

**P220/2 ECONOMICS PAPER 2**

**TIME 2 HOURS**

**INSTRUCTIONS**

This paper consists of two Sections A and B

Answer **four** questions only

Section A is compulsory. Answers to this section should be precise

Answer **three** questions from Section B

Credit will be awarded for use of relevant diagram and illustrations

**SECTION A (20 Marks)**

- a i) Define the term labour demand (1 mark)
- ii) State any three determinants of labour demand in Uganda (3 marks)
- b i) Distinguish between tied industries and footloose industries (2 marks)
- ii) Give any two factors influencing location of industries in Uganda (2 marks)
- c i) What is meant by the term erratic unemployment? (1 mark)
- ii) State any three causes of erratic unemployment in Uganda (3 marks)
- d i) Distinguish between value of money and demand for money (2 marks)
- ii) Mention any two factors influencing the value of money in Uganda (2 marks)
- e i) Define the term  $GDP_{MP}$  (1 mark)
- ii) State any three causes of a low GDP in Uganda (3 marks)

**SECTION B (60 Marks)**

- 2 a) What are the factors influencing the level of national income in Uganda? (12 marks)
- b) Why is national income measured in Uganda? (8 marks)
- 3 a) Explain the causes of unemployment in Uganda (10 marks)
- b) Suggest measures for controlling unemployment in Uganda (10 marks)
- 4 a) Distinguish between liquidity preference and liquidity trap (04 marks)
- b) Explain the determinants of liquidity preference in Uganda (16 marks)
- 5 a) What are the functions of an entrepreneur? (06 marks)
- b) Examine the factors influencing the supply of entrepreneurs in Uganda (14 marks)

