

Curriculum of Bachelor of Arts Degree Program: 2020

Department of Economics - University of Kelaniya

Level	Course Code	Course Title	Type	Credit Value
1	ECON 11315	Principles of Economics	C	5
	ECON 11323	Economic History of the Great Britain and Sri Lanka	C	3
	ECON 11332	Contemporary trends in the world Economy including Sri Lanka	C	2
2	ECON 21313	Microeconomics	C	3
	ECON 22323	Descriptive Statistics for Economics	C	3
	ECON 22332	Development Economics	C	2
3	ECON 31313	Macroeconomics	C	3
	ECON 31322	Applied Economics	C	2
	ECON 32333	International Economics	C	3

Bachelor of Arts Degree Program

Department: Economics

Level One

Course Unit	Principles of Economics		
Course Code	ECON 11315		
Credit Value	Five		
Level	One		
Hourly Breakdown	Theory	Practical	Independent Learning
	60		140
Intended Learning Outcomes:			
Upon successful completion of this course unit, every student should be able to do the following :			
<ol style="list-style-type: none">1. State key principles and explain concepts related to economic analysis2. Understand the basic tools of economic analysis3. Demonstrate knowledge in Economics			
Course Content:			
Scope and Methodology of Economics Basic Economic Problem and alternative Economic Systems Demand, Supply and Market Equilibrium Elasticity Theory of Production and Cost Market Models Distribution Theory National Income and Multiplier Money The role of Commercial Banks and the Central Bank			

Topic	Learning Outcomes	Teaching and Learning Methods
1. Scope and methodology of Economics	i. Identify the subject matter and methodology of Economics ii. Recognize key principles and understand concepts related to economic analysis.	Lectures, LMS, Tutorials and Assignments
2. Basic Economic Problem and Alternative Economic Systems	i. Define the concept of scarcity. ii. Describe and provide examples of alternative economic systems. iii. Understand how alternative economic systems deal with the problem of scarcity	Lectures, LMS, Tutorials and Assignments
3. Demand, Supply and Market Equilibrium <ul style="list-style-type: none"> • Elementary Demand and Supply Theory • Market Equilibrium and its changes 	i. Describe demand, supply and explain how they can change. ii. Relate how supply and demand interact to determine market equilibrium. iii. Explain how changes in supply and demand affect market equilibrium.	Lectures, LMS, Tutorials and Assignments

<p>4. Elasticity</p> <ul style="list-style-type: none"> • Price Elasticity of Demand • Cross-elasticity of Demand • Income Elasticity of Demand • Price Elasticity of supply 	<ol style="list-style-type: none"> i. Define and compute price elasticity of demand, cross elasticity of demand and income elasticity of demand. ii. Define and compute the price elasticity of supply. iii. Identify the determinants of elasticity of demand and supply iv. Recognize the importance of the concept of elasticity. 	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>5. Theory of Production and Cost</p> <ul style="list-style-type: none"> • Short-Run and Long-Run Production. • Cost Concepts 	<ol style="list-style-type: none"> i. Identify the difference between short-run and long-run production ii. Define the law of diminishing returns and economies of scale iii. Define and describe fixed, variable average, marginal, and total cost curves 	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>6. Market Models</p> <ul style="list-style-type: none"> • Perfect Competition and Monopoly • Monopolistic Competition and Oligopoly 	<ol style="list-style-type: none"> i. Understand the concept of market models. ii. Outline the characteristics of the different market models. iii. Identify the profit maximizing rule. iv. Identify the difference between short-run and long-run equilibria of perfect competition and monopoly. 	<p>Lectures, LMS, Tutorials and Assignments</p>

	v. Identify the difference between monopolistically competitive market and an oligopoly market.	
7. Theory of Distribution <ul style="list-style-type: none"> • Wages, Rent, Interest and Profit • The demand for and supply of factors of production 	i. Understand basic characteristics and rewards of factors of Production. ii. Describe the factors determining wages, rent, interest and profit. iii. Understand the determinants of factor demand and supply.	Lectures, LMS, Tutorials and Assignments
8. National Income <ul style="list-style-type: none"> • Circular flow of National Income • National Accounting • Multiplier 	i. Identify the concept of National Accounting. ii. Describe the circular flow of National Income. iii. Understand the concept of Multiplier	Lectures, LMS, Tutorials and Assignments
9. Money <ul style="list-style-type: none"> • Functions of Money • Demand for Money • Supply of Money 	i. Recognize the functions of money. ii. Describe the demand for money. iii. Describe the supply of money.	Lectures, LMS, Tutorials and Assignments
10. The Role of Commercial Banks and the Central Bank	i. Describe the functions of commercial banks. ii. Describe how money is created in the banking system. iii. Identify the role of the Central Bank. iv. Understand how the money supply is controlled by the Central bank.	Lectures, LMS, Tutorials and Assignments

Method of Assessment: Assignment 20% and Written Examination 80%

Text Book

Richard G. Lipsey (1979), An Introduction To Positive Economics, Weidenfeld & Nicolson

Recommended Readings :

Begg, D. 2012: Economics. Ed. McGraw-Hill

Lipsey R. and Alec C., 2011, **Economics**, 12th Edition, Oxford University Press, New Delhi.

Mankiw, N. G., 2004, **Essentials of Economics**, 3rd Edition, South Western, New York.

Parkin M., 2005, **Economics**, 7th Edition, Pearson Education Inc., New York.

Stiglitz J. E. and Walsh C. E., 2010. **Economics**, 4th Edition, Viva Books, New Delhi.

ලක්ෂ්මන් ඩබ්ලිව් සහ ගුණසේකර (1998), ආර්ථික විශ්ලේෂණය, සී/ස කරුණාරත්න සහ පුත්තයෝ, කොළඹ

පීටර්සන් විලියම් එල් (1994), සුකෂ්ම ආර්ථික විද්‍යා මූලධර්ම, පරිවර්තනය, නවරත්න ඩන්ඩා එම්.එම්.

(2005), එස්.ගොඩගේ සහ සහෝදරයෝ, කොළඹ 10

Bachelor of Arts Degree Program

Department: Economics

Level One

Course	Economic History of the Great Britain and Sri Lanka.		
Course Code	ECON 11323		
Credit Value	3		
Level	1		
Hourly Breakdown	Theory	Practical	Independent Learning
	45		105
Intended Learning Outcomes:			
Upon successful completion of this course unit, every student should be able to do the following :			
<ol style="list-style-type: none">1. Understand the importance of economic history.2. Describe historical experiences of economic development of the Great Britain and Sri Lanka.3. Understand main features of agricultural, industrial and transport development in Great Britain.4. Describe evolution of plantation economy in Sri Lanka5. Recognize features of Dual Economy in Sri Lanka.6. Understand the British influence on the Sri Lankan Economy.			
Course Content:			
This course unit is comprised with two parts.			

Part one – Economic History of Great Britain

Status of Great Britain in medieval period: feudal system
Agriculture and Agricultural Revolution
Industrial Revolution and Technology development
Mercantilism, Laissez Faire and Free Trade
Commercial and Tax Policy
Railway and Transport Development
Trade Union Movement

Part Two – History of Sri Lankan Economy

Economic Status of Sri Lanka during the medieval period
Portuguese, Dutch, and British periods
Colebrook-Cameron reforms and Abolition of the royal duty system.
Land Policy and Reforms during the British Period.
Plantation Economy of Sri Lanka
Dual Economy
Development of Transport and Railway
The impact of British Rule on the Economic and Social development of Sri Lanka

Topic	Learning Outcomes	Teaching and Learning Methods
1. Status of the Great Britain in the medieval period: feudal system	<ul style="list-style-type: none">i. Understand the importance of economic history of the Great Britainii. Describe the main features of Manorial System	Lectures, LMS, Tutorials and Assignments
2. Agriculture and Agricultural Revolution <ul style="list-style-type: none">• Agricultural Development	<ul style="list-style-type: none">i. Identify the process of Agriculture Revolution and its impacts	Lectures, LMS, Tutorials and Assignments

3. Industrial Revolution and Technology development <ul style="list-style-type: none"> • Innovation • Technology Development 	<ul style="list-style-type: none"> i. Describe the process of industrial and technology development in Great Britain ii. Understand how the Industrial Revolution contributed to the Economic Development of Great Britain. 	Lectures, LMS, Tutorials and Assignments
4. Mercantilism, Laissez Faire and Free Trade	<ul style="list-style-type: none"> i. Define Mercantilism and Laissez Faire ii. Identify the emergence of market economy in the Great Britain 	Lectures, LMS, Tutorials and Assignments
5. Commercial and Tax Policy <ul style="list-style-type: none"> • Corn Laws • Land Tax 	<ul style="list-style-type: none"> i. Understand the Corn Laws and Land Tax policies in the Great Britain. 	Lectures, LMS, Tutorials and Assignments
6. Railway and Transport Development	<ul style="list-style-type: none"> i. Recognize the development of Transport Industry of the Great Britain 	Lectures, LMS, Tutorials and Assignments

<p>7. Trade Union Movement</p>	<p>i. Describe the origin and evolution of Trade Union Movement in the Great Britain</p>	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>8. Economic Status of Sri Lanka during the medieval period</p>	<p>i. Describe basic features of the economy of the Sri Lanka during the medieval period</p>	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>9. Portuguese, Dutch, and British periods</p>	<p>i. Identify the influence of Portuguese, Dutch, and British on the Sri Lankan Society and Economy</p>	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>10. Colebrook- Cameron reforms and Abolition of the royal duty system</p>	<p>i. Identify Colebrook-Cameron Commission reforms</p> <p>ii. Describe the consequences of abolition of the royal duty system (Rajakaree System)</p>	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>11. Land Policy and Reforms during the British Period</p>	<p>i. Identify the Land Policy and Reforms under the British rule</p> <p>ii. Recognize the consequences of the introduction of the Land Reforms</p>	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>12. Plantation Economy of Sri Lanka</p>	<p>i. Recognize the beginning of plantation industry and its evolution</p> <p>ii. Identify the structural changes in the Economy of Sri Lanka after the introduction of plantation industry</p>	<p>Lectures, LMS, Tutorials and Assignments</p>

13. Dual Economy	i. Recognize the main characteristics of the dual economy of Sri Lanka	Lectures, LMS, Tutorials and Assignments
14. Transportation and Railway Development	i. Identify how the Transport Industry developed during the Dutch and British periods. ii. Describe how the Transport Industry contributed to the economic development in Sri Lanka	Lectures, LMS, Tutorials and Assignments
15. The impact of British Rule on the Economic and Social development of Sri Lanka	i. Describe the impact of British Rule on the Sri Lankan economy and the society.	Lectures, LMS, Tutorials and Assignments

Method of Assessment: Assignment 20% and Written Examination 80%

Test Books:

Court, W. H. B. (1962) A Concise Economic History of Britain, Cambridge, Cambridge University Press

Snodgrass, D. R.(1966) Ceylon an Export Economy in Transition, The Economic growth Centre, Yale University, Illinois

Recommended Readings :

බර්නි ඒ, (1965), බ්‍රිතාන්‍ය දූපත්වල ආර්ථික ඉතිහාසය, පරිවර්තනය බුද්ධදාස විරසේකර, රාජ්‍ය භාෂා දෙපාර්තමේන්තුව, කොළඹ

දිසානායක ඒ., (1997), සංක්ෂිප්ත බ්‍රිතාන්‍ය ආර්ථික ඉතිහාසය, ආට්ටේ ප්‍රින්ටර්ස්, කොළඹ 09.

පොඩ්මැණිකේ පී, (2012), ශ්‍රී ලංකාවේ ආර්ථික ඉතිහාසය, ප්‍රනාන්දු ප්‍රින්ටර්ස්, කිරිඳිගොඩ

මද්දුමබණ්ඩාර එස්., (2018), බ්‍රිතාන්‍ය යටත් විජිත යුගයේ ශ්‍රී ලංකා ආර්ථිකය, කර්තෘ ප්‍රකාශන, ආර්ථිකවිද්‍යා අධ්‍යයන අංශය, කැලණිය විශ්වවිද්‍යාලය.

Bachelor of Arts Degree Program

Department: Economics

Level Two

Course Unit	Contemporary trends in the world Economy including Sri Lanka		
Course Code	ECON 12332		
Credit Value	2		
Level	One		
Hourly Breakdown	Theory	Practical	Independent Learning
	30		70
Intended Learning Outcomes:			
<p>Upon successful completion of this course unit, every student should be able to do the following :</p> <ol style="list-style-type: none"> 1. Analyze global issues, systems and trends from a variety of disciplinary perspectives 2. Describe the major process in the international system including globalization, integration and the causes of conflict 3. Investigate local, national, regional and global issues and evaluate findings against criteria such as economic viability, equity, corporate and social responsibility and environmental sustainability 			
Course Content:			
<p>World economic outlook Emerging market economies Elasticity BRICS Consumerism</p>			

World hunger and poverty
 New global economic order
 Globalization and global capitalism
 Free trade and global competition
 International Trade Issues
 Third world debt
 Key environmental, political, social and cultural factors affecting global conflicts
 Foreign Direct Investment and multinational corporation

Topic	Learning Outcomes	Teaching and Learning Methods
1. World economic outlook	i) Analyze the global issues ii) Describe the major process in the internal system	Lectures, LMS, Tutorials and Assignments
2. Emerging market economies	i) Identify the key factors shaping the contemporary society ii) Explain the importance of political economy and trade policy in shaping global economic outcomes	Lectures, LMS, Tutorials and Assignments
3. BRICS	i) Identify the importance of establishing BRICS ii) Explain the impact of BRICS	Lectures, LMS, Tutorials and Assignments
4. Consumerism	i) Identify the factors affect for consumer satisfaction ii) Explain the different consumer behavior influences and their relationships	Lectures, LMS, Tutorials and Assignments
5. World hunger and poverty	i) Identify the main factors affect for global hunger and poverty ii) Explain the key pillars of work to support countries to reduce poverty	Lectures, LMS, Tutorials and Assignments

<p>6. New global economic order</p>	<p>i) Identify the factors affect for the New International Economic Order</p> <p>ii) Explain the role of the New International Economic Order</p>	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>7. Globalization and global capitalism</p>	<p>i) Identify the reasons for globalization and global capitalism</p> <p>ii) Explain the sustainable development taking into account both global and local perspectives</p>	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>8. Free trade and global competition</p>	<p>i) Identify the two forces causing globalization to increase</p> <p>ii) Describe the process of globalization and how it affects markets and production</p>	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>9. International Trade Issues</p>	<p>i) Identify the natural and manmade problems in the developing world face</p> <p>ii) Explain the solutions to these problems in order</p>	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>10. Third world debt</p>	<p>i) Identify the reasons for debt in developing world</p> <p>ii) Explain the solutions for debt in developing world</p>	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>11. Key environmental, political, social and cultural factors affecting global conflicts</p>	<p>i) Identify the causes for global conflicts</p> <p>ii) Explain solutions for basic issues pertaining to the global conflicts</p>	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>12. Foreign Direct Investment and multinational corporation</p>	<p>i. Demonstrate a sound understanding of the theories of foreign direct investment</p> <p>ii. Explain the implication of key global environmental forces to MNCs</p>	<p>Lectures, LMS, Tutorials and Assignments</p>

Assessment Components and Percentage Marks:	
Continuous Assessment: Assignments, Tutorials and Mid semester examination	20%
End-semester written examination	80%
<p>Text Book:</p> <p>Kelegama Saman (2006), Contemporary Economic Issues, Sri Lanka in the Global Context, Sri Lanka Economic Association, Colombo</p> <p>Recommended Readings:</p> <p>IMF World Economic Outlook (Latest Reports)</p> <p>OECD, Prospects for the Global Economy (Latest Reports)</p> <p>World Bank, Prospects for the Global Economy (Latest Reports)</p>	

Course Unit	Microeconomics		
Course Code	ECON 21313		
Credit Value	3		
Level	2		
Hourly Breakdown	Theory	Practical	Independent Learning
	45		105
Intended Learning Outcomes:			

Upon successful completion of this course unit, every student should be able to do the following :

1. Understand and explain the alternative definitions and the methodology of Economics
2. Describe how consumers make consumption decisions under the given conditions
3. Explain the behavior of rational producers and the relationship between production and cost.
4. Review how firms operate under different market models.
5. Discuss how factor markets operate.

Course Content:

Introduction
 scope and methodology of Economics
 Theories of consumer behavior: Marginal utility theory, Indifference curve analysis, Revealed preference theory;
 Theory of production and cost: Production function and cost function, Production decisions;
 Theory of firm: Perfect competition, Monopoly, Monopolistic competition and Oligopoly;
 Market equilibrium under dynamic conditions: Cobb-Web theorem,
 Theory of distribution: Determination of Wages, Rent, Interest, and Profit.

Topic	Learning Outcomes	Teaching and Learning Methods
1. Introduction, scope and methodology of Economics	<ol style="list-style-type: none"> i. Explain and distinguish the alternative definitions on Economics and their special features ii. Discuss the methodology of Economics iii. Differentiate the subject matter between microeconomics and macroeconomics. 	Lectures, LMS, Tutorials and Assignments
2. Theory of consumer behavior	<ol style="list-style-type: none"> i. Identify the rational consumer behavior under different theoretical perspectives. ii. Derive the Marshallian and Hicksian demand functions iii. Explain consumer equilibrium using the graphical method iv. Differentiate income and substitution effects of a price change. 	Lectures, LMS, Tutorials and Assignments
3. Theory of production and cost	<ol style="list-style-type: none"> i. Define the production function ii. Differentiate the short-run and long-run production iii. Explain the equilibrium conditions of a rational producer 	Lectures, LMS, Tutorials and Assignments

	<ul style="list-style-type: none"> iv. Define the cost function v. Explain the relationship between short-run and long-run cost curves 	
4. Theory of firms	<ul style="list-style-type: none"> i. Discuss the difference between the firm and the industry ii. Illustrate the short-run and long-run equilibrium of a firm and the industry under different market models iii. Explain the behavior of firms under different market models iv. Discuss the efficiency and social welfare implications of different market models. 	Lectures, LMS, Tutorials and Assignments
5. Market equilibrium under dynamic conditions	<ul style="list-style-type: none"> i. Discuss the market dynamics. ii. Explain adjustments of the market equilibrium based on the Cobweb theorem 	Lectures, LMS, Tutorials and Assignments
6. Theory of distribution	<ul style="list-style-type: none"> i. Describe the factors of production and their rewards ii. Differentiate the commodity market and factor market iii. Discuss the theories of factor price determination under different market conditions 	Lectures, LMS, Tutorials and Assignments

Method of Assessment: Assignment 20% and Written examination - 80%

Text Book:

Ahuja H.L; 2005, Modern Microeconomics, S.Chaud & Company Ltd., New Delhi

Recommended Readings:

Koutsoyianis A., 2003, Modern Microeconomics, 2nd Edition, Palgrave Macmillan, London

Pindyck R.S., Rubinfeld, D.L. and Mehta P.L., 2009, Microeconomics, 7th Edition, Pearson Education Inc., New Delhi

Salvatore D., 2009, Principles of Microeconomics, 5th Edition, Oxford University Press, New Delhi

පිටර්සන් විලියම් එල් (1994), සුකෂ්ම ආර්ථික විද්‍යා මූලධර්ම, පරිවර්තනය, නවරත්න ඛණ්ඩා එම්.එම්.

(2005), එස්.ගොඩගේ සහ සහෝදරයෝ, කොළඹ 10

ලකෂ්මන් ඩබ්.ඩී. සහ ගුණසේකර එම්.එම්. (1998), සී/ස කරුණාරත්න සහ පුත්‍රයෝ, කොළඹ

සේමසිංහ ඩබ්.එම්. (2004), සුකෂ්ම ආර්ථික විද්‍යාව I, පාරිභෝගික හැසිරීම පිළිබඳ න්‍යාය හා භාවිතය,

ගොඩගේ සහ සහෝදරයෝ, කොළඹ

Course Unit	Descriptive Statistics for Economics		
Course Code	ECON 22323		
Credit Value	3		
Level	2		
Hourly Breakdown	Theory	Practical	Independent Learning
	45		105
Intended Learning Outcomes:			

Upon successful completion of this course unit, every student should be able to do the following :

1. Understand descriptive concepts in Statistics for economic applications
2. Identify sampling techniques for economic research
3. Apply statistical techniques in economic data analyses

Course Content:

Introduction
 Types of data and variables
 Data collection methods and sampling techniques
 Frequency distribution and graphs
 Measures of Central Tendency
 Measures of Dispersion
 Lawrence curve and Gini Coefficient
 Analysis of Correlation and Linear Regression models.
 Time Series Analysis

Topic	Learning Outcomes	Teaching and Learning Methods
<p>1. Introduction</p> <ul style="list-style-type: none"> • Scope of Descriptive Statistics and Relationship between Statistics and Economics 	<ol style="list-style-type: none"> i. Identify the scope of Descriptive Statistics ii. Recognize the usefulness of Basic Statistics for Economics 	<p>Lectures, LMS, Tutorials and Assignments</p>

2. Types of Data and Variables	i. Identify different types of data and Variables.	Lectures, LMS, Tutorials and Assignments
3. Sampling Techniques and Methods of Data Collection	i. Identify the different sampling techniques ii. Describe and illustrate different methods of data collection	Lectures, LMS, Tutorials and Assignments
4. Frequency Distributions and Graphs.	i. Construct frequency distribution and graph for different sets of data ii. Demonstrate how to use frequency distribution and graphs for analysis of economic data.	Lectures, LMS, Tutorials and Assignments
5. Measures of Central Tendency.	i. Identify measures of Central Tendency ii. Understand the importance and usage of measures of Central Tendency in analysis of economic data.	Lectures, LMS, Tutorials and Assignments
6. Measures of Dispersion	i. Identify Measures of Dispersion ii. Understand the importance and the usage of Measures of Dispersions in analysis of economic data.	Lectures, LMS, Tutorials and Assignments
7. Lawrence Curve and Gini Coefficient	i. Understand concept of income distribution disparities and relation to Lawrence curve ii. Measurement of the income distribution disparities to calculate Gini coefficient	Lectures, LMS, Tutorials and Assignments

<p>8. Analysis of Correlation and Linear Regression.</p>	<ul style="list-style-type: none"> i. Understand the concepts of correlation and linear regression ii. Compute and interpret Correlation Coefficient. iii. Estimate and interpret linear regression models iv. Apply correlation and regression techniques for economic data. 	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>9. Time Series Analysis</p>	<ul style="list-style-type: none"> i. Describe and verify mathematical considerations for analyzing time series ii. Explain time series with different structures 	<p>Lectures, LMS, Tutorials and Assignments</p>

Method of Assessment: Assignments 20% and Written Examination 80%

Text Books:

ජයතිස්ස. ඩබ්ලිව්. ඒ. (1996). මූලික සංඛ්‍යාන විද්‍යාව 1 - විස්තරාත්මක සංඛ්‍යානය., කතෘ ප්‍රකාශන

Freund, J.E (2001), **Modern Elementary Statistics**, Prentice-Hall.

Recommended Readings :

Johnson, R.A. & Bhattacharyya, G.K, **Statistics: Principles and Methods**, 2nd Edition. Wiley, 1992

Harnett, D. L. and Soni A. K. (1991), **Statistical methods for Business and Economics**, Addison-Wesley.

Harper, W.M. (1998), **Statistics**, Financial Times Pitman Publishing

Spiegel, Murray R and Stephens, Larry J (2001), **Statistics**, Third Edition, Schaum's Outlines

සිල්වා, ස්ටීෆන්. (1995) ප්‍රායෝගික සංඛ්‍යානය: නියදි සමීක්ෂණ ක්‍රම, සාර ප්‍රකාශන

Course Unit	Development Economics		
Course Code	ECON 22332		
Credit Value	3		
Level	2		
Hourly Breakdown	Theory	Practical	Independent Learning
	30		70
Intended Learning Outcomes:			
Upon successful completion of this course unit, every student should be able to do the following :			
i. Identify the key economic issues in developing countries			
ii. Greater familiarity with and understanding of the use of economic analysis in addressing important issues in developing countries.			
iii. Explain inequalities between rich and poor countries, how the differences have evolved over time and how other measurements of quality of life correlates with per capita income			

Course Content:

Meaning of development
Classical and contemporary theories of economic development
Poverty, inequality and development
Human capital and economic development
Environment and development, State versus market
Development financing
Trade and development
Recent changes in development policy in Sri Lanka

Topic	Learning Outcomes	Teaching and Learning Methods
2. Meaning of development	i) Identify the reasons for development ii) Explain the measurement of development on	Lectures, LMS, Tutorials and Assignments

<p>3. Classical and contemporary theories of economic development</p>	<ul style="list-style-type: none"> i. Understand the historical patterns of development in the world ii. Explain the causes and implications of income inequality 	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>4. Poverty, inequality and development</p>	<ul style="list-style-type: none"> i. Identify the important facts about the incidence and trends of poverty in the world ii. theory and evidence on the causes and consequences of poverty and underdevelopment 	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>4. Human capital and economic development</p>	<ul style="list-style-type: none"> i. Understanding of the concept of human resource and economic development ii. Analyze the strategic issues and strategies required to select and develop manpower resources 	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>5. Environment and development, State versus market</p>	<ul style="list-style-type: none"> i. Identify the strategies employed by developing and developed countries ii. Explain the interrelationship between economic development issues and environmental issues 	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>6. Development financing</p>	<ul style="list-style-type: none"> i. Identify the functioning of financial markets and the role of financial institutions within the economic system ii. Explain how the financial services component industries (insurance, banking, securities, real estate and financial planning) interact 	<p>Lectures, LMS, Tutorials and Assignments</p>

7. Trade and development	<ul style="list-style-type: none"> i. Identify the Interrelate of the Trade theory with the Economic Development ii. Explain the relationship between international trade and economic Development. 	Lectures, LMS, Tutorials and Assignments
8. Recent changes in development policy in Sri Lanka	<ul style="list-style-type: none"> i. Examine the meaning of development and distinguish it from the related concepts of economic development, and economic growth ii. Discuss influences on development policy, and explain the challenges in formulating development policy, implementing it, and evaluating the effects on Sri Lanka 	Lectures, LMS, Tutorials and Assignments

Method of Assessment: Assignment 20% and Written Examination 80%

Text Book:

Michael P. Todaro and Stephen C. Smith (2015) Economic Development, Pearson, USA

Recommended Readings :

Rostow W. W. (1991), The Stages of Economic Growth: A Non-Communist Manifesto, Cambridge University Press

Promfert R. (1992), Development Economics, Printice Hall, London

Bachelor of Arts Degree Program

Department: Economics

Level Three

Course Unit	Macroeconomics		
Course Code	ECON 31313		
Credit Value	3		
Level	3		
Hourly Breakdown	Theory	Practical	Independent Learning
	45		105
Intended Learning Outcomes:			
<p>Upon successful completion of this course unit, every student should be able to do the following :</p> <ol style="list-style-type: none"> 1. Explain the behavior of macroeconomic variables. 2. Discuss how aggregate demand and aggregate supply interact in a simple economy, a closed economy and an open economy. 3. Describe macroeconomic equilibrium through the IS-LM analysis. 4. Clarify the role of fiscal and monetary policy in combatting macroeconomic issues. 5. Understand theories of international trade. 6. Review the International trade policies. 			
Course Content:			
<p>Scope and Methodology of Macroeconomics Equilibrium level of national income in a simple, a closed and an open economy. The National Income Multiplier Investment Classical and Keynesian theories of Money, Interest, Inflation and Employment. IS-LM Model Business Cycles Macroeconomic Policies</p>			

Topic	Learning Outcomes	Teaching and Learning Methods
1. Scope and Methodology of Macroeconomics	<ul style="list-style-type: none"> i. Identify the subject matter and methodology of macroeconomics ii. Explain Macroeconomic variables 	Lectures, LMS, Tutorials and Assignments
2. Equilibrium level of National Income in a simple, a closed and an open economy	<ul style="list-style-type: none"> i. Explain how the equilibrium level of national income determine in a simple economy, a closed economy and an open economy. 	Lectures, LMS, Tutorials and Assignments
3. The National Income Multiplier	<ul style="list-style-type: none"> i. Identify the importance of the concept of multiplier ii. Define and Compute the multiplier in a simple, a closed and an open economy 	Lectures, LMS, Tutorials and Assignments
4. Investment	<ul style="list-style-type: none"> i. Explain the relevance of theories of investment. ii. Understand the concept of Marginal Efficiency of Capital (MEC). 	Lectures, LMS, Tutorials and Assignments
5. Classical and Keynesian theories of Money, Interest, Inflation and Employment	<ul style="list-style-type: none"> i. Explain the theories of money, interest, inflation and employment. ii. Review the relevance of classical and Keynesian theories in addressing macroeconomic issues in an economy. 	Lectures, LMS, Tutorials and Assignments
6. IS-LM Model	<ul style="list-style-type: none"> i. Illustrate the use of the IS-LM analysis in determining macroeconomic equilibrium. 	Lectures, LMS, Tutorials and Assignments
7. Business Cycles	<ul style="list-style-type: none"> i. Understand the theories of business cycles. ii. Recognize the sources of real world business cycles 	Lectures, LMS, Tutorials and Assignments

<p>8. Macroeconomic Policies</p>	<ul style="list-style-type: none"> i. Understand the role of fiscal and monetary policy ii. Identify the tools of fiscal and monetary policy iii. Discuss the characteristics of effective macroeconomic policy. 	<p>Lectures, LMS, Tutorials and Assignments</p>
<p>Method of Assessment: Assignments 20% and Written Examination 80%</p>		
<p>Text Book:</p> <p>Keynes, J.M. (1935), The General Theory of Employment, Interest, and Money, King's College, Cambridge</p> <p>Recommended Readings:</p> <p>Dornbusch, R., Fisher, S. and Startz R., (2013), Macroeconomics, 12th Edition, McGraw Hill, New York.</p> <p>McConnell, C. Brue S. and Flynn, S. (2011), Macroeconomics, McGraw-Hill</p> <p>Samuelson, P.A. and Nordhouse, W. D., (2005), Macroeconomics, 18th Edition, McGraw Hill, New York.</p> <p>Shapiro, E., (2001), Macroeconomic Analysis, 5th Edition, Galgotic Publications Pvt. Ltd. New Delhi.</p> <p>පීටර්සන් විලියම් එල් (1994), සාර්ව ආර්ථික විද්‍යා මූලධර්ම, පරිවර්තනය, නවරත්න ඛණ්ඩා එච්.එම්. (2003), එස්.ගොඩගේ සහ සහෝදරයෝ, කොළඹ 10</p>		

Bachelor of Arts Degree Program

Department: Economics

Level Three

Course Unit	Applied Economics		
Course Code	ECON 31322		
Credit Value	2		
Level	3		
Hourly Breakdown	Theory	Practical	Independent Learning
	30		70
Intended Learning Outcomes:			
Upon successful completion of this course unit, every student should be able to do the following :			
<ol style="list-style-type: none">1. Identify and explain the principal forms of market failure that provide a justification for government intervention2. Explain the limitations of government intervention - for instance, illustrate how the presence of information problems both explains the forms that policy intervention take and imposes limits on what can be achieved by it3. Analyze policy problems and assess arguments appearing in the policy debate			

Course Content:

The economic basis for government activity
Efficiency, market failure, Externalities
public goods and public choice
Finance
public revenue structure in Sri Lanka
Tax theory and policy
Fiscal policy
public finance in Sri Lanka

Topic	Learning Outcomes	Teaching and Learning Methods
1. The economic basis for government activity	<ol style="list-style-type: none">i. Identify reasons why the government might choose to intervene in marketsii. Explain the government tries to combat market inequalities through various policy measures	Lectures, LMS, Tutorials and Assignments
2. Efficiency, market failure, Externalities	<ol style="list-style-type: none">i. Analyze the concept of Market Failure as the failure of the market to reach allocative efficiency resulting in an over/under allocation of resources to the production of a goodii. Describe the meaning of externality as the failure of the market to achieve a social optimum	Lectures, LMS, Tutorials and Assignments
3. public goods and public choice	<ol style="list-style-type: none">i. Identify a public good using non-excludable and non-rivalrous as criteriaii. Explain several sources of public goods	Lectures, LMS, Tutorials and Assignments
4. Finance	<ol style="list-style-type: none">i. Observe and interpret financial markets to uncover potential opportunities	Lectures, LMS, Tutorials and Assignments

	ii. Analyze and evaluate evidence and appraise alternative viewpoints	
5. Public revenue structure in Sri Lanka	i. Defines the concept of public expenditure and public revenue ii. Evaluate the effects of public expenditure and revenue policies on economy	Lectures, LMS, Tutorials and Assignments
6. Tax theory and policy	i. Utilize the definitions of the various components of income tax law ii. Analyze simple fact situations and recognize income tax ramifications	Lectures, LMS, Tutorials and Assignments
7. Fiscal policy	i. Define and explain the difference between expansionary and contractionary fiscal policy ii. Explain income taxes and discuss their efficiency and equity	Lectures, LMS, Tutorials and Assignments
8. public finance in Sri Lanka	i. Define public finance terms ii. Explain the political economy aspects of public finance	Lectures, LMS, Tutorials and Assignments

Method of Assessment: Assignments 20% and Written Examination 80%

Text Book:

Connolly Sara and Alistair Munro (1999), Economics of the public sector, Prentice Hall, New York

Recommended Readings:

Hyman David N (2005), Public Finance, A Contemporary Application of Theory and Policy, Eight Edition, South Western, Mason

Ulbrich Holley (2003), Public Finance , In Theory and practice, Thomson , South Western, New York

Bachelor of Arts Degree Program

Department: Economics

Level Three

Bachelor of Arts Degree Program

Department: Economics

Level Three

Course Unit	International Economics		
Course Code	ECON 32333		
Credit Value	3		
Level	3		
Hourly Breakdown	Theory	Practical	Independent Learning
	45		105
Intended Learning Outcomes:			
Upon successful completion of this course unit, every student should be able to do the following :			
1. Have a good conceptual understanding of the key concepts and practical applications of both international trade and international finance			
2. Outline the development trade theory historically, differentiating standard classical and Orthodox trade theories.			
3. Analyze the links between trade, international finance, economic growth and globalization, with a particular emphasis on the experiences of developing countries. Critically comment on and participate in current debates on international economic policy.			

Course Content:

1. Classical and free trade theories
2. New Trade Theories
3. Protectionism
4. International finance
5. Balance of payments
6. Exchange rates
7. International monetary system (World Bank and International Monetary Fund)
8. The role of WTO
9. The role of multinational corporations
10. Sri Lanka in the globalization context

Topic	Learning Outcomes	Teaching and Learning Methods
i. Classical and free trade theories	<ol style="list-style-type: none">i. Describes Neo-Classical Equilibrium, free trade conditions and gains from tradeii. Analyses traditional theories trying to explain the reasons for foreign trade between countries	Lectures, LMS, Tutorials and Assignments
2. New international economics	<ol style="list-style-type: none">i. Recognize the cause of trade, sources of the gains from trade and the domestic and international distribution of those gainsii. Examine instruments and consequences of trade policy measures	Lectures, LMS, Tutorials and Assignments
3. Protectionism	<ol style="list-style-type: none">i. Describe why governments may justify protectionist policiesii. Explain and give examples of trade barriers, including quotas, tariffs, and nontariff barriers	Lectures, LMS, Tutorials and Assignments
4. International Finance	<ol style="list-style-type: none">i. Explain the organization and institutional details of foreign exchange and International money markets.ii. Analyze the causes of historical exchange rate movements, and some of the contributory factors to a variety of financial crises, with reference to the models covered	Lectures, LMS, Tutorials and Assignments

5. Balance of Payments	<ul style="list-style-type: none"> i. Describe the components of balance of payments and explain why the balance of payments accounts always balance ii. Explain why a current account deficit is not necessarily undesirable 	Lectures, LMS, Tutorials and Assignments
6. Exchange Rate Regimes	<ul style="list-style-type: none"> i. Explain the concept of a foreign exchange market and an exchange rate ii. Explain how flexible exchange rates can dampen the effects of external shocks on output and employment 	Lectures, LMS, Tutorials and Assignments
7. International monetary system (World Bank and International Monetary Fund)	<ul style="list-style-type: none"> i. Understand the role and purpose of the international monetary system ii. Describe the Bretton Woods Agreement and why it collapsed 	Lectures, LMS, Tutorials and Assignments
8. The role of WTO	<ul style="list-style-type: none"> i. Identify the purpose and role of the World Trade Organization ii. Explain the legal regime of subsidies and countervailing measures under the organization's machinery 	Lectures, LMS, Tutorials and Assignments
9. The role of multinational corporations	<ul style="list-style-type: none"> i. Understand the implications of operating across national borders ii. Explain the roles of, and challenges facing, MNC subsidiaries and headquarters 	Lectures, LMS, Tutorials and Assignments
10. Sri Lanka in the globalization context	<ul style="list-style-type: none"> i. Recognize characteristics of global systems, including the specific structure and functions of various international institutions as well as the roles played by nation ii. Analyze the impacts of international policies upon local realities, developing the ability to conceptually organize information while practicing ethical and social requirements of responsible global citizenship 	Lectures, LMS, Tutorials and Assignments

Method of Assessment: Assignments 20% and Written Examination 80%

Text Book:

Salvatore D., 2013, International Economics, 11th Edition, John Wiley and Sons, New Jersey, US

Recommended Readings:

Carbaugh Robert J (2000), International Economics, 7th Edition, South Western College Publishing, New York

Krugman Paul R and Maurice Obstfeld (2003), International Economics, Theory and Policy, Pearson Education, New York

Pugel Thomas A (2004), International Economics, Twelfth Edition, McGraw Hill, New York

Thompson Henry (2010), International Economics, Global Markets and Competition, 2nd Edition, Cambridge University Press, New Delhi

හෙට්ටිආරච්චි උපාලි, (2000), ජාත්‍යන්තර ආර්ථික විද්‍යාව, ප්‍රඥා මුද්‍රණ ශිල්පියෝ, මාකොල

Method of Assessment: Assignments 20% and Written Examination 80%

