

**MBA IN INTERNATIONAL HOSPITALITY
MANAGEMENT**

Term-End Examination

June, 2018

MHY-007 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 100

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

1. Define managerial economics. Discuss the nature and scope of managerial economics. 20
2. What do you mean by alternative objectives of business firm ? Explain in detail with suitable examples. 20
3. What is demand estimation ? Explain the factors which determine the demand for consumer goods. 20
4. Explain the following in brief : 4x5=20
 - (a) Angel's Law
 - (b) Consumer Surplus
 - (c) Price Effect
 - (d) Income Effect
5. What is meant by returns to scale ? Explain the law of diminishing returns to scale in detail. 20

6. Discuss in brief the following price-fixing methods : 4x5=20
- (a) Rate of return pricing
 - (b) Going rate pricing
 - (c) Refusal pricing
 - (d) Peak load pricing
7. Explain the pricing policies based on the life - cycle of a product with examples. 20
8. Explain the cartel behaviour of the firms with relevant examples from hospitality industry. 20
9. Write notes on : 10x2=20
- (a) Shut down point
 - (b) Capital replacement decisions
10. What is meant by trade cycle ? Explain its different phases with suitable examples. 20
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