JINJA JOINT EXAMINATIONS BOARD

UACE ECONOMICS PAPER ONE (P220/1)

PAPER ONE

SCORING GUIDE 2026

SECTION A

ITEM 1

Task (a): The economic system in the scenario is Mixed Economy

Benefits of mixed economy:

- Better quality output is produced
- Consumers' choices are widened
- Increased employment opportunities
- Increased efficiency in production / reduced monopoly
- Minimizes over exploitation of resources
- Reduced income inequality
- High economic growth
- Government is able to protect consumer exploitation by traders
- Basic services, sensitive/strategic ventures or non-profitable ventures essential are provided by government
- Private sector is able to supplement public sector

Task (b): Strategies on challenges faced by government in providing basic goods to the general public

Possible responses:

- Develop infrastructure
- Fight corruption
- Improve labour skills
- Improve managerial skills
- Improve technology
- Control inflation rate
- Limit bureaucratic tendencies
- Promote autonomous supervision among government agencies / limit political interference

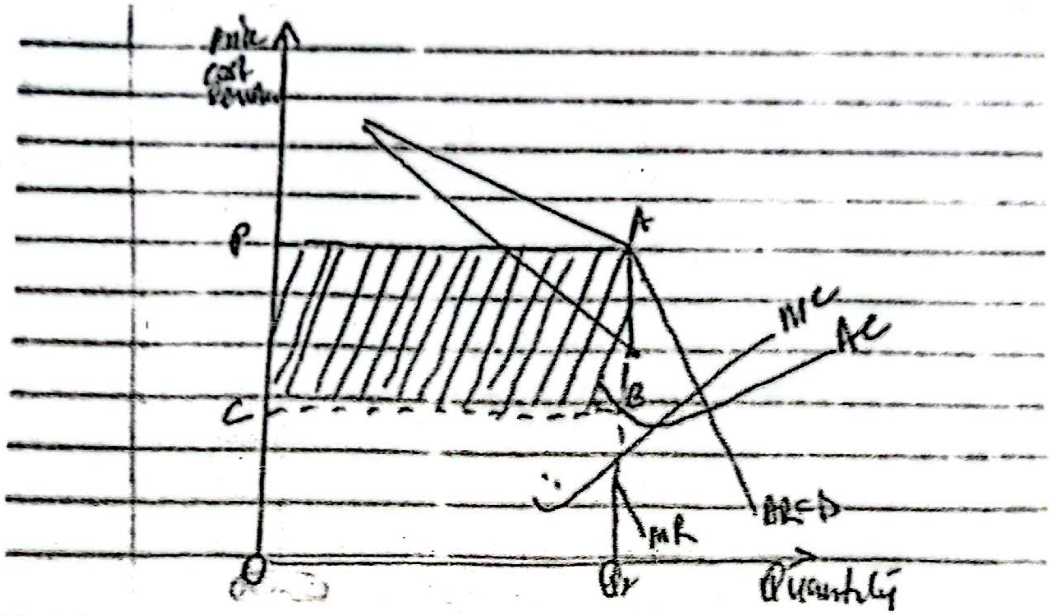
- Seek grants and donations
- Expand tax base
- Minimize expenditure on unproductive areas / ventures
- Privatize some of the public enterprises

ITEM 2

Task (a): Coca-Cola firm is an oligopoly firm. Output, price, and profit determination in the long run.

Possible responses:

- Long run output is determined at a point where MC = MC



- Price is determined at a point where the output curve meets the AR / D curve
- Cost is determined at a point where the output curve meets the AC curve
- In the long run, Coca-Cola firm enjoys abnormal profits shown by the shaded area.
- Abnormal profits are realized because AR > AC

Task (b): The benefits of reduced average cost enjoyed by Coca-Cola firm (Internal Economies of Scale)

Possible responses:

- Financial economies
- Marketing economies

- Welfare economies
- Risk-bearing economies
- Labour economies
- Storage economies
- Managerial economies
- Transport economies
- Technical economies
- Research economies
- Pecuniary economies

SECTION B

ITEM 3

Task (a): The benefits of the trend of the population (dominant young age and high population growth rate)

Possible responses:

- High market potential
- High potential for increased government revenue
- Promotes initiative and hard work among the population
- Promotes innovations and creativity
- Promotes resource utilization
- Promotes investment
- High labour potential
- Reduces per capita social overhead cost
- Awakens government to its responsibility of providing the necessary infrastructure

Task (b): Parliament is concerned about the effects of the trend of the population which is unemployment and underemployment of the youth

Possible responses:

- Export labour
- Reform education system
- Develop infrastructure
- Liberalize the economy
- Privatize public enterprises
- Diversify the economy
- Provide investment opportunities
- Modernize agriculture
- Control population growth rate

- Encourage use of labour-intensive technology
- Improve information system / advertise jobs

ITEM 4

Task (a): The concern of KCCA is about the rural-urban migration to the city and the pressure on services

Possible responses:

- Promote rural development programmes
- Modernize agriculture
- Control population growth rate
- Expand infrastructure both in rural and Kampala
- Improve service delivery in rural areas
- Decentralize industries and investment in the cities and districts
- Develop more cities or regional centres
- Create employment programmes
- Promote balanced regional development

Task (b): The benefits of the proposal to the management of Luzinga Sugar Factory on the advantages of piece rate wage system

Possible responses:

- Promotes high output hence high GDP
- Minimizes need for constant supervision which reduces cost of production
- Promotes innovations and creativity among workers
- Enables management to identify better workers to reduce the number of workers if need be
- Protects management from wrong payment to the workers
- Lazy and dull workers are forced to work hard
- Work is completed faster
- Minimizes disagreement between workers and management
- Management is able to predict the amount of output to be produced by the workers and be able to set aside the money for wage
- Management is able to calculate the amount of money to be paid as a wage
- Number of workers can be reduced so as to reduce cost of production

— END OF SCORING GUIDE —