is 80%, initial investment is Shs 20,000,000 million, initial equilibrium level of income is Shs 80,000,000 million and if the investment is increased by Shs 5,000 million; calculate the:
   (i) Multiplier value, (02 marks)
   (ii) New equilibrium level of income. (02 marks)

65. a) Define the term marginal propensity to import. (01 mark)
   b) Given that a country’s Gross Domestic Product (GDP) increased from 100 million $ to 300 million $ and the value of imports increased from 25 million $ to 75 million $, calculate the marginal propensity to import. (03 marks)

66. a) What is meant by investment multiplier? (01 mark)
   b) Give any three ways of attracting foreign investment in your country. (03 marks)

67. a) What is meant by the term investment multiplier? (01 mark)
   b) Given that the marginal propensity to save is 0.25 and change in investment expenditure is Shs 250 million, calculate the change in income. (03 marks)

68. a) Differentiate between investment multiplier and consumption multiplier. (02 marks)
   b) Given that the MPS in an economy is 40%, initial investment is Shs 20 million, initial GDP is Shs 75 million, if investment is increased by Shs 300 million, calculate the:
      (i) Magnitude of the multiplier. (01 mark)
      (ii) Change in the level of GDP. (01 mark)

69. a) Differentiate between consumption expenditure and investment expenditure. (02 marks)
   b) Mention any two factors that hinder investment in an economy. (02 marks)

70. a) Define the term import multiplier. (01 mark)
   b) Given that the original level of income is Shs 400 million, the increase in investment expenditure is Shs 60 million and the MPC is 0.8, calculate the final level of income. (03 marks)

71. a) What is meant by export multiplier? (01 mark)
   b) Give three objectives of export promotion in your country. (03 marks)

72. a) What is meant by export multiplier? (01 mark)
b) Calculate the final equilibrium income given that initial equilibrium income is US $ 1,000,000 increase in exports is US $ 100,000 and marginal propensity to save is 10 percent. (03 marks)

SECTION B

1. a) Distinguish between Gross National Product (GNP) and Gross Domestic Product (GDP). (04 marks)
   
   b) Why is it necessary to compute national income statistics? (16 marks)

2. a) Distinguish between GNP at factor cost and GDP at market price. (04 marks)
    
    b) Explain the factors determining the level of the country’s GDP. (16 marks)

3. a) Distinguish between real national income and nominal national income. (04 marks)
    
    b) Discuss the factors that determine the size of national income in your country. (16 marks)

4. a) Distinguish between Gross National Product at factor cost and Gross Domestic product at market price. (04 marks)
    
    b) Account for the low levels of Gross Domestic Product in developing countries. (16 marks)

5. a) Discuss the factors influencing the size of national income in an economy. (10 marks)
    
    b) Suggest measures that should be taken to increase the size of national income in an economy. (10 marks)

6. a) Discuss the factors that lead to low national income figures in your country. (10 marks)
    
    b) Explain the measures that have been taken to increase national income in your country. (10 marks)

7. a) Explain the importance of computing national income in an economy. (10 marks)
    
    b) Account for the low level of national income in developing countries. (10 marks)

8. a) Explain the importance of computing national income in an economy. (10 marks)
    
    b) What are the problems encountered while computing national income? (10 marks)

9. a) Why is it necessary to measure national income? (10 marks)
    
    b) Explain the problems encountered when measuring national income. (10 marks)

10. a) Why is national income measured in your country? (06 marks)
    
    b) Explain the factors that influence the level of national income in your country. (14 marks)

11. a) Explain the reasons for measuring national income in Uganda. (10 marks)
    
    b) Discuss the statistical problems encountered when measuring national income in Uganda. (10 marks)
12. a) How is national income measured in an economy?
   b) Explain the problems faced when compiling national income in an economy.

13. a) Describe the three approaches to the computation of national income.
   b) What are the statistical challenges faced during the computation of national income.

14. a) Describe the three approaches used in measuring national income.
   b) What problems are encountered when compiling national income?

15. a) Describe the approaches used in measuring national income figures.
   b) Explain the limitations of using income per capita figures to measure standards of living in your country over time.

16. a) How may national income be measured in an economy?
   b) Explain the benefits of compiling national income statistics in an economy.

17. a) Distinguish between national income valued at factor cost and national income valued at market price.
   b) Suggest the steps that should be taken to increase the level of national income in your country.

18. a) What is meant by the term income inequality?
   b) Explain the causes of income inequality in an economy.

19. a) Outline the forms of income inequality in your in Uganda.
   b) Discuss the causes of income inequality in your country.

20. Account for the income disparities in your country.

   b) Discuss the measures that have been taken to control income disparities in Uganda.

22. a) Account for the uneven distribution of income in your country.
   b) What measures have been adopted to minimise uneven distribution of income in your country?

23. a) Explain the causes of income inequality in an economy.
   b) What are the demerits of income inequality?

24. a) Explain the causes of uneven income distribution in your country.
   b) Suggest measures that should be taken to control uneven income distribution in your country.
25. a) Why are there income variations among individuals in developing countries? (10 marks)
b) Suggest the possible measures that can be adopted to reduce income variations in developing countries. (10 marks)

26. a) Distinguish between **cost of living** and **standard of living**. (04 marks)
b) Explain the factors that influence people’s standard of living in an economy. (16 marks)

27. a) Differentiate between **standard of living** and **cost of living**. (04 marks)
b) Describe the indicators of low standards of living in an economy. (16 marks)

28. a) Distinguish between **real income per capita** and **nominal income per capita**. (04 marks)
b) What are the limitations of using income per capita to compare welfare of people in a country over time? (16 marks)

29. a) Distinguish between **standard of living** and **cost of living**. (04 marks)
b) Why may per capita income not be a good indicator of standard of living? (16 marks)

30. a) Describe the procedure of compiling the cost of living index. (08 marks)
b) Explain the challenges faced when compiling price indices in Uganda. (12 marks)

31. a) Describe the steps involved in computing the price index. (06 marks)
b) Explain the uses of price index in an economy. (06 marks)
c) Explain the problems encountered in computing price indices in an economy. (12 marks)

32. a) Describe how price indices are computed in an economy. (06 marks)
b) Study the table below and answer the questions that follow:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>200</td>
<td>100</td>
<td>150</td>
<td>4</td>
</tr>
<tr>
<td>Q</td>
<td>250</td>
<td>100</td>
<td>300</td>
<td>1</td>
</tr>
<tr>
<td>R</td>
<td>150</td>
<td>100</td>
<td>240</td>
<td>3</td>
</tr>
<tr>
<td>S</td>
<td>400</td>
<td>100</td>
<td>400</td>
<td>5</td>
</tr>
<tr>
<td>T</td>
<td>300</td>
<td>100</td>
<td>450</td>
<td>2</td>
</tr>
</tbody>
</table>

Calculate the:

(i) price relative for each commodity in 2006 (05 marks)
(ii) weighted index for each commodity (05 marks)
(iii) simple price index for 2006 (02 marks)
(iv) weighted index for 2006 (02 marks)

33. Study the table below and answer the questions that follow:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Base year Prices 2010</th>
<th>Base year Simple index</th>
<th>Current year Prices 2013</th>
<th>weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar (kg)</td>
<td>1500</td>
<td>100</td>
<td>2100</td>
<td>4</td>
</tr>
</tbody>
</table>

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a) Calculate the:
(i) Simple price index
(ii) Average price index
(iii) Weighted price index for the year 2013.
b) Explain the uses of price indices in an economy.

34. a) Study the table showing commodity prices for selected items (2000 and 2004) and answer the questions that follow.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Average Price 2000 (Ug. Shs.)</th>
<th>Simple Index 2000 (100)</th>
<th>Average Price 2004 (Ug. Shs.)</th>
<th>Weighted Index 2004 (100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1000</td>
<td>100</td>
<td>1200</td>
<td>2</td>
</tr>
<tr>
<td>B</td>
<td>800</td>
<td>100</td>
<td>1000</td>
<td>4</td>
</tr>
<tr>
<td>C</td>
<td>400</td>
<td>100</td>
<td>650</td>
<td>3</td>
</tr>
<tr>
<td>D</td>
<td>750</td>
<td>100</td>
<td>900</td>
<td>5</td>
</tr>
<tr>
<td>E</td>
<td>1500</td>
<td>100</td>
<td>1800</td>
<td>1</td>
</tr>
</tbody>
</table>

Calculate the:
(i) simple index for 2004.
(ii) weighted index for 2004.

b) Explain the problems which are faced in the computation of price indices in your country.

35. Study the table below showing a country’s price indices and answer the questions which follow.

<table>
<thead>
<tr>
<th>Commodity (kg/litres)</th>
<th>1998 Average Price (Shs)</th>
<th>1998 Simple Price index</th>
<th>1995 Average Price (Shs)</th>
<th>1995 Simple Price index</th>
<th>Weight</th>
<th>Weighted index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar (kg)</td>
<td>800</td>
<td>100</td>
<td>1000</td>
<td>-</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Salt (kg)</td>
<td>450</td>
<td>100</td>
<td>600</td>
<td>-</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Maize (kg)</td>
<td>220</td>
<td>100</td>
<td>400</td>
<td>-</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Meat (kg)</td>
<td>700</td>
<td>100</td>
<td>1200</td>
<td>-</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Fuel (l)</td>
<td>550</td>
<td>100</td>
<td>950</td>
<td>-</td>
<td>4</td>
<td>-</td>
</tr>
</tbody>
</table>

a) Calculate the:
(i) Simple price index for 1995.
(iii) Average weighted price index for 1995.
b) Why is the computation of price indices difficult?

36. Study the table below and answer the questions that follow.
### Question 36

**Commodity** | **Base year prices (1990)** | **Base year simple index (1990)** | **Selected year prices (1998)** | **weight**
--- | --- | --- | --- | ---
A | 200 | 100 | 700 | 5
B | 150 | 100 | 500 | 4
C | 500 | 100 | 1000 | 3
D | 100 | 100 | 300 | 2
E | 700 | 100 | 1200 | 1

a) Calculate the
(i) Simple price index for each commodity in 1998. (02 marks)
(ii) Weighted price index for each commodity in 1998. (02 marks)
(iii) Average weighted price index. (02 marks)

b) Explain the problems encountered when compiling price indices. (14 marks)

### Question 37

**Commodity** | **Base year price (Shs) 1998** | **Current year price (Shs) 2008** | **Price relative 2008** | **Weight** | **Weighted relative price 2008**
--- | --- | --- | --- | --- | ---
A | 1600 | 2000 | 2 | 2
B | 2000 | 2400 | 1 | 1
C | 1200 | 1000 | 4 | 4
D | 2400 | 2400 | 5 | 5
E | 1000 | 1200 | 3 | 3

(i) calculate the relative price. (05 marks)
(ii) calculate the simple price index for 2008. (02 marks)
(iii) calculate the weighted relative price. (05 marks)
(iv) calculate the weighted price index for 2008. (02 marks)

b) Explain the challenges faced in the process of computing the consumer price index in developing countries. (06 marks)

### Question 38

a) Explain how the cost of living index in an economy is computed. (08 marks)
b) What are the problems faced in the computation of cost of living indices. (12 marks)

### Question 39

a) Explain how price indices are computed. Illustrate your answer. (08 marks)
b) Why may prices indices be unreliable indicators of cost of living? (12 marks)

### Question 40

a) Distinguish between a **deflationary gap** and an **inflationary gap**. (04 marks)
b) Examine the policies that a country should adopt to close:
   (i) A deflationary gap (08 marks)
   (ii) An inflationary gap (08 marks)

### Question 41

a) Account for the low level of investment in Uganda. (10 marks)
b) Explain the measures that have been taken to promote the level of investment in Uganda. (10 marks)

### Question 42

a) Define the term **investment**. (04 marks)
b) Suggest measures that should be taken to increase the level of investment in your country. (16 marks)

43. a) Distinguish between saving and investment.

b) Explain the factors that have influenced investment in the private sector in your country. (16 marks)

44. a) Distinguish between savings and investment.

b) Explain the factors that influence the level of investment in an economy. (16 marks)

45. a) Distinguish between savings and investment.

b) Explain the factors that have influenced the level of savings in developing countries. (16 marks)

46. a) Distinguish between savings and investment.

b) Discuss the measures being taken to encourage investment in your country. (16 marks)

47. a) Distinguish between consumption multiplier and investment multiplier.

b) Explain the factors which limit the effective operation of the investment multiplier in your country. (16 marks)

48. a) Describe the operation of the investment multiplier process.

b) Explain the measures that should be taken to raise the level of investment in your country. (12 marks)

49. a) Given that in a two sector economy;

   Marginal propensity to consume = 0.75,
   Investment = US$ 250 billion,
   Income US$ 250 billion

   (i) Calculate the value of the multiplier (02 marks)
   (ii) If investment increases by US$ 1 billion, determine the new equilibrium level of National income. (02 marks)

b) Assess the factors that determine the level of National income in an economy. (16 marks)

50. a) Distinguish between an investment multiplier and an export multiplier. (04 marks)

b) Examine the factors limiting the effective operation of the investment multiplier in your country. (16 marks)

**ECONOMIC GROWTH AND DEVELOPMENT**

**SECTION A**

1. a) Distinguish between economic growth and economic development. (02 marks)

b) State any two indicators of economic development in Uganda. (02 marks)

2. a) Distinguish between economic growth and economic development. (02 marks)
b) Mention any two costs of growth.

3. a) What is economic growth?
   b) State any three costs of economic growth in an economy.

4. Outline any four determinants of economic growth in an economy.

5. State any four costs of economic growth in your country.

6. a) Define economic development.
   b) State any three costs of economic growth.

7. a) What is meant by a development goal?
   b) Mention any three development goals in your country.

8. a) What is meant by a development goal?
   b) Give any three economic development goals in your country.

9. a) What is meant by a development goal?
   b) State any three millennium development goals being pursued by your country.

10. a) What is meant by development goal?
    b) Mention any three factors that influence the choice of development goals in Uganda.

11. Mention any four objectives of economic development in your country.

12. Mention any four reasons why economic growth may not be accompanied by a corresponding rate of economic development.

13. a) What is meant by under-development?
    b) Give any three features of under-development in your country.

14. a) What is meant by under-development?
    b) Mention three causes of under-development in an economy.

15. State any four features of under-development in your country.

16. State any four social indicators of economic underdevelopment in your country.

17. a) What is meant by absolute poverty?
    b) Mention three causes of poverty in Uganda.

18. State any four features of Rostow’s transitional stage of economic growth.

19. a) What is meant by take-off according to Prof. W.W. Rostow?
b) Mention any **three** characteristics of the take off. (03 marks)

20. a) What are the characteristics of Rostow’s Take-off stage of economic growth? (02 marks)
b) Give any two limitations of this theory. (02 marks)

21. Mention any **four** characteristics of Rostow’s take off stage of economic growth. (04 marks)

22. State any four features of Rostow’s Drive to Maturity stage of economic growth. (04 marks)

23. a) What is meant by the **balanced growth strategy** of economic development? (01 mark)
b) State any three factors that limit the application of the balanced growth strategy in developing countries. (03 marks)

24. a) State the **Big-push theory** of economic growth. (01 mark)
b) Mention **three** merits of the Big-push theory in an economy. (03 marks)

25. a) State the **Big-push theory** of economic development. (01 mark)
b) Give any **three** factors that may limit the adoption of the Big-push strategy in developing countries. (03 marks)

26. a) State the **Big-push theory** of economic growth. (01 mark)
b) Mention any **three** limitations of the Big-push theory in developing countries. (03 marks)

27. a) State the **Big-push theory** of development. (01 mark)
b) Mention any **three** factors that limit the application of the Big-push theory in your country. (03 marks)

28. a) Define the term **critical minimum effort** as used in Balanced Growth strategy. (01 mark)
b) Give any **three** factors which limit the operation of the balanced growth strategy. (03 marks)

29. a) Define the term **critical minimum effort** as used in Balanced Growth Strategy of economic development. (02 marks)
b) Mention any **two** limitations of the balanced growth strategy. (02 marks)

30. a) Distinguish between **Big-push theory** of economic growth and **critical minimum effort**. (02 marks)
b) Give **two** benefits of Big-push theory in an economy. (02 marks)

31. a) State the **Big-push theory** of economic growth. (01 mark)
b) Mention any **three** benefits of adopting the Big-push theory in developing countries. (03 marks)

32. a) What is meant by the term **import substitution strategy** of industrial development? (01 mark)
b) State any three disadvantages of adopting this strategy in developing countries. (03 marks)

33. a) Distinguish between **import substitution** and **export promotion strategies** of industrial development.
b) Mention any two merits of import substitution strategy of industrial development.

34. a) Define the term **outward looking industrial strategy**.

b) Give three reasons for promoting export promotion industrial strategy in your country.

35. Mention any four objectives of export promotion in Uganda.

36. a) Define the term **capital intensive technology**.

b) Give any three factors that limit the adoption of capital intensive technology in your country.

37. a) What is meant by **labour – saving techniques of production**?

b) Mention any two merits of the labour – saving techniques of production in an economy.

38. a) What is **technology transfer**?

b) Distinguish between **labour – saving** and **capital – saving techniques** of production.

39. a) What is **technology transfer**?

b) Give three demerits of technology transfer in developing countries.

40. Give any four merits of technology transfer.

41. a) Distinguish between **technological development** and **technological transfer**.

b) State two limitations to technological transfer in developing countries.

42. a) What is **appropriate technology**?

b) Give any three factors which have affected the development of appropriate technology in your country.

43. a) What is meant by **intermediate technology**?

b) Give three benefits of using intermediate technology in Uganda.

44. a) Distinguish between **intermediate technology** and **technology transfer**.

b) State two hindrances to technology transfer in your country.

45. State any four roles of intermediate technology in your country.

46. a) Define the term **agricultural modernisation**.

b) Mention any three methods of agricultural modernisation.

47. a) What is meant by **agricultural modernisation**?

b) Mention three factors that limit agricultural modernisation in your country.

48. a) Distinguish between **agricultural modernisation** and **agricultural mechanisation**.

b) Give two limitations to agricultural mechanisation in developing countries.
49. a) Define the term **agricultural mechanisation**.
   b) Mention any three obstacles to agricultural mechanisation in your country.

50. Mention any four factors which limit agricultural mechanisation in your country.

51. a) Distinguish between **agricultural mechanisation** and **agricultural diversification**.
   b) Give any two reasons for diversification of agriculture in an economy.

52. a) Distinguish between **agriculture transformation** and **agriculture diversification**.
   b) Suggest possible measures that can be adopted to improve the performance of the agricultural sector in an economy.

53. a) Distinguish between **monetization** and **mechanisation** of agriculture.
   b) Outline any two demerits of mechanisation of the agricultural sector in Uganda.

54. Mention any two;
   a) factors that have influenced the level,
   b) benefits
      of foreign direct investment in your country.

55. a) What is meant by **foreign direct investment**?
   b) Mention any three merits of foreign direct investment in an economy.

56. a) What is meant by the term tied aid?
   b) Give any three problems of relying on foreign aid in your country.

**SECTION B**

1. a) Distinguish between **economic growth** and **economic development**.
    b) Explain the benefits of economic growth in an economy.
2. a) Distinguish between **economic growth** and **economic development**.
    b) Explain the costs of economic growth in your country.
3. a) Distinguish between **economic growth** and **economic development**.
    b) Examine the implications of economic growth in an economy.
4. a) Distinguish between **economic growth** and **costs of economic growth**.
    b) Explain the costs of economic growth in an economy.
5. a) Explain the factors that determine economic growth in an economy.
    b) State the benefits of economic growth to a country.
6. a) Analyse the factors that influence the rate of economic growth in Uganda.
   b) Explain the benefits of economic growth in Uganda. (10 marks)

7. a) What is the difference between economic growth and economic development? (04 marks)
   b) Explain the features of economic under-development. (16 marks)

8. a) What are the economic development goals of your country? (14 marks)
   b) Account for the low level of economic development in your country. (16 marks)

9. a) Define the term economic under-development. (04 marks)
   b) Explain the causes of under-development in your country. (16 marks)

10. a) What is meant by the term under-development? (04 marks)
    b) Explain the causes of under-development in the Third World countries. (16 marks)

11. a) Explain the concept of under-development. (06 marks)
    b) Account for the low rate of economic development in your country. (14 marks)

12. a) Account for low levels of economic development in your country. (20 marks)

13. a) Outline the features of Rostow’s take off stage of economic growth. (06 marks)
    b) “The faster rate of economic growth your country has registered over the last 20 years carries both benefits and costs.” Discuss. (14 marks)

14. a) Distinguish between balanced growth and unbalanced growth strategies. (04 marks)
    b) Account for the low level of economic development in your country. (16 marks)

15. a) Distinguish between balanced growth and unbalanced growth strategies of economic development. (04 marks)
    b) Examine the advantages and disadvantages of the balanced growth strategy in developing countries. (16 marks)

16. a) What is meant by the term economic development strategy? (04 marks)
    b) Explain the merits of diversification in production as an economic development strategy. (16 marks)

17. a) Explain the role of infrastructure in the economic development process of Uganda. (10 marks)
    b) What strategies have been taken by the government of Uganda to improve the infrastructure? (10 marks)

18. a) Distinguish between forward linkage and backward linkage. (04 marks)
    b) Explain the role of industries in an economy. (16 marks)

19. a) What are the benefits of industrialising the economy of your country? (10 marks)
    b) Explain the measures that have been taken to expand the industrial sector in your country. (10 marks)
20. a) Why should developing countries industrialise?  
   (08 marks)  
b) Examine the limitations of the import substitution strategy of industrial development.  
   (12 marks)  

21. a) Why may a country adopt import substitution strategy of industrialisation?  
   (10 marks)  
b) Explain the limitations of the import substitution strategy of industrialisation.  
   (10 marks)  

22. “Developing countries should adopt the import substitution strategy of industrial development if they are to achieve their developing goals.” Discuss.  
   (20 marks)  

23. a) Distinguish between export promotion and import substitution strategies of industrialisation.  
   (04 marks)  
b) Explain the merits and demerits of adopting the import substitution strategy.  
   (16 marks)  

24. a) Distinguish between import substitution and export promotion strategies of industrial development.  
   (06 marks)  
b) Assess the implications of adopting the import substitution strategy of industrial development in developing countries.  
   (14 marks)  

25. a) Distinguish between import substitution and export promotion strategies of industrialisation.  
   (04 marks)  
b) Examine the advantages and disadvantages of import substitution strategy of industrial development.  
   (16 marks)  

26. a) Distinguish between inward looking and outward looking strategies of industrial development.  
   (04 marks)  
b) Examine the likely implications of adopting an inward looking strategy of industrial development in developing countries.  
   (16 marks)  

27. a) Distinguish between inward looking and outward looking developing policies.  
   (04 marks)  
b) What are the implications of the existence of export promotion in an economy?  
   (16 marks)  

28. a) Differentiate between import substitution and export promotion strategies of industrialisation.  
   (04 marks)  
b) Examine the merits and demerits of the export promotion strategy of industrialisation.  
   (16 marks)  

29. a) Distinguish between import substitution strategy of industrialisation and export promotion strategy of industrialisation.  
   (10 marks)  
b) Explain the demerits associated with the import substitution strategy of industrialisation.  
   (10 marks)  

30. a) Why may a country adopt an export promotion strategy of industrial development?  
   (10 marks)  
b) Explain the limitations of the export promotion strategy of industrial development.  
   (10 marks)  

31. a) What are the merits of adopting the export promotion strategy of industrialisation?  
   (10 marks)  
b) Explain the factors that limit the adoption of this strategy in your country.  
   (10 marks)
32. “The inward looking industrial strategy rather than the outward looking industrial strategy is the ideal option for LDCs’ economic growth and development.” Discuss. (20 marks) MKJB 2013 P220/1

33. a) Differentiate between capital intensive and labour intensive techniques of production. (04 marks)
   b) “Developing countries should mainly adopt labour intensive techniques of production.” Discuss. (16 marks) UNEB 2005 P220/2

34. a) Distinguish between capital saving techniques and labour saving techniques of production. (04 marks)
   b) “Uganda should adopt capital saving techniques of production if it is to achieve faster rates of economic growth.” Discuss. (16 marks) CRTA 2015 P220/2

35. “Developing countries should promote the use of capital saving rather than labour saving techniques of production in order to attain high levels of development.” Discuss. (20 marks) PES 2016 P220/1

36. Examine the merits and demerits of using capital intensive techniques of production in your country. (20 marks) uneb 1998 p220/2

37. a) What is meant by the term agricultural modernisation? (04 marks) UNEB 2010 P220/2
   b) Explain the factors limiting agricultural modernisation in your country. (16 marks)

38. “Uganda should adopt agricultural rather than an industrial development strategy if it is to attain a faster rate of economic growth.” Discuss. (20 marks) UNEB 2004 P220/2

39. a) Define the term investment. (04 marks) UNEB 2003 P220/2
   b) Assess the impact of private foreign investment in your country. (16 marks)

40. a) What is meant by foreign private investment? (02 marks) PES 2016 P220/1
   b) Assess the impact of foreign private investment in developing countries. (18 marks)

41. Assess the role of foreign capital investment in the development of your country. (20 marks) uneb 1998 p220/2

42. a) Assess the contribution of foreign capital investment to the development of your country. (10 marks)
   b) Examine the steps being taken to attract foreign investors in Uganda. (10 marks) UNEB 2000 P220/2

43. a) Explain the contribution of the private foreign investment in developing countries. (10 marks)
   b) What are the factors limiting the operations of the private foreign investment in developing countries? (10 marks) MEC 2016 P220/1

44. a) What steps are being taken to attract foreign investors in your country? (08 marks)
   b) Explain the factors that have influenced investment in the private sector of your country. (12 marks) ACTK 2015 P220/2

45. a) What steps are being taken to attract foreign investors in Uganda? (12 marks)
   b) Assess the contribution of foreign capital investment to the development of Uganda. (12 marks) PES 2016 P220/2
46. a) What steps being taken to attract foreign investors in your country? (08 marks)
   b) Explain the adverse implications of direct foreign investment in your country. (12 marks)
NBTA 2015 P220/2

47. Assess the impact of multi-national corporations in your country. (20 marks)
UNEB 2007 P220/2

48. a) What are Multi-national Corporations? (04 marks)
   b) Assess the contribution of Multi-national Corporations to the development of your country. (16 marks)
UNEB 2001 P220/2

49. a) Explain the role of multi-national corporations in the development of Uganda. (10 marks)
   b) Examine the factors that affect the operations of multi-national corporations in Uganda. (10 marks)
PES 2016 P220/2

50. a) Define the term Foreign Aid. (02 marks)
   b) Assess the impact of Foreign Aid on developing economies. (18 marks)
UNEB 2016 P220/1

51. a) What is meant by Foreign Aid? (04 marks)
   b) Assess the impact of Foreign Aid on the development of your country. (16 marks)
UNEB 2013 P220/1

52. a) What is the role of foreign aid in the economic development of your country? (10 marks)
   b) Explain the problems associated with over relying on foreign aid. (10 marks)
PES 2016 P220/2

53. “Uganda being a developing country should seek assistance from developed countries so as to achieve economic development.” Discuss. (20 marks)
KSPA 2015 P220/2

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**MONEY AND BANKING**

**SECTION A**

1. a) What is money? (01 mark)
   b) Mention any three features of good money. (03 marks)
ACTK 2015 P220/1

2. State four functions of money in an economy. (04 marks)
UNEB 2016 P220/1

3. State any four qualities of good money. (04 marks)
CRTA 2015 P220/2

4. a) Distinguish between fiduciary issue and fiat money. (02 marks)
   b) State Irving Fisher’s Quantity Theory of Money. (02 mark)
UNEB 2003 P220/1

5. a) What is meant by the term value of money? (01 mark)
   b) Give any three factors that influence the value of money. (03 marks)
UNEB 2009 P220/1

6. a) What is meant by interest? (01 mark)
   b) Mention any three determinants of interest rates. (03 marks)
UNEB 2004 P220/1

7. a) What is meant by the term interest rate? (01 mark)
b) Mention any three determinants of interest rate in an economy. (03 marks)

8. a) What is meant by interest rate? (01 mark)
    b) Mention three causes of high interest rates in your country. (03 marks)

9. a) Differentiate between liquidity ratio and liquidity preference. (02 marks)
    b) Mention any two reasons for the high liquidity preference in developing countries. (02 marks)

10. a) What is meant by liquidity preference? (01 mark)
    b) Mention three factors which determine liquidity preference in an economy. (03 marks)

11. a) Define the term liquidity preference. (01 mark)
    b) State any three factors that influence liquidity preference in your country. (03 marks)

12. a) Define the term liquidity preference. (01 mark)
    b) Give three causes of high liquidity preference in your country. (03 marks)

13. a) Distinguish between liquidity trap and liquidity preference. (02 marks)
    b) State any factors that influence liquidity preference in an economy. (02 marks)

14. a) State Irving Fisher’s equation of exchange. (02 marks)
    b) How is the value of money determined in Fisher’s equation of exchange? (02 marks)

15. a) What is meant by money supply? (01 mark)
    b) State any three reasons why an increase in money supply may not necessarily lead to inflation. (03 marks)

16. a) What is meant by the term money supply? (01 mark)
    b) Give three factors affecting money supply in Uganda. (03 marks)

17. a) Distinguish between money supply and demand for money. (02 marks)
    b) Mention any two determinants of money supply in an economy. (02 marks)

18. a) What are non-bank financial intermediaries? (03 marks)
    b) State any two functions of these intermediaries in your country. (03 marks)

19. a) What are non-bank financial intermediaries? (02 marks)
    b) Give any two examples of non-bank financial intermediaries in your country. (02 marks)

20. a) What is meant by the term banking financial intermediaries? (02 marks)
    b) Give two roles of these intermediaries in your country. (02 marks)

21. a) Differentiate between cash ratio and reserve ratio. (02 marks)
    b) Give any two reasons why the reserve ratio may be increased. (02 marks)
22. a) Given a cash ratio of 0.1% and initial deposits of Shs 250,000; determine the:
   (i) total credit created, (02 marks)
   (ii) credit multiplier (02 marks)

23. a) Define the term credit multiplier. (01 mark)

   b) Given a cash ratio of 20% and the total credit created of Shs 4,250,000. Calculate the initial deposit. (03 marks)

24. a) Define the term credit multiplier. (01 mark)

   b) Given an initial deposit of Shs 750,000 and a cash ratio of 20%, calculate the total credit created. (03 marks)

25. a) Define the term credit creation. (01 mark)

   b) State three limitations to credit creation in an economy. (03 marks)

26. a) Define the term credit creation. (01 mark)

   b) Given that the cash ratio is 20% and initial deposit is Shs 6,000,000. Calculate the value of the total deposits that can be created. (03 marks)

27. Outline any four problems faced by commercial banks in an economy. (04 marks)

28. a) What is meant by monetary policy? (01 mark)

   b) Give any three tools of monetary policy in your country. (03 marks)

29. a) Distinguish between a money market and a capital market. (02 marks)

   b) State any two functions of capital markets in your country. (02 marks)

30. a) Distinguish between a money market and a capital market. (02 marks)

   b) State two characteristics of money markets in developing countries. (02 marks)

31. a) What is meant by stock exchange? (01 mark)

   b) State any three functions of stock exchange in your country. (03 marks)

SECTION B

1. a) Distinguish between demand for money and supply for money. (04 marks)

   b) Explain the factors that influence demand for money in Uganda. (16 marks)

2. a) Given that the volume of money in an economy is £ 20 billion; total level of transactions is £ 250 million and the transactions velocity of money is 20; calculate the general price level in the economy. (04 marks)

   b) Explain the limitations of Irving Fisher’s quantity theory of money. (16 marks)

3. a) Explain the Quantity Theory of Money. (08 marks)
b) What are the limitations of the Quantity Theory of Money?  

4. a) Given that the quantity of money in an economy is US $ 1,000,000, its velocity of circulation is 20 and the number of transactions made are 250; calculate the general price level in the economy.  
   b) Explain the limitations of Irving Fisher’s Quantity Theory of money.  

5. a) Explain the Quantity theory of money.  
   b) What are the limitations of the Quantity theory of money?  

6. a) Explain Irving Fisher’s Quantity theory of money.  
   b) Assess the relevance of Fisher’s Quantity theory of money.  

7. a) Distinguish between banking financial institutions and non-banking financial institutions.  
   b) Explain the functions of banking financial institutions in your country.  

8. a) What are the functions of commercial banks in Uganda?  
   b) Explain the problems commercial banks face in Uganda.  

9. a) Describe the process of credit creation by commercial banks.  
   b) What factors limit the ability of commercial banks to create credit in an economy?  

10. a) How do commercial banks create credit? (Illustrate your answer)  
    b) Explain the factors which limit credit creation by commercial banks in your country.  

11. a) How does a commercial bank create credit using an initial deposit of Shs 1,000,000 and a uniform cash ratio of 20%? (Illustrate your answer).  
    b) Explain the factors which limit credit creation by commercial banks in your country.  

12. a) Given an initial deposit of Shs 250,000 and a cash ratio of 20%, show how a commercial bank would create credit.  
    b) What are the limitations of credit creation in your country?  

13. a) Given a cash ratio of 0.2 and the total deposit created is Uganda shillings 200,000,000; calculate the initial deposit that was available to the bank.  
    b) Explain the factors that influence the process of credit creation in an economy.  

14. a) Given that a micro-finance bank had initial deposits of Shs 1,000,000 and the required cash ratio of 25%.  
    Calculate the:  
    (i) credit multiplier  
    (ii) total deposits that will be created in a multi-bank system.  
    b) Explain the factors which limit credit creation in an economy.  

15. a) Given a cash ratio of 10% and initial deposit of Shs 200,000, determine;
(i) bank deposit multiplier. (02 marks)
(ii) total credit created assuming there are three banks in the system. (02 marks)

b) Discuss the factors that have influenced the process of credit creation in your country. (16 marks) UTEC 2015 P220/2

16. a) Calculate the total credit created in the housing finance bank chain having four branches if the initial deposit is 2,000 million shillings and the cash ratio is 10%. (02 marks)
b) Calculate the total credit created in an economy if the initial deposits amount to 500 million shillings and the cash ratio is 10%. (02 marks)
c) Examine the factors responsible for the low bank deposit multiplier in the banking sector of Uganda. (16 marks)

17. a) How do commercial banks in your country create credit? (08 marks)
b) Explain the factors which influence the credit creation process in your country. (12 marks) PES 2016 P220/2

18. a) Differentiate between cash ratio and liquidity ratio. (02 marks)
b) What monetary tools can be used to reduce credit creation in an economy? (06 marks)
c) Discuss the factors that stagnate the level of credit creation in developing countries. (12 marks) NBTA 2015 P220/1

19. a) What are the assets and liabilities of a commercial bank? (04 marks)
b) How are commercial banks able to achieve both liquidity and profitability? (14 marks) UNEB 2002 P220/1

20. a) How do commercial banks achieve the following objectives?
   (i) Liquidity (04 marks)
   (ii) Profitability (04 marks)
b) Discuss the role of commercial banks in the development of your country. (12 marks) MEC 2015 P220/2

21. a) Distinguish between a commercial bank and a development bank. (04 marks)
b) Discuss the contributions of foreign owned commercial banks to the development of LDCs. (16 marks)

22. a) Explain the functions of the Central bank. (08 marks)
b) How does a Central bank control credit creation in a multi-bank system? (12 marks) UNEB 2010 P220/1

23. a) Explain the term monetary policy. (04 marks)
b) Examine the tools used by the central bank to regulate money supply in your country. (16 marks) UNEB 1998 P220/2

24. a) What is meant by monetary policy? (04 marks)
b) Explain the factors that influence the operation of the monetary policy in an economy. (16 marks) CRTA 2015 P220/1

25. a) What is meant by tools of monetary policy? (8 marks)
b) What factors limit the application of monetary policy in your country? (12 marks) UNEB 1999 P220/2

26. a) Describe the instruments of the monetary policy. (08 marks)
b) Explain the limitations of the monetary policy in your country. (12 marks) MKJB 2016 P220/2
27. 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)

28. a) Outline the objectives of the monetary policy in your country. (06 marks)
   b) Examine the factors that limit the success of the monetary policy in your country. (14 marks)

29. a) State two objectives of the monetary policy in your country. (04 marks)
   b) Explain the factors which limit the effective operation of the monetary policy in your country. (16 marks)

30. a) Explain the objectives of the monetary policy in your country. (10 marks)
   b) What factors limit the effective implementation of the monetary policy in your country? (10 marks)

31. a) Explain the objectives of the monetary policy in an economy? (10 marks)
   b) What factors limit the successful implementation of the monetary policy in your country? (10 marks)

32. a) Discuss the measures used by the central bank to influence money supply in Uganda. (10 marks)
   b) Discuss the factors that influence the implementation of monetary policy in your country. (10 marks)

**POPULATION, LABOUR AND WAGES**

**SECTION A**

1. a) Give any **four** effects of a young population on Uganda’s economy. (04 marks)

2. a) Define the term **under population**. (01 mark)
   b) Mention any **three** disadvantages of under population in your country. (03 marks)

3. a) Define the term **dependence ratio**. (01 mark)
   b) Given that the country’s total population is 20,000,000 people, the number of children is 10,000,000, the elderly is 6,000,000 and the working population is 4,000,000. Calculate the dependence ratio. (03 marks)

4. a) Given that the working population in a country is 12,000,000, the young population is 14,000,000 and the elderly population is 4,000,000, calculate the country’s dependency ratio. (02 marks)
   b) Give any **two** disadvantages of such a population structure. (02 marks)

5. a) Distinguish between **population growth rate** and **population trap**. (02 marks)
   b) State **two** determinants of population growth in developing countries. (02 marks)

6. a) **Explain the Malthusian theory of population**. (02 marks)
   b) State any **two** limitations of the Malthusian theory of population. (02 marks)
7. Mention any four population problems in your country.

8. a) Define the term **trade union**.
    b) Mention any three factors that determine the strength of trade unions in your country.

9. Mention any four factors that determine the strength of trade unions in your country.

10. State any four factors which limit the effective operation of trade unions in your country.

11. a) Distinguish between piece rate and time rate methods of wage payment.
    b) State any two merits of piece rate method of wage payment.

12. a) Differentiate between piece rate and time rate methods of wage payment.
    b) State two advantages of using the time rate method of wage payment.

13. a) What is meant by piece rate method of wage payment?
    b) Mention any three advantages of piece rate method of wage payment.

14. a) Distinguish between time rate and piece rate methods of wage payment.
    b) Mention two demerits of using time rate method in your country.

15. a) Distinguish between a minimum wage and a living wage.
    b) State any two factors that influence the level of wages in your country.

16. a) What is meant by minimum wage legislation?
    b) State any two reasons for minimum wage legislation in your country.

17. a) Distinguish between wage freeze and wage restraint.
    b) Give any two causes of wage differential in your country.

18. a) State the iron law of wages.
    b) State three factors that influence wage rates in Uganda.

19. a) State the marginal productivity theory of distribution.
    b) Give any three assumptions of the marginal productivity theory of distribution.

20. a) State the marginal productivity theory of distribution.
    b) Give any three limitations of this theory.

21. a) State the marginal productivity theory of wages.
    b) Mention any three limitations of the marginal productivity theory of wages.

22. a) What is meant by the term collective bargaining?
    b) Give any three features of trade unions in developing countries.
SECTION B

1. a) Distinguish between **under population** and **over population**.  
    b) Examine the effects of an increasing population.  

2. a) Distinguish between **under population** and **optimum population**.  
    b) Examine the economic implications of an increasing population in your country.  

3. a) What is meant by the term **optimum population**?  
    b) Examine the implications of a high population growth rate in your country.  

4. a) Define the term **optimum population**.  
    b) Examine the economic implications of an increasing population in an economy.  

5. a) Distinguish between **over-population** and **optimum population**.  
    b) Assess the implications of over-population in an economy.  

6. a) Describe the structure of Uganda’s population.  
    b) Examine the implications of the population structure on Uganda’s economy.  

7. a) Describe the population structure of your country.  
    b) Examine the economic implications of such a population structure.  

8. a) Describe the population structure of your country.  
    b) Examine the economic implications of such a population structure.  

9. a) Describe the structure of Uganda’s population.  
    b) Explain the reasons for controlling high population increase in Uganda.  

10. a) State the Malthusian population theory.  
    b) Explain **five** ways in which the Malthusian population theory is relevant to developing countries.  
    c) State **six** limitations of the theory.  

11. a) Explain the Malthusian population theory.  
    b) To what extent is this theory relevant in developing countries?  

12. a) Explain the Malthusian theory of population.  
    b) To what extent is this theory relevant to your country?  

13. a) Explain the Malthusian population theory.  
    b) How relevant is the Malthusian population theory in explaining population problems in your country?
14. a) Explain the Malthusian population theory.  
   b) Assess the applicability of the Malthusian population theory in your country.  
(04 marks)  
KSPA 2015 P220/2

15. a) Explain the Malthusian theory of population.  
   b) What are the limitations of the Malthusian theory of population?  
(14 marks)  
UNE2 1999 P220/1

16. a) State the iron law of wages.  
   b) To what extent is the iron law of wages applicable in the determination of wages in Uganda?  
(16 marks)  
UNE 2017 P220/2

17. a) Explain the factors that determine the level of wages in an economy. 
   b) What are the limitations of the marginal productivity theory of wage determination?  
(16 marks)  
UNEB 2010 P220/1

18. a) Distinguish between a nominal wage and a real wage. 
   b) Explain the factors that influence the level of wages in an economy.  
(16 marks)  
MKJB 2013 P220/1

19. a) How are salaries and wages determined in your country?  
   b) Account for the differences in salary and wage rates in your country.  
(16 marks)  
UNE 2015 P220/2

20. a) How are wages determined in your country?  
   b) Account for the wage differences in your country.  
(16 marks)  
UNE 2000 P220/2

21. a) Account for wage differentials in an economy. 
   b) Examine the merits and demerits of setting a high minimum wage.  
(16 marks)  
UNE 2008 P220/1

22. a) Explain the Iron’s law of wages.  
   b) Account for wage differentials in your country.  
(16 marks)  
PES 2016 P220/1

23. a) Distinguish between piece rate and time rate methods of wage payment?  
   b) Explain the merits and demerits of piece rate method of wage payment.  
(16 marks)  
UNE 2006 P220/2

24. a) Distinguish between piece rate and time rate systems of wage payment. 
   b) Explain why employers rely more on piece rate than time rate system in developing countries.  
(16 marks)  
UNE 1999 P220/2

25. a) Explain the marginal productivity theory of distribution as applied to labour.  
   b) What are the limitations of the marginal productivity theory of distribution in the determination of wages?  
(16 marks)  
UNE 1998 P220/1

26. a) Explain the marginal productivity theory of distribution. 
   b) Why is the marginal productivity theory of wages of limited application in most low developing countries?  
(16 marks)  
NBTA 2015 P220/1

27. a) Explain the marginal productivity theory of wages.  
   b) What are the limitations of the marginal productivity theory of wages?  
(16 marks)  
NBTA 2015 P220/1
28. a) What is meant by a **Trade Union**?  
   b) Explain the challenges faced by Trade Unions in your country.

29. a) Explain the methods used by trade unions to obtain wage increases for their members.  
   b) What factors limit the ability of trade unions to raise wages in your country?

30. a) Distinguish between **picketing** and **collective bargaining**.  
   b) Account for the low bargaining power of trade unions in your country.

31. a) What is meant by the term **collective bargaining**?  
   b) When are employees justified to demand for wage increases?

32. a) What is meant by **collective bargaining**?  
   b) To what extent have trade unions in your country achieved their objectives?

33. a) What are **Trade Unions**?  
   b) Under what circumstances are Trade Unions justified to demand for wage increases?

34. a) Justify the need for trade unions in your country.  
   b) Discuss the factors that influence the strength of trade unions in your country.

35. a) Under what circumstances may workers demand for higher wages?  
   b) Examine the problems facing trade unions in your country.

36. a) What factors are put forward by trade unions to demand for a pay rise in your country?  
   b) Explain the factors that affect the success of Trade Unions in your country.

### UNEMPLOYMENT

#### SECTION A

1. a) What is **voluntary unemployment**?  
   b) Mention **three** causes of voluntary unemployment in an economy.

2. a) Differentiate between **voluntary unemployment** and **involuntary unemployment**.  
   b) State any **two** causes of involuntary unemployment in your country.

3. a) Distinguish between **voluntary** and **involuntary unemployment**.  
   b) State any **two** measures that have been undertaken to reduce involuntary unemployment in Uganda.

4. a) Define the term **cyclical unemployment**.  
   b) Suggest any **three** measures that should be adopted to minimise cyclical unemployment in an economy.
5. a) Define the term **frictional unemployment**.
   b) State any **three** causes of frictional unemployment in an economy.

6. a) What is meant by **disguised unemployment**?
   b) Mention **three** causes of disguised unemployment in your country.

7. a) Differentiate between **casual unemployment** and **residual unemployment**.
   b) State any **two** effects of unemployment in an economy.

8. a) Differentiate between **disguised unemployment** and **frictional unemployment**.
   b) State any **two** solutions to the problem of disguised unemployment in your country.

9. a) Distinguish between **structural unemployment** and **seasonal unemployment**.
   b) Suggest any **two** measures that should be taken to reduce structural unemployment in an economy.

10. a) Distinguish between **structural unemployment** and **residual unemployment**.
   b) Mention any **two** causes of structural unemployment in Uganda.

11. a) Distinguish between **disguised unemployment** and **under-employment**.
   b) State any **two** causes of disguised unemployment in your country.

12. a) Distinguish between **disguised unemployment** and **cyclical unemployment**.
   b) Give any **two** causes of disguised unemployment in your country.

13. a) Distinguish between **frictional unemployment** and **seasonal unemployment**.
   b) Give any **two** causes of seasonal unemployment in an economy.

14. a) Distinguish between **seasonal unemployment** and **casual unemployment**.
   b) Give any **two** remedies for seasonal unemployment.

15. a) Distinguish between **cyclical** and **seasonal unemployment**.
   b) Give any **two** factors that give rise to cyclical unemployment.

16. Mention any **four** causes of underemployment in an economy.

17. a) State the **Keynesian theory of unemployment**.
   b) Give any **three** solutions to the Keynesian unemployment problem.

18. a) What is **Keynesian unemployment**?
   b) Mention **three** assumptions made in the Keynesian theory of unemployment.

**SECTION B**
1. a) Differentiate between voluntary unemployment and involuntary unemployment.  
   b) Suggest possible measures of reducing the unemployment problem in your country.

2. a) Distinguish between casual unemployment and cyclical unemployment.  
   b) Discuss the measures that can be taken to control unemployment in an economy.

3. a) Examine the causes of voluntary unemployment your country.  
   b) Explain the policies being undertaken to solve the unemployment problem in your country.

4. a) Explain the causes of voluntary unemployment in your country.  
   b) Suggest measures that should be taken to reduce the level of unemployment in your country.

5. a) Discuss the causes of under-employment in Uganda.  
   b) Explain the reasons why measures are taken to solve the unemployment problem in Uganda.

6. a) What is meant by the term full employment?  
   b) Why is it difficult to attain full employment in an economy?

7. a) Examine the causes of structural unemployment in an economy.  
   b) What measures should be taken to curb unemployment in an economy?

8. a) Explain the causes of open-urban unemployment in an economy.  
   b) Suggest measures that can be adopted to reduce open-urban unemployment in an economy.

9. a) What are the causes of youth unemployment in developing countries?  
   b) Assess the impact of unemployment in developing countries.

10. a) Explain the causes of unemployment in your country.  
    b) Suggest measures that should be taken by the government to reduce unemployment in your country.

11. a) Explain the causes of voluntary unemployment.  
    b) Suggest measures that should be taken to reduce the level of unemployment in your country.

12. a) What are the causes of disguised unemployment?  
    b) Explain the measures that should be taken to increase the level of employment in your country.

13. a) Account for the unemployment problem in your country.  
    b) Explain the measures being taken to tackle the unemployment problem in your country.
14. a) Why is unemployment a problem of great concern in your country?
   b) Explain the measures being undertaken to curb the unemployment problem in your country.

15. a) What are the objectives of reducing unemployment in Uganda?
   b) Account for the persistent unemployment in Uganda.

16. a) Explain the causes of unemployment, according to J.M Keynes.
   b) What are the effects of unemployment in your country?

17. a) Explain the Keynesian theory of unemployment.
   b) To what extent is the Keynesian theory of unemployment relevant to your country?

18. a) Explain the Keynesian theory of unemployment.
   b) To what extent is this theory relevant to developing countries?

19. a) Explain the Keynesian theory of unemployment.
   b) To what extent is this theory of unemployment applicable to your country?

20. a) Explain the Keynesian theory of unemployment.
   b) Examine the relevance of Keynesian theory of unemployment to your country.

21. a) Explain the Keynesian theory of unemployment.
   b) Account for the limited relevance of the Keynesian theory of unemployment to developing countries.

22. a) What according to J.M Keynes are the solutions to the unemployment problem?
   b) Explain the limitations of the Keynesian theory of unemployment in developing countries.

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**STRUCTURE OF UGANDA’S ECONOMY**

**SECTION A**

1. Mention any **four** features of your country’s economy.

2. a) What is a dual economy?
    b) State any **three** advantages of a dual economy.

3. a) What is meant by the term **dual economy**?
    b) Mention any **three** features of a dual economy.

4. State any **four** features of dualism in your country.
5. State any **four** examples of economic dualism.

6. State any **four** examples of economic dualism.

7. a) Distinguish between a **mixed economy** and a **dual economy**.
   b) Mention any **two** features of economic dualism in your country.

8. a) Differentiate between a **dual economy** and a **mixed economy**.
   b) Identify any **two** forms of dualism in your country.

9. Mention any **four** features of the industrial sector in your country.

10. State any **four** features of the agricultural sector in your country.

11. Mention any **four** features of the agricultural sector in your country.

12. State **four** characteristics of the formal sector in your country.

13. a) Define the term **informal sector**.
   b) State any three features of the informal sector.

14. Mention any **four** features of the informal sector in your country.

15. What is the role of the informal sector in your country?

16. Mention any **four** merits of the informal sector in your country.

17. a) Distinguish between a **private** and a **public enterprise**.
   b) Give any **two** reasons for the establishment of public enterprises in your country.

18. a) What are **public enterprises**?
   b) Give any **three** reasons for the privatisation of public enterprises in your country.

19. a) Define the term **public enterprise**.
   b) Mention **three** reasons for setting up public enterprises in Uganda.

20. State any **four** causes of the poor performance of public enterprises in your country.

21. a) What is a **parastatal organisation**?
   b) Give any three reasons for the poor performance of parastatal organisations in developing countries.

22. a) Distinguish between **nationalisation** and **privatisation** of enterprises.
b) Give any two merits of privatisation in an economy.

23. a) Distinguish between nationalisation and privatisation of enterprises.
   b) Give any two merits of nationalisation of enterprises in an economy.

24. a) Give any four features of Uganda’s export sector.

25. a) What is meant by the term economic dependence?
   b) Mention any three forms of economic dependence in your country.

26. a) Distinguish between economic dependence and economic interdependence.
   b) State any two forms of economic dependence in your country.

27. a) Distinguish between economic dependence and economic interdependence.
   b) Give two costs of economic dependence in your country.

28. a) Define the term economic dependence.
   b) Give any three effects of economic dependence in an economy.

29. Give any four demerits of economic dependence in your country.

30. a) What is meant by the term economic dependence?
   b) Suggest any three measures to reduce economic dependence in your country.

31. a) What is meant by economic dependence?
   b) Mention any three ways in which your country’s economy is dependent.

32. a) Define the term sectoral dependence.
   b) Mention three demerits of sectoral dependence in an economy.

33. a) Distinguish between external resource dependence and direct economic dependence.
   b) State any two demerits of external resource dependence.

34. Mention any four Structural Adjustment Programmes of the International Monetary Fund (IMF) that your country has implemented.

SECTION B

1. a) Describe the structure of the economy of your country.
   b) Examine the factors responsible for the under-development in your country.

2. a) Describe the structure of Uganda’s economy.
   b) What are the economic implications of the above structure in Uganda?

3. a) Describe the structure of the industrial sector in your country.
b) Explain the factors which have influenced the development of the industrial sector in your country. (10 marks)  

4. a) Describe the features of the industrial sector in your country. (10 marks)  
b) What are the problems faced by the industrial sector in your country? (10 marks)  

5. a) Describe the structure of the industrial sector of your country. (08 marks)  
b) Suggest possible measures that can be taken to promote the industrial sector in developing countries. (12 marks)  

6. a) Describe the features of the industrial sector in your country. (10 marks)  
b) Explain the measures being taken to promote the expansion of the industrial sector in your country. (10 marks)  

7. a) Describe the characteristics of the industrial sector in Uganda. (10 marks)  
b) Discuss the contribution of the industrial sector to the development of Uganda. (10 marks)  

8. a) Explain the benefits of expanding the industrial sector in your country. (10 marks)  
b) Discuss the measures that have been taken to promote the industrial sector in your country. (10 marks)  

9. a) Why should developing countries develop their industrial sector? (10 marks)  
b) Discuss the limitations of developing the industrial sector in developing countries. (10 marks)  

10. a) Discuss the contribution of the industrial sector in an economy. (10 marks)  
b) Examine the challenges faced by the industrial sector in low developing countries. (10 marks)  

11. a) Explain the role of the industrial sector to the economic development of Uganda? (10 marks)  
b) Examine the factors that influence the growth of the industrial sector in Uganda. (10 marks)  

12. a) Why is there need for industrialisation in less developed countries? (10 marks)  
b) Explain the problems faced by the industrial sector in less developed countries. (10 marks)  

13. a) Describe the basic features of the agricultural sector in your country. (06 marks)  
b) “Since agriculture is the dominant sector in Uganda, it should receive the main emphasis in development.” Discuss. (16 marks)  

14. a) Describe the structure of the Agriculture sector of your country. (10 marks)  
b) Explain the role of agriculture in the economic development of your country. (10 marks)  

15. a) Why is there need to modernise the agricultural sector in Uganda? (10 marks)  
b) Discuss the factors limiting agricultural modernisation in Uganda. (10 marks)  

16. a) Distinguish between formal sector and informal sector. (04 marks)  
b) Explain the role of the informal sector in the development of LDCs. (16 marks)
17. a) What are the features of the informal sector?
   b) Assess the contribution of the informal sector to your country.

18. a) Discuss the salient features of the sector that lies between the Modern sector and the Traditional sector.
   b) Assess the contribution of the informal sector to your country.

19. a) What is a parastatal organization?
   b) Describe the role of parastatal organisations in an economy.

20. a) Why do countries establish parastatal organisations?
   b) Explain the problems faced by parastatal organisations in developing countries.

21. a) What is a public corporation?
   b) Assess the role of public corporations in an economy.

22. a) Distinguish between a public corporation and a public company.
   b) Mention any two factors limiting the growth of public corporations in Uganda.

23. a) Explain the contribution of public enterprises to the development of your country.
   b) What are the problems faced by public enterprises in your country?

24. a) Why does government set up public enterprises?
   b) Explain the problems faced in privatisation of public enterprises in your country.

25. a) Why were public enterprises set in Uganda?
   b) Examine the impact of privatising public enterprises in Uganda.

26. a) What is a private sector?
   b) Assess the role of the private sector in the development of an economy.

27. a) Explain the role of the private sector in the development of your country.
   b) What measures have been taken to promote the development of the private sector in your country?

28. a) Explain the challenges being faced by the private sector in developing countries.
   b) What measures should be taken to promote the private sector in developing countries?

29. a) Explain the role of the private sector in the development of your country.
   b) What are the problems faced by the private sector in your country?

30. a) What is the role of the private sector in the development of your country?
   b) Explain the measures being undertaken to improve the performance of the private sector in your country.
31. a) Examine the role played by the private sector in the development of an economy. (10 marks)
   b) Suggest policies that can be adopted to promote the private sector in an economy. (10 marks)

PES 2016 P220/1

32. 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)

33. a) Explain any five forms of privatisation in developing countries. (10 marks)
   b) What are the disadvantages of privatisation to developing countries? (10 marks)

PES 2016 P220/1

34. a) Distinguish between divestiture and joint venture. (04 marks)
   b) Account for divestiture of public enterprises in your country. (08 marks)
   c) Discuss the challenges faced in the divestiture of public enterprises in your country. (08 marks)

NBTA 2015 P220/2

35. a) Distinguish between divestiture and joint venture privatisation. (04 marks)
   b) Discuss the case for and against privatisation of public enterprises in Uganda. (16 marks)

PES 2016 P220/2

36. a) Distinguish between privatisation and divestiture. (04 marks)
   b) What are the implications of privatisation of public enterprises in Uganda? (16 marks)

PES 2016 P220/2

37. a) Account for the privatisation of public enterprises in your country. (08 marks)
   b) What problems have been encountered in the privatisation of public enterprises in your country? (12 marks)

UNEB 2009 P220/2

38. Developing countries should privatise Public Enterprises if they are to attain economic growth and development. Discuss. (20 marks)

UNEB 2008 P220/1

39. a) Differentiate between privatisation and nationalisation of economic enterprises. (04 marks)
   b) Assess the impact of privatisation of Public Enterprises in your country. (16 marks)

UNEB 2007 P220/2

40. a) Account for the divestiture of public enterprises in your country. (10 marks)
   b) What are the problems encountered in the divestiture of public enterprises in your country? (10 marks)

UNEB 2003 P220/2

41. a) Account for the privatisation of public enterprises in your country. (10 marks)
   b) What problems have been faced in the privatisation of public enterprises in your country? (10 marks)

UNEB 2001 P220/2

42. a) Account for the privatisation of public enterprises in your country. (10 marks)
   b) What problems have been encountered in the privatisation of public enterprises in Uganda? (10 marks)

UNEB 2000 P220/2

43. a) Examine the benefits of privatisation in your country. (10 marks)
   b) Why may your country be reluctant to privatise its public enterprises? (10 marks)

UTEC 2015 P220/2

44. a) Explain the benefits of privatisation in your country. (10 marks)
b) Discuss the problems that have been faced during the privatisation process in your country.

45. a) Define the term **nationalisation of enterprises**.  
   b) Examine the merits and demerits of nationalisation of enterprises in an economy.

46. a) Describe the structure of exports in your country.  
   b) Suggest measures that should be taken to increase export earnings in your country.

47. a) Describe the features of the import sector of Uganda.  
   b) Examine the implications of the structure of foreign trade in Uganda.

48. a) Describe the different forms of economic dependence in Uganda.  
   b) What are the demerits of economic dependence in Uganda?

49. a) In what ways is your country economically dependent?  
   b) What are the implications of such economic dependence?

**PUBLIC FINANCE AND FISCAL POLICY**

**SECTION A**

1. a) What is meant by **public revenue**?  
   b) Give any two sources of public revenue in your country.

2. Mention any four non-tax sources of public revenue.

3. a) Differentiate between **taxable capacity** and **tax base**.  
   b) State any two reasons for the narrow tax base in your country.

4. a) Differentiate between **taxable income** and **taxable capacity**.  
   b) Mention any two principles of taxation.

5. a) Differentiate between **taxable capacity** and **taxable income**.  
   b) State two factors that influence the taxable capacity in your country.

6. a) What is the difference between **taxable income** and **tax base**?  
   b) Give any two reasons for the narrow tax base in your country.

7. a) Distinguish between **tax base** and **taxable capacity**.  
   b) Suggest any two measures that can be taken to increase the tax base in an economy.

8. Mention any four factors responsible for low tax revenue in your country.

9. a) Define the term **progressive tax**.
b) Outline any three effects of progressive taxes in an economy.

10. a) Define the term **regressive tax**.
    b) State any three effects of regressive taxes in an economy.

11. a) Differentiate between a **progressive tax** and a **regressive tax**.
    b) Give any two reasons for imposing progressive taxes in your country.

12. a) Distinguish between a **progressive tax** and a **proportional tax**.
    b) Give any two advantages of a progressive tax over a proportional tax.

13. a) Differentiate between a **proportional tax** and a **progressive tax**.
    b) State any two merits of progressive taxes.

14. a) Differentiate between a **progressive tax** and a **regressive tax**.
    b) Mention any two effects of a regressive tax system in your country.

15. a) Distinguish between a **proportional tax** and a **regressive tax**.
    b) Mention any two demerits of regressive taxes.

16. a) What is meant by **incidence of a tax**?
    b) Differentiate between **taxable capacity** and **tax base**.

17. a) Differentiate between the **impact** and the **incidence** of a tax.
    b) Mention any two effects of taxation in your country.

18. a) Distinguish between **incidence of a tax** and **impact of a tax**.
    b) Give any two demerits of a regressive tax.

19. a) Distinguish between **incidence of a tax** and **impact of a tax**.
    b) Determine the incidence of a tax when demand is price inelastic.

20. a) Distinguish between **capital gains tax** and **corporation tax**.
    b) Give any two demerits of corporation tax in your country.

21. a) Distinguish between **customs duties** and **excise duties**.
    b) Give two uses of customs duties in your country.

22. a) Distinguish between **excise duty** and **customs duty**.
    b) Give any two objectives of customs duties in LDCs.

23. a) Differentiate between **Advalorem** and **specific taxes**.
    b) Give any two reasons why the government may not levy direct taxes.

24. a) What is meant by **Value Added Tax (VAT)**?
    b) Give any three advantages of VAT in your country.
25. a) Differentiate between **tax avoidance** and **tax evasion**.
   b) State any **two** reasons why people evade paying taxes in your country.

26. a) Distinguish between **tax avoidance** and **tax evasion**.
   b) State **two** reasons for a small tax base in your country.

27. a) Distinguish between **tax avoidance** and **tax evasion**.
   b) Mention any **two** factors for low tax revenue in your country.

28. a) Define the term **tax evasion**.
   b) Mention any **three** causes of tax evasion in Uganda.

29. a) Differentiate between a **national debt** and a **public debt**.
   b) Mention any **two** reasons for incurring a public debt in an economy.

30. a) What is meant by a **public debt**?
   b) Suggest **three** ways in which an external public debt may be cleared.

31. a) Distinguish between a **domestic debt** and an **external debt**.
   b) Give **two** problems of an external debt.

32. a) Distinguish between a **reproductive debt** and a **dead weight debt**.
   b) State any **two** ways in which a public debt can be redeemed.

33. a) Differentiate between a **reproductive debt** and a **dead weight debt**.
   b) Mention any two ways of managing a public debt.

33. a) Differentiate between a **dead weight debt** and a **funded debt**.
   b) Mention any **two** demerits of a public debt.

34. a) Differentiate between a **soft loan** and a **hard loan**.
   b) State **two** reasons why your country continues to rely on loans.

34. a) What is meant by **public debt management**?
   b) Give any **three** objectives of public debt management in your country.

35. a) What is meant by a **public debt management**?
   b) Mention any **three** objectives of public debt management.

36. a) Distinguish between **recurrent expenditure** and **development expenditure**.
   b) State **two** causes of the recent increase in government expenditure in your country.

37. a) What is meant by the term **fiscal policy**?
   b) State any **three** instruments of fiscal policy used in Uganda.
38. a) Distinguish between fiscal **policy** and **monetary policy**.
   b) State any **two** instruments of fiscal policy in your country.

39. a) Distinguish between fiscal **policy** and **monetary policy**.
   b) State any **two** sources of government revenue.

40. a) What is fiscal policy?
   b) State any **three** sources of government revenue.

41. a) What is a national budget?
   b) Mention any **three** objectives of a budget in your country.

42. a) Define the term government budget.
   b) Mention any **three** objectives of a government budget.

43. a) What is meant by a government budget?
   b) State any **three** objectives of national budget.

44. a) Distinguish between a deficit budget and a surplus budget.
   b) State any **two** reasons why a country may prepare a deficit budget.

45. a) Distinguish between a balanced budget and a deficit budget.
   b) State any **two** ways of financing a deficit budget.

**SECTION B**

1. a) What are the sources of government revenue?
   b) Why do countries levy taxes?

2. a) Explain the principles of taxation.
   b) What are the problems faced by the tax authorities in your country?

3. a) Explain the principles of good taxation.
   b) Why is it necessary to levy taxes in your country?

4. a) What are the canons of taxation according to Adam Smith?
   b) Explain the characteristics of a good tax system.

5. a) Describe the features of a good tax system.
   b) Explain the role of taxation in the development of a country.

6. a) Explain the characteristics of a good tax system.
   b) What factors are responsible for the recent increase in tax revenue in your country?

7. a) Describe the features of a good tax system.
   b) Suggest measures that should be taken to increase tax bases in Uganda.
8. a) Distinguish between certainty and economy principles of taxation.  
     b) Assess the role of taxation.  

9. a) Why do countries impose taxes? 
     b) What are the problems faced by tax authorities in LDCs? 

10. a) Why does government levy taxes in Uganda? 
     b) Discuss the merits and demerits of levying taxes in Uganda. 

11. a) Explain the principles of taxation. 
     b) Why do most governments of developing countries rely more on outlays than on direct taxes to raise their public revenue? 

12. a) Explain the importance of taxes in your country. 
     b) Discuss the demerits of imposing taxes in your country. 

13. a) Differentiate between tax base and taxable capacity. 
     b) What are the advantages of relying on indirect taxes? 

14. a) Differentiate between tax base and taxable capacity. 
     b) Why do most developing countries rely more on indirect taxes than direct taxes? 

15. A multi-citizen man lived in three countries where he paid different types of taxes at different levels of income. Study the table below and answer the questions that follow. 

<table>
<thead>
<tr>
<th>Level of income</th>
<th>Tax paid in country A</th>
<th>Tax paid in country B</th>
<th>Tax paid in country C</th>
</tr>
</thead>
<tbody>
<tr>
<td>16,000</td>
<td>16,000</td>
<td>18,000</td>
<td>1,600</td>
</tr>
<tr>
<td>18,000</td>
<td>18,000</td>
<td>1,440</td>
<td>1,600</td>
</tr>
<tr>
<td>20,000</td>
<td>20,000</td>
<td>1,220</td>
<td>1,600</td>
</tr>
<tr>
<td>22,000</td>
<td>22,000</td>
<td>800</td>
<td>1,600</td>
</tr>
</tbody>
</table>

a) Calculate and with reasons state the type of tax paid by this man in each country. 

b) Account for the recent increase in your country’s tax returns. 

16. a) Distinguish between progressive taxation and regressive taxation. 
     b) Assess the role of taxation in your country. 

17. a) Explain the incidence of a tax when supply is elastic and demand is: 
     (i) inelastic 
     (ii) perfectly elastic 
     b) What are the advantages of levying indirect taxes? 

18. a) Distinguish between direct taxes and indirect taxes. 
     b) Assess the impact of direct taxes on an economy. 

19. a) Distinguish between direct taxes and indirect taxes.
b) Discuss the merits and demerits of indirect taxes in developing countries.

20. a) Differentiate between direct and indirect taxes.
   b) Assess the impact of taxation in an economy.

21. a) Differentiate between direct taxes and indirect taxes.
   b) Why do countries rely more on indirect taxes than direct taxes?

22. a) Distinguish between tax evasion and tax avoidance.
   b) Assess the impact of indirect taxes on the economy of your country.

23. a) Why does your government rely on indirect taxes in Uganda?
   b) Examine the effects of imposing taxes in Uganda?

24. a) Assess the role of taxation in your country.
   b) How can the current taxation system in your country be improved?

25. a) Assess the role of taxation in an economy.
   b) Suggest ways of how tax collection can be improved in your country.

26. a) Distinguish between a dead weight debt and a funded debt.
   b) Assess the effects of government borrowing in the development of Uganda.

27. a) Distinguish between a dead weight debt and a reproductive debt.
   b) What are the merits and demerits of government borrowing?

28. a) Distinguish between a dead weight debt and a reproductive debt.
   b) Explain the methods of redeeming public debts in an economy.

29. a) Define an unfunded debt.
   b) Mention three reasons why your country raises part of the revenue through borrowing.

30. a) Differentiate between a funded debt and an unfunded debt.
   b) Mention two objectives for incurring public debts in your country.

31. a) Why do countries incur public debts?
   b) Explain the methods used to reduce the burden of public debts in your country.

32. a) Differentiate between taxation financing and debt financing.
   b) Why may a government rely more on debt financing than taxation financing?

33. a) Distinguish between debt financing and taxation financing.
   b) Present the advantages of debt financing over taxation financing?

34. a) Distinguish between debt financing and taxation financing.
   b) Account for the high public debt in Uganda.
35. a) Distinguish between government **recurrent expenditure** and **development expenditure**. (04 marks)
   b) Account for the increase in public expenditure in your country. (16 marks)

36. a) Distinguish between **recurrent expenditure** and **capital expenditure** in a budget. (04 marks)
   b) Account for the persistent budget deficits in your country. (16 marks)

37. a) Differentiate between a **surplus budget** and a **deficit budget**. (04 marks)
   b) How does a government finance a deficit budget? (16 marks)

38. a) Differentiate between a **budget surplus** and a **budget deficit**. (04 marks)
   b) Explain the significance of a national budget in an economy. (16 marks)

39. a) Explain the rationale of a National Budget as a tool of fiscal policy. (10 marks)
   b) Account for budgetary deficits in an economy. (10 marks)

40. a) What are the objectives of a government budget? (06 marks)
   b) Examine the measures that can be undertaken to minimise budgetary deficits in an economy. (14 marks)

41. a) What is the role of the national budget in an economy? (10 marks)
   b) Suggest measures that should be taken to control budgetary deficits in developing countries. (10 marks)

42. a) Differentiate between a **deficit budget** and a **surplus budget**. (04 marks)
   b) Account for the persistent budgetary deficits in your country. (16 marks)

43. a) Differentiate between **surplus national budget** and **balanced national budget**. (04 marks)
   b) Account for the persistent national budget deficits in your country. (16 marks)

44. a) Distinguish between a **surplus budget** and a **deficit budget**. (04 marks)
   b) Why may a government deliberately plan for an unbalanced budget? (16 marks)

45. a) What is meant by an **unbalanced budget**? (04 marks)
   b) Why may a government deliberately plan for an unbalanced budget? (16 marks)

46. a) What is meant by an **unbalanced budget**? (04 marks)
   b) Explain the significance of a national budget as a tool of economic analysis. (16 marks)

47. a) Differentiate between a **balanced budget** and an **unbalanced budget**. (04 marks)
   b) Explain the role of the budget in an economy. (16 marks)

48. a) Why may a government plan for a deficit budget? (04 marks)
   b) Explain the role of a government budget in an economy. (16 marks)
49. a) Explain the objectives of a deficit budget in your country.  
   b) Discuss the causes of persistent budgetary deficits in your country. (10 marks) (10 marks) WKS 2014 P220/2

INTERNATIONAL TRADE

SECTION A

1. a) Define the term trade liberalisation. (01 marks)  
   b) Give any three advantages of trade liberalisation in your country. (03 marks) UNEB 2009 P220/2

2. a) Distinguish between comparative advantage and absolute advantage as used in international trade. (02 marks)  
   b) State any two assumptions underlying the principle of comparative advantage. (02 marks) UNEB 2009 P220/1

3. Outline any four factors that limit the operation of the principle of comparative advantage in Uganda. (04 marks) UNEB 2016 P220/2

4. a) State the principle of comparative advantage in international trade. (01 mark)  
   b) Give any three assumptions underlying the principle of comparative advantage. (03 marks) UNEB 2002 P220/1

5. a) What is meant by balance of payments? (01 mark)  
   b) State any three causes of disequilibrium in the balance of payments. (03 marks) UNEB 1998 P220/1

6. Mention any four effects of balance of payments deficit on an economy. (04 marks) UNEB 2008 P220/1

7. a) What is meant by balance of payments? (01 mark)  
   b) Give any three ways of correcting a balance of payments deficit in Uganda. (03 marks) UNEB 2017 P220/2

8. a) Differentiate between balance of trade and terms of trade. (02 marks)  
   b) Suggest any two ways of improving terms of trade in your country. (02 marks) UNEB 2010 P220/2

9. State any four effects of balance of payments deficit on an economy. (04 marks) UNEB 2005 P220/1

10. a) What is meant by terms of trade? (01 mark)  
    b) State any three reasons why the terms of trade of developing countries are deteriorating. (03 marks) UNEB 2001 P220/2

11. a) Define terms of trade. (01 mark)  
    b) Give any three effects of deteriorating terms of trade. (03 marks) UTEC 2015 P220/1

12. Given the table below, calculate the terms of trade. (04 marks)

<table>
<thead>
<tr>
<th>Year</th>
<th>Export price index</th>
<th>Import price index</th>
<th>T.O.T</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>167</td>
<td>113</td>
<td>-</td>
</tr>
<tr>
<td>2002</td>
<td>154</td>
<td>120</td>
<td>-</td>
</tr>
</tbody>
</table>
13. a) What is meant by the term **income terms of trade**?  
   b) Mention any **two** measures that can be taken to improve a country’s terms of trade.  

14. Mention any **four** effects of deteriorating terms of trade on an economy.  

15. a) Distinguish between **barter terms of trade** and **income terms of trade**.  
   b) State any **two** causes of unfavourable terms of trade in your country.  

16. a) Distinguish between **barter terms of trade** and **income terms of trade**.  
   b) State any **two** obstacles to the success of barter trade in an economy.  

17. a) Differentiate between **barter terms of trade** and **income terms of trade**.  
   b) Give any **two** measures of improving a country’s terms of trade.  

18. a) Differentiate between **Terms of trade** and **Balance of trade**.  
   b) Outline **two** causes of unfavourable terms of trade in your country.  

19. Given 95 as a country’s unit value index and 110 as its import unit value index;  
   (i) Calculate the terms of trade in such a country.  
   (ii) Comment on such a country’s state of terms of trade.  

20. a) Define the term **commercial policy**.  
   b) State any **three** instruments of commercial policy in your country.  

21. a) What is meant by the term **protectionism**?  
   b) Give any **three** reasons why there is need for protectionism in your country.  

22. a) Distinguish between **protectionism** and **commercial policy**.  
   b) Mention **two** instruments of commercial policy used in your country.  

23. a) What is meant by a **tariff**?  
   b) Mention any **three** non-tariff barriers in your country.  

24. Mention any **four** non-tariff barriers to trade in your country.  

25. a) Define the term **import duty**.  
   b) State any three objectives of imposing import duties in your country.  

26. a) Differentiate between **total ban** and **import quota**.  
   b) Give **two** reasons for trade protectionism in developing countries.  

27. a) What is meant by **dumping**?
b) State any **three** effects of dumping in the recipient country. (03 marks) 

28. a) Mention two uses of foreign reserves to a country. (02 marks) 
   b) State two ways how foreign reserves are acquired. (02 marks) 

29. a) What is meant by **devaluation**? (01 mark) 
   b) Given that the exchange rate is 1 £ = 1000 Ug. Shs; calculate the new exchange rate after devaluation of the shilling by 20&%. (03 marks) 

30. a) Distinguish between **deflation** and **devaluation**. (02 marks) 
   b) Mention any two effects of devaluation in an economy. (02 marks) 

31. a) Distinguish between **devaluation of a currency** and **depreciation of a currency**. (02 marks) 
   b) State any two merits of currency depreciation in an economy. (02 marks) 

32. a) Define the term **currency depreciation**. (01 mark) 
   b) Give any three effects of the recent depreciation of the Ugandan shilling. (03 marks) 

33. a) What is meant by **exchange rate**? (01 mark) 
   b) Give the causes of exchange rate fluctuations in Uganda. (03 marks) 

34. a) Define the term **flexible exchange rate system**. (01 mark) 
   b) Mention any three merits of a flexible exchange rate system in an economy. (03 marks) 

35. a) What is a **managed exchange rate**? (01 mark) 
   b) State any three disadvantages of a managed exchange rate. (02 marks) 

36. a) What is a **managed exchange rate**? (01 mark) 
   b) Give three merits of a managed exchange rate. (03 marks) 

37. a) Distinguish between a **managed exchange rate** and a **floating exchange rate**. (02 marks) 
   b) State any two advantages of adopting a floating exchange rate in your country. (02 marks) 

38. a) Distinguish between a **pegged exchange rate** and a **flexible exchange rate**. (02 marks) 
   b) Give any two advantages of adopting a pegged exchange rate in an economy. (02 marks) 

39. a) Differentiate between **managed exchange rate system** and **floating exchange rate system**. (02 marks) 
   b) State any two advantages of a managed exchange rate system. (02 marks) 

40. a) Distinguish between a **fixed exchange rate** and a **managed exchange rate**. (02 marks) 
   b) Give any two merits of a fixed exchange rate. (02 marks)
41. a) Differentiate between a **floating exchange rate** and a **fixed exchange rate**.  
   b) Give any **two** advantages of a floating exchange rate.  
   
42. a) Distinguish between **currency revaluation** and **currency under-valuation**.  
   b) State any two effects of currency under-valuation.  
   
43. a) Distinguish between **currency devaluation** and **currency depreciation**.  
   b) Give any **two** effects of currency depreciation in your country.  
   
44. Mention any **four** factors that determine the demand and supply of foreign currency in your country.  
   
45. a) Define the term **economic integration**.  
   b) State any **three** merits of economic integration.  
   
46. What are the objectives of the East African Community?  
   
47. a) Distinguish between a **customs union** and a **common market**.  
   b) State any **two** benefits of economic integration to your country.  
   
48. State any **four** conditions necessary for the success of regional economic integration.  
   
49. a) Distinguish between **trade creation** and **trade diversion**.  
   b) Mention **two** disadvantages of trade diversion.  
   
50. a) What is meant by the term **trade diversion**?  
   b) Give any **three** effects of trade diversion in an economy.  
   
51. a) Distinguish between **trade creation** and **trade diversion**.  
   b) State any **two** effects of trade diversion.  
   
SECTION B

1. a) What is meant by the term **trade liberalisation**?  
   b) Examine the implications of trade liberalisation on an economy.  
   
2. a) What is meant by the term **trade liberalisation**?  
   b) Examine the merits and demerits of trade liberalisation in your country.  
   
3. a) Distinguish between **trade creation** and **trade liberalisation**.  
   b) Examine the implications of trade liberalisation on the economies of developing countries.  
   
4. a) Distinguish between **privatisation** and **trade liberalisation**.  

b) Why has the government of Uganda chosen the path of trade liberalisation as an economic policy? (16 marks)

5. a) Explain the principle of comparative advantage. (04 marks)
b) Examine the limitations of this principle as a basis of international trade. (16 marks)

6. a) State the assumptions underlying the theory of comparative cost advantage. (06 marks)
b) Examine the relevance of the theory of comparative advantage to developing economies. (14 marks)

7. a) What is meant by vent for surplus theory as used in international trade? (04 marks)
b) Assess the role of international trade in the development of your country. (16 marks)

8. Study the table below showing output levels of two countries producing two commodities given the same units of labour, and answer the questions which follow:

<table>
<thead>
<tr>
<th>Country</th>
<th>Generators</th>
<th>Coffee</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>400</td>
<td>600</td>
</tr>
<tr>
<td>Y</td>
<td>100</td>
<td>300</td>
</tr>
</tbody>
</table>

a) (i) State the country with absolute advantage in the production of both commodities. (02 marks)
(ii) Calculate the opportunity cost of producing each commodity in each country. (04 marks)
(iii) In which commodity should each country specialise? (02 marks)
b) What are the limitations of the comparative cost advantage theory in international trade? (12 marks)

9. a) Differentiate between the theories of comparative advantage and absolute advantage. (04 marks)
b) Assume the world of countries of Uganda and Nigeria, two products; coffee and crude oil and one factor of production labour and nation has the same amount of labour. Use the information in the table to explain the law of comparative advantage. (06 marks)

<table>
<thead>
<tr>
<th>Countries</th>
<th>Coffee</th>
<th>Crude oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uganda</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Nigeria</td>
<td>3</td>
<td>9</td>
</tr>
</tbody>
</table>

c) Examine the limitations of the law of comparative advantage. (10 marks)

10. a) Distinguish between the principles of comparative advantage and absolute advantage in international trade. (04 marks)
b) What are the limitations of the principle of comparative advantage? (16 marks)

11. a) Distinguish between absolute advantage and comparative advantage. (04 marks)
b) To what extent is the comparative advantage principle applicable to developing countries? (16 marks)

12. a) Distinguish between comparative advantage and the law of absolute advantage. (02 marks)
b) Explain four ways in which the law of comparative advantage is relevant to developing countries. (08 marks)  

13. a) What is meant by the term **balance of payments**?  

b) Account for the persistent balance of payments deficit in your country. (16 marks)  

14. a) Differentiate between a **balance of payment deficit** and a **balance of payment surplus**. (04 marks)  

b) Account for the balance of payments disequilibrium in a developing country. (16 marks)  

15. a) Account for the persistent balance of payments deficits in your country. (10 marks)  

b) Suggest measures that should be taken to reduce the balance of payments deficits in your country. (10 marks)  

16. a) Differentiate between **balance of trade** and **balance of payments**. (04 marks)  

b) Explain the causes of balance of payments disequilibrium in your country. (16 marks)  

17. a) Account for the balance of payments problem in developing countries. (10 marks)  

b) What measures should be taken to solve the problem of balance of payments deficit in an economy (10 marks)  

18. a) Account for the existence of unfavourable balance of payments position in less developed countries. (10 marks)  

b) Suggest measures that should be adopted by developing countries to reduce foreign expenditure in an effort to correct the BOP position. (10 marks)  

19. a) Account for the existence of unfavourable terms of trade in your country. (10 marks)  

b) Suggest measures that should be taken to correct unfavourable terms of trade in your country? (10 marks)  

20. a) Account for the deteriorating terms of trade in Uganda. (10 marks)  

b) What are the effects of deteriorating terms of trade in Uganda? (10 marks)  

21. a) What factors are responsible for the unfavourable terms of trade in Uganda? (10 marks)  

b) Suggest measures that should be taken to improve the terms of trade in Uganda. (10 marks)  

22. “Protectionism rather than free trade should be adopted if countries are to benefit from international trade.” Discuss. (20 marks)  

23. a) Explain the different forms of protectionism. (10 marks)  

b) What are the implications of protectionism in an economy? (10 marks)  

24. a) How does government control the volume of international trade in your country? (06 marks)  

b) Assess the implications of adopting protectionist policies in your country. (14 marks)
25. a) Describe the tools of protectionism used in your country.
b) Explain the rationale for protectionism in your country.

26. a) Account for the imposition of trade barriers against importation of commodities in your country.
b) Discuss the disadvantages of imposing trade barriers against importation of commodities in your country.

27. a) Distinguish between free trade and protectionism.
b) Under what circumstances may protectionism be adopted in your country?

28. a) Differentiate between protectionism and commercial policy.
b) Explain the barriers used to control international trade in developing countries.
c) Discuss the positive effects of adopting trade protectionist policies in your country.

29. a) What are the objectives of protectionism?
b) Examine the consequences of protectionism in developing countries.

30. a) Explain the non-tariff barriers to trade used in Uganda.
b) Assess the impact of adopting trade barriers in Uganda.

31. a) Distinguish between devaluation and currency depreciation.
b) Why may devaluation fail to achieve the objectives it is intended in an economy?

32. a) What is meant by the term managed floating exchange rate?
b) Examine the merits and demerits of a managed floating exchange rate in an economy.

33. a) Distinguish between a floating exchange rate and a fixed exchange rate.
b) Explain the merits and demerits of foreign exchange control in an economy.

34. a) Distinguish between a managed exchange rate and a free exchange rate.
b) Explain the factors which determine the exchange rate in a money market.

35. a) Distinguish between a flexible exchange rate and a managed exchange rate.
b) What are the implications of adopting a flexible exchange rate in an economy?

36. a) What is meant by economic integration?
b) Examine the merits and demerits of economic integration.

37. a) Explain the various stages of economic integration.
b) What are the likely benefits of economic integration to the member countries?
38. a) Differentiate between the following:
   (i) *Preferential Trade Area* and *Free Trade Area*.
   (ii) *Customs Union* and *Common market*.
   (03 marks)

   b) Examine the merits of regional economic integration.
   (14 marks)

39. a) Distinguish between a *customs union* and a *common market*.
   (04 marks)

   b) Explain the factors which limit economic integration among developing countries.
   (16 marks)

40. a) Distinguish between a *customs union* and an *economic union*.
   (04 marks)

   b) Explain the merits and demerits of regional economic integration.
   (16 marks)

41. a) What are the features of an economic union?
   (06 marks)

   b) Explain the factors that limit regional economic integration among the developing countries.
   (14 marks)

42. a) Explain the conditions that favour regional economic integration among countries.
   (10 marks)

   b) What are the benefits of economic integration among member states?
   (10 marks)

43. a) Explain the benefits of economic integration for developing countries.
   (10 marks)

   b) What challenges may be faced in the process of economic integration in developing countries?
   (10 marks)

44. a) Explain the benefits of regional economic integration.
   (10 marks)

   b) Suggest factors that can promote regional economic integration.
   (10 marks)

45. a) Explain the benefits of regional economic integration.
   (10 marks)

   b) What factors have undermined the achievement of regional economic integration in developing countries?
   (10 marks)

46. a) Differentiate between *trade creation* and *trade diversion*.
   (04 marks)

   b) To what extent is the comparative cost theory applicable to developing countries?
   (16 marks)

47. a) Differentiate between *trade creation* and *trade diversion*.
   (04 marks)

   b) What factors limit economic integration among developing countries?
   (16 marks)

48. a) Why should developing countries cooperate through economic integration?
   (10 marks)

   b) Explain the factors that limit economic integration among low developing countries.
   (10 marks)

**INFLATION**

**SECTION A**

1. a) Define the term *cost-push inflation*.
   (01 mark)

   b) State any three causes of cost push inflation in an economy.
   (03 marks)
2. a) State any **four** policy measures that should be taken to control cost push inflation in an economy.
(04 marks)

3. a) Distinguish between **structural inflation** and **cost-push inflation**.
   b) Give any two causes of cost-push inflation.
(02 marks)

4. a) What is **structural inflation**?
   b) Give any **three** causes of structural inflation.
(03 marks)

5. a) Define the term **structural inflation**.
   b) State any three measures that can be taken to control structural inflation in an economy.
(03 marks)

6. Give any **four** causes of structural inflation in your country.

7. a) Define **demand-pull inflation**.
   b) Mention **three** causes of demand pull inflation in LDCs.
(03 marks)

8. a) Distinguish between **cost-push inflation** and **bottleneck inflation**.
   b) Mention any **two** causes of bottleneck inflation in your country.
(02 marks)

9. a) Distinguish between **suppressed inflation** and **hyper-inflation**.
   b) Give any **two** effects of hyper-inflation in an economy.
(02 marks)

10. a) Differentiate between **creeping inflation** and **galloping inflation**.
    b) Mention any **two** positive effects of creeping inflation in your country.
(02 marks)

11. a) Differentiate between **creeping inflation** and **run-away inflation**.
    b) Give any **two** policy instruments for controlling inflation in your country.
(02 marks)

12. a) Differentiate between **demand-pull** and **cost-push inflation**.
    b) State any **two** causes of demand-pull inflation in your country.
(02 marks)

13. a) Distinguish between **structural inflation** and **demand-pull inflation**.
    b) Mention any **two** effects of demand-pull inflation in your country.
(02 marks)

14. a) Distinguish between **imported inflation** and **bottleneck inflation**.
    b) Give any **two** causes of imported inflation in your country?
(02 marks)

15. a) Distinguish between **price-wage inflation** and **imported inflation**.
    b) Suggest **two** measures that should be taken to fight price wage inflation in developing countries.
(02 marks)

16. Give any **four** measures applied to control inflation in your country.
(04 marks)
17. a) What is meant by **stagflation**?
   b) Suggest any three measures that can be taken to reduce stagflation in an economy.

18. a) Distinguish between **stagflation** and **reflation**.
   b) State any two costs of stagflation in your country.

19. a) What is meant by **stagflation**?
   b) Mention three effects of hyper-inflation in an economy.

20. a) Distinguish between **deflation** and **reflation**.
   b) Mention any two instruments of reflationary policy.

**SECTION B**

1. a) Differentiate between **hyper-inflation** and **creeping inflation**.
   b) Explain the effects of inflation in an economy.

2. a) Distinguish between **mild-inflation** and **hyper-inflation**.
   b) Explain the effects of hyper-inflation in an economy.

3. a) Differentiate between **hyper-inflation** and **mild-inflation**.
   b) Describe the measures being undertaken to control inflation in Uganda.

4. a) Distinguish between **cost-push inflation** and **demand-pull inflation**.
   b) Account for the persistent inflation in your country.

5. a) Distinguish between **cost-push inflation** and **demand-pull inflation**.
   b) Explain the effects of inflation in an economy.

6. a) Discuss the causes of demand-pull inflation in your country.
   b) Why does the government strive to keep a low rate of inflation in your country?

7. a) Distinguish between **creeping** and **galloping inflation**.
   b) Explain the effects of inflation in an economy.

8. a) Differentiate between **imported inflation** and **structural inflation**.
   b) Assess the impact of inflation in your country.

9. a) Distinguish between **inflation** and **reflation**.
   b) Assess the impact of inflation in an economy.

10. a) Explain the causes of inflation in an economy.
    b) Suggest measures that should be taken to control inflation in an economy.
11. a) What are the causes of inflation in an economy?  
b) Examine the measures being taken to solve the problem of inflation in your country?  

12. a) Account for the existence of inflation in your country.  
b) What measures have been taken to control inflation in your country?  

13. a) Why does inflation occur in Uganda?  
b) Discuss the measures used to control inflation in Uganda.  

14. a) What may cause inflation in an economy?  
b) Examine the consequences of inflation in an economy.  

15. a) Explain the causes of inflation in an economy.  
b) Of what benefit is mild inflation to an economy?  

16. a) Examine the effects of galloping inflation in your country.  
b) Discuss the measures that have taken to control inflation in your country.  

17. a) Why should government induce inflation in Uganda?  
b) How can the central bank induce inflation in Uganda?  

18. a) Why is there need to control inflation in your country?  
b) What measures are being taken to control inflation in your country?  

19. a) What is meant by stagflation?  
b) Under what circumstances may inflation be desirable in an economy?  

ECONOMIC DEVELOPMENT PLANNING

SECTION A

1. a) What is meant by economic development planning?  
b) Give any three factors that affect the implementation of development plans in your country.  

2. a) Define the term economic development planning.  
b) Mention any three problems encountered in economic development planning in developing countries.  

3. a) What is meant by economic planning?  
b) Differentiate between a comprehensive plan and a partial plan.  

4. a) What is meant by economic planning?  
b) Distinguish between comprehensive planning and perspective planning.
5. a) What is meant by the term **comprehensive plan**?
   b) Give any **three** merits of a comprehensive plan in an economy.

6. a) Differentiate between **comprehensive planning** and **perspective planning**.
    b) Mention **two** characteristics of a good development plan.

7. a) Differentiate between **perspective planning** and **indicative planning**.
    b) Mention **two** constraints to economic development planning in your country.

8. a) Differentiate between **centralised planning** and **indicative planning**.
    b) Give **two** factors that limit centralised planning in Uganda.

9. a) Distinguish between **comprehensive planning** and a **perspective plan**.
    b) Mention any **two** demerits of comprehensive planning in Uganda.

10. a) Differentiate between **partial planning** and **perspective planning**.
    b) Mention any **two** demerits of partial planning in an economy.

11. a) Distinguish between a **sectoral plan** and a **comprehensive plan**.
     b) State any **two** obstacles to the effective implementation of economic development plans in your country.

12. a) What is meant by **decentralised economic planning**?
     b) State any **three** merits of decentralised economic planning.

13. a) What is meant by the term **decentralised economic planning**?
     b) Mention **three** motives of decentralised planning in Uganda.

14. a) Differentiate between **decentralised planning** and **centralised planning**.
     b) Give **two** constraints to decentralised planning in your country.

15. a) Distinguish between **partial planning** and **comprehensive planning**.
     b) State any **two** constraints to economic development planning in your country.

16. a) Distinguish between **partial planning** and **comprehensive planning**.
     b) State any **two** reasons for comprehensive planning in your country.

17. a) Distinguish between **partial planning** and **decentralised planning**.
     b) Give **two** demerits of partial planning.

18. a) Distinguish between **partial planning** and **sectoral planning**.
     b) Outline **two** advantages of sectoral planning in an economy.

19. a) Distinguish between a **partial plan** and a comprehensive **plan**.
     b) Mention any **two** merits of a comprehensive plan.
20. a) Differentiate between **directive planning** and **centralised planning**.
   b) Give any **two** limitations of centralised planning in developing countries.

21. a) What is meant by **perspective planning**?
   b) Mention **three** factors that limit **perspective** planning in your country.

22. a) Define the term **perspective plan**.
   b) Mention any **three** problems faced in formulating a perspective plan.

19. What are the manpower problems faced by developing countries?

**SECTION B**

1. a) What is **economic development planning**?
   b) Why does your country carry out economic planning?

2. a) What is meant by the term **economic development planning**?
   b) Examine the factors that can limit effective implementation of development plans in an economy.

3. a) What are the benefits of economic development planning?
   b) Explain the factors that influence the implementation of economic development plans in your country.

4. a) Why is it necessary for your country to prepare a national development plan?
   b) Examine the pre-requisites for successful planning in your country.

5. a) Why is there need for development planning in developing countries?
   b) What are the factors influencing the level of development planning in LDCs?

6. a) Describe the pre-requisite for successful planning in developing countries.
   b) Explain the factors that limit successful planning in developing countries.

7. a) Why is it necessary to formulate an economic development plan in a country?
   b) Explain the factors that limit the successful implementation of economic development plans in developing countries.

8. a) Why is there need for development planning in your country?
   b) What factors limit effective implementation of development plans in developing countries?

9. a) Describe the features of a good economic development plan.
   b) Account for the failure by developing countries to effectively implement economic development plans.
10. a) Describe the features of a good economic development plan.
    b) Suggest measures that can be taken to enhance effective implementation of development plans in your country.

11. a) What is meant by centralised planning?
    b) Explain the rationale for centralised planning in an economy.

12. a) Distinguish between partial planning and decentralised planning.
    b) Why is development planning necessary in an economy?

13. a) Differentiate between a perspective plan and a comprehensive plan.
    b) Suggest measures that should be adopted to improve economic development planning in Uganda.

14. a) Distinguish between a sectoral plan and a comprehensive plan.
    b) Explain the importance of economic development planning in an economy.

15. a) Distinguish between centralised planning and indicative planning.
    b) Explain the factors that limit the successful implementation of economic development plans in developing countries.

16. a) Distinguish between a comprehensive plan and a partial plan.
    b) Examine the role of planning in an economy.

17. a) Distinguish between centralised planning and indicative planning.
    b) What are the factors that influence the effectiveness of economic development planning in developing countries.

18. a) Differentiate between decentralised planning and centralised planning.
    b) Account for the existence of decentralised planning in developing countries.

19. a) Define the term perspective planning.
    b) Explain the factors limiting economic development planning in developing countries.

20. a) Distinguish between perspective planning and comprehensive planning.
    b) Discuss the factors influencing the effective development planning in LDCs.