INSTRUCTIONS

Answer five questions in all.

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

Answer four questions from section B.

Credit will be given for use of relevant diagrams.

All questions in section B carry equal marks.

Any extra questions attempted will not be marked.
SECTION A (20 MARKS)

1.  (a) (i) Define marginal efficiency of capital.  
    
    (ii) State three causes of low marginal efficiency of capital in Uganda.  

(b) (i) Distinguish between voluntary unemployment and involuntary unemployment.  

    (ii) Give two effects of involuntary unemployment in Uganda.  

(c) (i) What is meant by the term money supply?  

    (ii) Mention three determinants of money supply in Uganda.  

(d) (i) Differentiate between a deficit budget and a surplus budget.  

    (ii) State two disadvantages of deficit budgets in Uganda.  

(e) Outline four characteristics of the labour force in Uganda.  

SECTION B (80 MARKS)

Answer any four questions in this section

2.  a) What is the role of the price mechanism in the allocation of resources in Uganda.  

    b) Account for government intervention in the operation of price mechanism in Uganda.  

3.  a) Explain the demerits of income inequality in Uganda.  

    b) Examine the measures being used to reduce income inequality in Uganda.  

4.  a) What are the characteristics of the private sector in Uganda.  

    b) Assess the factors that have influenced performance of the private sector in Uganda.  

5.  a) Explain the instruments of protectionism used in Uganda.  

    b) Discuss the implications of protectionism in Uganda.  

6.  a) Distinguish between the balanced growth and the unbalanced growth strategies of economic development.  

    b) Assess the merits and demerits of adopting the balanced growth strategy in Uganda.  

7.  (a) Explain the tools used by labour organizations to achieve their objectives.  

    (b) Account for the failure of labour organizations to achieve their objectives in Uganda.  

END