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	ශ්‍රී ලංකා සංවර්ධන පරිපාලන ආයතනය இலங்கை அபிவிருத்தி நிர்வாக நிறுவகம் SRI LANKA INSTITUTE OF DEVELOPMENT ADMINISTRATION	
First Efficiency Bar Examination for the Officers of the Sri Lanka Administrative Service - 2018 (I)		
Time- 03 hours	Economics and Sociology - 03	විභාග අංකය Index No / சுட்டுண்ண

Answer only five (05) questions selecting at least two questions from each part.

Part - I

01. The equations of the demand and supply functions of a certain good are given below.
 $Q_d = 50 - 2P$ (demand) , $Q_s = -15 + 3P$ (supply)
 - i. Calculate the equilibrium price and the quantity using this equation and illustrate by a graph.
 - ii. Illustrate by a graph the surplus production and consumer surplus.
 - iii. When a local tax is imposed on this good, explain the impact it would make on production and consumer surpluses. (Marks 20)
02.
 - i. Explain the difference between direct cost and indirect cost giving examples.
 - ii. Explain the relationship between marginal cost and total average cost.
 - iii. Show the difference between diminishing returns and decreasing returns to scale. (Marks 20)
03.
 - i. Show with examples the difference between comparative advantage and absolute advantage in international trade.
 - ii. State two (02) bi-lateral trade agreements that Sri Lankan government recently entered into and discuss its economic impact. (Marks 20)
04.
 - i. State macro-economic variables that determine the demand for money in an economy and explain how they impact on the demand for money.
 - ii. Discuss with examples the demand-pull inflation and cost-push inflation. (Marks 20)



Part - II

05. Describe how modern communication facilities impact on human relations. (Marks 20)
06. Introduce the undesirable effects caused by the collapsing of kinship in a society. (Marks 20)
07. Describe the common features of the life of traditional rural society. (Marks 20)
08. Review the nature and societal impact of social stratification of the modern society. (Marks 20)

