

THE OPEN UNIVERSITY OF SRI LANKA
DEPARTMENT OF SOCIAL STUDIES
BA DEGREE PROGRAMME IN SOCIAL SCIENCES – LEVEL 4
FINAL EXAMINATION– 2024/2025 (SEMESTER 1)
DSU4631 – ECONOMY OF SRI LANKA



DURATION: THREE HOURS (03 HOURS) ONLY

Date: 30.03.2025

Time: 01.30 p.m. - 04.30 p.m.

Instructions:

- Answer only **FIVE (05)** questions.
- Each question carries twenty (20) marks.
- Write in clear handwriting.

1. Elaborate on the Balance of Payment (BOP) account. (20 marks)
2. Explain the role of microfinance, SME and NGOs in poverty reduction. (20 marks)
3. Is infrastructure important for economic development? Elaborate your ideas with appropriate examples. (20 marks)
4. (a) Briefly explain the main features of the global economic crisis in 2007.

(b) Explain how the falling of global demand due to the global economic crisis affected the developing countries. (20 marks)

5. (a) Describe the classification of public debt in Sri Lanka.
(b) Discuss the consequences of the public debt crisis in Sri Lanka.
(20 marks)
6. Explain the pros and cons of the Structural Adjustment Programmes (SAPs) in Sri Lanka.
(20 marks)
7. (a) Explain Foreign Direct Investment (FDI) and Portfolio Investment (PI).
(b) Describe the advantages of Foreign Direct Investment (FDI) and Portfolio Investment (PI) for developing countries.
(20 marks)
8. Explain how trade dependence impacts on small economies.
(20 marks)
9. Write short essays on any **TWO (02)** of the following.
a) Failures of Import Substitution Industrialization in Sri Lanka
b) International Reserves
c) Possible solutions for the economic crisis in Sri Lanka
d) Regional economic integration.
(10 marks each)

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