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**BACHELOR IN HOTEL MANAGEMENT  
(BIHM)**

**Term-End Examination**

**December, 2017**

**BHY-054 : HOTEL ECONOMICS**

*Time : 3 hours*

*Maximum Marks : 100*

*Note : (i) Attempt any five questions.*

*(ii) All questions carry equal marks.*

1. Define law of demand. What are extension and contraction of demand ? 20
2. Discuss the working of elasticity of demand. 20
3. Illustrate main determinants of law of supply. 20
4. Write a note on : 2x10=20
  - (a) Revenue analysis
  - (b) Opportunity cost
5. What is pricing policy ? Explain considerations for formulation of pricing policy. 20
6. Write a note on : 2x10=20
  - (a) Going rate policy
  - (b) Cost plus pricing

7. Discuss the need and importance of production function. 20
  8. What are cost concepts ? Elaborate factors influencing cost of production. 20
  9. Write a note on : 2x10=20
    - (a) Price elasticity of demand
    - (b) Cost and output relation
  10. Discuss the utility of law of variable proportions. 20
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