

REGINA PACIS HIGH SCHOOL
END OF TERM TWO ASSESSEMENT
ECONOMICS PAPER TWO
SENIOR FIVE

Instructions

Attempt three items

All items carry equal marks

1. Study the illustration below showing efficient and maximum utilization of resources in production of two commodities and answer the questions that follow

TASK

- a) What does the diagram illustrate ?
 - b) In reference to the above, describe the concept of scarcity, choice and opportunity cost.
 - c) Identify the point at which Uganda operates and explain the causes of operating at that point.
2. A firm like Hima Cement enjoys certain privilege in which it solely and exclusively provides particular services and products dominating markets and generally exerting powerful control in the economy of Uganda in that field of production and its locality. Other various firms try to

establish the same production but find it very difficult to establish having sole control of production under Hima Cement in the area.

TASK

- a) Demonstrate the understanding of the factors that give rise to the existence of such firms.
- b) Illustrate how profits are maximized by Hima Cement in its area of locality.
- c) What are the arguments for and against such a market structure in Uganda.
- 3. The Government of Uganda wants to transit to an Economic system where it owns and allocate resources on behalf of its citizens. However policy makers have been engaged in an intense debate regarding the consequences of adopting such an Economic system.

TASK

- a) Identify the features underlying such an Economic system to be adopted by the Government.
- b) Discuss the potential benefits and drawbacks of adopting such Economic system.