



# SLIATE

SRI LANKA INSTITUTE OF ADVANCED TECHNOLOGICAL EDUCATION

(Established in the Ministry of Higher Education, vide in Act No. 29 of 1995)

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**Higher National Diploma in Information Technology**  
**Second Year, First Semester Examination – 2016**  
**HNDIT2303 Principles of Management and Applied Economics/**  
**Fundamentals of Management and Economics**

Instructions  
Answer only **four** questions

No. of questions : 5  
No. of pages : 2  
Time : **Two** hours

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**Question 01** **[Total 25 Marks]**

- ✓ (I) Define the term **management**? (04 Marks)
- ✓ (II) Discuss types of managers based on managerial level in an organization. (06 Marks)
- ✓ (III) What is the difference between **Efficiency** and **Effectiveness**? (04 Marks)
- ✓ (IV) “Organization can defined as a group of people working together to achieve a common goal.” How can differentiate **Organization** form **Business Organization**? (05 Marks)
- ✓ (V) “Stakeholders have different kind of objectives with an organization” identify who are the stakeholders and list down their objectives towards an organization. (06 Marks)

**Question 02** **[Total 25 Marks]**

- ✓ (I) “**Information** is important facts for decision making”. Explain characteristics of good information? (05 Marks)
- ✓ (II) Briefly explain following terms. (06 Marks)
  - a. Problem
  - b. Decision
  - c. Decision making
- ✓ (III) Mention steps of corporative planning. (06 Marks)
- ✓ (IV) Distinguish **Vision** from **Mission**. (02 Marks)
- ✓ (V) What are the benefits of planning? (06 Marks)

**Question 03****[Total 25 Marks]**

- ✓ (I) What is an **organization structure** and **organization chart**? (06 Marks)
- ✓ (II) What are the major elements of communication process? (06 Marks)
- ✓ (III) What is meant by **Effective Communication**? (04 Marks)
- ✓ (IV) “Power is derived from different sources of power”. What are the sources of power? (05 Marks)
- ✓ (V) What are the bases for departmentalization? (04 Marks)

**Question 04****[Total 25 Marks]**

- ✓ (I) Why controlling is importance for management? (06 Marks)
- ✓ (II) What is the difference between **Need** and **Want**? (04 Marks)
- ✓ (III) What are the major economic problems? (05 Marks)
- ✓ (IV) Show the following concepts by using production possibility curve/Production Possibility Frontiers.
  - a. Inefficiency of resources
  - b. Opportunity cost (06 Marks)
- ✓ (V) What are the **Factors of Production**? (04 Marks)

**Question 05****[Total 25 Marks]**

- ✓ (I) What is law of demand? (04 Marks)
- ✓ (II) “The supply of a good or service of an individual firm can be defined as an individual supply”. What is **market supply**? (04 Marks)
- ✓ (III) From the following data, draw the supply and demand curves and determine the equilibrium price and quantity.

Price(Rs.)	Quantity Demanded	Quantity Supplied
10	0	40
8	10	30
6	20	20
4	30	10
2	40	0
0	50	0

(08 Marks)

- ✓ (IV) What are the methods used to calculate Nation Income? (03 Marks)
- ✓ (V) What is meant by unemployment and what are the types of unemployment? (06 Marks)