

EASTERN UNIVERSITY, SRI LANKA
THIRD YEAR FIRST SEMESTER SPECIAL DEGREE EXAMINATION IN
ECONOMICS – 2015/2016
SEMESTER - I, DECEMBER 2017
ECS 3142 – ENGLISH FOR ECONOMICS - III

Index No:

Time: 2 Hours

Answer all the questions on this paper itself.

1) Fill in the blanks with the simple past or present perfect tense form of the words in the brackets.

My family ¹ (live) in this town for more than 30 years. In the beginning, it ² (be) a peaceful place to live in with lots of greenery. Later, however, things ³ (change) when developers and their machines moved in. They ⁴ (cut) into the hillsides, ⁵ (widen) roads and ⁶ (build) hotels and office complexes. Since then, the traffic passing through the town ⁷ (increase) greatly and multi-storey shopping malls ⁸ (replace) the old shops. Our town ⁹ (become) crowded and dirty. My family is now tired of the endless noise and dust. We long for the gentle pace of life of the earlier days. However, Dad ¹⁰ (not talk) about moving to a quieter place yet. I hope he will think about it soon.

(20 Marks)

2) Change the following Active Voice Sentences into Passive.

1. We elected Balachandran as our team leader.
.....

2. The gardener looks after the flowers.
.....

3. Alex sent the package to Austria by train.
.....

4. Most students speak English in this class.
.....

5. My brother faxed an application for a new job yesterday.
.....

(10 Marks)

3) Rearrange the following words to make meaningful sentences. Use capitals where necessary.

1. the/ sat/ front/ room/ in/ Sumudu.
.....

2. unsuitable/ this/ is/ for/ candidate/ the/ job.
.....

3. made up/ a/ main/ computer/ of/ parts/ is/ several.
.....

4. more dangerous/ thought/ polluted/ is/ than/ air/ people.
.....

5. tennis/ is/ world/ famous/ the/ Roger Federer/ very/ a/ player/ in.
.....

(10 Marks)

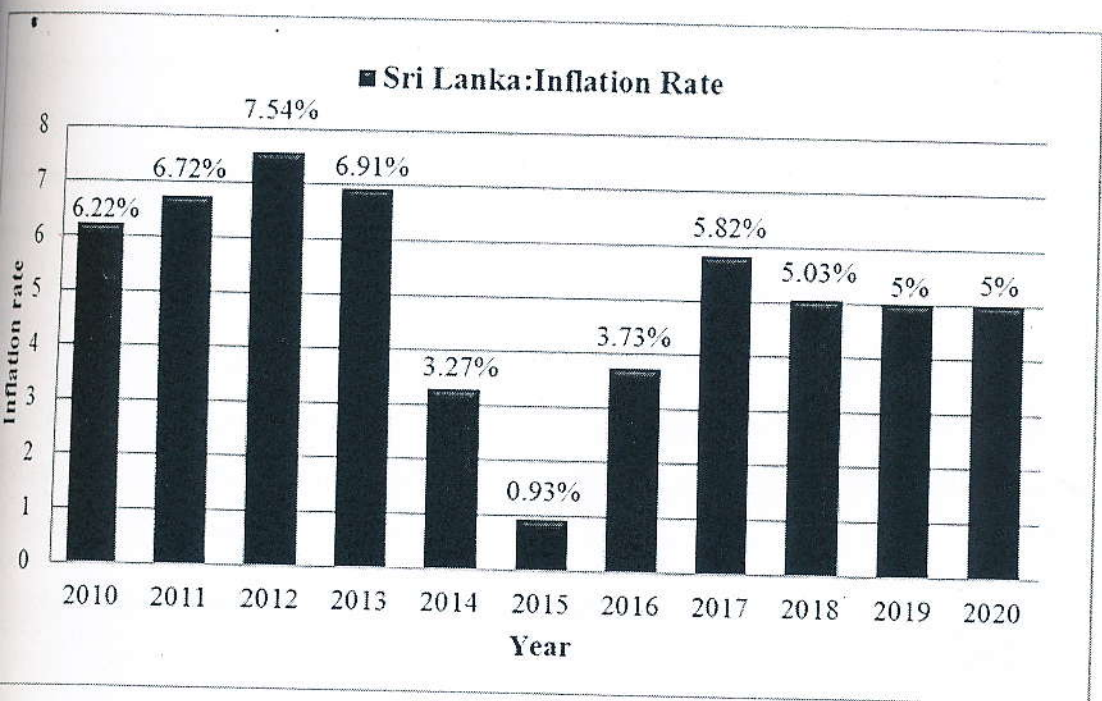
4) Choose the most suitable words from the box and fill in the blanks in the passage.

indicators	depression	contrast	policies	occur
economists	accompanied	decline	activity	recessions

Recession is a period of reduced economic activity. It is a business cycle contraction typically characterized by a ¹ in GDP (Gross Domestic Product).
Recession is generally ² by a drop in the stock market, a
increase in unemployment, and a decline in the housing market.
³, depression is a sustained, long-term downturn
economic ⁴ in one or more economies. A
..... is more severe downturn than a recession, which
seen by some ⁶ as part of the modern business cycle.
During recessions, many macroeconomic ⁷ vary in
similar way. Recessions generally ⁸ when there is
widespread drop in spending, often following an adverse supply shock or the bursting of
economic bubble. Governments usually respond to ⁹
by adopting expansionary macroeconomic ¹⁰, such
increasing money supply, increasing government spending and decreasing taxation.

(10 Marks)

5) Write a description to the following bar chart. Use around 150 words.



Source: IMF Statistics, 2017

(10 Marks)

6) Read the following passage and answer the questions

Tax is the most important source of public revenue. The imposition of tax leads to diversion of resources from the taxed to the non-taxed sector. Everyone knows that taxation is necessary in a modern state. Without it, it would be impossible to pay the soldiers and policemen who protect us; nor the workers in government offices who look after our health, our food, our water and all the other things that we cannot do for ourselves. By means of taxation, we pay for things that are essential for our day to day life.

Though everyone knows that taxation is necessary, different people have different ideas about how taxation should be arranged. Should each person have to pay a certain amount of money to the government each year? Or should there be a tax on things that people buy and sell? If the first kind of taxation is used, should everyone pay the same tax, whether she/he is rich or poor? If the second kind of tax is used, should everything be taxed equally?

In most countries, a direct tax on person, called an income tax is used. It is arranged in such a way that the poor people pay nothing and the percentage of tax grows greater as the payer's income grows. In some countries, for example, the tax on the rich people goes as high as 90 or 95 per cent. Countries with direct taxation almost always have indirect taxation

Many things imported into the country are taxed. It is the people who buy these imported things have to pay the duties in the form of heavy prices. In some countries, there is also a tax on things produced in the country itself. If the most necessary things are taxed, a lot of money is collected, but the poor people suffer the most. If unnecessary things such as luxury vehicles and expensive jewellery are taxed, less money is collected, but the tax is fair because the rich pay it. Through reducing inequalities in income and wealth by using an effective tax system, government can encourage people to save and invest in productive sectors.

Probably this kind of indirect tax, together with a direct tax on income which is low for the poor and high for the rich, is the best arrangement. Tax revenues may be used to encourage development activities in the less development areas of the country where normal investors are not willing to invest.

A. Write complete answers to the following questions.

1. In what ways does the modern state utilize the collected tax?
.....
.....
.....
2. What is a direct tax on person called?
.....
3. What is the difference between direct taxation and indirect taxation?
.....
.....
.....
.....
4. Give two examples of indirect tax?
.....
.....
.....
5. What is the best tax arrangement mentioned in the passage?
.....
.....

