

GREENHILL ACADEMY

ECONOMICS

SENIOR 5 TERM III 2024 HOLIDAY WORK

1. (a) (i) What is an opportunity cost curve?
(ii) Give any three conditions that may lead to an inward shift of the opportunity cost curve.
- (b) (i) Distinguish between human wants and human needs.
(ii) Mention any two characteristics of human wants.
- (c) (i) Define Price inelastic elasticity.
(ii) Give any three causes of price inelastic supply.
- (d) (i) Distinguish between injections and leakages as used in National income.
(ii) List any two injections in an economy.
- (e) Given that in a two sector economy;
Marginal propensity to consume = 0.75,
Investment = US\$ 250 billion,
Income US\$ 250 billion
- (i) Calculate the value of the multiplier
(ii) If investment increases by US\$ 1 billion, determine the new equilibrium level of National income.

SECTION B

2. (a) Study the table below and answer the questions that follows clearly showing the working.

Commodity	Average Price in 2009 (Shs)	Simple price index in 2009	Average Price in 2019 (Shs)	Weight
Sugar	1,500	100	2,100	4
Beans	300	100	450	3
Rice	1,200	100	1,500	2
Bread	1,200	100	1,800	1

- (i) Calculate the price relative for 2019. (03 marks)
(ii) Calculate the Average Price Index for 2019. (03 marks)
(iii) Calculate the weighted index for 2019. (03 marks)
(iv) Calculate the Average weighted index for 2019. (03 marks)
- (b) Explain the importance of price indices in Uganda. (08 marks)

END