

UNIVERSITY OF RUHUNA

2018 / 2019 Academic Year, Master of Arts Degree in Economics
Second Semester End Examination – August 2019
MAE 5203 – World Economic Trends

No. of Questions to be answered: Four (04)

Time: 03 Hours

01. i. Define the concept of “Global terrorism”.
(03 Marks)
- ii. Examine the immediate and dynamic economic impact of global terrorism emphasizing the experiences of a country which has recently confronted to the incident of global terrorism.
(09 Marks)
- iii. List out the alternative strategies those can be adopted by the international communities to overcome the global terrorism.
(03 Marks)
02. “Although some Asian countries are recently exhibiting an economic renaissance in the global economy, there is a huge gap of this success when comparing the socio-economic conditions that have been concurrently experienced by the western traditional developed nations” Discuss.
(15 Marks)
03. i. Explain the necessity of Foreign Direct Investments in such an attempt for achieving the goal of economic growth in a small open economy like Sri Lanka.
(07 Marks)
- ii. Discuss the procedure it should be followed by the policy makers when effectively used the FDI flows in order to achieve the economic challenges those are currently confronting by the Sri Lankan economy.
(08 Marks)

04. i. Distinguish between Green Field foreign direct investment and Brown Field foreign direct investment.

(06 Marks)

ii. Discuss the advantages and disadvantages of each of the foreign direct investment strategies indicated in question No 4 – i above.

(09 Marks)

05. Although the vision of the International Monetary Fund (IMF), in its initial phase, largely based on the “theory of market failure”, currently, it represents as the life guard of the ideas of “pure – market system”. Do you agree? Explain your answer.

(15 Marks)

06. Explain the concept of “China’s One Belt One Road (OBOR) initiative” and evaluate the potential socio-economic benefits and cost of those China’s investment programs operating under the OBOR initiative in Sri Lanka.

(15 Marks)

07. Write notes on two out of followings.

i. The theory of monetary approach to the balance of payments and lending conditions of IMF.

ii. “Globalization and its discontents”

iii. 2007/2009 financial crisis of United State of America

iv. General Agreement on Tariff and Trade (GATT) and World Trade Organization (WTO)

(08 marks for each maximum 15 marks)

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