

**BACHELORS IN HOTEL MANAGEMENT
(BIHM)**

Term-End Examination

June, 2014

BHY-054 : HOTEL ECONOMICS

Time : 3 hours

Maximum Marks : 100

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

1. What is law of demand ? Why does curve slope downwards to the right ? 20
2. Define elasticity of demand. What are the types of elasticity of demand ? 20
3. What do you mean by law of supply ? Give the determinants of law of supply. 20
4. What is the relationship between AR, MR and elasticity of supply ? 20
5. Write notes on : 10+10=20
 - (a) Survey of buyers intention
 - (b) Marginal Revenue
6. Explain various considerations involved in formulating pricing policies. 20

7. Write notes on : 10+10=20
(a) Going Rate Policy
(b) Rate of Return Policy
8. What do you mean by cost of production ? 20
Describe how various cost concepts influence the cost of production.
9. What do you mean by production function ? Give 20
its types.
10. Write notes on : 10+10=20
(a) Opportunity cost
(b) TFC
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