



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 – 2016
HNDIT 2303 Principles of Management and Applied Economics /
Fundamentals of Management and Economics

Instructions for Candidates:
Answer only **four** questions

No. of questions: 05
No. of pages : 02
Time : **Two hours**

Question 01

(Total 25 Marks)

- I). What are the four basic functions of management? (04 Marks)
- II). Briefly explain the importance of management for an organization. (05 Marks)
- III). Briefly discuss the relative skills needed for effective performance at different levels of management. (08 Marks)
- IV). What do you mean by the organizational environment? Briefly explain the elements of each environment. (08 Marks)

Question 02

(Total 25 Marks)

- I). Define the term planning. Identify two activities involved in planning. (06 Marks)
- II). Distinguish goals from objectives. (06 Marks)
- III). Explain different types of decisions taken by business organizations with a suitable example. (05 Marks)
- IV). What is decision making? State the steps involved in decision making process. (08 Marks)

Question 03

(Total 25 Marks)

- I). What is "Organizing"? Why is it important to organizations? (05 Marks)
- II). Differentiate between chain of command and span of management / span of control. (04 Marks)
- III). "Motivated employees are important asset for an organization". Briefly discuss why motivated employees are important to organization. (08 Marks)
- IV). Briefly discuss the barriers of communication. (08 Marks)

Question 04

(Total 25 Marks)

- I). "Controlling is a process of comparison of actual result with planned or set performance", what are the major steps of controlling process? (06 Marks)
- II). List out six (06) characteristics of an effective controlling system. (03 Marks)
- III). What is economics? Briefly explain the major categories of economics. (06 Marks)
- IV). Briefly explain the following terms. (10 Marks)
 - (a). Needs
 - (b). Basic economic problems
 - (c). Scarcity
 - (d). Opportunity cost

Question 05

(Total 25 Marks)

- I). Suppose the demand and supply curves of a Commodity-X is given by the following two equations simultaneously: $Q_d = 200 - p$ and $Q_s = 50 + 2p$
 - (a). What is the market equilibrium? (05 Marks)
 - (b). Find the equilibrium price and the equilibrium quantity. (06 Marks)
- II). What are the determinants of supply? (04 Marks)
- III). Define unemployment and explain how to calculate unemployment rate. (06 Marks)
- IV). What is nation income? (04 Marks)