

Student's name: .....

SCHOOL: ..... RANDOM: .....

**P220/1**  
**ECONOMICS**  
**Paper 1**  
**July/Aug. 2024**  
**3 hours**



ASK INTEGRATED TEACHERS MOCK  
EXAMINATIONS BUREAU

# **AITEL JOINT MOCK EXAMINATIONS 2024.**

## **Uganda Advanced Certificate of Education**

**ECONOMICS**

**Paper 1**

**3 hours**

### **INSTRUCTIONS TO CANDIDATES:**

- Answer **five** questions
- Section A is **compulsory**. Answers to this section should be concise
- Answer only **four** questions from section B
- All questions in **section B** carry equal marks
- Credit will be given for the use of relevant diagrams
- Any additional question(s) attempted will not be marked

## SECTION A (20MARKS)

1. (a) (i) state the “**law of demand.**” (1 marks)
- (ii) Give any three conditions for the law to be applicable in an economy (3 marks)
- (b) (i) Define the term multiplier. (1 marks)
- (ii) Given that a country’s level of GDP is shs 500million; MPC is 0.75 and change in investment expenditure is shs 200 million. Calculate the final level of income in an economy (3 marks)
- (c) (i) Define the term reserve price (1 marks)
- (ii) State any three determinants of reserve price in an economy (3marks)
- (d) (i) State any four features of informal sector. (4marks)
- (e) (i) Distinguish between inflationary gap and stagflation (2marks)
- (ii) State any two policy measures that should be adopted to close an inflationary gap (2marks)

## SECTION B (80MARKS)

2. (a) Differentiate between a decrease in demand and a decrease in quantity demanded of a commodity (4 marks)
- (b) Explain the factors that make demand for a commodity price inelastic in an economy (16 marks)
3. (a) Explain the quantity theory of money (6marks)
- (b) To what extent is the quantity theory of money applicable in an economy (14 marks)
4. (a) Define the term an inward looking industrial development strategy (2marks)

(b) Explain the merits and demerits of adopting an inward looking development strategy of industrialization **(18 marks)**

5. (a) Differentiate between centralized planning and indicative planning **(4marks)**

(b) Explain the factors that affect the effectiveness of plan formulation and implementation in an economy. **(16 marks)**

6. (a) Identify the features of an oligopoly market in an economy **(10 marks)**

(b) Describe the methods employed by oligopoly firms to increase sales in an economy. **(10 marks)**

7. (a) Under what circumstances may workers demand for higher wages **(8marks)**

(b) What factors limit the ability of trade unions to raise wages in developing? **(12mark)**

**END**