



UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT AND FINANCE

No. of Pages 02
No of Question 05
Total Marks 70

HRM 41423: Personnel Economics

Academic Year 2022/2023

BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE

4000 LEVEL FIRST SEMESTER END EXAMINATION – AUG/SEP 2023

Three Hours

Instructions

- ➔ Paper contains five (05) questions. Answer all questions

Question 01

- I. Personnel economics has been defined as "the application of economic and mathematical approaches to traditional questions in human resources management".

Briefly explain the four (04) primary building blocks of personnel economics.

(06 Marks)

- II. Discuss the labor market characteristics of Sri Lanka with the statistical support of the recent labor force survey results.

(08 Marks)

(Total 14 Marks)

Question 02

- I. In pay related decision making, it is important to compare the wage received in a job with reservation wage.

Briefly explain the concept of economic rent with graphical illustration.

(06 Marks)

- II. Elaborate the applicability of personnel policies when dealing with the asymmetric information problem.

(08 Marks)

(Total 14 Marks)

Question 03

- I. Graphically illustrate the change of the indifference curve with the heterogeneous ability.

(06 Marks)

- II. Discuss the impact of worker characteristics on migration with examples.

(08 Marks)

(Total 14 Marks)



BACHELOR

4000 LEVEL

HR

Instructions



01) Read

The XY
increasi
pricing
strategi
undercu
employ
departm
ineffici

To add
aimed
enhanc
providi
policie

To exe
develo
efficie
enable
and re
to ge
monet

After
costs
traini
overa
reduc
close
cost s

Question 04

I. “Employers use education as a signaling device, which enables them to sort workers into different levels or categories of productivity”

Justify above statement with the support of signaling model.

(06 Marks)

II. Briefly explain the types of compensation schemes with illustration.

(08 Marks)

(Total 14 Marks)

Question 05

Write short note on the **four (04)** of following terms.

- I. Gender discrimination
- II. Gender based harassments
- III. Glass ceiling
- IV. International Labour Organization
- V. Rat race

(Each carries 03.5 marks)

(Total 14 Marks)
