

EASTERN UNIVERSITY, SRI LANKA  
FACULTY OF COMMERCE AND MANAGEMENT  
Fourth Year First Semester Examination in  
Bachelor of Commerce Honours in Business Economics-2021/2022  
(Proper and Repeat - February 2024)

ECN 4143 CONTEMPORARY ISSUES IN BUSINESS ECONOMICS

Answer All Questions

Time: Three hours (03 hrs.)

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01. a. What are the reasons for the expansion of “trade in service” in the current global economy? 05 Marks
- b. Explain what are the benefits of trade liberalization that a country can experience and how those benefits can be influenced by the performance of businesses. 05 Marks
- c. The Sri Lankan government is currently facing a shortage of government revenue. As one of the proposals to increase government revenues, the Sri Lankan government has introduced a new policy to impose a Rs.30 “export tax” on every unit of exports from the exporters. Critically analyze what would be the response by Sri Lankan exporters to this policy decision. 10 Marks
- (Total 20 Marks)
02. a. Distinguish between “rule of origin” and “domestic content provision” 05 Marks
- b. Explain the importance of the “rule of origin” for Sri Lankan businesses to enjoy the “GSP+ benefits” 05 Marks
- c. “Free Trade Agreements always provide benefits for all the member countries” Critically examine this statement considering the NAFTA’s effects on its member countries. 10 Marks
- (Total 20 Marks)
03. a. What is meant by “preferential duties”? 05 Marks
- b. Distinguish between “Custom Union” and “Economic Union” 05 Marks
- c. (i). What is meant by “International Production”? Explain your answer with a real-world example. 05 Marks
- (ii). Explain the role of Foreign Direct Investment in International Production 05 Marks
- (Total 20 Marks)

04. a Economic integration efforts initially started for “North-North trade”, however, later expanded to “North-South trade” and “South-South trade”. Critically examine the above statement with examples, and state why such developments are taking place in the current global economy 10 Marks
- b “Gender Equality” is the 5<sup>th</sup> goal of the United Nation Sustainable Development Goals (SDGs) to be achieved by 2030. If you are running a business organization, propose what changes need to be done in your business organization to support to achieve the gender equality. 10 Marks

(Total 20 Marks)

05. Write short notes on the following.

- i. Asia - Pacific Trade Agreement (APTA)
- ii. Addis Ababa Action Agenda
- iii. Paris Agreement
- iv. Doha Declaration on Financing for Development

20 Marks

(Total 20 Marks)

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