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**இலங்கை அபிவிருத்தி நிர்வாக நிறுவகம்**  
**SRI LANKA INSTITUTE OF DEVELOPMENT ADMINISTRATION**



**Second Efficiency Bar Examination for officers of Sri Lanka  
Administrative Service – 2020(I)**

**Time: 03 Hours**

**Economic and Social Policy  
(with special reference to Sri Lanka) (14)**

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- Answer 05 questions only.

- What are the main policy instruments used by the Government of Sri Lanka to guide the fiscal policy of the country? (08 Marks)
  - A recent visit by the International Monetary Fund (IMF) delegation to Sri Lanka expressed the media that Sri Lanka's government revenue is not at an optimal level. In this regard, present your views on how the government should act to increase the government revenue to an optimal level using fiscal policy instruments. (12 Marks)
- Who is responsible for handling Sri Lanka's monetary policy? (04 Marks)
  - Briefly explain the monetary policy of a country and provide a concise overview of the key policy instruments employed to execute the monetary policy in Sri Lanka. (16 Marks)
- What is meant by public debt? (05 Marks)
  - Briefly describe public debt restructuring. (06 Marks)
  - With a special focus on Sri Lanka, briefly explain the possible methods of public debt restructuring. (09 Marks)

4. i. Foreign employment is a major source of foreign exchange earnings for Sri Lanka. However, despite the influx of foreign exchange, there are adverse social impacts associated with foreign employment. Mention 05 facts about the adverse effects of foreign employment on the Sri Lankan society. (10 Marks)
- ii. What measures can the government take to reduce the aforementioned negative impacts? Describe. (10 Marks)
5. Explain the economic and social impact on a country when a government defaults on its domestic or foreign debt, with special emphasis on Sri Lanka. (20 Marks)
6. As of 2022, the World Bank reports that the elderly population in Sri Lanka constitutes 11.5% of the total population, with an annual growth rate of approximately 2.05%. Given this data, explain, from a policymaker's perspective, how the economic and social policies of Sri Lanka should be formulated to address the challenges posed by the aging population by the year 2030. (20 Marks)

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