

BACHELOR IN HOTEL MANAGEMENT (BIHM)

Term-End Examination

00251

December, 2014

BHY-054 : HOTEL ECONOMICS

Time : 3 hours

Maximum Marks : 100

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

1. What do you mean by extension and contraction of demand ? Explain the factors affecting the two. 20
2. What is the relationship between price elasticity, income elasticity and cross elasticity of demand ? Explain with the help of a diagram. 20
3. How does the law of supply influence the cost of production ? Explain. 20
4. What do you mean by pricing policy ? Explain the pricing policies of the life cycle of a product. 20
5. Write notes on the following : 2×10=20
 - (a) Factors influencing cost of production
 - (b) Objectives of price policy

6. Distinguish pricing policy and pricing method.
How do they affect the business performance? 20
7. Write short notes on the following : 2×10=20
- (a) Opportunity Cost
 - (b) TVC
8. Describe the various types of cost curves. Also explain the significance of cost curves. 20
9. Define production function. Discuss its use in managerial activities in detail. 20
10. Write notes on the following : 2×10=20
- (a) Going Rate Policy
 - (b) Cost and Output Relation
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