

Uva Wellassa University

Faculty of Management

Degree of Bachelor of Business Management in Hospitality, Tourism and

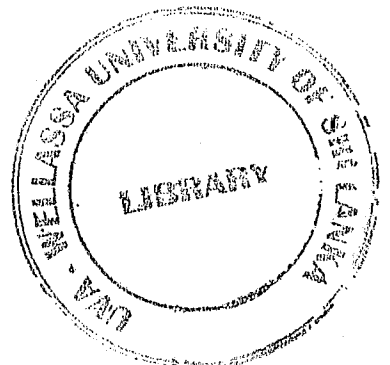
Events Management



SECOND YEAR FIRST SEMESTER EXAMINATION – DECEMBER 2016 /

JANUARY 2017

HTE 281 - 3 Tourism Economics (Repeaters Only)



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"Economic questions in general as well as those specific to recreation, leisure and tourism industry result from scarcity".

(a). Do you agree with the above statement? Justify your answer (8 marks)

(b). Explain the basic economic concerns of **scarcity, choice and opportunity cost** (7 marks)

(Total marks 15)

(3)

"Tourism is one of the major industries in many economies where much of the foreign earnings, employment and GDP depend on it". Examine this statement with Sri Lankan context

(Total marks 15)

(4)

(a). Define what it meant by tourism economics, the composition of the economy and where is the tourism industry positioned in that composition? (7 marks)

(b). Discuss the basic elements of tourism demand and supply (3 marks)

(c). What are the main factors affect on tourism supply in a destination (5 marks)

(Total marks 15)

(5).

"Even though tourism benefits to the cities, it does not make significant benefits to the country (village) side of the economy " Critically evaluate the above statement providing examples.

(Total marks 15)



- (2).
- (a). Define "Production Externalities" by providing examples from tourism industry (4 marks)
 - (b). Show that the externalities can be corrected (internalize) by using tax in a market based economy, use graphs where necessary (4 marks)
 - (c). Discuss the relationship between environment and tourism industry (7 marks)
- (Total 15 marks)



- (3).
- (a). Briefly discuss four types of regulations currently in place in the tourism sector in Sri Lanka (4 marks)
 - (b). "Registration of business entities in the hospitality industry is a must" Do you agree with this statement? discuss providing relevant examples (6 marks)
 - (c). Discuss the importance of providing incentives for the development of tourism industry by providing examples from Sri Lanka. (5 marks)
- (Total 15 marks)**

- (4).
- Write an essay on "Sustainable tourism development in Sri Lanka" discussing the relevance, activities, opportunities, and problems of implementing it in Sri Lanka.
- (Total 15 marks)**

- (5).
- Write short notes on any five (5) of the followings (3 marks for each)
- (a). The impact of budget proposal 2017 of Sri Lanka on tourism industry of Sri Lanka
 - (b). Target of achieving 2.5 million tourists arrivals to Sri Lanka by end of this year
 - (c). Role of SLTDA in developing the tourism industry in Sri Lanka
 - (d). Environmental impact of tourism industry of Sri Lanka
 - (e). Sustainable Tourism and rural development of Sri Lanka
 - (f). Price mechanism and resource allocation
 - (g). Price elasticity of demand and impact of a tax on producers
 - (h). Tax of the tourism industry in Sri Lanka
- (Total 15 marks)**