

THE OPEN UNIVERSITY OF SRI LANKA
POSTGRADUATE DIPLOMA IN DEVELOPMENT STUDIES AND PUBLIC
POLICY (2008/2009)
(A COLLABORATIVE PROGRAMME OF THE OPEN UNIVERSITY OF
SRI LANKA AND MARGA INSTITUTE)
FINAL EXAMINATION – 2009
SSP 1216 – ECONOMIC FUNDAMENTALS OF DEVELOPMENT



DURATION: THREE (03) HOURS

Date: 30th November 2009

Time: 9.30 a.m. — 12.30 p.m.

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

1. “The basic objective of development is to create an enabling environment in which people can enjoy long, health and creative lives”. Critically analyze this statement.
2. Explain the neo-classical growth model and discuss how the new growth theorists modified that model.
3. Discuss the main features of the Harrod-Domar model.
4. Examine the significance of Gross Domestic Product (GDP) in measuring the performance of an economy. Point out its drawbacks with examples.
5. Discuss the main budgetary problems in Sri Lanka, and assess their impact on macroeconomic stability.
6. Discuss the key monetary policy tools implemented by the Central Bank of Sri Lanka.
7. Explain the major trends in the balance of payments of Sri Lanka in recent years.
8. Write short notes on any **four (04)** of the following
 - a. Open market operations
 - b. Rostow’s stages of economic growth
 - c. Human Development Index
 - d. Macroeconomic policy strategy
 - e. Inflation
 - f. Core values of development

