

UNIVERSITY OF COLOMBO - SRI LANKA
FACULTY OF ARTS

Final Degree Examination in Arts (Economics) – Year 2 - 2018

Course Unit System-Semester II

ECN 2228 / ENH 2216– The World Economy

Time: Two Hours Only

Answer any **four (04)** questions only. All questions carry equal marks

1. 'The 20th century, the final century of the second millennium, was marked by a chain of socioeconomic and political events that heralded significant changes in world economy.'
 - i. What were the major economic changes of the 20th century?
 - ii. To what extent were the political factors instrumental in reshaping the world economic map in this century?
 - iii. What were the major economic changes that Sri Lanka experienced in this century?
2. "Corruption seems to have been the root cause for many economic problems in the world.'
 - i. What are the economic problems created by corruption?
 - ii. Have clean regimes succeeded to produce good economic results in the past?
 - iii. What do you propose to reduce corruptions in the world?
3. 'Market economies have performed well in almost all development aspects in the past compared to other alternative economic systems.'
 - i. Do you agree with this statement? Give reasons for your answer.
 - ii. How do you examine the performance of market economies since early 1990s?
 - iii. To what extent has Sri Lanka managed to exploit the opportunities offered by the market mechanism?
4. 'Sustained economic growth is key to achieve the economic prosperity of a nation.'
 - i. Do you agree with this statement? Give reasons for your answer.
 - ii. Identify the key factors behind sustained growth in China or India.
 - iii. How Do you examine the recent growth performance of Sri Lanka?

5. 'The philosophy behind the One Belt and One Road (OBOR) initiatives aims to create the world's largest platform for economic cooperation, trade and financing collaboration, and social and cultural cooperation.'
- i. Briefly identify the historical background of OBOR.
 - ii. What will be the global economic consequences of OBOR?
 - iii. Is Sri Lanka well prepared to exploit the opportunities offered by OBOR?
6. 'The level of energy consumption plays an important role in shaping the economic growth and development of a country.'
- i. How do you examine the evolution of global energy consumption?
 - ii. Briefly identify the major contributory factors for global crude oil demand.
 - iii. What are the positive and negative implications of falling crude oil prices?
7. 'Since the nation states around the world ratified the Bretton Woods Agreement in 1944, the US dollar has been the most dominant currency in the global economy.'
- i. Why was the US dollar nominated as the world reserve currency at Bretton Woods?
 - ii. What are the major challenges faced by the US dollar now?
 - iii. Do you think that the SDR is a good alternative to the US dollar?
8. Write short notes on any **three (03)** of the following.
- i. Capitalism and Socialism
 - ii. Hard and soft currencies
 - iii. World Bank and International Monetary Fund
 - iv. Developed and Developing countries
 - v. India and South Asia

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