

THE OPEN UNIVERSITY OF SRI LANKA
MA DEGREE IN DEVELOPMENT STUDIES AND PUBLIC POLICY (2018)
MARGA-OUSL COLLABORATIVE PROGRAMME – LEVEL 8
SSP2128 - CONTEMPORARY ECONOMIC THOUGHT AND PUBLIC POLICY
FINAL EXAMINATION – 2019
DURATION: THREE (03) HOURS



Date: 06th January 2019

Time: 01.30 p.m. – 04.30 p.m.

Instructions:

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

1. Discuss Keynes's policy prescriptions of discretionary spending and taxation to overcome depression and unemployment.
2. Differentiate the policy recommendations of Milton Friedman and Keynes to deal with macro-economic instability.
3. Discuss the concepts of market failure and imperfect information as explained by Stiglitz.
4. Discuss the thoughts of Amartya Sen on welfare economics.
5. Discuss the 'Rational-expectations Hypothesis' adopted by New Classical Economists.
6. Examine the key ideas of New Institutional Economics advocated by Douglas North.
7. Explain how Garry Becker used economic principles to analyze various social circumstances.
8. Public choice applies the theories and methods of economics in the analysis of political behavior. Discuss this assertion.

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