

ECONOMICS OF TOURISM – 2 Credits

Objective:

At the end of the course, the student will have competence in:

Relating and identifying the determinants of demand / supply mechanism, price stabilization in the tourism industry, affect of FOREX on the industry, cost, PEST Analysis of the industry, economic behaviour of firms involved in tourism, predicting behaviour of firms, suggesting policy and firm level interventions, relate to leisure and tourism impacts on National Economy, identify aspects of environmental issues and the importance of sustainability.

Contents:

1. **Tourism demand:** Concept of Demand & supply in tourism.
2. **Holiday Choice:** Consumer decision making process, Determinants & indicators of demand. Measurement of demand.
3. **Tourism supply and costs:** Pricing in tourism: Determinants of Price, Types of price in tourism, pricing a new product project feasibility study, Cost benefits analysis.
4. **Tourism market structure:** Structure, performance and conduct of tourism firms, Five forces analysis in understanding competitive advantage for firms.
5. **Impact of New Economy:** Economic impacts, Social Impacts, Environmental Impacts, Multiplier effects in tourism, Environment impact assessment (EIA)
6. Macroeconomic environment of tourism.
7. Public and Private sector in tourism: Government role in tourism, Community and tourism, Need for Public – Private sector co- operation in tourism.
8. **Tourism and externalities:** Environment, sustainability.
9. Emerging areas in economics of tourism: Tourism's contribution in the global economy and in Indian Economy.
10. **Tourism demand forecasting,** sources of finance for tourism, TFCI.

Pedagogy:

The course will be handled through exercises in economically interpreting contemporary tourism news items as well as articles on tourism industry in different parts of the world. Students will be required to make industry and firm level analysis of the firms in which they work or attached for Internship.

Suggested Reading:

1. Tribe, John, 'Economics of Leisure and Tourism', Butterworth Heinemann, Oxford, 1999
 2. Cullen, Peter, 'Economics for Hospitality Management', Thomson Business Press, UK, 1997
 3. Journals such as the Annals of Tourism Research, Journal of Travel Research and materials from newspapers, popular magazines and the Internet.
-