

**EASTERN UNIVERSITY, SRI LANKA**  
**FACULTY OF COMMERCE AND MANAGEMENT**  
**FINAL YEAR/FIRST SEMESTER EXAMINATION IN ECONOMICS - 2004/05**  
**(March/April 2006)**  
**ECN 4043 INDUSTRIAL POLICY AND INVESTMENT**

Answer all questions

Time: 03 hours

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1. (a) Explain the importance of a good Industrial policy for a country.  
(04 marks)
  - (b) Differentiate the terms; Industrialization, Industrial policy and Industrial structure.  
(08 marks)
  - (c) What is meant by newly industrialized economies (NIE)? Identify the criteria to define NIEs.  
(08 marks)  
(Total 20 marks)
  
  2. (a) What do you understand from Import Substitution (ISI) Policy?  
(04 marks)
  - (b) Analyse the arguments for this policy in developing countries.  
(08 marks)
  - (c) Briefly Analyse the industrialization efforts under protectionist policy in Sri Lanka?  
(08 marks)  
(Total 20 marks)
  
  3. (a) What were the reasons for the introduction of trade liberalization policy in Sri Lanka during 1977?  
(08 marks)
  - (b) Briefly discuss the impacts of this policy on the industrialization of Sri Lanka, with examples.  
(12 marks)  
(Total 20 marks)

4. (a) Name the major industrial policy which was introduced in 1995 in Sri Lanka? Explain its objectives.

(08 marks)

(b) Identify the shortcomings of the industrial policy which is presently being followed in Sri Lanka.

(04 marks)

(c) State the industrial policy approaches of NICs. Are they suitable for the industrialization of Sri Lanka?

(08 marks)

(Total 20 marks)

5. (a) Explain the linkages between Industrialization and Industrial relations under the globalisation.

(08 marks)

(b) 'The impact of globalization and structural reforms on the labour regulations in Sri Lanka was not very significant'. Explain this statement.

(08 marks)

(c) Explain the labour market performance and human resource development under the industrialization process of NIEs.

(04 marks)

(Total 20 marks)

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