

**BACHELORS IN HOTEL MANAGEMENT
(BIHM)**

Term-End Examination

December, 2015

BHY-054 : HOTEL ECONOMICS

Time : 3 hours

Maximum Marks : 100

Note : *Attempt **any five** questions. **All** questions carry **equal** marks. Write the serial no. of the question clearly which is attempted by you.*

1. What do you understand by elasticity of demand ? How would you measure it ? Also give its types. **20**
2. Explain the effects of the following changes on the demand of a commodity : **10+10=20**
 - (a) Price of substitute goods.
 - (b) Price of complimentary goods.
3. Write notes on : **10+10=20**
 - (a) Cross Elasticity of demand
 - (b) Income elasticity of demand
4. Explain the concepts of average revenue, marginal revenue and total revenue. **20**
5. What is 'Law of Supply' ? How is it useful for a business ? **20**

6. What is a Price Policy ? Discuss its objectives in detail. 20
7. Write notes on : 10x2=20
(a) Full cost pricing
(b) Going Rate Policy
8. (a) Differentiate between money cost and real cost. 10x2=20
(b) Geometrical relation between AC and MC curves.
9. What is the relation of TP with MP in different stages of the operation under law of variable proportions ? 20
10. What is production function ? What are the fixed and variable factors of the production ? 20
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