

2003

1. “One of the main fiscal issues in Sri Lanka at present is the low revenue /GDP ratio.” What was the revenue/ GDP ratio of Sri Lanka in the Year 2020?
  - I. 9.0%
  - II. 11.0%
  - III. 8.5%
  - IV. 8.1%
  - V. 9.1%
  
2. “As an economy develops the share of GDP accounted for by the primary sector tends to fall.” The primary sector includes those industries that.
  - I. Are the most efficient and profitable.
  - II. Produce visible exports
  - III. Produce externalities
  - IV. Are concerned with agriculture and extraction of raw materials.
  - V. Have relatively high value addition.
  
3. Which one of following is one of the most significant demographic issue in the world today?
  - I. High density of population
  - II. Rapid growth of population
  - III. Increasing number of ageing population.
  - IV. High infant mortality.
  - V. High maternal mortality.
  
4. What was the value of Human Development index of Sri Lanka in the year 2020?
  - I. 0.697
  - II. 0.782
  - III. 0.719
  - IV. 0.721
  - V. 0.710
  
5. The proportion of elderly population in Sri Lanka is rapidly increasing because of
  - I. Low mortality and high fertility
  - II. Low fertility and high mortality
  - III. International migration of youth
  - IV. Declining fertility and declining mortality
  - V. High fertility and high mortality.
  
6. Which one of the following is not an obstacle to economic growth in developing countries?
  - I. Rapid population growth
  - II. High dependency ratio
  - III. Low savings rates
  - IV. High incidence of international debt.

- V. Presence of multinational corporations.
7. What was the average rate of growth of real GDP in Sri Lanka during the period 2009 - 2018?
- 5.28%
  - 6.0%
  - 5.03%
  - 4.2%
  - 5.33%
8. The following hypothetical data relates to a national income, population, and general price indices of a country?

Year	National Income at Current Prices (1990 = 100)	Population (1990 = 100)	General Price Level (1990 = 100)
1995	200	200	150
2000	210	220	200

Which one of the following best describes the changes that took place between 1995 and 2000?

- Real national income had risen
  - Money national income per head had risen
  - Real national income per head had fallen
  - The standard of living had risen
  - Income distribution became more even.
- 2004
9. Suppose the employed population is 40 million, the number of unemployed is 10 million, the working age populations 70 million and the number of persons who are not willing to work is 20 million, the unemployment rate is,
- 25.0%
  - 20.0%
  - 16.7%
  - 14.3%
  - 11.1%
10. Which of the following could cause economic growth?
- Increase in net out-migration
  - Increase in factor productivity
  - Increase in transfer payment
  - Increase in interest rates
  - Increase in money supply
11. Which of the following conditions will generally lead to a fall in country's real per capital income?

- I. A high rate of population growth accompanied by an even higher rate of growth of the capital stock.
  - II. A high rate of population growth and a stagnant capital stock
  - III. A high rate of growth in the capital stock and a rapid rate of technological change
  - IV. A low rate of population growth and a high rate of technological change.
  - V. A low rate of population growth and growing capital stock.
12. Which of the following factors causes a decrease in the dependency ratio of a country?
- I. A fall in the number of employed persons
  - II. An increase in the number of persons in the potential labour force
  - III. An increase in number of births
  - IV. A decrease in the number of persons unemployed.
  - V. An increase in the number of old-aged persons.
13. Which of the following statements is false?
- I. Economic development is measured by a wide range of indicators such as life expectancy and education.
  - II. Economic growth means a sustained increase in the output of goods and services of country.
  - III. Standard of living is measured using indices such as per capital income and per capital consumption of electricity and energy.
  - IV. When the economy grows then all the people in a country have a better standard of living.
  - V. A rising population and a constant national income in real terms means that on average people become poorer.
14. The percentage shares of employment in agriculture, industry and services sectors in Sri Lanka in year 2020 were respectively.
- I. 25.3%, 27.6% and 47.1%
  - II. 20.3%, 25.8% and 45%
  - III. 24.7%, 32.0% and 44%
  - IV. 27.1%, 26.9% and 46%
  - V. 31.7%, 29.4% and 40%
15. Identify the group of top five countries in terms of Human Development index from the lists given below.
- I. Norway, Belgium, Sweden, Finland and Luxembourg
  - II. Norway, Australia, Switzerland, Germany and Denmark
  - III. Norway, Japan, United States of America, Canada and Switzerland
  - IV. Norway, Canada, Japan, Finland and Sweden
  - V. Norway, Australia, Ireland, Netherlands and Belgium
- 2005
16. Economic growth is usually defined as
- I. The subtraction of the rate of increase in labour force from the rate of increase in output
  - II. A sustained increase in real output over time

- III. The increase in input availability
- IV. The reduction in the real cost of necessities
- V. The increase in nominal national income

17. The domestic savings ratio in Sri Lanka in recent years (2019 and 2020) has been:

- I. 20.9% - 14.1 %
- II. 20.7% - 18.9%
- III. 16.2% - 18.1%
- IV. 18% - 20%
- V. 22.5% - 22%

18. If there has been a 6% increase in nominal GDP, a 4% increase in the price level, and a 2% increase in the population real GDP per capital has changed by

- I. -2%
- II. 0%
- III. 2%
- IV. 6%
- V. None of the above

19. A benefit that cannot be expected from the improvement of labour productivity is

- I. Increase in living standards of people
- II. Attracting foreign direct investment into the country
- III. Increase in export earnings
- IV. Increase in the rate of economic growth
- V. Removal of disparities in income distribution

20. Which of the following alternative combinations correctly identifies the effects that occur when some of those who are categorized as unemployed stop actively looking for work?

	Size of the Labour Force	Labour Force Participation Rate	Unemployment Rate
I.	Increases	Increases	Increases
II.	decreases	decreases	decreases
III.	Decreases	Increases	decreases
IV.	Increases	decreases	Increases
V.	decreases	decreases	Increases

21. Which one of the following groups can be considered as underemployed population?

- I. People who are willing to work and unable to find jobs
- II. Employed population in the labour force who hold two or more jobs
- III. People who have resigned from their present jobs and are looking for better jobs
- IV. People work voluntarily for low wages
- V. People who are working full-time and hard, yet have a low marginal product

22. Which one of the following is not a millennium Development Goal?

- I. Eradication of extreme poverty and hunger
  - II. Ensure environmental sustainability
  - III. Improve maternal health
  - IV. Reduce birth rate
  - V. Develop a global partnership for development
23. Which of the following would reduce the average standard of living in a country?
- I. A rise in both population and GNP by the same percentage
  - II. A rise in population and a proportionately smaller rise in GNP
  - III. No change on population and a rise in GNP
  - IV. A fall in population and no change in GNP
  - V. A fall in population and smaller proportionate fall in GNP
24. The human Development index (HDI) is an aggregation of widely available indicators of basic human needs. Which of the following is not a component of the HDI?
- I. Life expectancy at birth
  - II. Gross enrolment ratio
  - III. GDP per capita calculated at purchasing power parity
  - IV. Infant mortality
  - V. Adult literacy
25. The Gini coefficient provides a measure of
- I. The level of absolute poverty
  - II. The level of relative income inequality
  - III. Disguised unemployment
  - IV. Poverty line
  - V. The rate of economic growth
- 2006
26. Economic dualism in a developing country refers to
- I. The lack of integration between traditional and modern sectors.
  - II. The enormous gap between rich and poor.
  - III. The disparity between investments in consumption goods and capital goods production
  - IV. The disparity between consumption and investment.
  - V. The difference between export-oriented and import substituting industrialization.
27. What is the highest rate of real GDP growth Sri Lanka has been able to achieve since 1950?
- I. 6.8 %
  - II. 11.0%
  - III. 9.1%
  - IV. 8.4%

V. 8.0%

28. The table below shows population and labour force data for a hypothetical economy.

Population (million)	Population aged 10 years And above (million)	Employed Persons (million)	Unemployed Persons (million)
50	25	15	5

Which of the following statements is true for this economy?

- I. The participation rate is 50% and the unemployment rate is 20%
- II. The participation rate is 40% and the unemployment rate is 20%
- III. The participation rate is 60% and the unemployment rate is 25%
- IV. The participation rate is 60% and the unemployment rate is 20%
- V. The participation rate is 80% and the unemployment rate is 25%

29. "There is wide disparity in regional development in Sri Lanka." For example, the share of western province alone of the country's GDP in 2020 was,

- I. 35.3%
- II. 38.9%
- III. 40.0%
- IV. 46.8%
- V. 39.1%

30. With respect to the attainment of Sustainable Development Goals, Sri Lanka has almost achieved the numerical goal relating to

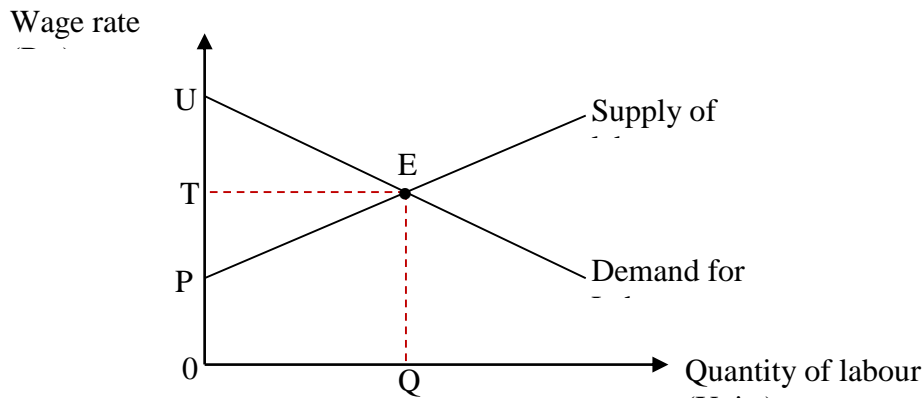
- I. End poverty in all its forms everywhere
- II. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- III. Ensure availability and sustainable management of water and sanitation for all  
Environmental sustainability.
- IV. Ensure healthy lives and promote well-being for all at all ages
- V. Achieve gender equality and empower all women and girls

31. Which one of the following describes an effect of globalization?

- I. There has been a greater divergence in world economic systems.
- II. There has been widening income gap between developing and developed economies
- III. There has been an increasing trend towards regulation of labour, financial and product markets.
- IV. The newly industrialized economies of the world have enjoyed economic growth, but no increase in international trade.
- V. There has been a declining trend in international labour migration.

2008

32. The diagram shows the demand and supply schedules in a competitive labour market.



Which areas of the diagram measure economic rent and transfer earnings, when the market is in equilibrium?

	Economic Rent	Transfer Earnings
(I)	PEU	OQEP
(II)	PTE	OQEP
(III)	PTE	UTE
(IV)	PEU	UTE
(V)	PTE	OTEQ

33. The Table relates to a country's national income, population size, and general price level.

Year	Nominal national income (1990=100)	Population size (1990 = 100 )	General price level (1990 = 100 )
2000	300	200	100
2005	315	220	130

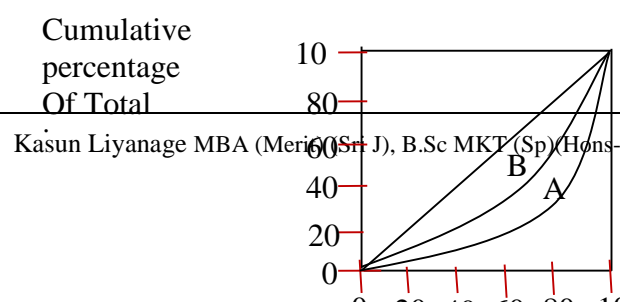
Which of the following best describes the changes that took place between 2000 and 2005?

- I. Real national income had risen
- II. Nominal national income per head had risen
- III. Real national income per head had fallen
- IV. The standard of living had risen
- V. Income distribution became more even

34. Economic dualism refers to

- I. The lack of integration between traditional and modern sectors in a less developed country.
- II. The enormous gap between rich and poor in a less developed country.
- III. The disparity between investment in consumption goods and capital goods production.
- IV. The disparity between consumption and investment.
- V. The dominance of public sector over private sector in a less developed country.

35. The diagram shows the movement of the Lorenz curve of income distribution for a country over time.



Which of the following could explain the movement of the Lorenz curve from A to B?

- I. A rise in the Gini coefficient
- II. The removal of tax on wealth
- III. An increase in indirect taxes on necessities
- IV. An increase in transfer payments for low income earners
- V. Privatization of public enterprises.

36. The Table shows population and labour force data for an economy at a given time.

Population (million)	Population Of working age (million)	Employed persons (million)	Unemployed Persons (million)
30	15	9	3

According to the data given above the participation rate and the unemployment rate respectively are

- I. 50% and 20%
- II. 60% and 25%
- III. 60% and 20%
- IV. 80% and 25%
- V. 50% and 25%

37. The three major macroeconomic goals of nearly every society are

- I. Maintaining stable prices, reducing interest rates and achieving a high rate of economic growth.
- II. Maintaining high levels of employment, increasing the supply of money and achieving a high rate of economic growth.
- III. Maintaining stable prices, maintaining high level of employment and achieving a high rate of economic growth.
- IV. Achieving a high rate of economic growth, reducing unemployment, reducing interest rates.
- V. Achieving a high rate of economic growth, achieving a low rate of inflation and reducing interest rates.

38. The combination of fiscal and monetary policies that would most likely contract the economy in the short run is

- I. An increase in budget deficit and an increase in interest rates.
- II. An increase on budget surplus and decrease in interest rates.



- III. An increase in budget deficit and decrease in interest rates.
- IV. An increase in budget surplus and increase in interest rates.
- V. A reduction in budget surplus and decrease in interest rates.

2009

39. Economic development refers to

- I. Economic growth
- II. Economic growth plus desirable changes in income distribution and economic structure.
- III. Improvement of the well-being of the urban population.
- IV. Sustainable increase in Gross National product.
- V. Elimination of relative poverty.

40. The human development Index (HDI) summarizes a great deal of socio-economic performance in a single composite index, combining

- I. Infant mortality, life expectancy and adult literacy rate.
- II. Health, education and environment.
- III. Minimum schooling adult literacy and clean environment.
- IV. Nutrition, adult literacy and quality of housing.
- V. Longevity, education and living standard.

41. The Ten Year Horizon Development Framework of Sri Lanka focuses on three main areas in the strategy for improving the socio-economic conditions of the entire island. These three areas are

- I. Reduction of public debt, improving domestic agriculture and improving tourism.
- II. Infrastructure development, rural development and safety net to the needy segments.
- III. Infrastructure development, improving environment and industrial development
- IV. Infrastructure development, human capital development and enterprise development.
- V. Human capital development, rural development and strengthening of state –owned enterprises.

42. National poverty level of Sri Lanka in the year 2016 was

- I. 4.1%
- II. 12.7%
- III. 6.1%
- IV. 6.7%
- V. 5.0%

43. Which of the following millennium Development Goals (MDG) has Sri Lanka already achieved a significant progress in?

- I. End poverty in all its forms everywhere
- II. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- III. Ensure availability and sustainable management of water and sanitation for all Environmental sustainability.
- IV. Ensure healthy lives and promote well-being for all at all ages

- V. Achieve gender equality and empower all women and girls

2010

44. All of the following will increase the economy's potential output except,

- I. An increase in human capital.
- II. An increase in physical capital.
- III. Technological innovation.
- IV. An increase in social capital.
- V. A decrease in the general level of prices.

45. One of the components of the Human Development Index is

- I. The percentage of population who are ir. Secondary schools.
- II. The average daily intake of protein.
- III. Life expectancy at birth.
- IV. The number of doctors per 1,000 people in the population.
- V. Maternal mortality.

46. The poverty Headcount index and Gini coefficient of household income in Sri Lanka for the year 2006/07 were

	Poverty Headcount Index	Gini Coefficient
I.	22.7	0.48
II.	15.2	0.49
III.	28.8	0.49
IV.	15.2	0.52
V.	15.7	0.48

47. The Table shows the Gini coefficient for country A and country B over three Years.

Year	Country A	Country B
2000	0.40	0.90
2005	0.60	0.75
2009	0.65	0.70

Which statement is correct given the data in the Table?

- I. The Lorenz curve for country A is moving closer to the line of equality.
- II. The Lorenz curve for country B is moving closer to the line of equality.
- III. The Lorenz curve for country A is further away from the line of equality than the Lorenz curve for country B.
- IV. The Lorenz curve for country B is further away from the line of equality than the Lorenz curve for country A.
- V. The Lorenz curve for both country A and country B are moving closer to the line of equality.

48. Employment and unemployment data for a hypothetical economy are given below

Category	Number(millions)
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Population	170
Employed	95
Unemployed and looking for work	5
People who are not looking for work	3
Retired	60

The unemployment rate for this economy is

- I. 5.3%
- II. 5.0%
- III. 4.8%
- IV. 3.0%
- V. 2.9%

49. The dependency ratio in Sri Lanka is defined as

- I. The number of babies born per 1,000 persons.
- II. The average number of children that a woman gives birth to during her lifetime.
- III. A measure of the degree to which Sri Lanka is dependent on the developed countries.
- IV. The percentage of population that is below 10 and above 65 years of age.
- V. The percentage of population that is below 15 and above 64 years of age.

50. Which of the following statements could be described as an example of supply-side economic policy?

- I. Reduction in import duty on wheat flour by the government would reduce the cost of living.
- II. Increases in transfer payments by the government are a means of raising living standards.
- III. Expansionary fiscal policy is required to move the economy to a situation of full employment.
- IV. Growth of the economy is mainly determined by the growth in aggregate demand for its output.
- V. Income tax cuts will increase incentives to work and therefore increase the level of employment.

51. The current Gross National Income per capita used by the World Bank to classify the low income countries is

- I. US \$ 1,010 or less.
- II. US \$ 825 or less.
- III. US \$1,045 or less.
- IV. US \$ 2,029 or less.

52. If the government simultaneously engages in expansionary monetary and fiscal policies, which of the following is the likely effect on interest rates and unemployment level?

	Interest rates	Unemployment level
I.	Increase	Indeterminate
II.	Increase	Decrease
III.	Increase	Increase
IV.	indeterminate	Decrease
V.	indeterminate	increase

2011

53. Economic growth occurs when there is an increase in

- I. Aggregate demand.
- II. The inflation rate.
- III. Wage rate.
- IV. Employment.
- V. Productive capacity.

54. Which of the following is most likely to lead to improvement in the productivity of labour?

- I. An increased supply of labour
- II. Less division of labour
- III. Less specialization
- IV. Adopting capital-intensive methods of production
- V. Product differentiation

55. A redistribution of income away from the poorest 10% of society towards the richest 10% of society will move the Lorenz Curve,

- I. Closer to the 45 degree line and increase the Gini Coefficient.
- II. Closer to the 45 degree line and decrease the Gini coefficient.
- III. Further from the 45 degree line and increase the Gini coefficient.
- IV. Further from the 45 degree line and decrease the Gini coefficient
- V. On to the 45 degree line and take the Gini Coefficient zero value.

56. The unemployment rate is the number of people unemployed as a percentage of

- I. Working age population.
- II. Population
- III. Population minus number of students.
- IV. Number of people who are employed.
- V. Number of people who are employed and are looking for employment.

57. Three main deprivations reflected in the multi-dimensional poverty index are

- I. Health, education and standard of living.
- II. Income, nutrition and longevity.
- III. Sanitation, child mortality and nutrition.
- IV. Literacy, drinking water and years of schooling.
- V. Health, income and assets.

58. According to 'Saubagya Dakma – Vistas of Prosperity and Splendour.' What is the expected level of per capita income by 2025?

- I. Per capita income exceeding USD 1500.
- II. Per capita income exceeding USD 5000.
- III. Per capita income exceeding USD 500.
- IV. Per capita income exceeding USD 6500.

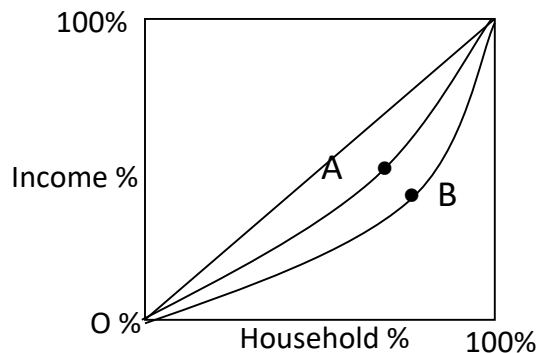
- V. Per capita income exceeding USD 4500.
- VI. Per capita income exceeding USD 7500.

59. The national official poverty line in Sri Lanka is based on

- I. The per capita food expenditure per month.
- II. Earnings of US dollar 1.25 per day.
- III. Average per capita calorie requirement per day.
- IV. Average non-food expenditure of households per month.
- V. The real per capita food and nonfood consumption expenditure per month.

2012

60. Lorenz curves for country A and country B are shown in the diagram below:



With reference to the above diagram, which of the following statements is correct?

- I. Country A has a more equitable distribution of income than country B.
  - II. Country A has a less equitable distribution of income than country B.
  - III. The Gini coefficient for country A is equal to 1.
  - IV. The Gini coefficient for country B is equal to 1.
  - V. The Gini coefficient for country A is greater than for country B.
61. GNP per capita measured in US dollars using nominal exchange rate, may be a poor indicator of comparative standards of living between high income countries and low income countries, because of a divergence in
- I. Nominal exchange rates from purchasing power parity exchange rates.
  - II. Population growth rates.
  - III. Rates of price and wage inflation.
  - IV. Ratio of imports to national income.
  - V. Nominal effective exchange rates.

62. Long run economic growth in a country would be encouraged through which of the following combinations of events?

	Savings rates	Investment	Interest rates
(1)	High	High	High
(2)	High	High	Low
(3)	High	Low	Low
(4)	Low	Low	Low
(5)	High	Low	High

63. Some demographic data for a country are given below; (Figures are in millions)

Population	60
Population in working –age	50
Number in the labour force	30
Number employed	28
Number unemployed	02

Based on the above data, what is the labour force participation rate of the economy?

- I. 40%
- II. 56%
- III. 60%
- IV. 75%
- V. 93.3%

64. Economic growth is usually measured by the annual change in

- I. The consumer price index.
- II. Real Gross national product.
- III. The output of the manufacturing industry.
- IV. Consumer expenditure.
- V. Rate of investment.

65. The dependency ratio in Sri Lanka is defined as

- I. Number of children to adults in the population.
- II. Percentage of unemployed to employed in the labour force
- III. Non-working age population to working age population.
- IV. The percentage of population over 65 years of age.
- V. The percentage of population that is below 15 and above 64 years of age.

66. One of the components of the Human Developments Index is

- I. The percentage of population who have completed 12 Years of schooling.
- II. The average daily intake of protein.
- III. Life expectancy at birth.
- IV. Adult literacy rate.
- V. The number of doctors per 1 000 persons in the population.

67. BRICS countries include.

- I. Bangladesh, Russia, India, China and South Korea.
- II. Brazil, Russia, India, China and South Korea.
- III. Bangladesh, Russia, India, China and Singapore.
- IV. Brazil, Russia, India, China and South Africa.
- V. Brazil, Russia, Indonesia, China and South Korea.

68. Which one of the following provinces in Sri Lanka has the highest poverty Headcount Index at present?

- I. Northern
- II. Eastern
- III. North Western
- IV. Uva
- V. Sabaragamuwa

2013

69. What is typically associated with a relatively low level of income per capita in a country?

- I. A high rate of saving
- II. A low rate of economic growth.
- III. A low rate of inflation.
- IV. A low rate of population growth
- V. A high rate of employment.

70. A combination of factors which is most likely to generate a more rapid economic growth is

- I. An increase in employment and in the balance of payments deficit.
- II. An increase in the level of investment and in the size of the working population.
- III. More equal distribution of wealth and a higher level of transfer payments.
- IV. More rapid inflation and an increase in the national debt.
- V. An increase in foreign direct investment and increase in interest rates.

71. The table below shows, for a given year, the figures for consumption gross capital formation and depreciation in five countries, namely, A, B, C, D AND E. (All measured in millions of US dollars.)

Country	Consumption	Gross Capital Formation	Depreciation
A	200	40	50
B	500	200	150
C	1000	1200	1400
D	5000	6000	6000
E	10000	8000	8200

Given the state of technology remains unchanged the country which is most likely to experience economic growth is,

- I. A
- II. B
- III. C
- IV. D
- V. E

72. Supply –side policies are generally understood to be policies which

- I. Improve productivity and reduce market imperfections.
- II. Enable the government to supply as many goods and services as possible.
- III. Reduce the supply of labour in order to minimize the problem of unemployment.
- IV. Reduce inflation by controlling interest rates.
- V. Promote aggregate demand.

73. The table below shows the share of total income of different income groups in an economy in 2000 and 2010.

Income group	% share of total income	
	2000	2010
Bottom 10%	4.1	2.5
Bottom 20%	9.8	6.8
Bottom 30%	16.0	12.0
Top 30%	47.0	54.0
Top 20%	35.0	41.0
Top 10%	20.0	26.0

From the data it may be concluded that over the period in question.

- I. The bottom income groups experienced a fall in their income.
- II. The distribution of income became more unequal.
- III. The distribution of wealth became more unequal.
- IV. Everyone became better off because total income increased.
- V. The Gini coefficient has decreased.

74. Which one of the following changes would best indicate that a country has experienced development?

- I. An improvement in the average citizen's quality of life.
- II. An increase in the country's real GDP.
- III. An improvement in the country's trade balance.
- IV. An appreciation in the country's currency.



- V. An increase in the adult literacy rate.

75. Economists have proposed that the best policy to promote development is “trade not aid”. The implication of this proposal is that developing countries should

- I. Become self-sufficient and not rely on aid.
- II. Be given greater access to markets in developed countries.
- III. Use foreign aid to invest in their export industries.
- IV. Use trade barriers to promote import substitution.
- V. Promote development by achieving a surplus in the trade balance.

76. Some of the demographic data for country X is given in the following table.

Item	Number (in million)
Total population	180
Population (10 years and over)	150
Employed population	81
Unemployed population	9
Population not economically active	60

Based on the above information, what is the answer that shows the unemployment and labour force participation rate for country X?

	Unemployment Rate	Labour Force participation Rate
I.	10.00%	60.00%
II.	10.00%	53.33%
III.	6.66%	50.00%
IV.	5.55%	50.00%
V.	5.65%	33.33%

77. In a given economy, both employment and unemployment rose over a period of ten Years. This situation must have been produced by the increase in

- I. Birth rate
- II. Economically active population.
- III. Life expectancy.
- IV. Dependency ratio.
- V. Out migration.

78. The sectors that report a higher growth rate in the Sri Lankan economy during the recent years are,

- I. Transportation, whole sale and retail trade and information and communication.
- II. Tourism industry, garment industry and gems and jewelry.
- III. Construction industry, hotels and restaurants and mining and quarrying
- IV. Construction industry, garment industry and whole sale and retail trade.
- V. Hotels and restaurants, tourism industry and transportation.

79. The two indices that can be used to measure absolute and relative poverty are respectively

- I. Gini coefficient and household electricity consumption
- II. Income percentiles and Gini coefficient.
- III. Household income level and supply of safe drinking water.
- IV. Poverty line and Gini coefficient
- V. Maternal nutrition and supply of safe drinking water.

80. Information pertaining to a particular economy is given in the table below.

Year	Per Capital income (US Dollars)	GINI Coefficient
2011	2400	0.46
2012	2800	0.47
2013	3200	0.48

The correct statement about this economy is,

- I. Income inequality has decreased with an expansion of the economy
- II. Income inequality has increased with a contraction of the economy
- III. Income inequality has decreased with a contraction of the economy
- IV. Income inequality has increased with an expansion of the economy
- V. Neither decrease in income inequality nor economic expansion has occurred.

81. The main dimensions of sustainable development are

- I. Economic development, conservation of resources for future generations and minimization of income inequality.
- II. Economic development, upliftment of social status and minimization of income inequality.
- III. Upliftment of social status, pro-poor growth and environmental conservation.
- IV. Environmental conservation, inclusive growth and increase in employment
- V. Economic development, upliftment, of social status and environment conservation.

82. Which of the following can be considered as unemployed?

- I. An individual employed in the private sector as a clerk after his graduation.
- II. An individual who quits his job in order to look after elderly parents.
- III. An individual who quits his job for higher education.
- IV. A woman who stayed home to look after her children but seeking employment now.
- V. A school student who does not work at his family farm during his examination period.

83. A major change in the labour force participation rate of Sri Lanka due to the pandemic is,

- I. The increase of female labour force participation rate
- II. The decrease of labour force participation rate
- III. The increase of male labour force participation rate
- IV. The decrease of female employment
- V. The significant increase of male unemployment

84. What are the sub- indices that Sri Lanka should focus for further increase of its human development index within a short period of time?

- I. Labour force participation rate and life expectancy at birth
- II. Literacy rate and material mortality rate
- III. Maternal mortality rate and infant mortality rate
- IV. Per Capita Income and school drop-out rate
- V. Education participation rate and Purchasing Power parity adjusted Per Capita Income.

85. The accurate answer that shows economic growth rate, unemployment rate and inflation rate of Sri Lanka in 2020 is,

	Economic Growth rate (%)	Unemployment rate	Inflation rate (%)
I.	5.6	6.5	4.0
II.	3.5	7.0	6.0
III.	-3.2	4.9	4.1
IV.	-3.6	5.5	4.6
V.	2.3	4.8	4.5

86. The recent policy decision of the Sri Lankan government to minimize the negative impact of outward migration of unskilled female workers to middle –east countries are,

- I. Determining a maximum period of work abroad and maintaining a minimum balance in the non-residential foreign currency account of the worker.
- II. Opening a non-residential foreign currency account and implementing a minimum of three- year period of work contract.
- III. Determining a minimum age limit and obtaining a report of family background of the migrant.
- IV. Determining a minimum age limit and implementing a minimum of three- year period of work contract.
- V. Opening a non-residential foreign currency account and determining a maximum period of work abroad.

87. The main driving forces of globalization are

- I. Improvement in the transportation sector and maintaining protectionist trade policies.
- II. The removal of protectionist trade policies and advancement in technology.

- III. Expansion of multinational companies and existence of labour market rigidities.
- IV. Economic integration and maintaining protectionist trade policies.
- V. Deregulation of markets and existence of imperfect competition.

2015

88. Economic growth is usually measured by the annual percentage change in

- I. Nominal GDP.
- II. Real GDP.
- III. Nominal GDP per capita.
- IV. Per capita disposable national income.
- V. Purchasing power parity GDP per capita.

89. In a hypothetical economy, if the number of people classified as unemployed is 50000 and the number of people classified as employed is 450,000, then the rate of unemployment in that economy is

- I. 11.1%
- II. 10.0%
- III. 9.2%
- IV. 8.0%
- V. 7.4%

90. It has been reported that over the last 10 Years, the Gini coefficient of income distribution of a particular country has risen from 0.45 to 0.65 which of the following is a likely cause for this change?

- I. Market power in the factor and output markets has increased
- II. Labour market discrimination has been eliminated
- III. The distribution of wealth and property has become more equitable
- IV. The vast majority of adults have achieved at least a pass in the Advanced Level
- V. The tax system has become even more progressive

91. Which of the following is most likely to reduce inequality in a country's distribution of income?

- I. An increase in the population growth rate
- II. Vocational training for low skill workers
- III. An increase in the budget deficit
- IV. A decrease in funding for training unemployed workers
- V. Imposition of a regressive tax

92. The tremendous increase in imports and exports that has occurred globally over the last few decades has been caused primarily by;

- I. Removal of non – tariff barriers in most countries.
- II. Increased interest in protectionism in most countries.
- III. Rapidly declining transportation and communications costs.
- IV. Decreases in wages in developing countries.
- V. Shifts in political authority away from central planning in most countries.

2016

93. As some factories become automated, traditional workers find themselves with mismatched skills and some of them become unemployed. At the same time, computer operators are in high demand. This type of unemployment would be classified as

- I. Cyclical unemployment.
- II. Frictional unemployment.
- III. Natural unemployment.
- IV. Structural unemployment.
- V. Disguised unemployment.

94. Which change would best indicate that a country has achieved development?

- I. An increase in the country's real GDP.
- II. An increase in the country's percentage in total world exports
- III. An improvement in the balance of payments.
- IV. An appreciation in the country's currency
- V. An improvement in the average citizen's quality of life.

95. Total dependency ratio is the ratio of

- I. Children to adults in the population.
- II. Unemployed to employed population in the labour force.
- III. Population over 65 years of age to 100 persons in the working – age population.
- IV. Population below 15 years of age to population over 15 years of age.
- V. Population below 15 years and above 59 years of age to the population aged 15 to 59 years.

96. Which of the following data set correctly indicates the sectoral distribution of poverty headcount index in Sri Lanka according to 2016 survey data?

	Urban Sector %	Rural Sector %	Estate Sector %
I.	4.5	10.2	16.3
II.	2.5	6.7	12.9
III.	4.2	7.5	10.6
IV.	1.9	4.3	8.8
V.	3.1	7.9	10.2

97. A Lorenz curve can be used to evaluate which of the following economic issues?

- I. The production and allocative efficiency of resources in the economy.
- II. The comparative advantages of trading partners.
- III. The intensity of specialization among countries.
- IV. The equality in income distribution
- V. The relationship between unemployment and price stability.

98. Which of the following correctly indicates the contribution of agricultural sector to Sri Lanka's GDP and employment in 2020?

	GDP %	Employment %
I.	6.0	28.5
II.	12.8	12.3

III.	6.8	25.0
IV.	8.5	28.5
V.	7.0	27.1

99. Which one of the following countries is not a member of the G7?

- I. Japan
- II. Canada
- III. France
- IV. Italy
- V. Russia

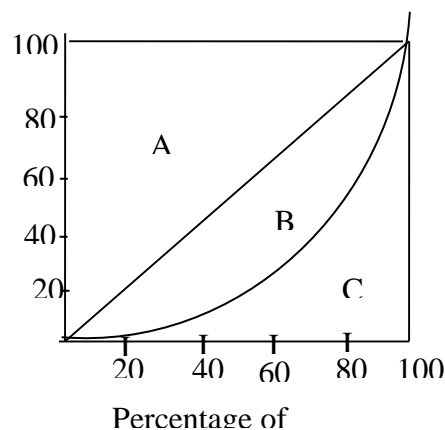
2017

100. An economy's gross National Income (GNI) per capital based on purchasing power parity has increased over a certain period of time, but its development measured by the Human Development Index has remained unchanged. What could explain the difference?

- I. Increase in the number of expected Years of schooling for children
- II. A decline in the life expectancy at birth
- III. A decrease in the adult literacy rate
- IV. An increase in the rate of inflation.
- V. An increase in the rate of population growth

101. The Lorenz Curve in the diagram below depicts the distribution of household income in an economy.

Percentage of Income



How is the Gini coefficient of the inequality of income distribution in this economy measured?

- I.  $(\text{Area A} + \text{Area B}) \div \text{Area C}$
- II.  $\text{Area B} \div \text{Area C}$
- III.  $\text{Area A} \div (\text{Area B} + \text{Area C})$
- IV.  $\text{Area B} \div (\text{Area B} + \text{Area C})$
- V.  $\text{Area C} \div (\text{Area A} + \text{Area B})$

102. The table below presents some data pertaining to the labour market in a hypothetical economy at a given year.

Working age population (million)	Unemployed population (million)	Rate of Employment (%)
25	3	80

The labour force participation rate in this economy is

- I. 20%
  - II. 30%
  - III. 40%
  - IV. 50%
  - V. 60%
103. According to the 2016 Household Income and Expenditure Survey, the three districts with the highest poverty Head Count Ratio in Sri Lanka are
- I. Kilinochchi, Mullativu and Batticaloa.
  - II. Batticaloa, Mannar and Kilinochchi.
  - III. Mannar, Mullativu and Badulla.
  - IV. Mannar, Mullativu and Kilinochchi.
  - V. Mullativu, Batticaloa and Moneragala.
104. Despite the reduction in absolute poverty level of Sri Lanka. Significant income inequalities continue to persist.
- This is confirmed by the percentage of total household income held by the richest 20% of household which is
- I. 20.9%
  - II. 14.9%
  - III. 28.6%
  - IV. 50.8%
  - V. 57.5%
105. Which one of the following is not a major obstacle to attracting foreign direct investment in Sri Lanka?
- I. Unstable macroeconomic conditions
  - II. Labour market rigidities
  - III. Uncertainty of policies.
  - IV. Corruption and weak regulations
  - V. Lack of diversification in export sector.

2018

106. Which one of the following combinations is true for Sri Lanka's ranking in the Human Development Index and the Global Competitiveness Index?

	Human Development Index	Global Competitiveness Index
I.	72	85
II.	73	60
III.	71	58
IV.	70	68
V.	68	75

107. Income disparity can be measured by
- The difference between GDP and GNI
  - The Gini coefficient
  - The growth rate in Real GDP.
  - National poverty line
  - Per capital income
108. From the following, select the three indicators currently used in the Human Development Index.
- Purchasing power parity GM per capita index
  - Birth rate index
  - Life expectancy index
  - Adult literacy index
  - Education index
- A, B and C
  - A, C and D
  - A, C and E
  - A, D and E
  - C, D and E
109. Which two of the following arguments imply that the real GNI per capita measure may be a misleading indicator of the standard of living between different countries?
- Does not take account of differing rates of inflation.
  - There are different degrees of non-market economic activities between countries.
  - Does not take account of differing consumer tastes.
  - Does not take account of exchange rate distortions. Thus this measure should be expressed using "Purchasing Power Parties."
  - The 'income approach' of GNI measurement may differ from the 'expenditure approach'
- A and B
  - B and C
  - B and D
  - C and D
  - D and E
110. Sustainable Development Goal I is about poverty. The aim of this goal is to
- Cut poverty in half by 2030,
  - End poverty in all its forms everywhere by 2030.
  - Reduce poverty by 75% in 2030,
  - End hunger and ensure access by all people to sufficient food.



V. Help each country make progress on reducing poverty

111. The distribution of population among three major age groups of a country is given in the table below.

Age Group	Population (million)
0 - 14 years	6
15 - 64 years	20
65 years and more	4

The total dependency ratio of this country is

- I. 10%.
- II. 20%.
- III. 30%.
- IV. 33%.
- V. 50%.

112. Which set of data given in the table below correctly indicates the sectorial composition of Gross Domestic Product of Sri Lanka at present?

	Agriculture, Forestry and Fishing (%)	Industries (%)	Services (%)
I.	5	20.0	64.9
II.	7	25.5	58.7
III.	10	25.4	50.1
IV.	12	26.4	57.5
V.	15	31.2	45.0

2019

113. How many sustainable development goals have been agreed by all nations as part of the 2030 Agenda for Sustainable Development?

- I. 8
- II. 11
- III. 14
- IV. 17
- V. 19

114. According to the Household Income and Expenditure Survey – 2016, Poverty Head Count Index for urban and rural sectors in Sri Lanka are respectively,

- I. 4.1% and 8.8%
- II. 2.0% and 4.0%
- III. 1.9% and 4.3%
- IV. 1.7% and 3.3%

- V. 0.9% and 3.4%
115. One of the components in Human Development Index is,
- The percentage of population underemployed
  - The average daily intake of protein
  - Life expectancy at birth
  - The number of doctors per 1000 people in the population
  - The adult literacy rate
116. Economic development refers to,
- Economic growth
  - Economic growth with changes in output distribution and economic structure
  - Improvement in the well-being of the urban population
  - Sustainable increase in Gross National Income
  - Removal of income disparity of population
117. Which one of the following economic issues can be evaluated with the use of a Lorenz curve?
- The allocative and productive efficiencies in markets
  - The comparative advantage in trading partners and the terms of trade
  - Degree of specialization and growth within countries
  - The equilibrium of market prices
  - the degree of inequity in income distribution

118. The table below shows employment data for a hypothetical economy

Year	Population (millions)	Working age population (millions)	Number of employed (million)	Number of unemployed (million)
1	50	25	12	3
2	60	32	14	2
3	70	40	20	5
4	80	45	24	6
5	90	50	26	4

In which year is the rate of unemployment 20% and labour force participation rate 60%?

- Year 1
  - Year 2
  - Year 3
  - Year 4
  - Year 5
119. What can the economic development policy implemented in Sri Lanka during the period 1960 – 1977 be called?
- Outward oriented export promotion policy

- II. Inward oriented import substitution policy
  - III. Neo-liberal economic policy
  - IV. Market-centered development policy
  - V. Market centered development policy
120. The top three sectors contributed to foreign exchange earnings of Sri Lanka in the recent years are,
- I. Tea, textiles & garments and petroleum products
  - II. Employees' remittances, textiles & garments and petroleum products
  - III. Employees' remittances, textiles & garments and rubber products
  - IV. Tea, textiles & garments and petroleum products
  - V. Employees' remittances, textiles & garments and tourism

2020

121. Economic development means,
- I. Economic growth with Balance of Payment surplus
  - II. Economic growth plus structural and qualitative changes
  - III. Improvement in the living standards of the urban population
  - IV. Sustainable increases in Gross National Income (GNI)
  - V. Equitable income distribution along with a reduction in the poverty level
122. Sustainable Development implies,
- I. Development that provides for economic and social viability for the present even if that results in environmental degradation for the future
  - II. Development that provides environmental sustainability for the present even if that results in economic and social degradation for the future generations
  - III. Development that meets the needs of the present without compromising the ability of future generations to meet their own needs
  - IV. Full exploitation of natural resources with sustained increase in real GDP
  - V. Development that meets the needs of the future generations even if the present society's needs go unmet
123. The 'absolute' poverty line is drawn to show,
- I. The most extreme level of poverty that is found in a society
  - II. The estimated minimum level of income needed for subsistence
  - III. The number of households that are poor relative to the norms and values of their culture
  - IV. The areas of a city in which poor is concentrated
  - V. The average monthly income of the lowest 10% of the population
124. The Lorenz Curve is used to measure which of the following?
- I. The ratio of income to wealth in different countries
  - II. The ratio of public goods to private goods in different countries
  - III. The ratio of income inequality to income equality in different countries
  - IV. The ratio of the highest to lowest percentage of income receivers of a country
  - V. The ratio of non-working age population to the working-age population

125. Under which type of unemployment does the marginal productivity of worker is zero or closer to zero?

- I. Disguised unemployment
- II. Involuntary unemployment
- III. Seasonal unemployment
- IV. Structural unemployment
- V. Frictional unemployment

126. The World Bank's 'Ease of Doing Business' indicators,

- I. Rank countries by the size of their foreign direct investment as host countries
- II. Rank countries by the size of their foreign direct investment as source countries
- III. Rank the industries in which countries have comparative advantage
- IV. Measured the ease of starting and running a business in many countries
- V. Are a hindrance to economic development because they deter investment in poor countries

127. Which group correctly indicates the sectoral composition of Sri Lanka's GDP in 2020?

	Agriculture, Forestry & Fishing	Industries	Services
I	7	25.5	58.7
II	7.6	25.8	60.4
III	8.2	24.0	60.1
IV	7.0	26.1	57.7
V	10.2	24.5	60.2

128. The top four countries contributed to FDI inflows in Sri Lanka in the year 2018 were,

- I. China, Hong Kong, India and Malaysia
- II. China, Singapore, Japan and Switzerland
- III. China, India, Japan and Norway
- IV. China, Canada, Italy and USA
- V. China, India, Malaysia and Germany