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**BACHELORS IN HOTEL MANAGEMENT
(BIHM)**

Term-End Examination

December, 2016

BHY-054 : HOTEL ECONOMICS

Time : 3 hours

Maximum Marks : 100

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

1. What do you mean by Law of demand ? Why does demand curve slopes downward to the right ? Explain in detail. 20

2. Explain in detail : 10x2=20
 - (a) Income elasticity of demand
 - (b) Survey of buyers intention

3. What do you mean by elasticity of law of supply ? Define its types in detail. 20

4. What is the relationship among Average Revenue, Marginal Revenue, Total Revenue and elasticity of supply ? Explain with relevant examples. 20

5. What do you understand by pricing policy ? 20
Define the objectives of pricing policy.
6. Write a note on : 10x2=20
(a) Law of Demand
(b) Opportunity Cost
7. What do you understand by cost of production ? 20
Describe how the various cost concepts influence the cost of production.
8. Write a note on : 10x2=20
(a) Law of variable proportion
(b) Pricing for a rate of return
9. What do you mean by production function ? 20
Explain its types.
10. Explain various pricing methods. Elaborate in detail cost plus or full cost pricing with suitable examples. 20
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