

NDEJJE DAY VOCATIONAL SEC. SCHOOL

END OF YEAR ASSESSMENT 2025

SENIOR FIVE

ECONOMICS

TIME: 3 HRS

Instructions

Ø Answer any **FOUR** ITEMS

ITEM 1

Country M is one of the developing countries found on the African continent. The country is considering choosing the best economic system to enable it manage the allocation and distribution of resources. The country is blessed with abundant natural resources, a growing population with varying skills and income levels. There is a desire to attain high rates of economic growth by ensuring high level of efficiency among firms while emphasizing the aspect of consumer sovereignty.

Task

- a) Help the planners of country M to choose the most appropriate economic system and explain the advantages of such a system.
- b) Explain the demerits of adopting the above economic system.

ITEM 2

In many developing countries, agriculture is the backbone and it constitutes a big percentage to their GDP. A number of people in such countries are engaged in agriculture and most of the land is used for agricultural production. In one year, one of these developing countries experienced a bumper harvest of coffee, maize, beans, matooke and many other crops which made the prices to drastically reduce. However, just after a short while, there was shortage of the same products which made the prices to increase. The government seems to have limited control over such a challenge which has greatly affected the citizens.

Task

- a) As an Economist, explain the causes of the challenge explained in the scenario.
- b) Advise the government on various strategies it can take to overcome the challenge.

ITEM 3

Sarah is a promising young entrepreneur who runs a small tailoring workshop in Mukono. With her start-up capital of UGX 5 million, she hired a single room where she operates from, employs two workers and also has two light duty machines that she uses to efficiently do her work. Despite entry of large garment factories that produce clothes on large scale, her business continues to survive, she is however faced with a challenge of high production costs and limited access to credit.

Task

- a) Analyse the factors that have enabled Sarah's business to survive in a competitive environment
- b) Explain the contribution of small-scale firms to Uganda's economic development

ITEM 4

Justice runs a stall in Owino Market. Her stall deals in selling a number of agricultural items like tomatoes, onions, oranges, cabbages and many others. In the same market, there are many other traders dealing in similar goods and all charge the same prices, thus customers are in different about which seller to buy from. Over time, some stalls have closed down due to the stiff competition while others have survived with minimal profits.

Task

- a) Identify and describe the features of the market structure under which Justine operates.
- b) Illustrate how firms in this market structure attain equilibrium in the short and long run.

ITEM 5

One of the developing countries on the continent of Africa is experiencing a significant increase in investment in new technologies and infrastructure which has led to a significant increase in the volume of goods and services produced, this has eventually led to a high level of national income. The statisticians of this country were able to reveal the following data about this country for the year 2024, GDP at market price = shs. 200 billion, indirect taxes = shs. 10 billion, subsidies = shs. 4 billion

Task

- a) Using the data provided above, determine the country's GDP at factor cost.
- b) Explain the factors that have led to a high level of national income in the country above.

END

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Item 1

The government of Uganda is considering providing free mosquito nets to all citizens to combat malaria.

Task

Provide a definition for the above-mentioned type of good.

Give three characteristics of a mosquito net as a type of good.

A coffee farmer in Uganda is considering increasing supply of coffee

Task

Analyse four factors that would influence the coffee farmer's supply of coffee

A variety of commodities are being produced in Uganda where some have elastic demand while others have inelastic demand and producers want to charge high prices for commodities with inelastic demand and a low price for goods with elastic demand but consumers are confused about the meaning of these two terms

Task

Help the consumers to distinguish between elastic and inelastic demand using illustrations

SECTION B

Item 2

Suppose you are the CEO of a small tech firm that specializes in developing mobile apps. A larger firm in the same industry has approached you with a proposal to merge and you are required to make a research on the benefits of merging and present your findings

Task

Present to other members on the merits and demerits of merging

Explain the factors that may limit firms from merging

ITEM 3

A single company, MTN is the only provider of mobile phone services in a certain rural area in Uganda

Task

Analyse the characteristics of the mobile phone market in the rural areas.

Evaluate the effects of the monopoly market structure

Suggest the measures that be undertaken by the government to control monopoly in Uganda

ITEM 4

Uganda's economy has been growing at a rate of 6% per annum over the past decade

Task

As a student of economics, you are required to analyse the factors that have influenced Uganda's economic growth

END