

UNEB UACE ECONOMICS 2011

PAPER 1

1. (a) (i) What is meant by a laissez-fair economy?
(ii) State any two demerits of a laissez-fair economy
- (b) (i) Differentiate between an operating cost and an overhead cost.
(ii) State any two overhead costs in an economy
- (c) (i) What is meant by aggregate demand?
(ii) Mention any three components of aggregate demand in an open economy
- (d) State any four features of economic development in your country
- (e) (i) Distinguish between optimum population and over population
(ii) State any two demerits of over population
- (f) What is meant by the term 'foreign exchange rate control'?
(ii) Mention any three objectives of foreign exchange rate control
- (g) (i) State the law of comparative cost advantage
(ii) Give any three assumptions of the law of comparative cost advantage
- (h) (i) Define the term "currency depreciation"
(ii) Mention any three effects of currency depreciation in an economy
- (i) (i) What is meant by a funded debt?
(ii) Mention any three reasons for raising money through public
- (j) State any four ways which public enterprises are privatized.

SECTION B

2. Explain the role of price mechanism in the allocation of resources in an economy
(b) Discuss the implications of relying on price mechanism in the allocation of resources in an economy
3. (a) Differentiate between disposable income and per capital income
(b) What are the limitations of using per capital income to compare standards of living between countries?
4. (a) Differentiate between bi-lateral and multi-lateral aid
(b) Assess the impact of foreign aid on the developmental of an economy
5. (a) Explain the role of agriculture in the development of an economy
(b) What measures can be taken to improve the agricultural sector in an economy?
6. (a) What are the causes of unemployment in an economy?
(b) Explain the effects of unemployment in an economy
7. (a) Explain the benefits of regional economic integration
(b) What factors have undermined the achievement of regional economic integration in developing countries?
8. (a) What is meant by the term "fiscal policy"?
(b) Explain the objectives of fiscal policy in an economy

PAPER 2

1. (a) (i) Define the term "composite demand"
(ii) Give any three examples of composite demand in your country
- (b) (i) Distinguish between horizontal and vertical merging of firms
(ii) State any two reasons for the merging of firms in your country
- c. Mention any four factors of the informal sector in your country

- (d)(i) Differentiate between economic dependence and economic interdependence
(ii) Give any two forms of economic dependence in your country
- (e)(i) Define the term trade union
(ii) Mention any three methods used by trade unions to settle industrial disputes in your country
- (f)(i) Distinguish between oligopoly and duopoly
(ii) State any two advantages of oligopoly markets in your country
- g(i) What is meant by the term "credit multiplier"
(ii) Given that the initial deposit in a bank is Uganda shillings 10,000,000 and the cash ratio is 20%. Calculate the total amount of credit that will be created in a multi-bank system.
- h(i) What is meant by a "tariff"?
(ii) Mention any three non-tariff barriers in your country
- (i)(ii) Differentiate between capital gains tax and corporation tax
(ii) State any two demerits of corporation tax in your country
- j. State any four forms of structural adjustment programs (SAP) that have been implemented in your country

SECTION B

2. (a) Differentiate between Gross domestic product and Net National product.
(b) Explain the factors that influence the level of national income in your country
3. (a) Describe the features of the industrial sector in your country
(b) Explain the measures being taken to improve the industrial sector in your country
4. Why is it necessary to compute consumer price indices in your country?
(b) Discuss difficulties encountered when computing consumer price rises in your country
5. Explain the causes of inflation in your country
(b) Suggest measures that should be taken to reduce inflation in your country
6. What are the features of a good economic development plan?
(b) Explain the challenges faced during the implementation of economic development plans in your country
7. Explain the role of the national budget in your country
(b) Account for the persisted budget deficits in your country
8. Distinguish between privatization and nationalization of public enterprises
(b) Account for the privatization of public enterprises in your country