



## SLIATE

SRI LANKA INSTITUTE OF ADVANCED TECHNOLOGICAL EDUCATION

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

### Higher National Diploma in Information Technology

Second year, First Semester Examination – 2018

### HNDIT 2303 – Principles of Management and Applied Economics

Instructions for Candidates:

Answer only four (04) questions.

No. of questions: 05

No. of pages : 02

Time : 02 hours

1.

(Total 25 marks)

- ✓ i. Define the term Manager. (03 marks)
- ✓ ii. Briefly describe three decision roles played by managers. (06 marks)
- ✓ iii. "The ultimate aim of management is to enhance the organizational productivity and performance." Do you agree with this statement? Briefly explain your answer? (08 marks)
- ✓ iv. List main two classification areas of an organizations' external environment and briefly explain each giving two examples. (08 marks)

2.

(Total 25 marks)

- ✓ i. What are the barriers of planning? (04 marks)
- ✓ ii. Differentiate goals from objectives. (06 marks)
- ✓ iii. "In almost every organizations the process of planning starts at the very top level and trickles down to middle and lower levels in a very sequential manner."
  - ✓ a. List the three different types of plans in different organizational levels. (06 marks)
  - ✓ b. Briefly explain them considering focused area, focused time duration and main contents. (09 marks)

3.

(Total 25 marks)

- ✓ i. What is job specialization? (03 marks)
- ✓ ii. "Over specialization in a job causes to decrease the productivity." Do you agree with this statement? Explain your answer. (06 marks)
- ✓ iii. Differentiate a leader from manager considering four (04) criterias. (08 marks)
- ✓ iv. What is mean by decision making? Briefly explain decision making process. (08 marks)

4.

(Total 25 marks)

- ✓ i. List three (05) characteristics of an effective controlling system. (05 marks)
- ✓ ii. Briefly explain the three methods of calculating national income. (06 marks)
- ✓ iii. What is Frictional unemployment? (04 marks)
- ✓ iv. Briefly explain the costs of unemployment on the basis of individuals and society. (04 marks)
- ✓ v. "By reducing unemployment rate always economic efficiency can't be increased." Do you agree with this statement? Explain your answer providing a valid reason. (06 marks)

5.

(Total 25 marks)

- ✓ i. Suppose the demand and supply curve of a commodity is given by the following two equations.  $Q_d = 105 - 3P$  and  $Q_s = -39 + 8P$ .
  - a. What is market equilibrium? (03 marks)
  - b. Calculate the equilibrium price and the equilibrium quantity of the above commodity. (06 marks)
- ✓ ii. Differentiate followings providing examples.
  - a. Normal Goods and Inferior Goods
  - b. Substitutes and Complements (08 marks)
- ✓ iii. "Higher demand leads to higher equilibrium price and higher equilibrium quantity." Justify this statement using a graph. (08 marks)