

SECTION A (20 MARKS)

Answer **all** parts of this section

1. (a)(i) Define the term Transfer Payments. (01 mark)
(ii) Give three examples of transfer payments in Uganda. (03 marks)
- (b)(i) What is meant by Vertical Merging of firms? (03 marks)
(ii) Outline three factors limiting Integration of firms in Uganda. (03 marks)
- (c)(i) Distinguish between liquidity preference and liquidity trap. (02 marks)
(ii) Give any **two** reasons for the high liquidity preference in Uganda. (02 marks)
- (d) Give any **four** features of the formal sector in Uganda. (04 marks)
- (e)(i) Distinguish between Leakages and injections as applied to the circular flow of income in Uganda. (02 marks)
(ii) Mention any **two** examples of injections into the circular flow of income in Uganda. (02 marks)

SECTION B (80 MARKS)

Answer **four** question in this section.

2. (a) Account for the fluctuations in price of agricultural commodities in Uganda. (14 marks)
(b) Explain the demerits of the fluctuations in prices of agricultural commodities in Uganda. (06 marks)
3. (a) Explain the salient features of Oligopolistic markets in Uganda. (08 marks)
(b) Examine the merits and demerits of oligopoly markets in Uganda. (12 marks)
4. (a) Explain the criticisms of comparative cost advantage theory in Uganda. (14 marks)
(b) What are the relevance of comparative cost advantage theory to Uganda? (06 marks)
5. (a) Given an initial change in income in a given period of time of shs 20,000,000, Marginal propensity to save 25%. Explain the process of the income multiplier. (08 marks)
(b) Examine the factors that influence investment multiplier in Uganda. (12 marks)
6. (a) Distinguish between balanced growth and un balanced growth strategies as applicable in Uganda. (04 marks)
(b) Assess the effects of adopting balanced growth strategy in Uganda. (16 marks)
7. (a) Explain the functions of Bank of Uganda. (08 marks)
(b) Examine how bank of Uganda regulates money supply in your country. (12 marks)

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