THE OPEN UNIVERSITY OF SRI LANKA
DEPARTMENT OF SOCIAL STUDIES
BA DEGREE PROGRAMME IN SOCIAL SCIENCES – (2013/2014)
FINAL EXAMINATION – LEVEL IV
SSU2205 - INTRODUCTION TO DEVELOPMENT ECONOMICS

DURATION: THREE HOURS (03 HOURS)

Date: 02nd March 2014 **Time: 1.30 p.m. – 4.30 p.m.**

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

1. Meier argues that economic development is a process whereby the real per capita income of a country increases over a period of time subject to the stipulation that:
   a) the number of people below poverty line does not increase and,
   b) the distribution of income does not become more unequal.

   Analyze this statement with reference to income distribution and poverty situation in Sri Lanka.

2. (a) Explain the strengths and weaknesses of National Income based measures of development.
   (b) Explain the advantages of using Human Development Index as a development indicator.

3. Discuss the different roles of the State and the private sector in a modern Open Economy.

4. (a) Differentiate the concepts of 'Income Poverty' and 'Human Poverty'.
   (b) Explain the causes of poverty as explained by Amartya Sen.

5. (a) Explain the role of agriculture in development.
   (b) Discuss the key characteristics of a developing economy as explained by Arthur Lewis.

6. (a) Describe the theory of Demographic Transition.
   (b) Discuss the current demographic trends and their economic implications for Sri Lanka.

7. (a) Describe the key lending mechanisms available with the IMF in order to support developing economies.
   (b) Discuss how the International Financial Institutions support Structural Adjustment Programmes of their member countries.

8. (a) Discuss the advantages of international trade for developing countries.
(b) Explain the arguments against trade protection.

9. Explain four (4) of the following:

a) Real income growth for development
b) Physical and Human Capital for development
c) Malthusian Population Trap
d) Bretton Woods System
e) Liberalization of trade

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