

No. of Printed Pages : 2

BHY-054

**BACHELOR IN HOTEL MANAGEMENT
(BIHM)**

Term-End Examination

June, 2019

00655

BHY-054 : HOTEL ECONOMICS

Time : 3 hours

Maximum Marks : 100

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

1. What is demand ? Explain the difference between shift in demand curve and movement along the demand curve with table and diagrams. 20
2. What is income elasticity and cross elasticity of demand ? Explain the factors affecting price elasticity of demand. 20
3. What do you mean 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. Write short notes on the following : 4×5=20
- (a) Objectives of Pricing Policy
 - (b) Full-cost Pricing
 - (c) Going Rate Pricing
 - (d) Pricing for a Rate of Return
6. What do you understand by pricing policy ? What are the general considerations involved in formulating pricing policy ? 20
7. Write notes on the following : 4×5=20
- (a) Opportunity and Actual Cost
 - (b) Fixed and Variable Cost
 - (c) Implicit and Explicit Cost
 - (d) Relationship between MC and AC
8. Discuss the various concepts of curves. Define the cost output relationship in detail. 20
9. Explain the law of return to variable proportions. What are the factors that cause increasing and decreasing returns to a variable input ? 20
10. What is production function ? How is short-run and long-run determined in the context of production of a commodity ? 20
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