



Name :

Roll No. :

Invigilator's Signature :

CS/BTTM/SEM-3/TTM-303/2012-13

2012

TOURISM ECONOMICS

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for the following : $10 \times 1 = 10$
 - i) Law of demand explains
 - a) demand varies directly with price
 - b) demand varies indirectly with price
 - c) there is no relationship between demand and price
 - d) none of these.
 - ii) Cross price elasticity of complementary commodities is
 - a) negative
 - b) positive
 - c) zero
 - d) none of these.
 - iii) Production function depicts the relation between
 - a) demand and supply
 - b) input & output
 - c) both (a) and (b)
 - d) none of these.



- iv) In the long run, all cost is
 - a) fixed
 - b) variable
 - c) both fixed and variable
 - d) none of these.
- v) In which market has no difference between firm and industry ?
 - a) Monopoly
 - b) Oligopoly
 - c) Perfect competition
 - d) None of these.
- vi) When there is excess demand in the market, the equilibrium price
 - a) decreases
 - b) increases
 - c) remains same
 - d) none of these.
- vii) In the method only some of the units of the population are studied.
 - a) sampling
 - b) census
 - c) barometric
 - d) none of these.
- viii) Cruise tourism falls under
 - a) adventure trip
 - b) pleasure trip
 - c) education trip
 - d) eco-tourism trip.
- ix) Which one is the fixed cost in tourism service ?
 - a) Transportation cost
 - b) Rent on hotel
 - c) Fooding cost
 - d) None of these.
- x) Demand for hotels in a tourist spot is
 - a) elastic
 - b) inelastic
 - c) perfect elastic
 - d) none of these.



GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following 3 × 5 = 15

2. What is multiplier effect ?
3. If the price of X falls from Rs. 60 to Rs. 50, its demand rises from 500 units to 800 units. Find the price elasticity of demand.
4. What is leakage in Tourism ? What are the different factors responsible for Tourism leakage ?
5. Define income elasticity of demand. How can you measure income elasticity of demand ?
6. State the importance of Tourism as a tool for economic development to any country.

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. 3 × 15 = 45

7. a) What are the foundations of tourism demand ?
 b) Differentiate between 'change in demand' and 'change in quantity demanded'.
 c) Draw the demand curves when the price elasticity of demand is zero, infinite and one. 4 + 6 + 5
8. a) What are the various methods of demand forecasting ?
 b) Annual sales of tourism product of a showroom are given below :

| | | | | | |
|-------|------|------|------|------|------|
| Year | 1999 | 2000 | 2001 | 2002 | 2003 |
| Sales | 45 | 56 | 78 | 46 | 75 |

Forecast the amount of sale in the year 2007. 7 + 8

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9. Define marginal cost. Draw the short run cost curves and show the relationship between average variable cost, average cost and marginal cost. 5 + 10
10. a) Explain the different pricing methods used in tourism.
b) What is price discrimination and under what condition price discrimination is possible and profitable in tourism ? 7 + 8
11. a) Differentiate between the functions of commercial bank and central bank.
b) State the importance of bank in a society. 10 + 5

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