



**Uva Wellassa University**  
**Faculty of Management**



Bachelor of Business Management in Hospitality Tourism and Events Management

**SECOND YEAR SECOND SEMESTER EXAMINATION - JANUARY/FEBRUARY 2016**

**HTE 281 - 3 Tourism Economics**

**Question paper should not be removed from the exam hall**

**Instructions to candidates:**

No. of pages : Five (5)  
No. of questions : Nine (09)  
Time allocation : Three (03) hours  
Marks allocated : 100 Marks

Index No:

Answer **two (2)** questions from part A and **04 (four)** questions from part B

**Part A**

- (1).  
(a). Briefly describe the determinants of tourism demand and tourism supply. (06 marks)  
(b). Discuss the factors shifting the demand curve of hotel accommodation upward. (05 marks)  
(c). Describe the nature of tourism demand with relevant examples (05 marks)  
**(Total 16 marks)**
- (2).  
(a). There are three different concepts related to tourism demand in a destination. Briefly explain these three concepts with relevant examples. (06 marks)  
(b). What are the changing patterns in tourism? Justify your answer (05 marks)  
(c). Discuss the determinants for high travel propensity (05 marks)  
**(Total 16 marks)**
- (3).  
(a). Describe destination factors which affects for tourism demand of a destination. (05 marks)  
(b). Briefly discuss major tourism supply components and supply trends (05 marks)  
(c). "Tourism generates direct, indirect and induced benefits to the economy" Do you agree with this statement? Justify your answer (06 marks)  
**(Total 16 marks)**



- (2).
- (a). Discuss three examples for tax in tourism industry in Sri Lanka. (04 marks)
  - (b). Briefly explain the justification for tax in tourism industry. (03 marks)
  - (c). Graphically explain the excess burden of a tax. (05 marks)
  - (d). "Tax is a necessary evil", do you agree? Justify your answer. (05 marks)
- (Total 17 marks)**

- (3).
- (a). "SLTDA is the sole regulation body for tourism industry in Sri Lanka". Briefly discuss this statement. (05 marks)
  - (b). Explain why categorization and registration of business entities in tourism industry is important in Sri Lanka. Justify your answer. (06 marks)
  - (c). Discuss three examples of government provision of incentives for tourism industry in Sri Lanka. (06 marks)
- (Total 17 marks)**

- (4).
- (a). Discuss the relationship between tourism industry and the environment (06 marks)
  - (b). Explain two valuation methods that can be applied to research in tourism industry. (06 marks)
  - (c). Discuss the current trends in research in tourism economics. (05 marks)
- (Total 17 marks)**

- (5).
- Discuss the effect of budget proposal 2016 on Sri Lankan tourism industry. (Total 17 marks)

- (6).
- Briefly explain any four of the following (4.25 marks for each)
- (a). Achieving 2.5 million tourist arrivals to Sri Lanka by the end of 2016 is an impossible target.
  - (b). Externalities and tourism industry in Sri Lanka.
  - (c). Global and local environmental impact of tourism industry in Sri Lanka.
  - (d). Criticisms for the free market
  - (e). Pigovian tax and environmental controls
  - (f). Sustainable development and future of tourism industry

**(Total 17 marks)**

