

	UNIVERSITY OF RUHUNA FACULTY OF MANAGEMENT AND FINANCE	No. of Pages : 02 No. of Questions: 06 Total Marks :70
		HRM41423 – Personnel Economics Academic Year 2021/2022
BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE		<i>Three Hours</i>
4000 LEVEL FIRST SEMESTER END EXAMINATION – AUGUST/SEPTEMBER 2022		
Instructions ➔ Answer Five (05) questions only		

Question 01

- (I) “Imperfections in the labour market cause wages to differ from a competitive equilibrium”

Briefly discuss the different imperfections in the labour market.

(06 Marks)

- (II) Suppose demand, technology, and labor supply conditions for “Product A” was remain unchanged, and the supply of capital fell to 50 percent of their prior level. How would this affect the demand for labor? Explain.

(08 Marks)

(Total 14 Marks)

Question 02

- (I) Briefly discuss the two ways of dealing with adverse selection in hiring with examples.

(06 Marks)

- (II) Illustrate the high skilled productivity premium using a graphical explanation and its relationship to the skilled wage premium.

(08 Marks)

(Total 14 Marks)

Question 03

“Gender is related to how we perceived and expected to think and act as women and men because of the way society is organized”.

- (I) What does it mean by “Gender Stereotypes”? (03 Marks)
 - (II) Briefly discuss the characteristics of “Masculinity” and “Femininity” with relevant examples. (05 Marks)
 - (III) Why women are lack at executive level in corporate world of work? Explain. (06 Marks)
- (Total 14 Marks)

Question 04

- (I) “Tournament theory used to determine the size of rise associated with a particular promotion”. Explain this statement by highlighting essential features of tournament theory. (06 Marks)
 - (II) Discuss the current status of the labor force, labor force participation rate and employment in Sri Lanka. Support your answer with recent labor force survey results. (08 Marks)
- (Total Marks 14)

Question 05

- (I) Explain the core ideology of general training and firm specific training concepts. (06 Marks)
 - (II) Briefly discuss how secondary education completed individuals make decision about higher education investment under the basic human capital model of schooling. (08 Marks)
- (Total 14 Marks)

Question 06

Write short notes on any four (04) of the followings

- I. Economic Rent
- II. Performance Pay with a Two-Tier Wage System
- III. Rat Race
- IV. Labor Force
- V. Types of Compensation Scheme

(Each question carries 3.5 Marks)
(Total 14 Marks)
