

THE OPEN UNIVERSITY OF SRI LANKA  
DEPARTMENT OF SOCIAL STUDIES  
BA DEGREE PROGRAMME IN SOCIAL SCIENCES – LEVEL 4  
FINAL EXAMINATION – 2010  
SSU 2205 - DEVELOPMENT ECONOMICS

00067



DURATION – THREE (03) HOURS

Date: 17<sup>th</sup> October 2010

Time: 1.30 p.m. – 4.30 p.m.

Answer five (5) questions only. Each question carries 20 marks.

1. (a) Discuss the specific characteristics of developing economies.  
(b) Describe the core values of development explained by Goulet.
2. (a) Explain the role of the State in economic development.  
(b) Discuss how technological change can promote economic growth and development.
3. (a) Explain the key elements of Harrod-Domar Model of economic growth.  
(b) State the relevance of the process of development explained by Rostow in the context of modernization of developing countries.
4. (a) State why capability based poverty measures are important in the poverty reduction process.  
(b) Explain the concept of 'entitlement failures' using experiences from Sri Lanka.
5. (a) Briefly explain the theory of demographic transition.  
(b) Discuss how the present population trend in Sri Lanka can affect the development process.
6. (a) Explain the concept of 'structural adjustment'.  
(b) Has it helped in transforming the Sri Lankan economy?
7. (a) Explain how foreign aid can support economic growth in less-developed countries from a liberal economic perspective.  
(b) Critically evaluate the view points of Neo-Marxists with regard to foreign aid.
8. (a) Explain how Standby Arrangements of IMF can stabilize the economy of its member countries.  
(b) Briefly discuss the key aspects of the Comprehensive Development Framework (CDF) of the World Bank, and explain how Sri Lanka can benefit from this facility.
9. Explain **four (4)** of the following:
  - (i) Poverty Reduction and Growth Facility (PRGF)
  - (ii) Protectionism
  - (iii) Market imperfections
  - (iv) Long-run dynamic gains
  - (v) Trade liberalization