

# BACHELORS IN HOTEL MANAGEMENT (BIHM)

Term-End Examination

June, 2016

## BHY-054 : HOTEL ECONOMICS

Time : 3 hours

Maximum Marks : 100

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

1. What do you mean by law of demand ? Explain extension and contraction of demand. 20
2. Write note on : 10x2=20
  - (a) Cross elasticity of demand
  - (b) Price elasticity of demand
3. Define law of supply. What are the determinants of law of supply ? 20
4. What do you mean by elasticity of law of supply and define its influence on cost of production. 20
5. Define the concept of : 20
  - (a) Average Revenue 6
  - (b) Marginal Revenue 6
  - (c) Total Revenue 8

6. Explain pricing policy and general considerations involved in formulating pricing policies. 20
7. Write note on : 10x2=20  
(a) cost plus or full cost pricing  
(b) pricing for a rate of return
8. Explain in detail : 10x2=20  
(a) Opportunity cost  
(b) Cost and output relation
9. What do you understand by cost concepts ? 20  
Describe how various cost concepts influence the cost of production.
10. Define production function and importance of it in management. 20
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