Students Name: ....

School Name.. Index Number ....

P220/1
ECONOMICS
Paper 1
3₂ Hours

HES MOCK EXAMINATIONS 2025

UGANDA ADVANCED CERTIFICATE OF EDUCATION

ECONOMICS

PAPER 1

3 HOURS

INSTRUCTIONS

- Answer 5 questions only
- Section A is compulsory. Answer to this section should be precise
- Answer 4 questions from section B
- All questions in section B carry equal marks
- Credit will be given for use of relevant diagrams

SECTION A

1. a) (i) Define aggregate demand as used in economics (1 mark)
   (ii) Mention any three components of aggregate demand (3 marks)
   b) (i) State the law of diminishing returns (1 marks)
   (ii) Outline any three assumptions of the law of diminishing returns (3 marks)
   c) (i) Distinguish between human capital and labour force (2 marks)
   (ii) Mention any two reasons why education is regarded as a consumer Good (2 marks)
   d) (i) Define the term value for money (1 mark)
   (ii) Mention three factors that determine value for money (3 marks)
   e) (i) Define the balanced growth strategy of development (1 mark)
   (ii) Explain any three limitations to the balanced growth strategy in LDCs. (3 marks)

SECTION B

2. a) Describe the characteristics of monopolistic competitive markets. (8 marks)

   b) Explain how monopolistic competitive firms determine price, and profits in both the short run and long run. (12 marks)
3. a) Describe the characteristics of W. W. Rostows traditional stage of economic growth (10 marks)
   b) Examine the limitations of W.W Rostows theory of economic growth. (10 marks)
4. a) Account for the governments' involvement in economic activities. (10 marks)

   b) Assess the reasons for privatization of public enterprises. (10 marks)
5. a) Account for the formation of an economic integration (10 marks)
   b) Explain the challenges of regional economic integration in developing countries. (10 marks)
6. a) Explain the objectives of the monetary policy (8 marks)
   b) Examine the factors that influence the effective operation of the monetary policy. (12 marks)
7. a) Account for the persistent debt burden in LDC's (10 marks)
   b) What methods are being used to reduce the public debts in LDCs