B. H. T. M. (Sem. IV) (CBCS) Examination

April - 2022

4.5 : Hotel Economics

Faculty Code : 010
Subject Code : 1204005

Time : **2.30** Hours]   [Total Marks : **70**

Instructions :   (1) The maximum marks are 70. All questions carry equal marks.

(2) The maximum marks are assigned on right of each question.

(3) Attempt any five questions.

1   Do as directed :   **7+7=14**

(a) Indicate the nature of the product based on the following   7
income elasticities of demand :

Category	Value	Category	Value
Tobacco	−0.50	Bread and cereals	−0.50
Food	0.45	Vegetables	0.87
Clothing	1.23	Travel abroad	1.14
Durable goods	1.47	Recreatinal goods	1.99
Catering Services	1.75	Wines and spirits	2.60

(b) Read the following passage and answer the questions   7
based on it.

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. Cross-elasticity 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 any seven. **7×2=14**

   (a) Economic Development   (e) Market

   (b) Hotel & Catering Industry (f) Sector

   (c) Economics   (g) Price Elasticity of Demand

   (d) Industry   (h) Resource Allocation

3 Write short notes on two in around 200 words. **2×7=14**

   (a) Market Structure and its Characteristics, Conduct and Performance.

   (b) Law of Diminishing Marginal Utility.

   (c) Type of resources and the returns on them.

   (d) The forms of economic activity.

   (e) Demand for hotel and catering services.

   (f) Factors affecting supply.

4 What is Elasticity ? Explain in detail the various types of elasticity of demand and the significance of its values. Indicate the importance of price elasticity of demand as-1 (negative 1) (Minimum Word Limit - 500 words) **14**

5 What is Service Economy ? Explain in detail the influences on the service economy. (Minimum Word Limit - 500 words) **14**

6 Define the term 'Economics'. Enumerate factors of productions and sectors and types of an economy. Explain the influences on service economy. **14**

7 Write detailed note on Monopolistic Competition. **14**

8 Define the term 'Supply'. What are the determinants of demand ? What is supply function ? Indicate the law of demand. Define the term Elasticity of Supply. Indicate the various measures of elasticity of supply and their significance. Also explain why the slope of supply curve is positive. **14**

9   Write a detailed note on "The Small Establishment" or   **14**
     "Barriers to Entry in relation with Product Differentiation".

                              OR

     Write a detailed note on "Advertising" or "Product Design and   **14**
     Innivation".

10   Solve the following econometric problems :   **14**

     (a)   Calculate the Income Price Elasticity of Demand at each
           level from the following data related to the quantity of meat
           demanded by a family of four at various income levels.
           Also indicate the significance at each level.

Income (Rs./Month)	4000	6000	8000	10000	12000	14000	16000
Quantity (Kg./Month)	10	20	30	35	38	39	34

     (b)   Calculate the Cross Price Elasticity of Demand from the   **7**
           following data. Also indicate the significance for each
           commodity.

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

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