

**SECTION A (20 MARKS)**  
Answer all parts of this question.

1. a) i) Define the term **effective demand**. (01 mark)  
ii) State any **three** causes of low effective demand in Uganda. (03 marks)
- b) i) What is meant by the term **factor prices**? (01 mark)  
ii) Mention any **three** factor prices in Uganda. (03 marks)
- c) i) Given that a country's final level of National income is **£ 395 million**,  $MPC = 60\%$  and the initial change in investment expenditure is **£ 30 million**, calculate the original level of National income. (04 marks)
- d) i) Define the term **Privatisation**. (01 mark)  
ii) Give any **three** reasons why the government of Uganda carried out privatisation. (03 marks)
- e) i) Differentiate between **Partial plan** and **comprehensive plan**. (02 marks)  
ii) Mention any two demerits of partial planning in an economy (02 marks)

**SECTION B (80 MARKS)**  
Answer any **four** questions from this Section.

2. a) Account for the existing income inequality in Uganda. (10 marks)  
b) Explain the demerits of an even income distribution in Uganda. (10 marks)
3. a) Describe the structure of Uganda's population. (08 marks)  
b) Examine the implications of this population structure on Uganda's economy. (12 marks)
4. a) Distinguish between **Mechanisation** and **Modernisation** of agriculture. (04 marks)  
b) Discuss the factors that limit mechanization of agriculture in Uganda. (16 marks)
5. a) Why is there need to adopt the import substitution industrial strategy in Uganda? (06 marks)  
b) Examine the factors influencing industrial development in Uganda. (14 marks)
6. a) Distinguish between **Corporation tax** and **Capital gains tax**. (04 marks)  
b) Explain measures that have been adopted to increase tax revenue in Uganda. (16 marks)
7. a) Explain the merits of Uganda's participation in international trade (10 marks)  
b) Assess the effects of adopting trade protectionist policies on the economy of Uganda. (10 marks)

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