G.C.E. (A. L.) Support Seminar - 2015

| Economics I | *Two hours* |

Instructions :
* Answer **all** the questions.
* Select the correct or the most suitable answer.

1. Which of the following is the positive macroeconomic statement?
   (1) When price of a particular good increase its quantity demanded will decrease.
   (2) Scarcity of resource is the central problem faced by any society.
   (3) Economic growth is measured by the growth of the real gross domestic product.
   (4) The fiscal policy is more suitable for maintaining the price stability.
   (5) The economic growth acquired by Sri Lanka in 2014 was not sufficient.

2. An example for a renewable resource is,
   (1) Cultivated land
   (2) Aquatic resource in the sea
   (3) Petroleum
   (4) Constructions nearby coastal lands
   (5) Machineries

3. A certain economy has been producing good x and good y. If the production possibility curve drawn for this economy is concave to the origin, with which of the following statements do you agree?
   (1) Resource used for producing both x and y goods are homogeneous.
   (2) Resources can be reallocated from good x to good y
   (3) Both x and y goods are produced under the situation of increasing return.
   (4) The production of good x and good y use different techniques.
   (5) The resource used to produce good x cannot be used to produce good y.

4. The feature that is observed in a central planning economy rather than a market economy is,
   (1) Existence of a consumer Sovereignty
   (2) Prevalence of a reasonable income distribution
   (3) Attainment of productive efficiency
   (4) Having a competition
   (5) Considering of private benefits

5. The following are some characteristics that can be seen in an economic system.
   A - Private ownership of property
   B - Price mechanism
   C - Central planning
   D - Public ownership of property
   Which of them can be considered as the characteristics of a **socialist centrally planned economic system**?
   (1) A and B
   (2) A and C
   (3) B and C
   (4) B and D
   (5) C and D

6. A criterion that **cannot** be used in evaluating the performance in an economic system is,
   (1) Economic growth
   (2) Economic stability
   (3) Economic efficiency
   (4) Equality of income distribution
   (5) Economic modernization

7. If a simple economy which produces only good X and good Y faces a production possibilities curve that is concave to the origin, which answer is correct regarding the supply curves of those two goods?

	Supply curve of good X	Supply curve of good Y
(1)	Parallel to horizontal axis	Upward sloping
(2)	Parallel to horizontal axis	Parallel to horizontal axis
(3)	Parallel to Vertical axis	Parallel to horizontal axis
(4)	Upward sloping	Upward sloping
(5)	Upward sloping	Parallel to horizontal axis

8. Which one of the following that compulsorily affects for the price of rice to increase?
    (1) Increase in price of fertilizer and decrease in price of bread.
    (2) Removal of the fertilizer subsidy and increase in consumer taste for rice.
    (3) Increase in the fertilizer subsidy and increase in price of bread.
    (4) Removal of the fertilizer subsidy and decrease in consumer taste for rice.
    (5) Use of high productive fertilizer and increase in demand for string hoppers made of rice flour.

9. When the income of a person increases by 20%, the income elasticity of demand for good X is –0.6. By what amount that the demand for this product changed by this person from 1400 units as a result of this situation?
    (1) Increase up to 1568 units.
    (2) Decrease up to 1388 units.
    (3) Increase by 168 units.
    (4) Decrease by 168 units.
    (5) Decrease by 840 units.

10. Which of the following can be selected as a common determinant of price elasticity of demand and price elasticity of supply?
    (1) The percentage of income spent on the purchase of the product
    (2) The way the product has been defined
    (3) Whether the product in consideration is an essential or not
    (4) The ability to mobilize resources to produce the product
    (5) The time duration elapsed after the change in the price of the product

11. Which statement is correct regarding a good that has an ordinary demand curve and an ordinary supply curve?
    (1) There is an excess tax burden when a tax is imposed.
    (2) The social welfare increases when a subsidy is granted.
    (3) Producer surplus increase when a price ceiling is set.
    (4) Consumer surplus increases whenever a price floor is set.
   (5) There is a black market price whenever a price ceiling is set.

12. The Supply curves of good X and Y as follows.
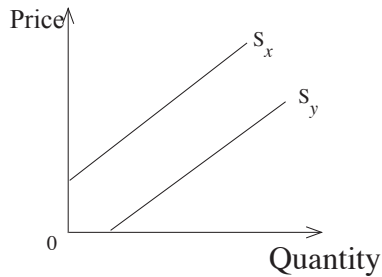
Which answer is correct in showing the change in the elasticity for an increase in price?

	Good *x*		Good *y*	
	Elasticity	**Value of coefficient**	**Elasticity**	**Value of coefficient**
(1)	Less than 1	Decreases	Greater than 1	Decreases
(2)	Less than 1	Increases	Greater than 1	Increases
(3)	Greater than 1	Increases	Less than 1	Decreases
(4)	Greater than 1	Decreases	Less than 1	Increases
(5)	Greater than 1	Increases	Less than 1	Remains constant

13. The following graph shows the situation of the provision of a specific unit subsidy on a unit of good.
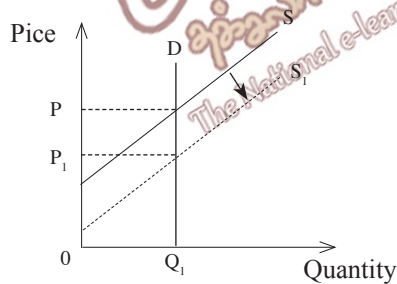
Which of the following is correct in explaining the impacts on the consumer surplus and social welfare due to the provision of the subsidy?

	Consumer surplus	**Social welfare**
(1)	Has decreased	Has not changed
(2)	Has Increased	Has decreased
(3)	Has Increased	Has Increased
(4)	Has not changed	Has decreased
(5)	Has Increased	Has not changed

14. The following are the demand and supply equations for a particular commodity.

$$Qd = 100 \qquad\qquad Qs = -50 + 5P$$

The government has decided to purchase excess supply after setting a floor price of Rs. 40 for this good. Which answer shows the impact of this policy on producer surplus and social welfare?

	Change of Producer surplus	Change of social welfare
(1)	Increases by 1250	Decreases by 2000
(2)	Increases by 1250	Decreases by 500
(3)	Increases by 1000	Decreases by 250
(4)	Decreases by 1000	Remains unchanged
(5)	Increases by 1250	Decreases by 1750

15. Which of the answers is correct in showing the behavior of marginal product when total product reaches its maximum in the short run?
   (1) Marginal product reaches zero
   (2) Marginal product becomes a positive value
   (3) Marginal product reaches the maximum
   (4) Marginal product becomes a negative value
   (5) Marginal product reaches the minimum

16. The table below outlines the output and cost information of a business firm.

Output (Units) Q	Total Cost (Rs.) TC
0	100
1	160
2	180
3	190
4	210

With which statement do you agree regarding the average fixed cost of this firm?
   (1) Average fixed cost is 0 at 0 level of output
   (2) Average fixed cost is 50 at 2 units of output
   (3) Average fixed cost is 60 at 4 units of output
   (4) Average fixed cost is 100 at 3 units of output
   (5) Average fixed cost is 110 at 4 units of output

17. The following graph shows the Total Revenue and Total Cost curves of a firm.
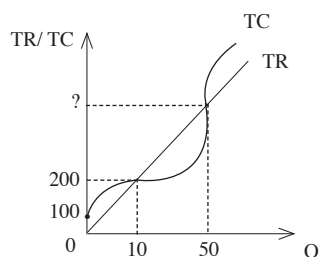
Which of the following is correct in showing the Total Revenue and Average Fixed Cost at 50 units

of output?

	Total Revenue (TR)	Average Fixed Cost (AFC) Rs.
(1)	1000	2
(2)	1000	100
(3)	500	1
(4)	800	2
(5)	300	6

18. Which of the following is included in national accounts?
   (1) Purchase of land for a housing scheme.
   (2) Renting of plots of land by the government for embassy offices.
   (3) Government expenditure on Mahapola scholarships.
   (4) Purchase of antiques by households.
   (5) Purchase of government treasury bills by residents.

19. Which of the following is the most suitable way of enumerating national saving?
   (1) Domestic saving + balance of current account in balance of payment
   (2) Private saving + government saving
   (3) Gross investments + balance of current account in balance of payment
   (4) Domestic saving + primary income account balance
   (5) Disposable gross domestic product – private consumption

20. An open economy has been characterized by domestic saving of Rs.500 billion and gross investment of Rs.1000 billion. What would be the value of the services account balance of the Balance of Payments if the trade deficit of this economy is Rs.400 billion?
   (1) Rs. 1100 billion   (2) Rs. 600 billion
   (3) Rs. 500 billion   (4) Rs. 100 billion
   (5) Rs. −100 billion

21. Which of the following is correct in obtaining the real national income of an economy?
   (1) (Gross National product at constant price) + (import purchasing power of a unit of export)
   (2) (Gross National product at constant price) + (import purchasing power of export value)
   (3) (Gross National product at constant price) + (import purchasing power of export value) – (Export value computed at constant price)
   (4) (Gross National product at current price) ÷ (current year price index) × (base year price index)
   (5) (Gross National product at constant price) + (terms of trade)

22. If autonomous taxes are increased by Rs.100, which of the following shows the impact on Average Propensity to Consume (APC) and Average Propensity to Save (APS) at each income level?

	Average Propensity to Consume (APC)	Average Propensity to Save (APS)
(1)	Increases	Increases
(2)	Decreases	Decreases
(3)	Increases	Decreases
(4)	Decreases	Increases
(5)	Remains constant	Remains constant

23. Suppose the consumption function of a certain year of a hypothetical simple economy without government is given by $C = 200 + 0.75\,Yd$. If consumption function changed as $C = 250 + 0.8\,Yd$ in the next year, the equilibrium level of output of the economy would increase by,
(All data Rs. Millions)
(1) by Rs. 50 million   (2) by Rs. 200 million   (3) by Rs. 250 million
(4) by Rs. 450 million   (5) by Rs. 500 million

24. The graph below shows two possible ways of changing the aggregate expenditure curve to the right.
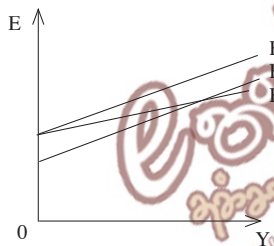

Which answer respectively shows the reasons for a change of line E to E_1 or E to E_2?
(1) Increase in autonomous taxes and decrease in marginal propensity to save
(2) Increase in autonomous taxes and increase in marginal propensity to save
(3) Increase in government spending and decrease in marginal propensity to save
(4) Increase in government spending and increase in marginal propensity to save
(5) Increase in investments and increase in average propensity to consume

25. The supply side factor that affects price inflation is,
(1) Increase in money supply
(2) Increase in input prices
(3) Increase in gross domestic capital formation
(4) Increase in government Purchasing
(5) Increase in net export

26. Assume that money supply is Rs.5000 billion, velocity of money is 10 and real national product is Rs.400 billion of an economy. What would be the price level of this Economy?
(1) 40   (2) 50   (3) 125
(4) 400   (5) 500

27. Which of the following answers shows the items belong to the primary reserves of commercial banks?
    (1) Treasury bills, cash in hands, reserve with central bank.
    (2) Reserves with central bank, treasury bills, discounted bills
    (3) Cash due from foreign banks, reserves with central bank, cash in hand
    (4) Investments, Cash due from local banks, discounted bills.
    (5) Treasury bills, Investments, discounted bills

28. Suppose a person deposits Rs.16000 at a monopoly bank. If the required reserve ratio is 20%, what is the value of the maximum deposits that can be newly expanded further using this deposit?
    (1) Rs.3 200   (2) Rs.12 800   (3) Rs.64 000
    (4) Rs.80 000   (5) Rs.96 000

29. Other things remain constant, a reason that can cause a reduction in the money stock is,
    (1) Central Bank enters in to repurchasing agreements.
    (2) Increase in the demand for bank loans by the public.
    (3) Government borrowings from commercial banks to finance the budget deficits.
    (4) Decrease in the velocity of money.
    (5) Decrease in the statutory reserve ratio by the Central Bank.

30. Which of the tasks is significantly used by the Central Bank of Sri Lanka to fulfill the goal of the stability of the financial system of the country?
    (1) Conducting the monetary policy
    (2) Conducting the foreign exchange rate policy
    (3) Monitoring and regulating of financial institutions
    (4) Managing official foreign exchange reserves
    (5) Managing government debt

31. Following shows the various types of goods in an economy which satisfy human needs?
    A - Road signals
    B - Express ways
    C - Public transport service
    D - Knowledge
    Which of the following shows public goods from the above types?
    (1) A and B   (2) A and C   (3) A and D
    (4) B and C   (5) B and D

32.
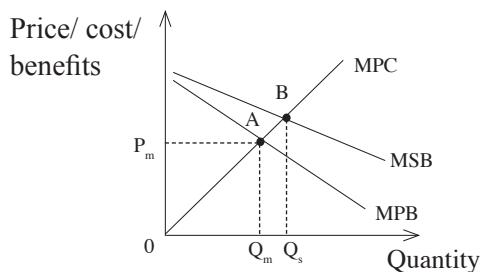
MPC = Marginal private cost
MPB = Marginal private benefit
MSB = Marginal social benefits

The graph above shows,
    (1) Socially optimum output is at point A.
    (2) Situation of a negative externality of consumption.
    (3) Situation of a negative externality of production.
    (4) Situation of a positive externality of production.
    (5) Situation of a positive externality of consumption.

33. Which of the following might cause a government failure?
    (1) Generating externalities.
    (2) Creating unexpected stock-outs in the market.
    (3) Inefficiencies in resource allocation.
    (4) Excessive consumption of common resources.
    (5) Political self-interest.

34. A distinguishing characteristic of an expansionary fiscal policy is,
    (1) Keeping budget deficits at zero level.
    (2) Using the monetary policy to expand the money supply.
    (3) Keeping government spending over and above the tax revenue
    (4) Keeping the tax revenue over and above government spending
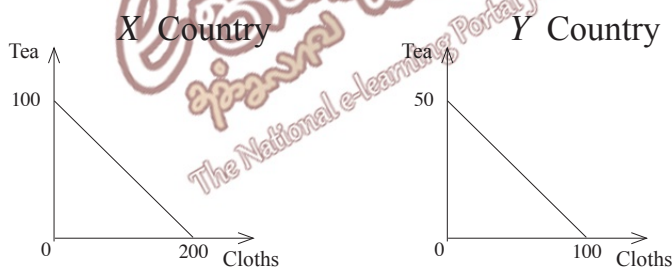   (5) Maintaining a surplus budgetary policy.

35.

Income Level	Tax amount (A)	Tax amount (B)	Tax amount (C)
500 000	50 000	75 000	7 500
1 000 000	100 000	100 000	100 000
1 500 000	150 000	100 000	225 000

Examples for progressive tax system according to the above table are given in,
    (1) Only A   (2) A and B   (3) A and C
    (4) Only C   (5) B and C

36.

X Country / Y Country

According to above graphs, the correct statement to participate to international trade by two countries?
    (1) Country *x* can obtain gains by specializing tea
    (2) Country *y* can obtain gains by specialization tea
    (3) There are gains be exporting one unit of tea for greater than 0.5 units and for less than 2 units of clothing
    (4) There are gains be exporting one unit of clothing for greater than 0.5 units and for less than 2 units of tea
    (5) Both countries cannot have gains by participating in to international trade.

37. The country from which Sri lanka purchases most of its imports is,
    (1) China   (2) United States of America
    (3) Japan   (4) India
    (5) United Kingdom

38. Several transactions conducted by the economy of Sri Lanka with the rest of the world are given below.

A - Dividends received by domestic investors from foreign countries

B - Inward Remittances by the Sri Lankans employed abroad

C - Payment of interest on foreign loans by government

D - Receiving a donation of wheat by Sri Lanka from the American government

Which of the following is correct in showing the correct presentment of these transactions on the Balance of Payments?

	Primary income account	**Secondary income account**
(1)	A and B	C and D
(2)	C and D	A and B
(3)	A and D	D and C
(4)	B and D	A and C
(5)	A and C	B and D

39. If Rs.600 must be spent to buy a basket of goods in Sri Lanka and the same basket can be purchased for $ 8 in America, what is the purchasing power parity based foreign exchange rate? $ 1 equal to rupee,

(1) 50   (2) 75   (3) 80   (4) 150   (5) 160

40. When exchange rate in Sri Lanka Rs.1 = US $ $1/120$, and if the rupee devalued by 20%, then the US $ 1 is equal to rupees.

(1) 100   (2) 125   (3) 140   (4) 150   (5) 160

41. Which of the following respectively shows the year in which there had been a negative economic growth and the year in which there was the highest economic growth in Sri Lanka during the last two decades?

(1) 2001 and 2011   (2) 2004 and 2009   (3) 2005 and 2010

(4) 2003 and 2012   (5) 2002 and 2013

42. Following data are provided for you regarding a hypothetical economy. (All data Rs. Millions)

Year	GDP at constant price	Unemployed population	Employed population	Working age population
2012	2000	5	15	40
2013	2100	5	20	50

According to the above data, which answer is correct for Economic growth rate, unemployment rate and labour force participation rate for the year 2013?

	Economic growth rate (%)	**Unemployment rate (%)**	**Labor force participation rate (%)**
(1)	10	40	40
(2)	5	80	50
(3)	100	5	40
(4)	5	10	50
(5)	21	20	10

43. According to the World Bank report what must be the limits of child population and adult population in order to obtain the benefits of demographic dividend by a country?

	Child population	**Adult population**
(1)	Less than 30	Less than 15
(2)	Less than 15	Less than 30
(3)	Less than 40	Less than 20
(4)	Less than 20	Less than 40
(5)	Less than 10	Less than 5

44. The correct statement about the employment in Sri Lanka is,
(1) Employment in industrial sector is greater than that of the services sector.
(2) Percentage of employment in the public sector is greater than that of the private sector.
(3) The highest employment rate is found in the age group that is above 40.
(4) The highest employment rate is found among graduates.
(5) The employment ratio of women is grater the that of men.

45. According to 2014 report on world human development, the country of the highest human development, the country of the lowest human development and the position for Sri Lanka are given respectively,

	Highest human development	**Lowest human development**	**The position of Sri Lanka in human development**
(1)	Australia	Chad	92
(2)	Suitzerland	Kongo	93
(3)	United Kingdom	Niger	92
(4)	Norway	Niger	73
(5)	Suitzerland	Chad	73

46. The following are the Estimated Lorenz curves for country A and B.
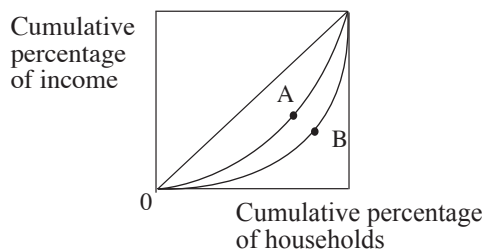
Choose the statement with which you can agree according to the Lorenze curves of country A and B.
(1) Country B has an equitable income distribution than country A and Gini coefficient of country B is less than country A.
(2) Country A has an equitable income distribution than country B and Gini coefficient of country A is less than country B.
(3) Country B has an equitable income distribution than country A and Gini coefficient of country B is greater than country A.
(4) Country A has an equitable income distribution than country B and Gini coefficient of country A is greater than country B.
(5) Country B has reasonable income distribution than country A but the sizes of the Gini coefficient of the two countries cannot be estimated.

47. Multi- dimensional poverty index is the product of what indices?
    (1) Poverty head count index and deprivation index
    (2) Poverty head count index and population under multi-dimensional poverty
    (3) Poverty head count index and poverty gap index
    (4) Poverty gap index and deprivation index
    (5) Deprivation index and population under multi-dimensional poverty

48. Which districts respectively represent the lowest and the highest poverty levels as per the households income and expenditure survey was conducted in year 2012/ 2013 in Sri Lanka?

	Lowest poverty	**Highest poverty**
(1)	Colombo	Batticloa
(2)	Gampaha	Monaragala
(3)	Colombo	Mullative .
(4)	Gampaha	Batticloa
(5)	Colombo	Monaragala

49. Which of the following is true is showing the planned Triple A Economy proposed to utilize the potential growth capacities in directing towards development?
    (1) Agriculture, Aqua-culture and Animal husbandry
    (2) Agriculture, manufacturing industry and mining industry
    (3) Agriculture, Forest industry and timber industry
    (4) Tourism, Air and naval hubs
    (5) Energy, Naval and knowledge hubs

50. Sectorial growth of gross domestic product in 2013 with compare to 2012 in Sri Lanka is,

	The rate of growth of the agricultural sector	**The rate of growth of the industrial sector**	**The rate of growth of the services sector**
(1)	10.8	31.1	58.1
(2)	4.7	9.9	6.4
(3)	7.2	41.5	51.3
(4)	11.3	30.4	58.6
(5)	4.7	6.4	9.9

* * *

G.C.E. (A. L.) Support Seminar - 2015

| Economics II | *Three hours* |

Important :

∗ Select at least **two** questions from **each of the parts** and answer only **05** questions.

Part I

1. (i) Explain the concepts of economic resources and non-economic resources with examples.
   (Marks 04)

   (ii) Show that there is a difference and diversity in the ownership of resources in alternative economic systems. **(Marks 04)**

   (iii) Explain the role of the price mechanism in allocating resources among alternative uses.
   (Marks 04)

   (iv) Can resources be utilized in production process either with or without opportunity cost? Explain your response with an appropriate graphical presentation. **(Marks 04)**

   (v) "The only condition needs to be satisfied to achieve economic efficiency is productive efficiency". Explain the validity of this statement. **(Marks 04)**

2. (i) "Market demand is constructed by private demand". Explain this statement. **(Marks 02)**

   (ii) Why does the quantity demanded of a certain product become a negative function of the price of that product? **(Marks 02)**

   (iii) Use a graph to explain the changes in the price elasticity of demand and producers total revenue along a downward sloping straight lined demand curve. **(Marks 04)**

   (iv) Explain the reasons for the differences in the coefficients of price elasticity of supply of various product types. **(Marks 04)**

   (v) The following are the demand and supply information of a certain product.

Price (Rs)	Quantity demanded (units)	Quantity supplied (units)
16	120	40
20	100	60

   (a) Derive the demand and supply equations by using above data. **(Marks 02)**

   (b) Find the equilibrium price and quantity by using the demand and supply equations.
   (Marks 02)

   (c) If the government has granted a unit subsidy of Rs.10 for this product, how would be the government expenditure and consumer outlay change? Obtain solutions by applying equations. **(Marks 04)**

3. (i) Explain the concepts of Accounting Profit, Economic Profit and Normal Profit.

(Marks 06)

(ii) Show how the law of diminishing marginal returns and the law of decreasing returns to scale affect the cost of a firm. **(Marks 04)**

(iii) What is meant by economies of scale? Which factors generate them? **(Marks 04)**

(iv) Explain graphically, what is the minimum price required for a perfectly competitive firm to continue in production in the short run? **(Marks 04)**

(v) Which factors affect a market to be competitive? Explain. **(Marks 02)**

4. (i) Following hypothetical data of an economy are provided for you.
(All data are in millions rupees)

Domestic savings 400

Rent 250

Total consumptions 800

Wages and income of self- employment 400

Net indirect tax 150

Corporate profit 150

Interest income 150

Compute the followings.

(a) Gross Domestic Product at market price

(b) Net domestic income

(c) Capital depreciation **(Marks 06)**

(ii) Does Gross Domestic product of a country compulsorily equal to gross Domestic Expenditure of that Country. Give reasons for your answer. **(Marks 04)**

(iii) "Some productive economic activities are not included when national accounts are compiled". Explain this statement. **(Marks 04)**

(iv) Explain the importance of national accounting. **(Marks 04)**

(v) Explain the components include in added value considered in national accounts

(Marks 02)

5. (i) Why marginal propensity to consume is less than 1 in a simple closed economy.

(Marks 02)

(ii) Explain the factors that can cause a leftward shift of the aggregate demand function of an open economy. **(Marks 04)**

(iii) Two points of the consumption function of a hypothetical economy are as follows. (Data are in Rs: millions.)

Disposable Income (Yd)	Consumption (C)
1000	1250
3000	2750

Following data of this economy also have been provided to you.

Gross Investment (I)   =   300
Government Purchase (G) =   100
Government Tax (T)   =   100

(a)   Derive the consumption function.   **(Marks 02)**

(b)   What is the value of equilibrium level of income?   **(Marks 02)**

(c)   Show that leakages are equal to injections at equilibrium level of income.   **(Marks 02)**

(d)   Plot the aggregate Expenditure function and show the equilibrium level of income.
                                                                              (Marks 04)

(iv) Can there be an equilibrium level of national income together with unemployment in an economy? Explain your answer with a suitable graph.   **(Marks 04)**

Part II

6. (i)   What are the reasons that motivate the people of a country to keep money in their hands?
                                                                              (Marks 03)

(ii) Which factors determine the money supply of a country?   **(Marks 04)**

(iii) The following is the balance sheet of one of the commercial banks in a banking system that follows the statutory reserve ratio of 10%.

Liabilities (Rs. Million)		Assets (Rs. Million)	
Deposits	2000	Reserve	250
		Loans	1750
	2000		2000

(a) What is the amount of new loans extended by this bank?   **(Marks 02)**

(b) Show the balance sheet of the commercial bank immediately after granting new loan.   **(Marks 02)**

(iv) Examine the relationship between the objectives and roles of the Central Bank.   **(Marks 04)**

(v) (a) Explain the concepts of inflation and deflation.   **(Marks 02)**

(b) Which indices complied in Sri Lanka to measure the above situations?   **(Marks 03)**

7. (i) Under which circumstances the demand side policies face limitations in fiscal management? Explain the alternative policy actions that can be implemented in such situations. **(Marks 04)**

(ii) Explain the "Tax Base" and explain how taxes are categorized according to tax base by using examples. **(Marks 04)**

(iii) "Government Expenditure of Sri Lanka can be categorized according to various criteria". Explain this statement. **(Marks 04)**

(iv) The following are some fiscal information of a government in a hypothetical economy.
(Rs. million)
Revenue = 10 000
Grants = 2 000
Total expenditure = 15 000
Debt repayment = 1 000

(a) Compute the overall balance of the budget by using above data. **(Marks 02)**

(b) What is the net cash deficit of the economy according to these data? **(Marks 02)**

(v) What can be said about the recent changes in government debt in Sri Lanka? Examine the consequences of the situation? **(Marks 04)**

8. (i) Following data are about the quantities of output of products of each country that can be produced with one unit of labour.

	New Zealand	Australia
Packet of milk powder	20	100
Canned fish	40	50

According to above data,
(a) Which country has the absolute advantage for each category of goods?
(b) Which category of good should be specialized by each of the countries?
(c) Show the internal/domestic rate of exchange in each country.
(d) What is the range of the terms of trade of goods for a mutually beneficial trade between the two countries? **(Marks 08)**

(ii) Explain the concepts of effective rate of protection and nominal rate of protection. **(Marks 04)**

(iii) Mention separately in which accounts that each of the following transactions are debited and credited in the balance of payments.
(a) Exports of garments worth $ 150 Million
(b) Payments to foreign countries for computers and information service valued $ 20 Million
(c) Receipt of investment income of $ 50 Million
(d) Receipt of Foreign remittances by households of $ 30 Million
(e) Forming a new factory in a foreign country by domestic company with $ 500 Million **(Marks 05)**

(iv) Explain the fixed exchange rate and floating exchange rate. **(Marks 03)**

9. (i) What are the determinants of Economic growth? **(Marks 02)**

(ii) Explain the concepts of development, human development and sustainable development.
(Marks 06)

(iii) What are the causes for the decrease in population growth of Sri Lanka? Explain the economic impacts of it. **(Marks 06)**

(iv) Explain the dimensions of income poverty and show how they are measured. **(Marks 04)**

(v) Examine the changes in national poverty incidence and the regional and sectorial trends of it in Sri Lanka. **(Marks 04)**

10.(i) Mention socio - economic impacts of the population ageing in Sri Lanka and explain the solutions to deal with these impacts. **(Marks 05)**

(ii) Show the barriers and opportunities for the investments in Sri Lanka. **(Marks 05)**

(iii) Evaluate whether there had been a pro-poor economic growth in Sri Lanka during the last decade. **(Marks 05)**

(iv) Give ideas about migration of Sri Lankan labour to Foreign Countries. **(Marks 05)**

* * *