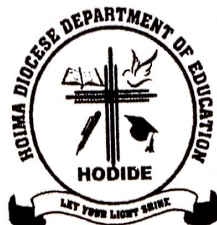


P220/2
ECONOMICS
Paper 2
July/Aug. 2025
3hours



HOIMA DIOCESE EXAMINATION BOARD

UACE Mock Examinations, 2025

ECONOMICS

Paper 2

3 hours

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INSTRUCTIONS TO CANDIDATES

*This paper consists of **seven** questions. Answer **five** questions only.*

*Section **A** is compulsory. Answers to this section should be concise.*

*Answer **four** questions from section **B**.*

*All questions in section **B** carry **equal** marks.*

Credit will be given for use of relevant diagrams.

*Any additional question(s) answered will **not** be marked.*

SECTION A (20 marks)

1. (a) (i) Differentiate between **public goods** and **merit goods**. (02 marks)
(ii) State any **two** measures that should be taken to increase the level of consumption of merit goods in Uganda. (02 marks)
- (b) Given that GDP = 50 billion dollars, Exports = 30 billion dollars, Imports = 25 billion dollars, subsidies = 5 billion dollars and indirect taxes = 15 billion dollars. Calculate GNP at factor cost. (03 marks)
- (c) (i) Define **transformation curve**. (01 marks)
(ii) Outline **three** conditions that may make the transformation to shift outwards. (03 marks)
- (d) (i) Distinguish between **lateral merging** and **vertical merging** of firms. (02 marks)
(ii) Give **two** examples of lateral merging of firms in Uganda. (02 marks)
- (e) (i) Differentiate between **terms of trade** and **balance of trade** in your country. (02 marks)
(ii) State any **three** causes of unfavourable balance of trade in Uganda. (03 marks)

SECTION B (80 marks)

2. (a) Distinguish between **change in demand** and **change in quantity demanded**. (04 marks)
(b) Examine the factors that cause change in demand for a commodity in your country. (16 marks)
3. (a) How are **price indices** computed in your country? (10 marks)
(b) Explain the benefits of computing price indices in your country. (10 marks)
4. (a) Explain the **Malthusian population thesis**. (04 marks)
(b) To what magnitude is the thesis relevant to your country. (16 marks)
5. (a) Explain the merits of the piece rate method of wage payment in Uganda. (06 marks)
(b) Account for the disparity in the level of wage rates in Uganda. (14 marks)
6. (a) Distinguish between **employment** and **full employment**. (04 marks)
(b) Why is it difficult to attain full employment level in your country? (08 marks)
(c) What measures should be taken to promote full employment level in your country? (08 marks)
7. (a) Explain the role played by taxes in Uganda. (10 marks)
(b) Discuss the factors that limit the level of tax collection in Uganda. (10 marks)

END