



University of Ruhuna

Master of Arts in Economics - Academic Year 2020/2021

2nd Semester End Examination – June 2022

MAE 5203 – World Economic Trends

This paper contains two sections.

Answer only **Four (04)** questions selecting **two (02)** questions from each section.

Time: 03 Hours

Section A

1.
 - i. Explain the difference between the concepts of free trade, open economy, economic liberalization, and globalization. (04 Marks)
 - ii. Discuss the driving forces of economic globalization. (05 Marks)
 - iii. "Economic globalization has actually led to widening rather than narrowing the gap between the North and the South countries." Discuss. (06 Marks)
2.
 - i. List out the various policy actions that the International Monetary Fund has historically taken to address the issue of international liquidity. (04 Marks)
 - ii. Explain the loan terms (conditions) imposed by the International Monetary Fund in providing additional credit to its member countries. (04 Marks)
 - iii. Discuss the potential and limitations of those published credit terms implementing for a small open economy that experiencing an economic crisis such as contemporary Sri Lanka. (07 Marks)

3. Write short notes about **any two (02)** of the following topics.

- i. North-South Dialogue and Central-escort Concept.
- ii. World Trade Organization and Bali package).
- iii. International terrorism and Ukraine-Russian war.
- iv. One belt and one Road initiative of China.

(A total of 15 marks with 8 marks for each topic)

Section B

4.

- i. The COVID-19 epidemic has plunged the world into an unprecedented socio-economic and financial crisis. Discuss.

(Marks 08)

- ii. The COVID-19 epidemic has forced the world to implement an "A rights-based participatory development approach." Do you agree with this statement? Give reasons.

(Marks 07)

5.

- i. "The last five decades have seen five waves of debt accumulation in the global economy" Name these five waves of debt 'accumulation' and briefly discuss the factors affecting them.

(Marks 08)

- ii. Having indicated the root causes of the debt crisis in Sri Lanka, briefly discuss the short-term and medium-term policy strategies that can be taken to overcome the crisis.

(Marks 07)

6. Write short notes about **any three (03)** of the following topics.

- i. Advantages and disadvantages of globalization.
- ii. Distinctive features of official development aid.
- iii. Group (G7).
- iv. Association of Southeast Asian Nations (ASIAN).

(A total of 15 marks with 5 marks for each topic)

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