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**BACHELORS IN HOTEL MANAGEMENT  
(BIHM)**

**Term-End Examination**

**June, 2017**

**BHY-054 : HOTEL ECONOMICS**

*Time : 3 hours*

*Maximum Marks : 100*

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

1. Define elasticity of demand. What are cross and price elasticity of demands ? 20
2. Illustrate the working of law of demand. 20
3. What is law of supply ? Illustrate main determinants of law of supply. 20
4. Write notes on (any two) : 2x10=20
  - (a) Average Revenue
  - (b) Marginal Revenue
  - (c) Total Revenue
5. What is Pricing ? Discuss various considerations for formulation of pricing policy. 20
6. Write a note on : 2x10=20
  - (a) Full cost pricing
  - (b) Marginal cost pricing

7. What is cost of production ? Elaborate factors influencing cost of production. 20
8. Discuss various cost concepts with examples. 20
9. Discuss the need and significance of law of variable proportions. 20
10. Write a note on : 2x10=20  
(a) Survey of buyers intention  
(b) Production function
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