



Department of Education, Sabaragamuwa/weekly school

week- August 1

Subject-Economics

Grade-13

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1. Distinguish between comparative advantage and absolute advantage.
2. Give reasons for the slow growth of earnings from agricultural exports of Sri Lanka in the recent years.
3. Mention the regional and bilateral free trade agreements of Sri Lanka at present.
4. How do you record the following transactions in the Balance of Payments in Sri Lanka using double entry principle?
  - (a) A Chinese investor buys stocks worth of \$10 million at the Colombo Securities Exchange.
  - (b) A Sri Lankan housemaid working in the Middle East sends \$500 to her parents in Sri Lanka.
  - (c) A Sri Lankan bank receives \$40 million by selling bonds in foreign financial markets.
  - (d) A Sri Lankan publishing company obtains the copyright of a best selling book in the world for \$5000 from an American publisher to translate and sell it in Sri Lanka.
5. Draw an appropriate diagram to show the determination of the external value of Sri Lanka Rupee in terms of US dollars under a floating exchange rate system. Explain why the demand curve is downward sloping and the supply curve is upward sloping in this foreign exchange market.