

UNIVERSITY OF COLOMBO, SRI LANKA
FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration (Level II – Semester VIII)
Examination January, 2017

HLM 2219 - Sri Lankan Economy and Global Economic Trends

Time: Two (02) Hours

Answer any Four (04) Questions

1 Evaluate the economic growth performance in Sri Lanka highlighting the main reasons for the slow economic growth since independence.

(25 Marks)

2 i. Distinguish between inward oriented and outward oriented strategies for industrialization. Separately identify the advantages and disadvantages of each of these policies.

(10 Marks)

ii How do you justify the necessity of government intervention even under the market friendly, export oriented development strategies? Identify the areas where government intervention is necessary providing with recent examples.

(15 Marks)

(Total 25 marks)

3 i. What is meant by the globalization of markets and the globalization of production?

(10 Marks)

ii. What are the driving forces of globalization?

(05 Marks)

iii Why have most of the governments reduced restrictions on international movements of products and services?

(05 Marks)

iv Briefly discuss the pros and cons of globalization providing recent evidence.

(05 Marks)

(Total 25 marks)

4 i. Briefly discuss the main concerns of General Agreement on Trade and Tariffs (GATT) until 1970s and the new topics concerned in many discussion forums till the establishment of World Trade Organization (WTO).

(10 Marks)

ii. Briefly discuss the importance of trade related investment measures (TRIMs) and trade related Intellectual property rights (TRIPs) and their impact on the developing countries.

(10 Marks)

iii What are the possible reasons for someone to oppose the WTO?

(05 Marks)

(Total 25 marks)

5 i. Identify the main causes for the crisis of the economy of Greece.

(15 Marks)

ii. Why do many Sri Lankans say that the Sri Lankan economy is also heading towards the similar type of economic crisis?

(10 Marks)

(Total 25 marks)

6 i What do you mean by 'Economic Development'? Explain the evolution of this concept.

(07 Marks)

ii. What are the factors that determine the competitiveness of an economy in different stages of its economic development? Explain.

(10 Marks)

iii Evaluate the competitiveness of the economy of Sri Lanka in terms of basic requirements and efficiency enhancers.

(08 Marks)

(Total 25 marks)

7 i Distinguish the difference between different layers of economic integration by providing real world examples for each.

(07 Marks)

ii What do you mean by 'trade creation' and 'trade diversion'? Graphically explain the welfare effect of those to a member country of a customs union.

(08 Marks)

iii Discuss the possible impact of United Kingdom's decision to exit from the European Union on their economy and Sri Lankan economy.

(10 Marks)

(Total 25 marks)

8 i. "Both China and India have unique strengths as well as many similarities."

Evaluate the two countries in terms of socio-economic and political characteristics.

(10 Marks)

ii Which country is likely to benefit the most in the future according to the current global economic trends? Give reasons.

(15 Marks)

(Total 25 marks)
