

BETHANY HIGH SCHOOL - NAALYA

S.6 ECONOMICS

Paper 2

3 hrs

INSTRUCTIONS:

Section A is compulsory. Answer any four questions in section B.

1. (a) Mention four uses of the PPF .
- (b) Mention four relationships between small scale industries and informal section.
- (c) (i) Distinguish structural inflation and imported inflation. (2mks)
(ii) Mention any two causes of structural inflation in Uganda.(2mks)
- (d) (i) State the quantity theory of money. (2mks)
(ii) Given that country x had initial deposit of 20,000,000 and the required ratio is 20%. Calculate the total deposits created in a multibank system. (2mks)
- (e) Distinguish between bottom top planning and top bottom planning. (2mks)
(ii) Mention any two characteristics of a good development plan. (2mks)

SECTION B

2. (a) Describe how credit is created by commercial banks using an initial deposit of 10,000,000 and a uniform cash ratio of 10%. (10mks)
(b) Explain the factors that limit the process of credit creation. (10mks)
3. (a) What are the objectives of trade unions. (8mks)
(b) Explain the various ways trade unions use to argue for bottom pay. (12mks)
4. (a) What are the indicators of Economic development in Uganda. (10mks)
(b) Discuss the measures that have been taken to increase the level of economic development. (10mks)
5. Account for the need to interfere with price mechanism in an economy.(10mks)
6. (a) Distinguish between the following
(i) Impact of tax and incidence of a tax. (2mks)
(ii) Taxable income and Taxable capacity. (2mks)
(b) Explain the principles of taxation. (10mks)
(c) What are the problems faced by tax authorities? (6mks)
7. (a) Describe the features of a good development plan. (6mks)
(b) Account for obstacles effective implementation of Economic plans. (12mks)

End