



**THE OPEN UNIVERSITY OF SRI LANKA  
DEPARTMENT OF SOCIAL STUDIES  
MA IN DEVELOPMENT STUDIES AND PUBLIC POLICY  
(A COLLABORATIVE PROGRAMME OF THE OUSL AND MARGA INSTITUTE)  
SSP2128/2102 - CONTEMPORARY ECONOMIC THOUGHT AND PUBLIC POLICY  
FINAL EXAMINATION – 2010**

**DURATION: THREE (03) HOURS**

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**Date: 18 September, 2010**

**Time: 1.30 pm – 4.30 pm**

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**Answer four (04) questions. Each question carries 25 marks.**

1. Discuss how the General Theory introduced by John Maynard Keynes has influenced the modern macroeconomic theory.
2. Examine why Amartya Sen has rejected the standard economic theory in evaluating human wellbeing.
3. Discuss the major contributions of Joseph Stiglitz to the economic literature.
4. "Gary Becker's Rational Choice Theory is an attempt to explain family behaviour in the post modernistic society." Substantiate this statement with his application of this approach to economic choices made by family members.
5. "The new-classical policy ineffectiveness proposition states that systematic, predictable macroeconomic policy actions can not exert either short-run or long-run effects of real output or employment". What are the monetary and fiscal policy implications with regard to the statement?
6. As a method of analysis, what role does Buchanan see for individual self interest or methodological individualism in public choice theory and in issues of public decision making?
7. What did Coase have to say regarding the need for firms even in the presence of efficient markets and why firms may have emerged in terms of the theoretical structure of efficient markets?
8. Discuss the major contributions of Williamson to the discipline of economics and the understanding of the firm.