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**MBA IN INTERNATIONAL HOSPITALITY  
MANAGEMENT**

**Term-End Examination  
December, 2017**

**MHY-007 : MANAGERIAL ECONOMICS**

*Time : 3 hours*

*Maximum Marks : 100*

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*Note : Attempt any five questions. All questions carry equal marks.*

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1. What do you understand by managerial economics ? Discuss the role of managerial economics in managerial decisions. 20
2. Write short notes on : 10x2=20
  - (a) Cardinal Utility Analysis
  - (b) Indifference Curve Analysis
3. Define various types of elasticity of demand. 20  
Explain the various methods of measuring price elasticity.
4. Explain the law of variable proportions and various stages of this law with the help of tables and diagrams. 20
5. Explain the following : 5x4=20
  - (a) Production function
  - (b) Constant returns to scale
  - (c) External economies
  - (d) Isoquant curve

6. Describe in detail the Investment and capital replacement decisions taken in a 5 star chain hotel located in a beach tourist destination. 20
7. Explain the following in short : 5x4=20
- (a) Limit Pricing Policy
  - (b) Peak Load Pricing
  - (c) Dual Pricing
  - (d) Psychological Pricing
8. What do you mean by sales maximization model? Give arguments in favor and against sales maximization. 20
9. What is trade cycle? What are its causes? Explain the measures to control it. 20
10. Explain in brief : 10x2=20
- (a) Inflation Analysis
  - (b) Tariff Analysis
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