THE OPEN UNIVERSITY OF SRI LANKA
BA DEGREE IN SOCIAL SCIENCES – LEVEL 4 (2006)
FINAL EXAMINATION – SECOND SEMESTER
INTRODUCTION TO DEVELOPMENT ECONOMICS – SSU 2205

DURATION – THREE (03) HOURS

Date: 05th December 2006 **Time: 1.00 p.m. – 4.00 p.m.**

Answer five (05) questions only. Each question carries 20 marks.

1. (a) Explain major policy goals (attributes) which are common to all four definitions of development economics.
   (b) Briefly explain the core values of development.

2. Outline the different indices of economic development, and explain the major characteristics of Social Indicators and their importance.

3. Sri Lanka had achieved a higher growth and development level than many of the East Asian tigers (NICs) during the period since independence to mid 1970s. But today while Sri Lanka's Per Capita Income remains little above $ 1000, the per capita Income levels of those countries have increased many times as much. What went wrong? Discuss.

4. (a) Explain the five distinct stages of the Rostow's Growth Theory that was presented in his publication under the sub title "A Non-Communist Manifesto".
   (b) Which stages are highly un- realistic? Give reasons.

5. Identify the non-economic forces that influence economic development, and explain how the man became victim of attitudinal poverty.

6. Define the following concepts.
   (i) Net National Welfare (NNW)
   (ii) Natural capital
   (iii) Unsustainable development
   (iv) Externalities
   (v) Common property right

7. How does a devaluation of a nation's currency eliminate or reduce the deficits in the balance of payment? Explain giving examples from Sri Lanka

8. Write short notes on any **four (04)** of the following.
   (i) Self esteem
   (ii) Third World
   (iii) Gini coefficient and Lorenz Curve
   (iv) Sustainable development
   (v) Diminishing marginal returns of labour

9. (a) Family fertility in Third World countries are determined by a number of micro economic factors. Discuss using neo-classical theory of consumer behavior.

(b) Explain the causes leading to high growth of population and measures to sustain population growth.

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