

**THE OPEN UNIVERSITY OF SRI LANKA**  
**DEPARTMENT OF SOCIAL STUDIES**  
**BA DEGREE IN SOCIAL SCIENCES - LEVEL 04**  
**FINAL EXAMINATION – 2023/2024 (Semester I)**  
**DSU4631 – ECONOMY OF SRI LANKA**  
**DURATION: THREE HOURS (03 HOURS) ONLY**



**Date: 25<sup>th</sup> November 2023**

**Time: 01.30 p.m. – 04.30 p.m.**

**Instructions:**

- **Answer ONLY five (05) questions.**
- **Each question carries 20 marks.**

- 1) Elaborate on how Sri Lanka can achieve economic development through proper income distribution accompanied by poverty reduction.  
(20 marks)
- 2) Explain the current situation of the external sector performance of Sri Lanka.  
(20 marks)
- 3) a) Briefly explain the monetary policy and the fiscal policy.  
b) Discuss the importance of the coordination between monetary policy and the fiscal policy.  
(20 marks)
- 4) 'The principal problem faced by people due to the economic crisis is rising prices while incomes for many remain unchanged'. Discuss this statement and identify strategies to improve the economic conditions of the people.  
(20 marks)
- 5) Explain the macroeconomic policy objectives in an economy.  
(20 marks)
- 6) a) Describe what is meant by public debt  
b) Discuss the economic importance of low level of public debt as a percentage of GDP.  
(20 marks)
- 7) a) Describe the main elements of Structural Adjustment Programs (SAPs).  
b) Discuss the problems that might arise due to Structural Adjustment Programs (SAPs).  
(20 marks)
- 8) Discuss five (05) positive aspects of regional economic integration.  
(20 marks)

9) Write short essays on **any two (02)** of the following.

- a) Headline Inflation and Core Inflation
- b) Floating Exchange Rate Regime
- c) Middle Income Trap
- d) Sri Lanka's debt restructuring programme

(10 marks each)

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