

**BACHELOR IN HOTEL MANAGEMENT  
(BIHM)**

**Term-End Examination**

00334

**June, 2018**

**BHY-054 : HOTEL 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. Give the difference between 'increase in demand' and 'extension of demand' and between 'decrease in demand' and 'contraction of demand'. Explain the conditions under which increase in price leads to increase in demand. 20
2. What is meant by elasticity of demand ? Explain the managerial uses of elasticity of demand. 20
3. What do you understand by law of supply ? Explain the assumptions and determinants of law of supply. 20
4. What is meant by revenue analysis ? Explain the relationship among average, marginal, and total revenue, with the help of diagrams. 20

5. Explain the mutual relationship between Average Cost, Marginal Cost and Total Cost with the help of table and diagrams. Do they differ in short-run and long-run ? 20
  6. Discuss the various concepts of Cost Curves. Define the cost and output relationship in detail. 20
  7. What do you mean by pricing strategy ? Explain its various objectives in present-day economic scenario. 20
  8. What do you understand by pricing policy ? What are the general considerations involved in formulating pricing policy ? 20
  9. Explain the Law of Variable Proportions. Explain various stages of this law with the help of a table and diagram. 20
  10. Explain the Law of Diminishing Returns along with its modern version. 20
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