00229

THE OPEN UNIVERSITY OF SRI LANKA
DEPARTMENT OF SOCIAL STUDIES
BA DEGREE PROGRAMME IN SOCIAL SCIENCES – LEVEL 4
FINAL EXAMINATION – 2011
SSU 2205 - DEVELOPMENT ECONOMICS

DURATION – THREE (03) HOURS

Date: 16th October 2011 **Time: 1.30 p.m. – 4.30 p.m.**

Answer five (5) questions only. Each question carries 20 marks.

1. (a) Define the core values of development.
   (b) Explain the key policy goals of economic development.

2. (a) Explain the role of the private sector in economic development.
   (b) Discuss how political structure and power relations affect economic growth and development in developing countries.

3. (a) Explain the strengths and limitations of Lewis' growth model.
   (b) Describe the stage of 'Take off' as explained by Rostow.

4. (a) "The popular belief is that liberalized policies have caused environmental damages and that the current state of the environment will constrain future economic development". Explain the relationship between the economy and the environment in light of this statement.
   (b) Explain the concept of Externalities with examples.

5. (a) Explain why poverty persists in many developing countries.
   (b) Explain the capability based approach to poverty.

6. (a) Describe the contribution of agricultural sector to economic development as explained by Johnston and Mellor.
   (b) Explain the concept of 'Food security' in the context of the agricultural sector of Sri Lanka.

7. (a) Discuss the reasons for the collapse of the Bretton Woods system.
   (b) Explain the key lending schemes of the IMF made available to the developing countries.

8. (a) Discuss the Neo-Marxist view of foreign aid to the developing countries
   (b) How would foreign aid improve policy making in the recipient countries?

9. Explain **four (04)** of the following:
   (i) Common Property Rights
   (ii) Age of High Mass Consumption
   (iii) Comprehensive Development Framework
   (iv) Stabilization and Structural Adjustment
   (v) Malthusian Population Trap

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