



UNIVERSITY OF RUHUNA  
FACULTY OF MANAGEMENT AND FINANCE

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BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE

3000 LEVEL FIRST SEMESTER END EXAMINATION - AUG/SEP 2025

*Three Hours*

**MKT 31533 – Tourism Management**

Academic Year 2024/2025

**Instructions**

- ➔ **Question 1: Compulsory (must answer)**
- ➔ Select **any two (02)** questions from the remaining options

**Question 01**

Read the case and answer the questions given below.

Mirala Island, commonly referred to as Cinnamon Island, is a small island situated in the Madu River lagoon near to Balapitiya, Sri Lanka. Its tourism history is remarkable, spanning from isolated adventure to organised luxury, reflecting shifts in visitor types, community attitudes, and environmental impacts.

The first visitors arrived in the 1990s as authentic backpackers and cultural anthropologists. These intrepid travellers frequently resided for weeks or months, thoroughly engaging in local culture. They learnt basic Sinhala, went on daily fishing trips, helped with coconut harvesting, and lived with local families, sharing meals and participating in religious ceremonies. These tourists actively avoided commercialised activities and sought to live exactly like locals, even adopting local dress and customs to fully integrate. The interaction was intimate and personal, with tourists invited to family celebrations and religious festivals without the expectation of payment.

By the mid-2000s, Mirala Island started to draw a more diverse array of visitors. Tourism became more organised, with travellers choosing to reside in small family-operated guesthouses that provided essential comforts like mosquito nets while facilitating genuine interactions with local inhabitants. During this period, familial invitations to cultural events were formalised into paid 'cultural experiences' provided by guesthouses. This era witnessed community discussions regarding the impact of tourism: some residents established guesthouses, boat services, and shops for economic gain, while others expressed concerns about maintaining traditional

practices. In 2010, two community organisations epitomised these conflicting perspectives: the 'Mirala Tourism Development Association', which supported expansion, and 'Preserve Traditional Mirala', which sought to safeguard heritage.

In 2010, a significant turning point occurred when the Ruhuna Tourist Bureau designated Mirala Island as a "strategic tourism zone." This designation enabled government investment in enhanced road infrastructure and pier facilities, resulting in a swift increase in tourist arrivals from approximately 2,000 annually in 2005 to over 15,000 by 2020. International hotel chains procured land, resulting in the inauguration of the inaugural 4-star resort in 2015. Currently, the island features 12 lodging establishments, encompassing both traditional homestays and opulent resorts. This expansion created over 300 local tourism jobs, a significant increase from nearly zero employment in previous decades.

Tourist preferences have also undergone significant evolution over time. Initial visitors in the 1990s resided on floor mats within family residences, pursuing comprehensive cultural immersion. In the 2000s, fundamental guesthouses equipped with mosquito nets became standard for individuals seeking a combination of comfort and authenticity. The 2010s saw tourists preferring air-conditioned accommodations with Wi-Fi access. Today's visitors expect full resort amenities like spas, international cuisine, private beaches, and curated activities with set schedules.

The swift expansion of tourism resulted in significant environmental and social issues. Coastal regions became congested, displacing local fishermen from customary locations as resorts appropriated prime waterfronts. Water scarcity and lagoon contamination emerged as community concerns associated with tourist influx. The traditional practice of cinnamon harvesting, which serves as the cultural and economic foundation of the island and its namesake, has experienced a significant decline as younger residents gravitate towards employment in the tourism sector. The annual cinnamon harvest festival evolved from a communal celebration into a curated tourist attraction, occurring several times weekly to amuse visitors.

The COVID-19 pandemic significantly affected the tourism dynamics of Mirala Island. The imposition of border closures and travel restrictions temporarily halted tourism, exacerbating community tensions. By 2024, signs of strain were visible, such as locals purposefully giving tourists incorrect directions, shops charging tourists unfairly, and public meetings blaming tourism for increasing resource scarcity and environmental degradation. The local populace became progressively polarised between proponents of tourism for economic sustenance and detractors concerned about its social and ecological repercussions.

Government tourism policies evolved in response to changing industry dynamics. Initially, when visitor numbers were minimal, regulatory frameworks were virtually non-existent. As tourist