

University of Colombo-Sri Lanka

Faculty of Arts

Third Year Examination in Arts (Economics)-2018

(First Semester Final)

ECN 3169 –Economic Development in Sri Lanka

Time Allowed: Two (02) hours only

Answer any (04) four questions only.

Answers should be written legibly and wherever possible in point form.

Each question carries equal marks.

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1. “Without development economic methodology to understand the issues in developing countries is a difficult task”. Do you agree with the statement? Explain your answer providing examples from Sri Lanka.
2. The structural transformation is vital for an economy to sustain economic development and to successfully face the modern day socio-economic challenges. Taking the structural transformation process in Sri Lanka into account, examine whether the present structure of the economy of Sri Lanka is strong enough to sustain a higher economic growth soon.
3. When popular indicators, such as Gross Domestic Product (GDP) and GDP Per Capita, etc. are used to understand the state of the economy, it is widely accepted that they reveal only a part of the socio-economic reality particularly of the developing world. To what extent do you agree with the statement? Explain your answer taking examples from the Sri Lankan economy.
4. In most developed countries in the world the agricultural sector has played a strategic role in the process of economic development. When we look at the agricultural sector in Sri Lanka, the expected strategic role of it is in question. Explain your answer providing examples from the Sri Lankan economy.
5. It is a fact that rapid expansion of the industrial sector facilitates a faster economic development. When you look at industrial expansion in Sri Lanka do you consider that the cause of slow economic growth is due to slow growth in industrial sector? Explain your answer providing examples from Sri Lanka.
6. The primary economic problem of Sri Lanka is its constant BOP imbalance. Explain the nature of the problem, looking at the recent experience of Sri Lanka’s BOP.
7. The economy of Sri Lanka successfully managed to reduce the rate of unemployment from double digit level to around 5 percent in 2016. What are the major contributory factors of this impressive achievement? Explain your answer.

8. The Sri Lanka economy has changed from a high trading to low trading nation. This is despite export lead growth policies employed by the successive governments in Sri Lanka. To what extent this situation relates to economic growth in Sri Lanka? Explain your answer.
9. Poverty alleviation through community based development programmes has been very successful in Sri Lanka to reduce the poverty rate. Taking examples from Sri Lanka explain your answer.
10. What are the basic fiscal rules? Would you identify fiscal rules as useful in implementing fiscal policy of a country? Briefly explain salient features of the last 20 years of fiscal policy in Sri Lanka. Concentrate mainly on budget deficit and nature of expenditure.

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