

THE OPEN UNIVERSITY OF SRI LANKA
 DEPARTMENT OF SOCIAL STUDIES
 BA DEGREE PROGRAMME IN SOCIAL SCIENCES - LEVEL V
 FINAL EXAMINATION 2023/2024 (SEMESTER II)
 DSU5334 – PHILOSOPHICAL FOUNDATIONS OF ECONOMICS



DURATION: THREE HOURS (3 HOURS)

Date: 17.08.2024

Time: 01.30 p.m. – 04.30 p.m.

Instructions:

- There are nine (09) questions in this paper.
- Answer any five (05) questions.
- Each question carries 20 marks.

1. (a) Describe the main arguments of classical economic theories. (10 marks)
 (b) Explain the major limitations of classical economic thinking. (10 marks)
2. (a) Explain the rationale for government intervention in the economy based on Keynes' Arguments. (10 marks)
 (b) What are the arguments against government interventions in the economy? (10 marks)
3. (a) Explain the main features of the Mercantilist System. (10 marks)
 (b) What are the criticisms against mercantilist economic policies? (10 marks)
4. (a) Describe the main beliefs of neoclassical economists. (10 marks)
 (b) What are the weaknesses of neoclassical economic thoughts? (10 marks)
5. (a) Describe the Marxian theory of economic development. (10 marks)
 (b) Explain the reasons behind Marx's criticism of capitalism. (10 marks)
6. (a) Explain the idea of the Business Cycle in economics. (10 marks)
 (b) Outline the features of Rational Expectations theory. (10 marks)
7. (a) What is the meaning of causation in economics? Explain with examples. (10 marks)
 (b) Explain the difference between positive and normative economics. (10 marks)

8. (a) What are the main arguments of Institutional economic thought? (10 marks)
(b) How do institutional economists interpret government actions in the market?
(10 marks)
9. Write brief comments on **any four (04)** of the following.
- (a) Laissez-faire economic system
 - (b) Aggregate demand and aggregate supply
 - (c) Marginal Analysis
 - (d) Perfect Competition
 - (e) Monetary Policy
 - (f) Economic Growth
- (5 × 4 = 20 marks)

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