GREENHILL ACADEMY SECONDARY

S.5 TERM TWO, 2026

ECONOMICS HOLIDAY WORK

Item one:

Uganda operates an economy where the private sector plays an important role in the ownership, distribution and allocation of resources. This sector uses prices as a signal to determine the allocation of such resources. This tendency has created a lot of challenges to the economy and the members of parliament would like to address the challenges posed by this price-profit-driven economy. They have therefore called upon relevant stakeholders to address the concern.

One of the participants in this economy is Phoebe who owns a canteen at Greenhill Academy. She discovered that as the second term progressed, the number of students who demanded her products kept on declining. Her canteen's main profit earning product, the chicken samosas had their demand suffering more from this declining trend in sales. The management of the school canteens are concerned and would like that trend reversed. You have been approached as an expert in economics.

Task

a) Advise government on the interventions it can make to address the challenge.
b) Propose to Phoebe, the strategies she can use to reverse the trend identified.

Item two

In Kampala, a group of young entrepreneurs started a small juice processing firm called Gumite fresh juice producers producing natural fruit juice using locally sourced mangoes and pineapples. The firm mainly used labour and simple machines. Initially, each worker performed multiple tasks such as washing the fruits, extracting juice, packaging and selling. The Management was however concerned about the low output and poor performance of workers. A decision was made to divide up tasks and assign each worker specialized duties but some top managers are not yet convinced about whether this will improve efficiency and are requesting for more guidance.

The government Of Uganda rolled out a strategy to increase a stock of assets that are used to produce goods and services in an effort to expand the country's capacity to produce goods and services. The rate at which the stock of these productive assets is increasing has however, been low over a period of time. The government of Uganda is concerned and would like immediate interventions to increase the rate at which such acquired assets can multiply and eventually increase the GDP.

Task

a) Analyze how the decision taken by the management of the company in the scenario will improve its productivity and efficiency.
b) Propose strategies the government can use to solve the challenge