



**MBR-BHTM-HE-4.5** Seat No. \_\_\_\_\_

**Second Year B. H. T. M. (Sem. IV)  
(CBCS) Examination**

**March / April - 2018**

**4.5 : Hotel Economics  
(New Course)**

Time : 3 Hours]

[Total Marks : 70

- Instructions :** (1) The maximum marks are 70. All questions carry equal marks.  
(2) The maximum marks are assigned in front of each question.  
(3) Attempt any one from Question 1 and Question 2.  
(4) Attempt any three questions from Question 3 to Question 8.

- 1 Do as directed : **7+7=14**  
(A) Indicate the nature of the product based on the following income elasticities of demand: **7**

Category	Value	Nature	Category	Value	Nature
<i>Tobacco</i>	-0.50		<i>Bread and cereals</i>	-0.50	
<i>Food</i>	0.45		<i>Vegetables</i>	0.87	
<i>Clothing</i>	1.23		<i>Travel abroad</i>	1.14	
<i>Durable goods</i>	1.47		<i>Recreational goods</i>	1.99	
<i>Catering Services</i>	1.75		<i>Wines and spirits</i>	2.60	

- (B) Read the following passage and answer the questions based on it. **7**

It has been estimated that the income-elasticity for meals in restaurants is about 1.1 with the price-elasticity ranging from 1.0 in the short term to 2.0 and more in the long term. Crosselasticity with the price of meals at home ranged from +0.4 in the short term to -0.5 in the long term, i.e. likelihood of eating at home decreased with time after a rise in the relative cost of eating out. What does the various elasticity of demand indicate? Interpret the same.

- 2** Define the following : **7+2=14**
- (a) Supply and Law of Supply
  - (b) Hotel and Catering Industry
  - (c) Economics
  - (d) Industry
  - (e) Market
  - (f) Sector
  - (g) Price Elasticity of Demand
  - (h) Resource Allocation
- 3** Write short notes on any two in around 200 words : **2×7=14**
- (a) Economic Development.
  - (b) Sectors of Economy
  - (c) Service Economy and Hospitality Industry
  - (d) Price Elasticity of Demand
  - (e) Demand for hotel and catering services
- 4** What is Service Economy? Explain in detail the influences on the service economy. (Minimum Word Limit - 500 words) **14**
- 5** Define the term 'Economics'. Enumerate factors of productions and sectors and types of an economy. Explain the influences on service economy. **14**
- 6** Define the term 'Demand'. What are the determinants of demand? What is demand function? Indicate the law of demand and its exceptions. Define the term Elasticity of Demand. Indicate the various measures of elasticity of demand and their significance. **14**
- 7** Write a detailed note on Monopolistic Competition. **14**
- 8** Solve the following econometric problems : **14**
- (A) Draw the demand schedule, demand curve of the following demand equation of burgers:  $Q_d = 120 - 10 P$ . Calculate the Price Elasticity of Demand and indicate the significance of price elasticity of Demand at  $e_p = -1$ . **7**

(B) Calculate the Cross Price Elasticity of Demand from the following data. Also indicate the significance for each commodity with respect to Coke. 7

Commodity	Before		After	
	Price (Rs./Unit)	Quantity (Units/Month)	Price (Rs./Unit)	Quantity (Units/Month)
Lassi(Y)	13	30	11	40
Coke(X)	8	15	9	10
Lemon Juice(Z)	10	10	11	9
Coke(X)	8	15	9	12

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