

THE OPEN UNIVERSITY OF SRI LANKA  
 DEPARTMENT OF SOCIAL STUDIES  
 BA DEGREE IN SOCIAL SCIENCES PROGRAMME (2018/2019)  
 FINAL EXAMINATION – LEVEL 5 (SEMESTER 2)  
 SSU 3134/DSU5334 – PHILOSOPHICAL FOUNDATIONS OF ECONOMICS  
 DURATION: THREE (03) HOURS



Date: 17.08.2019

Time:

09.30am–12.30pm

**Instructions**

- Answer 5 questions only
  - Each question carries 20 marks
1. (a) Explain why the study of economics is considered as a science (8 marks)  
 (b) Discuss the reasons for considering economics as a social science (12 marks).
  2. (a) Differentiate Positive economics and Normative Economics. (10 marks)  
 (b) Explain the role of assumptions in Economics (10 marks)
  3. (a) Explain the key arguments of Karl Popper (10 marks)  
 (b) Economics is regarded as the study of the economic aspect of human behaviour. Explain specific economic aspects of human behaviour with examples. (10 marks)
  4. (a) Explain the main beliefs of classical economists (10 marks)  
 (b) What are the main criticisms against classical economic thinking? (10 marks)
  5. (a) Explain the main idea behind Marxian Economics. (12 marks)  
 (b) Describe the criticisms on Marxian Economics. (8 marks)
  6. (a) What is meant by Marginal Analysis? (8 marks)  
 (b) Critically evaluate the main assumptions of neo-classical economics. (12 marks)
  7. (a) Explain why Keynes was critical of classical economic thinkers. (12 marks)  
 (b) Describe the key policy options offered by Keynes to solve economic problems. (8 marks)
  8. (a) Explain how the concept of Economic Growth evolved during the classical period. (10 marks)  
 (b) Examine the main ideas of business cycle theory. (10 marks)
  9. Write brief notes on 4 of the following. (5 marks each)
 

(a) Economic equilibrium	(d) Marginal revolution
(b) Institutional Economics	(e) Fiscal policy
(c) Keynesian multiplier	(f) Value theory