

THE OPEN UNIVERSITY OF SRI LANKA
 DEPARTMENT OF SOCIAL STUDIES
 BA IN SOCIAL SCIENCES - 2024/2025
 FINAL EXAMINATION - LEVEL 5 (SEMESTER II)
 DSU5334 – PHILOSOPHICAL FOUNDATIONS OF ECONOMICS



DURATION: THREE HOURS (03 HOURS) ONLY

Date: 23.08.2025

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. (a) Summarize the core tenets of classical economic theories. (10 marks)
 (b) Evaluate the major assumptions of classical economics. (10 marks)
2. (a) Explain why Keynes was critical of the classical economic ideas. (10 marks)
 (b) What are the consequences of state interventions in the economy? (10 marks)
3. (a) Summarize the core ideas of Mercantilists. (10 marks)
 (b) Are Mercantilist policies still practiced? Explain. (10 marks)
4. (a) Explain the core assumptions of the Neoclassical school of thought. (10 marks)
 (b) Describe the limitations of Neoclassical economic thinking. (10 marks)
5. (a) Summarize the core ideas of Marxian economic theory. (10 marks)
 (b) Why was Marx critical of capitalism? (10 marks)
6. (a) Why is it important to analyze the Business Cycle in economics? (10 marks)
 (b) Explain the usefulness of the Rational Expectations theory in macroeconomic policy making. (10 marks)

7. (a) Explain causations in economics. (10 marks)
(b) Explain positive economics. (10 marks)
8. (a) Summarize the main ideas of Institutional economics. (10 marks)
(b) How do Institutional economists view market economies? (10 marks)
9. Write brief comments on **any four (4)** of the following:
(a) Price Mechanism
(b) Normative Economics.
(c) Marginal Revolution.
(d) Imperfect Competition
(e) Fiscal Policy
(f) Economic Recession (5x4 = 20 Marks)

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