

EASTERN UNIVERSITY, SRI LANKA

FACULTY OF COMMERCE AND MANAGEMENT

THIRD YEAR SECOND SEMESTER EXAMINATION IN B.COM 2017/2018

Specialization in Business Economics (January-2020) Proper

ECN 3103 - SRILANKAN ECONOMY

Answer All Questions

Time-03 Hours

1. “The literature on Sri Lankan economic development highlights the sense of optimism at the time of independence in 1948. The country appeared to possess the essential ingredients for rapid economic development, ingredients that were not shared by most other Asian countries”.
- i. List out the essential aspects that Sri Lanka possessed for economic development at the time of independence. (05 Marks)
- ii. Identify the main policy reforms and incentives which brought up by the first round of reforms over the period of 1977–1979. (05 Marks)
- iii. Classify the main drivers of economic growth in Sri Lanka during the period of 2010–2012. (05 Marks)
- iv. Briefly state the reasons which influenced on Sri Lanka’s failure to fulfill its early promise of strong economic growth? (05 Marks)
- (Total 20 marks)**
2. i. Define the term of the labor force in an economy. (02 Marks)
- ii. Identify the factors which influence the lowest labor force participation of female. (04 Marks)
- iii. Why labour force participation in the Sri Lankan agriculture sector is continuously declining? (04 Marks)
- iv. Identify the significant changes of structural transformation of employment creation in Sri Lanka. (04 Marks)
- iv. “Population growth is a key driver of long term labor supply of the economy”. Briefly explain the tendency of labor force participation in Sri Lanka. (06 Marks)

(Total 20 marks)

3. i. State the importance of the agriculture sector. (03 Mar)
- ii. List out the major issues facing in the plantation agriculture sector in Sri Lanka (05 Mar)
- iii. "Following the liberalization there was significant expansion as well as a diversification in exports of Sri Lanka". Briefly explain. (06 Mar)
- iv. Briefly describe about the new developments carried out in the fishery sector. (06 Mar)
- (Total 20 marks)**
4. i. Indicate the special features of the second stage of the import substitution policy in Sri Lanka. (04 Mar)
- ii. "The trade liberalization leads to transfer technology through trade and FDI". Explain briefly. (05 Mar)
- iii. "Following the liberalization unprecedented incentives and tax holidays were given to both foreign and local investors". What are the actions taken to attract foreign investors in order to expand the manufacturing sector in Sri Lanka? (05 marks)
- iv. What are the measures taken in the development of industrial sector during the period of the partial economic liberalization policy in Sri Lanka? (06 marks)
- (Total 20 marks)**
5. i. Distinguish between horizontal equity and vertical equity in taxation. (04 Mar)
- ii. Briefly explain the objectives of taxation. (06 Mar)
- iii. "In the case of Sri Lanka, taxation has not been a successful revenue source and the tendency contradict with both empirical and theoretical evidence" Critically explain. (10 Mar)
- (Total 20 marks)**