EASTERN UNIVERSITY, SRI LANKA

SECOND YEAR FIRST SEMESTER SPECIAL DEGREE EXAMINATION IN ECONOMICS
2013/2014 (2012/13 Batch)

ECS 2142 – ENGLISH FOR ECONOMICS- 1

Time: 03hours

Index No : ....

Instructions to the candidates:

1. Duration: <u>Three (03)</u> Hours
2. Answer <u>all</u> the questions on this paper itself.
3. Marks will be deducted for <u>wrong spellings and grammar</u>.
4. Read <u>each</u> question carefully and answer them.
5. This paper consists of <u>thirteen (13)</u> pages.
6. Write your <u>Index Number clearly</u> on the space given.

For Examiner's use only

Question Number	Maximum Marks	Marks Obtained
1	25	....
2	10	....
3	15	....
4	15	....
5	15	....
6	20	
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	100	
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Q1: Read the following text and answer the questions that follow:

A)..

ANGUS DEATON has been named the winner of this year's Sveriges Riksbank prize in economic sciences in memory of Alfred Nobel. Mr. Deaton is a Britain-born economist (Scotland, to be specific), who earned his PhD in economics at Cambridge University before moving to America; he is now at Princeton University. Mr. Deaton is best known for his work on consumption theory, welfare and inequality.

B)..

The committee awarded him the honour "for his analysis of consumption, poverty, and welfare". His work "linking detailed individual choices and aggregate outcomes" was praised for having helped to "transform the fields of microeconomics, macroeconomics, and development economics". According to the Royal Swedish Academy of Sciences' website, his work has helped to provide answers for three big questions in economics:

"How do consumers distribute their spending among different goods? Answering this question is not only necessary for explaining and forecasting actual consumption patterns, but also crucial in evaluating how policy reforms, like changes in consumption taxes, affect the welfare of different groups. In his early work around 1980, Deaton developed the Almost Ideal Demand System—a flexible, yet simple, way of estimating how the demand for each good depends on the prices of all goods and on individual incomes. His approach and its later modifications are now standard tools, both in academia and in practical policy evaluation.

How much of society's income is spent and how much is saved? To explain capital formation and the magnitudes of business cycles, it is necessary to understand the interplay between income and consumption over time. In a few papers around 1990, Deaton showed that the prevailing consumption theory could not explain the actual relationships if the starting point was aggregate income and consumption. Instead, one should sum up how individuals adapt their own consumption to their individual income, which fluctuates in a very different way to aggregate income. This research clearly demonstrated why the analysis of individual data is key to

untangling the patterns we see in aggregate data, an approach that has since become widel[y]
adopted in modern macroeconomics.

How do we best measure and analyze welfare and poverty? In his more recent research, Deato[n]
highlights how reliable measures of individual household consumption levels can be used [to]
discern mechanisms behind economic development. His research has uncovered importa[nt]
pitfalls when comparing the extent of poverty across time and place. It has also exemplified ho[w]
the clever use of household data may shed light on such issues as the relationships betwe[en]
income and calorie intake, and the extent of gender discrimination within the family. Deato[n]
focus on household surveys has helped transform development economics from a theoretical fi[eld]
based on aggregate data to an empirical field based on detailed individual data."

C) ....

The award comes at a time when there is rising academic and popular interest in the study [of]
inequality. Several economists, including Anthony Atkinson of the London School of Econom[ics]
(who was among the leading contenders for a Nobel prize this year) and Thomas Piketty of [the]
Paris School of Economics (who is still a bit too young for one), have published widely-r[ead]
volumes on the subject over the last two years. Mr. Deaton published his, The Great Esca[pe:]
Health, Wealth, and the Origins of Inequality, in 2013. In it, he argued that while most peopl[e in]
the world have gained in terms of health and well-being from GDP growth over the last [few]
decades, there are many groups that have missed out, particularly if on measures beyond th[e]
most commonly examined.

Although the book has not generated as many newspaper column inches or as much pu[blic]
recognition as Mr. Piketty's blockbuster, Capital in the 21st century, the book's m[ain]
conclusions have gone down well in the scholarly community. As we wrote more than a dec[ade]
ago: "Mr. Deaton is perhaps the only economist at work in this area who is acknowledged b[y]
sides both as authoritative and as having no ideological axe to grind." That may well have [
been why he was awarded the prize earlier today.

http://www.economist.com/blogs/freeexchange/2015/10/economics

1. Fill in the subheading with suitable words of your choice

   A)...

   B)...

   C)..

<div align="right">Marks: 06</div>

2. Give the Summary of the text in 30—40 words

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<div align="right">Marks: 05</div>

3. Give a suitable title to the Text:

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<div align="right">Marks: 01</div>

4. Where did Angus Deton earn his PhD?

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<div align="right">Marks: 01</div>

5. What is Angus Deton, according to the text better known for?

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<div align="right">Marks: 01</div>

6. Why did the Nobel Committee award him the Nobel Prize?

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Marks: 03

7. According to the Royal Swedish Academy of Sciences, as mentioned in the text, what the three questions that are provided with answers based on Deton's study?

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Marks: 03

8. What did Deton publish in 2013 and what was his main argument in it?

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Marks: 03

9. Who are the two of Deton's contemporary economists whose names are mentioned in text?

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Marks: 02

2. Use the words given below to fill in the missing information:

leading, Megapolis, declared, Speaking, individual, congestion, sub-proje

ransport, project, commence)

Sri Lanka's Western Province Megapolis...........................(1) which will be merging

Colombo, Gampaha and Kalutara districts, is to................(2) on January 29, 2016.

project is expected to be completed within fifteen years at a cost of Rs. 40 bill

.......................(3) on the lines of the project, the Minister of Megapolis and Wes

Development Patali Champika Ranawaka stated that the urbanisation of cities has left Sri La

looking for answers to problems such as traffic.....................(4), garbage issues, slums,

environmental pollution. The minister brought to light the target of raising the per capita inc

of the country from $4,000 US to $12,000 US by the year 2030.

ne project is aimed at building an …………….. (5) equipped with economic success, social

quality, environment conservation and happiness. Furthermore, 150………………….……. (6)

re to be undertaken through ten themes. Among them are two special projects which will design

ne Port City and Aviation City.

urthermore, the areas near Colombo Fort will be called the Commercial City while the areas

etween Battaramulla and Kotte will be ………………….. (7) an Administrative City. The areas

alling under the Homagama and Malabe city limits will be named the Technical City. The main

ransport hub will be built in Colombo Fort while new …………….(8) hubs will be built along a

number of entry points………………….(9) to Colombo. Housing projects, industrial zones as well

as green zones and agricultural zones are also established as part of the Western Province

…………………. (10) Project.

Sourse(edited):http://newsfirst.lk/english/2016/01/project-megapolis-explained-colombo-gampaha-kalutara-to-merge/126380

Marks: 10

Q3: Using the information given in bar charts below, write a paragraph of around 100 words:

CEYLON
ASSET MANAGEMENT

Tourism Growth

Arrivals ('000)

2009	2010	2011	2012	2013	2014*
448	654	856	1,006	1,275	861

Revenue (USD Mn.)

2009	2010	2011	2012	2013	2014*
326	576	830	1,000	1,800	1,240
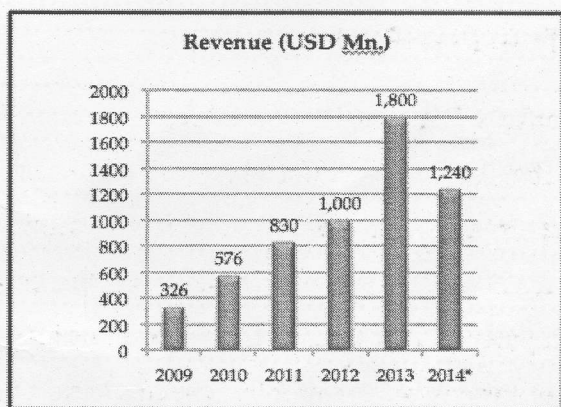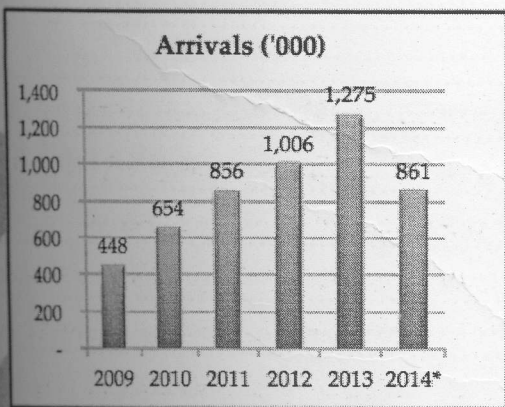
Source: Sri Lanka Tourism Development Authority
*2014 figures are up to July 31

Q4: Using the following phrases construct meaningful sentences:

Marks will not be given for grammatical inaccuracy, wrong spelling and
marks.

a) Economic research

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b) Annual research forum

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c) Critical thinking

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d) Soft skills development

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e) Data analysis

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f) Market shares

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g) Economic indicators

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h) Inflation level

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i) Foreign direct investment

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j) Import and export

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Marks: 15

Q5: Your Faculty sent you for a short training on "Soft Skills Improvement" to a training agency in Colombo. The certificate which was awarded at the end of the training is lost and you would like to request the training agency for a replacement certificate.

Write a letter to the training agency including the following:

How you lost your certificate.
Why you need the certificate now.
What you need the agency to do for you.

Words: 150   Marks: 15

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Q6. Write an essay on any <u>one</u> of the following topics:

1. Effects of social networking sites such as Facebook and twitter in a person's life.

2. (Creating) Social harmony among undergraduates at universities in Sri Lanka.

3. Difficulties of studying Economics as a discipline through mother tongue instructions such as Tamil or Sinhala at the university.

4. Benefits of studying economics for a person's life.

Words: 225   Marks: 20

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