

UNIVERSITY OF COLOMBO
FACULTY OF ARTS
FIRST YEAR EXAMINATION IN ARTS (ECONOMICS) 2016/2017
END OF THE SECOND SEMESTER
ECN: 1204- WORLD ECONOMIC DEVELOPMENT AND SRI LANKA
TIME ALLOWED: TWO (02) HOURS
Answer four (04) questions only

Question 01

- I. How do you explain the economic implications of the green revolution in the post 2nd world war period? (12 Marks)
- II. "Agriculture plays an important role in economic development of a country". Critically examine this statement with suitable examples. (13 Marks)

Question 02

- I. "Industrial revolution is considered as a major turning point in the world economic history". Do you agree with this statement? Give reasons for your answer. (13 Marks)
- II. Briefly identify the major contributory factors for industrial development of a country. (12 Marks)

Question 03

- I. Explain the five development stages of Rostow's Growth Model briefly with suitable examples. (13 Marks)
- II. Critically examine the role of government in a market economy. (12 Marks)

Question 04

- I. Identify the importance of modernization theories in analyzing the world economic transformation. (12 Marks)
- II. To what extent are modernization theories applicable to analyze the development experience of less developed countries? (13 Marks)

Question 05

“Economic growth is about quantitative achievement, while economic development is about qualitative achievement of a country”.

- I. Explain the indicators of economic growth and economic development. (12 Marks)
- II. What is your assessment about Sri Lanka’s achievements in both economic growth and development? (13 Marks)

Question 06

“My first visit to Sri Lanka was in April 1956 on my way to London.... I walked around the city of Colombo, impressed by the public buildings, many with stone facing undamaged by war.... Ceylon [Sri Lanka] had more resources and better infrastructure than Singapore.” [Lee Kuan Yew (2000): *The Singapore Story*, p.460]

- I. What is your impression about the above comment on Sri Lanka, made by the late Prime Minister of Singapore Mr. Lee Kuan Yew? (12 Marks)
- II. Sri Lanka’s per capita income is less than US\$ 4000, while that of Singapore is more than US\$ 50,000. Why do you think Sri Lanka made a slow progress, compared to Singapore? (13 Marks)

Question 07

As most of the other developing countries in Asia, Sri Lanka chose to follow import substitution policies as solution to economic problems and strategies to achieve development.

- I. Explain what do you understand by import substitution policies.
(12 Marks)
- II. Why these policies failed to achieve the country's economic objectives?
(13 Marks)

Question 08

Sri Lanka has opened up its economy with trade liberalization in 1977.

- I. What are the major open economic policies that Sri Lanka adopted after 1977?
(13 Marks)
- II. Do you think the economic progress during the past forty years under the open economic policies were satisfactory? Give reasons for your answer.
(12 Marks)

Question 09

As many of the government's policy documents stated, there are many economic challenges that Sri Lanka has to face today.

- I. What are these economic challenges? Specify at least two of them, and explain.
(12 Marks)
- II. How do you propose to overcome these challenges successfully, and to set the economy on sustainable progressive path?
(13 Marks)