

THE OPEN UNIVERSITY OF SRI LANKA
 DEPARTMENT OF SOCIAL STUDIES
 BA DEGREE PROGRAMME IN SOCIAL SCIENCES – 2015/2016
 FINAL EXAMINATION – LEVEL 4 (1ST SEMESTER)
 SSU2133 – DEVELOPMENT ECONOMICS



DURATION: THREE HOURS (03 HOURS)

Date: 08th November 2015

Time: 01.30 p.m. – 04.30 p.m.

Instructions:

- Answer **five (05)** questions only.
- Each answer carries twenty (20) marks.

1.

- (a) Specify the core values of development. (8 marks)
- (b) Explain how the core values of development become useful in defining economic development. (12 marks)

2.

- (a) Why is it important to measure economic development? (8 marks)
- (b) “Economies in the world are characterized by profound diversities”. Examine this statement using examples. (12 marks)

3.

- (a) Briefly define **two (02)** characteristics of developing countries. (8 marks)
- (b) “The stubborn income inequality in Sri Lanka poses a serious challenge about the country’s growth efforts”. (D.R. Wijewardane, Daily Financial Times, 19th October 2015)
Describe the challenges that Sri Lanka has faced due to the widening rich poor gap. (12 marks)

4.

- (a) Outline the **five (05)** stages of growth. (10 marks)
- (b) Explain the Harrod Domar Model and list out its limitations. (10 marks)

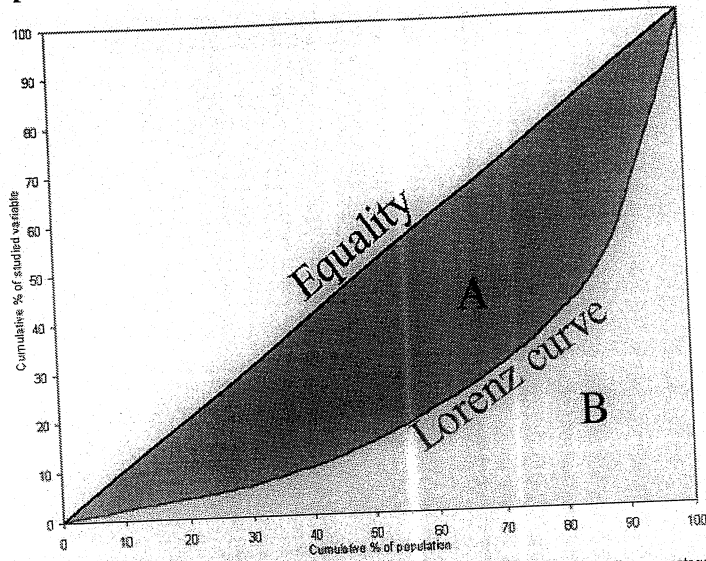
5.

- (a) What are the commonly used measurements of poverty? (8 marks)
- (b) Outline two (02) approaches to poverty reduction. (12 marks)

6.

- (a) Interpret the graph 1 given below. (8 marks)

Graph 1



The diagonal line represents the curve for perfect equality. The horizontal axis represents the cumulative percentage of the population studied. The vertical axis represents the cumulative percentage of the studied variable.

Source – www.google.com

- (b) Suggest remedies that you can think of in order to reduce income inequality in Sri Lanka. Your answer should be logical and be based on the context of developing countries. (12 marks)

7.

- (a) List the factors contributing to market failures. (10 marks)
- (b) If you are given an opportunity to choose between market orientation and state intervention which one would you choose? Provide reasons for your answer. (10 marks)

8. Write short notes on any of the **four (04)** topics below. (5 marks each)

- (a) Globalization
 (b) Urban giantism
 (c) Population trap
 (d) Gini coefficient
 (e) Demographic transition

(Total marks = 20 marks × 05 = 100)

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