

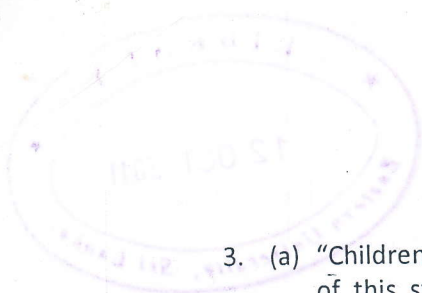


Eastern University, Sri Lanka
Faculty of Commerce and Management
Final year Second Semester Examination in B.Com. 2009/10
DDE – 402 Development Problem and Policies

Answer all Questions

Time: 03 Hours

1. (a) What does development Economics concern with?
[05 marks]
- (b) Explain the three core values of development.
[05 marks]
- (c) What is meant by the statement that many developing nations are subject to “dominance, dependence, and vulnerability” in their relations with rich nations? Explain with examples.
[05 marks]
- (d) “Well-being is not just the characteristics of commodities consumed. But what use the consumer can make of commodities”. Explain this statement in the light of sen’s capabilities approach.
[05 marks]
[Total 20 marks]
2. (a) In both developing and developed worlds, the call for the removal of GNP as the major objective was widely accepted. What is the essence of this argument? Give some reasons.
[04 marks]
- (b) What is the relationship between a Lorenz curve and Gini coefficient? Explain with a diagram.
[08 marks]
- (c) What is meant by absolute poverty? What is the poverty gap? How do these measures differ from the Human Poverty Index (HPI)?
[08 marks]
[Total 20 marks]



3. (a) "Children in poor societies are seen as economic investment goods" Explain the essence of this statement.

[04 marks]

(b) There has been a substantial decline in LDC's birth rate over the past decades. What are the reasons?

[04 marks]

(c) On what grounds Malthusian and Neo Malthusian theories could be rejected?

[04 marks]

(d) "Because of its negative consequences, population growth is a real problem" Explain this statement.

[08 marks]

[Total 20 marks]

4. (a) Explain the term "Sustainability"? According to Pearce and Watford, what is meant by overall capital assets?

[04 marks]

(b) In what ways poverty lead to environmental degradation?

[04 marks]

(c) What steps might governments in less developed countries take to protect the environment?

[12 marks]

[Total 20 marks]

5. (a) Briefly explain the meaning of planning. Differentiate planning from plans.

[04 marks]

(b) Identify two principal components of development planning in mixed – economies.

[04 marks]

(c) State some pre-requisites of successful planning in underdeveloped countries.

[08 marks]

(d) "Some would argue that the real reason why LDCs constructed development plans is to obtain foreign aid". Do you agree with that statement?

[04 marks]

[Total 20 marks]
