THE OPEN UNIVERSITY OF SRI LANKA

DEPARTMENT OF SOCIAL STUDIES

BA IN SOCIAL SCIENCES – LEVEL 4

FINAL EXAMINATION – 2025/2026 (SEMESTER - I)

DSU4631-ECONOMY OF SRI LANKA

DURATION: THREE HOURS (03 HOURS) ONLY

Date: 25.04.2026 **Time:01.30 p.m. - 04.30 p.m.**

Instructions:

- **Answer ONLY FIVE (05) questions.**
- **Each question carries 20 marks.**

1. Explain the main features of the Sri Lankan economy after the economic liberalization in 1977. Discuss its impact on economic growth and employment. (20 marks)

2. Discuss the causes of income inequality in Sri Lanka and explain the policies that could be implemented to reduce poverty and improve income distribution. (20 marks)

3. a) Explain the objectives of fiscal policy. (10 marks)

   b) Discuss the role of fiscal policy in controlling inflation in the Sri Lankan economy. (10 marks)

4. Explain the importance of the external sector to the Sri Lankan economy. Discuss the problems related to the trade deficit and the balance of payments. (20 marks)

5. Discuss the causes of the recent economic crisis in Sri Lanka and explain the policy measures adopted by the government to stabilize the economy. (20 marks)

6. Explain the role of Foreign Direct Investment (FDI) in economic development. Discuss the challenges faced by Sri Lanka in attracting FDI. (20 marks)

7. Describe the main objectives of monetary policy. Explain how the Central Bank of Sri Lanka uses monetary policy instruments to control inflation. (20 marks)

8. Discuss the role of the agriculture, industry, and service sectors in the economic development of Sri Lanka. (20 marks)

9. Write short essays on any **TWO (02)** of the following:

   a) Floating exchange rate system

   b) Public debt and its economic impact

   c) Sustainable Development Goals (SDGs) and Sri Lanka

   d) Structural Adjustment Programs (SAPs) (10 marks each)

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