



**Degree of Bachelor of Business Management in Hospitality, Tourism and Events
Management and**

Degree of Bachelor of Business Management in Entrepreneurship and Management studies

FIRST YEAR FIRST SEMESTER EXAMINATION – AUGUST / SEPTEMBER 2014

EMG 122-0 Introductory Economics

Instructions to candidates:

- No. of pages : Two (02)
No. of questions : Three (03)
Time allocation : One (01) hour
Marks allocation : 100 Marks
Answer 02 (two) questions only.

- (01) i) Define the term “economy” with an example. (10 Marks)
- ii) Differentiate “Micro Economics” and “Macro Economics” with an example. (20 Marks)
- iii) Briefly explain following economic concepts.
- a. Scarcity (5 Marks)
 - b. Opportunity cost (5 Marks)
 - c. Alternatives (5 Marks)
 - d. Production (5 Marks)

(Total Marks 50)

- (02) i) Briefly explain the role of a firm in an economy. (15 Marks)
- ii) You are given following details belong to a production of agricultural good in an economy.

Units of production	Fixed cost (Rs.)	Variable cost (Rs.)
1	100	40
2	100	60
3	100	70
4	100	85
5	100	130
6	100	150

Calculate,

- a. Total costs (05 Marks)
- b. Marginal costs (05 Marks)
- c. Average fixed costs (05 Marks)

d. Average variable costs

(05 Marks)

e. Average total costs

(05 Marks)

iii) Describe the term "Marginal cost" with an example.

(10 Marks)

(Total Marks 50)

(03) i) Briefly explain the components of Agricultural sector in Sri Lankan economy.

(10 Marks)

ii) Describe three (03) factors that influence on inflation in Sri Lanka.

(10 Marks)

iii) Define the term "employment" and explain the types of employment.

(10 Marks)

iv) Explain the reasons for unemployment conditions in Sri Lanka.

(20 marks)

(Total Marks 50)