

**M.Sc. IN HOSPITALITY ADMINISTRATION
(MHA)**

00413

Term-End Examination

December, 2016

MHA-018 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 100

*Note : Answer any five questions in about 600 words.
All questions carry equal marks.*

1. "Managerial economics is the integration of economic theory with business practice for the purpose of facilitating decision-making and forward planning by a manager." Elaborate the statement and discuss the underlying concept with suitable examples. 20

2. What do you understand by demand forecasting ? While describing the regression method of demand forecasting, explain why it is important for the firm to forecast demand. 20

3. What are the barriers faced by a Multi-National Hospitality Company, when it opens its branch/outlet in a country ? Discuss these barriers to entry with example. 20

4. Define Demand Function and explain how a product's price acts as a determinant of Demand. 20

5. Describe different types of Statistical Analysis. 20
Briefly discuss the limitations of different types of Statistical Analysis.
6. (a) Explain the concept of economies of scale.
(b) What are economies of scope ? How do they differ from economies of scale ? 10x2=20
7. What is "Perfect Competition ?" Discuss its characteristics and relevance. 20
8. Define a "Monopolistic Competition." Explain its features and the nature of its demand curve. 20
9. Explain break-even analysis on the basis of its concept, use, drawbacks and advantages. 20
10. Write short notes of the following : 10x2=20
(a) Pricing of Joint Products
(b) Operating Leverage
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