

EASTERN UNIVERSITY, SRI LANKA

FACULTY OF COMMERCE AND MANAGEMENT

FINAL YEAR FIRST SEMESTER EXAMINATION IN BBA 2016/2017(January-2019)
Proper/Repeat

ECN 4013 - INDUSTRIAL DEVELOPMENT

Answer All Questions

Time-03 Hours

Q1. Circle the most appropriate answer.

- 1) The transformation of a technology resting heavily on human and animal labour into a technology characterized by machines is known as,
 - a) Industrial development
 - b) Industrialization
 - c) Specialization in industrial sector
 - d) Industrial revolution

- 2) When the soil was often moist and heavy, for making it much harder to plow, the method was introduced that is,
 - a) Crop rotation
 - b) Moldboard plow
 - c) Horse-drawn cultivation
 - d) Lord Townshend

- 3) The circumstances where market produce levels of output that are not optimal from the viewpoint of society
 - a) Monopoly
 - b) Public goods
 - c) Externalities
 - d) All the above

- 4) During the period of inward -oriented development,
 - a) free to choose between domestic and imported inputs
 - b) exporters were exempted from indirect taxes on their output and inputs
 - c) no duty on imported inputs
 - d) erection of protective tariffs or quotas.

- 5) A practice leads to cost reductions through the subdivision of the production process among the plants of efficient size is classified as
 - a) Specialization
 - b) Division of labour
 - c) Horizontal specialization
 - d) Vertical specialization

- 6) Implementation of Bonus voucher scheme facilitated with the
traditional exporters.
- 10 % of import license
 - 15 % of import license
 - 20 % of import license
 - 25 % of import license
- 7) Industrial policy which prevents firm closures through providing assistance
rationalize production methods or improve product range, known as
- Accelerative industrial policy
 - Decelerative industrial policy
 - Neutral industrial policy
 - Trade industrial policy
- 8) Find the appropriate condition where welfare loss would not occur.
- Perfect information and clearly assigned property rights
 - Zero transaction costs and clearly assigned property rights
 - Perfect information and zero transaction costs
 - Perfect information, clearly assigned property rights and zero transaction costs
- 9) Environmental Kuznets Curve depicts that
- As per capita incomes rose, pollution and other forms of environmental degradation would increase
 - As per capita incomes fell, pollution and other forms of environmental degradation would first rise and then fall
 - As per capita incomes rose, pollution and other forms of environmental degradation would first rise and then fall
 - As per capita incomes fell, pollution and other forms of environmental degradation would first increase
- 10) Incorporation of environmental benefits and costs into the quantitative analysis of economic activities, called as
- Environmental accounting
 - Sustainable development
 - Environmental Kuznets Curve
 - Sustainable national income

(2*10 = Total 20)

Q2.

- a) List out important inventions in the field of communications during the period of industrial revolution. (04 Marks)
- b) Briefly describe the importance of industrial development. (05 Marks)
- c) How did industrial revolution contribute to accumulating capital? Briefly explain. (05 Marks)
- d) Explain why industrial revolution begun in England? (06 Marks)
- (Total 20 Marks)**

Q3.

- a) Identify the drawbacks of import substitution policy (ISP) in Sri Lanka. (06 Marks)
- b) Explain the theoretical and practical-arguments in support of import substitution policy. (06 Marks)
- c) Briefly discuss about the outward -oriented industrial development. (08 Marks)
- (Total 20 Marks)**

Q4.

- a) Why was the foreign exchange entitlement certificate system implemented (FEECS) in Sri Lanka? Explain. (05 Marks)
- b) Differentiate key types of industrial policies based on the functions. (05 Marks)
- c) List out five development activities during the period of 1960-1965 in Sri Lanka. (05 Marks)

- d) After the economic liberalization what are the measures taken to attract foreign investors in order to expand the manufacturing industry in Sri Lanka?

(05)

(Total 20)

Q5.

- a) What is meant by 'sustainable industrial development' ?

(02)

- b) How does an industry take actions to achieve sustainable development?

(06)

- c) "The trade liberalization has several positive impacts on the manufacturing industry. How does trade liberalization contribute to technology transformation. Briefly Explain.

(06)

- d) "Manufacturing industry has often played a key role in job creation" Briefly state about employment tendency of manufacturing industry.

(06)

(Total 20)