

University of Colombo

Faculty of Arts

Special Degree Examination in Arts, Semester I, 2017

ECN 3176: Development Economics

Answer Four (04) Questions Only

Time Allowed: Two (02) Hours

- 1.
- a) Define the concept of 'economic growth' and explain why is it important for the development of a country. (5 Marks)
 - b) What are the limitations of economic growth? (5 Marks)
 - c) What are the factors which determine the level of economic growth of a country? (5 Marks)
 - d) Do you think that Sri Lanka implemented extensive welfarism without looking at her economic fundamentals since the political independence? Explain the economic cost of extensive welfarism. (10 Marks)
- 2.
- a) How do you define the concept of 'development'? (5 Marks)
 - b) Identify factors which induce economic development of a country. (5 Marks)
 - c) Explain the objectives of development as proposed by Todaro. (5 Marks)
 - d) Explain how the definition for economic development evolved since 1950s. (10 Marks)
- 3.
- a) Explain stages of economic development as postulated by WW Rostow. (7 Marks)
 - b) Based on the Rostow's model, can you describe the current development stage of Sri Lanka? (5 Marks)
 - c) Why is Harrod –Domer model called as 'Capital Fundamentalism'? (5 Marks)
 - d) By using idea proposed in the Harrod –Domer's model, explain why Sri Lanka could not experience a rapid economic growth during the early stage of independence. (8 Marks)

- 4.
- a) What are the main arguments put forward by Cardoso and Faletto under dependency theory? (5 Marks)
 - b) Explain main strategies proposed by Cardoso and Faletto to break the dependency bond. (5 Marks)
 - c) What are the differences between income approach and basic needs approach in maximizing the wellbeing of the people? (8 Marks)
 - d) What is the role of education in enhancing the wellbeing of a society? (7 Marks)
- 5.
- a) What do you mean by “sustainable development” ? (5 Marks)
 - b) Explain the UN goals of sustainable development. (5 Marks)
 - c) When GDP and GNP are measured, environmental aspects are not counted. Can you argue that GDP and GNP are not perfect to measure the level of development of a country? Explain your answer. (08Marks)
 - d) What are the guiding principles for a country to ensure sustainable development? (07 Marks)
- 6.
- a) What are the functions of agriculture sector during the economic development of a country? (05 Marks)
 - b) What type of structural changes in agricultural sector should occur during the development process of a country and do you think that such structural changes are visible in Sri Lanka. (05 Marks)
 - c) Critically explain the impact of frequent industrial policy changes on the overall performance of industrial sector in Sri Lanka. (07 Marks)
 - d) Identify current problems and prospects in industrialization of Sri Lanka and explain how can Sri Lanka learn lessons from a country like South Korea to expedite the process of industrialization? (08 Marks)

7.

- a) What types of development issues are emerging due to poverty and income inequality in Sri Lanka? (08 Marks)
- b) What are the development challenges connected with Sri Lanka's overwhelming dependency on public debt? (07 Marks)
- c) Identify possible reasons behind the low level of tax revenue as a percentage of GDP in Sri Lanka. (05 Marks)
- d) Explain possible implications of low level of tax revenue as a percentage of GDP on the future development of Sri Lanka. (05 Marks)

8. Write short notes on any **four (04)** of the following.

- a) Environmental Kuznet Curve
- b) Regional development
- c) Gender and development
- d) Benefits from the GSP Plus
- e) Impacts of conflicts on economic development

(6.25 Marks for each)