

UNIVERSITY OF COLOMBO, SRI LANKA

FACULTY OF ARTS

First Year Examination in Arts -2018/2019

(End of Second Semester)

ECN 1204: WORLD ECONOMIC DEVELOPMENT AND SRI LANKA

Time Allowed: Two (02) Hours

Answer FOUR (04) Questions Only

Question 1

In the 15th century, Britain was a nation on the verge of impoverishment and raw wool was its main export. By the 18th century, Britain emerged to be the leading economy in the world.

- a) What is known by an industrial revolution? (5 marks)
- b) Describe the preconditions of the British Industrial Revolution. (10 marks)
- c) "Britain's technological lead that had enabled it to shift to a free trade regime was achieved behind 'high and long-lasting tariff barriers' (Bairoch, 1993 p. 46)".
Examine the role played by government policy and intervention in the British Industrial Revolution. (10 marks)

Question 2

Development theories describe strategies for making development goals achievable and explain why some countries remain poor.

- a) Describe the classical economic thought on economic growth. (8 marks)
- b) What are the major criticisms against Karl Marx's political economic theory? (8 marks)
- c) "The neo-Marxist dependency theory can be applied to describe aspects of underdevelopment in countries with a colonial legacy, similar to Sri Lanka". Do you agree with this statement? Give reasons for your answer. (9 marks)

Question 3

Agriculture plays a vital role for economic growth.

- a) What is meant by an agricultural revolution? (5 marks)
- b) Describe the role of agriculture for economic development. (10 marks)
- c) "The Green Revolution had both positive and negative effects for sustainable development". Critically examine the effects of the 'Green Revolution' on sustainable development. (10 marks)

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Question 4

Discuss major challenges to economic growth and development in Sri Lanka and suggest ways to overcome those challenges. (Mention at least 4 challenges in your answer). (25 Marks)

Question 5

The rise of estates in Sri Lanka during the 19th century, created a dual export economy and conditions of it persisted so long a period.

- a) Define the term "export economy". (5 marks)
- b) Describe the salient features of Sri Lanka's colonial dual export economy. (10 marks)
- c) Examine the issues and problems that emerged from the Sri Lankan dual export economy, that persisted even at and after Independence in 1948. (10 marks)

Question 6

Post-independent Sri Lanka has been an experimental ground for a series of economic policies derived from a wide range of theoretical and ideological positions adopted by political parties.

- a) Briefly examine major economic policy differences between left of center and right of center regimes in post-independent Sri Lanka. (10 marks)
- b) Critically examine the effectiveness of neoliberal (Washington Consensus type) economic policies for a developing country like Sri Lanka. (15 Marks)

Question 7

"The purpose of a closed economy is to provide domestic consumers with everything they need from within the country's borders"

- a) Explain the main features of the Sri Lankan closed economy. (10 Marks)
- b) Critically examine the strengths and weaknesses of the import substitution strategy in Sri Lanka. (15 Marks)

Question 8

"There are certain advantages for citizens living in a country with an open economy"

- a) Explain the important features of the open economy in Sri Lanka. (10 Marks)
- b) Briefly examine whether Sri Lanka achieved the desired outcomes under open economic policies. (15 Marks)

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Question 9

Write detailed notes distinguishing between concepts on any **three (03)** of the following. (Equal marks each).

- a) Inward looking economic policies and outward looking economic policies
- b) Capitalism and Feudalism
- c) Take off and drive to maturity (in Rostow's stages of growth)
- d) Karl Marx's forces of production and production relations
- e) Mercantilism and liberalization
- f) Advantages and disadvantages of organic farming

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