

**UNIVERSITY OF COLOMBO, SRI LANKA
FACULTY OF ARTS**

Second Year General / BED Degree Examination in Arts (Economics) - 2018

First Semester Final Examination

ECN 2128 – The World Economy

Time Allowed: Two Hours (02) Only

**Answer any *four* questions. All Questions Carry Equal Marks
(Candidates may be penalized for illegible handwritings)**

1. “It took hundreds of thousands of years for the world population to grow to 1 billion. In 1960, the global population reached the 3 billion mark, and today, it stands at about 7.5 billion.”
 - i. Briefly examine the factors behind the global population growth.
 - ii. What are the major population growth related global economic issues?
 - iii. Briefly examine the current global pattern of life expectancy.

2. “The post-World War II economic expansion is known as the postwar economic boom in 1950s and 1960s.”
 - i. What are the major characteristics of this economic expansion?
 - ii. Briefly examine the differences between the “Red Revolution” and the “Green Revolution” of post-World War II period.
 - iii. What are the major economic achievements of the Green Revolution?

3. “Economic growth is considered as the most important indicator among many other economic indicators in any country.”
 - i. Why is economic growth important?
 - ii. Is there a relationship between economic growth and Foreign Direct Investments?
 - iii. Does sustained economic growth essentially guarantee the overall welfare of a nation? Give reasons for your answer.

4. "Increasing per capita energy consumption is considered as an indicator of growing prosperity of a nation."
- Do you agree with this statement? Give reasons for your answer.
 - Briefly examine the global energy sources?
 - What are the major contributory factors for global energy demand?
5. "When examining of potential superpowers that may surpass the US, China is considered as the strongest competitor."
- Briefly examine the evolution of the Chinese economy in the post-world war.
 - What are the major Chinese plus points in competing with the US?
 - Do you think that the Chinese economic model is suitable to many developing countries? Give reasons for your answer.
6. "The Washington Consensus refers to a set of free market economic policies promoted by prominent economists and supported by international organizations."
- Briefly examine the above statement.
 - What are the major plus points of these policies?
 - What are the major weaknesses of these policies?
7. "Trade war is a situation in which countries try to damage each other's trade, by the imposition of tariffs or quota restrictions."
- Briefly examine the trade war concept with suitable examples
 - To what extent will trade war affect the global economic growth?
 - Briefly identify the economic consequences of ongoing trade war between the US and a few other countries.
8. Write short notes on any **three (03)** of the following.
- Group of Seven (G7)
 - Reaganomics
 - Global poverty
 - Highly Indebted Poor Countries (HIPC)
 - Globalization