

THE OPEN UNIVERSITY OF SRI LANKA
 DEPARTMENT OF SOCIAL STUDIES
 BA IN SOCIAL SCIENCES –2024/2025
 FINAL EXAMINATION – LEVEL 4 (SEMESTER II)
 DSU4334 - INTERNATIONAL ECONOMICS



DURATION: THREE HOURS (03 HOURS) ONLY

Date: 03.08.2025

Time: 1.30 p.m. - 4.30 p.m.

Instructions:

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

1. Critically evaluate the differences between mercantilism and absolute advantage theories.
(20 marks)
2. Discuss the arguments for and against trade restrictions with relevant examples.
(20 marks)
3. Evaluate Sri Lanka's trade and investment policy and its impact on attracting foreign direct investment.
(20 marks)
4. Describe the main characteristics of trade in developing nations and their trade relations with advanced countries.
(20 marks)
5. Explain the different types of regional trade agreements and their levels of economic integration.
(20 marks)
6. Define the foreign exchange market and explain its importance in international trade.
(20 marks)
7. Define the concept of balance of payments and explain its major components.
(20 marks)

8. Explain the role and importance of international reserves in maintaining global financial stability.

(20 marks)

9. Write short notes on **any four (04)** of the following:

- a) Non-Tariff Barriers
- b) Infant Industry Argument
- c) Anti-Dumping Duties
- d) Export-Led Growth Strategy
- e) Economic Union
- f) Currency Depreciation

(5 x 4 = 20 marks)

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