



SRI LANKA INSTITUTE OF DEVELOPMENT ADMINISTRATION

First Efficiency Bar Examination for Officers in the Sri Lanka Administrative Service -2013 (1)

Economics (05)

Three Hours

Answer only FIVE (05) questions. All question carry equal marks.

- (1) a) Compare and contrast between Increasing Opportunity Costs and Decreasing Opportunity Costs with the support of suitable graphs and examples.
b) Compare and contrast between Increasing Return to Scale and Decreasing Return to Scale.

- (2) a) What is meant by Consumer Surplus and Producer Surplus in a market?
b) Explain the factors that can determine the size of consumer surplus in a certain market.
c) What is meant by Deadweight Loss in a market?
d) Explain the relationship between Deadweight Loss and types of price elasticity of demand with the support of suitable graphs.

- (3) a) What is meant by Technical Efficiency in the production process of a firm?
b) How does this Technical Efficiency differ from Economic Efficiency in the production process of a firm?
c) Discuss and compare how the following concepts work in a perfectly competitive market and in a monopolistic market. Explain answer with the support of suitable graphs.
 - i. Determination of Profit Maximizing Price
 - ii. Long Term Profit
 - iii. Economic Efficiency

- 00005 (4) a) What are the major causes to unemployment of a country?
b) What is meant by structural unemployment and natural unemployment?
c) Explain the key trends and patterns of unemployment in Sri Lanka.
- (5) a) What are the factors determining the supply of a good?
b) What is meant by Law of One Price?
c) Discuss the factors that can determine the demand elasticity of a good.
d) Compare and contrast between “Price Floor” and “Price Ceiling” of a market with the support of suitable examples and graphs.
- (6) a) What is meant by Gross Domestic Product and Gross National Product at factor cost and market prices?
b) How are these values measured?
c) What are the main elements that can differentiate “Disposable Income” from “Gross National Product at market prices”?
d) Discuss the key “injections” and “leakages” of an economy. Use the Circular Flow of National Income to illustrate your answer.
e) Provide basic information about national economy of Sri Lanka by using following concepts:
i. Structure of the economy
ii. Per Capita Income
iii. Inflation Rate
iv. Growth rate of the economy
v. Unemployment Rate
- 7) Write short notes on following with suitable examples.
a) Government Budget Deficit and Fiscal Policies
b) Balance of Payment and Depreciation of Currency
c) Misery Index and Happiness Index
d) Multidimensional Poverty Index
