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THE OPEN UNIVERSITY OF SRI LANKA
MA DEGREE IN DEVELOPMENT STUDIES AND PUBLIC POLICY 2011/2012
MARGA – THE OPEN UNIVERSITY OF SRI LANKA COLLABORATIVE
PROGRAMME - LEVEL VI
FINAL EXAMINATION - 2011
SSP1223/1216 – ECONOMIC FUNDAMENTALS OF DEVELOPMENT



DURATION – THREE (03) HOURS

Date: 19th November 2011

Time: 9.30 a.m. – 12.30 p.m.

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

1. Explain the usefulness and weaknesses of the Gross Domestic Product (GDP) in quantifying a country's economic development.
2. Discuss the main arguments of the new development theorists with regard to government intervention in public or non-rival goods.
3. "Technological development is the main source of economic growth". Do you agree with this statement? Justify your answer with theoretical reasoning.
4. Compare and contrast the Washington consensus and the Post-Washington consensus.
5. Discuss the human capital approach to economic development.
6. Critically examine the implications of the World Trade Organization (WTO) for developing countries.
7. (a) Define the term macroeconomic stability
(b) Examine why macroeconomic stability is a pre-requisite to economic growth.
8. Write short notes on any **four (04)** of the following:
 - (i) PPP-based Gross National Income
 - (ii) Total factor productivity
 - (iii) Demographic transition
 - (iv) Inflation tax
 - (v) Open market operations
 - (vi) Investment climate

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