THE OPEN UNIVERSITY OF SRILANKA
DEPARTMENT OF SOCIAL STUDIES
BA DEGREE IN SOCIAL SCIENCES – LEVEL IV
SSU2205 - INTRODUCTION TO DEVELOPMENT ECONOMICS

FINAL EXAMINATION - 2012/2013

DURATION: THREE (3) HOURS

Date: 03.03.2013 **Time: 01.30 p.m.- 04. 30 p.m.**

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

1. (a) Describe the difference between growth and development.
   (b) Discuss the common characteristics of developing economies.

2. (a) Explain the causative process of under-development.
   (b) Examine the key constraints faced by Sri Lanka in the process of economic advancement.

3. a) What is the main prediction of Harrod-Domar Growth Model?
   b) Critically evaluate the Two-sector Growth Model developed by Arthur Lewis.

4. (a) Describe the concept of negative externalities.
   (b) Explain the relevance of Common Property Rights in the context of externalities.

5. (a) Explain the underlying reasons for persistence of poverty in developing countries.
   (b) Explain the concepts of capability and entitlements using examples.

6. (a) Describe the concept of Malthusian Population Trap and explain its defects.
   (b) Comment on the economic implications of Sri Lanka's demographic transition.

7. (a) Discuss the concepts of Stabilization and Structural Adjustment.
   (b) Explain the principles of Comprehensive Development Framework (CDF), and comment how developing countries could benefit from it in terms of poverty reduction.

8. (a) Discuss the infant industry argument and its effect on economic development.
   (b) Explain the effects of currency depreciation on imports.

9. Explain **four (4)** of the following:
   a) J-curve effect
   b) Non market goods
   c) Conditionality
   d) Bretton Woods system
   e) Green Revolution

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