

UNEB UACE ECONOMICS 2012

PAPER 1

1. Given that an increase in the price of commodity X from shs 1500 to shs 1800 resulted into change in quantity demanded for commodity Y from 600 units; calculate the cross elasticity brand.

(ii) state the relationship between commodities X and Y

(b) (i) What is meant by a mixed economy?

(ii) Give any three merits of a mixed economy

(c) (i) Distinguish between average product and marginal product

(ii) State any two factors that may lead to an increase in marginal product of labour

(d) (i) State Iyong Fisher's equation of exchange

(ii) How is the value of money determined in Fisher's equation of exchange?

(e) (i) Define the term regressive tax

(ii) State any three effects of regressive taxes in an economy

SECTION B

2. (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

3. (a) Why do prices of agricultural products fluctuate

(b) What are the effects of agricultural price fluctuations in an economy?

4. Explain the differences and similarities between pure monopoly and monopolistic competitive markets

(b) How does the existence of monopolistic competitive markets affect producers in your country?

5. (a) What are the features of an economic union?

(b) Explain the factors that limit regional economic integration among the development countries

6. What is meant by centralized planning?

(b) Explain the rationale for centralized planning in an economy

7. Define the term "nationalisation of enterprises"

(b) Explain the merits and demerits of nationalization of enterprises in an economy.

PAPER 2

1. (a) (ii) Differentiate between nominal and real Gross Domestic product (GDP)

(ii) 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)

(b) Mention any two

(i) factors that have influenced the level

(ii) benefits

of foreign direct investment in your country

(c) State any four features of dualism in your country

(c) (i) Distinguish between cost-push inflation and bottleneck inflation

(ii) Mention any two causes of bottleneck inflation in your country

(c) (i) What is meant by labour-saving techniques of production?

(ii) Mention any two merits of the labour-saving techniques of production in an economy

SECTION B

2. (a) Differentiate between competitive supply and joint supply
(b) Explain the conditions that may lead to a decrease in the supply of commodity in your country
3. (a) Distinguish between economic growth and economic development
(b) Explain the costs of economic growth in your country
- (4)(a) Explain the causes of Voluntary unemployment
(b) Suggest measures that should be taken to reduce the level of unemployment in your country
- (5)(a) Distinguish between banking financial institutions and non-banking financial institutions
(b) Explain the functions of banking financial institutions in your country
- (6)(a) What is meant by the term balance of payment?
(b) Account for the persistent balance of payments deficit in your country
- (7)(a) Distinguish between the government recurrent expenditure and development expenditure
(b) Account for the increase in public expenditure in your country