

THS 503

Tourism Economics

Paper: 03

CH: 3

LH: 48

Course Objectives:

This course examines tourism from an economic perspective. The course is designed to make student able to understand the relation of tourism and economy. After successful completion of this course, students will be able to

- Use a theory base of economics to study travel and tourism.
- Understand some of the central issues in tourism to which economic analysis can contribute.
- Apply Microeconomics and Macroeconomics within the travel and tourism context.
- Understand the nature of tourism products and determinants of demand and supply of tourism products.

Course Contents**Unit: I Introduction of Tourism Economics**

[LH: 5]

Concept and scope of Tourism, Basic concept of economics, What is tourism Economics? Concept and interdependence of micro and macro economics,

Unit: II Leisure and Tourism Industry and Tourism Product

[LH: 7]

Concept and determinants of leisure and tourism, Leisure and Tourism Industry, The market for leisure & tourism products, Meaning, definition and nature of Tourism products, Characteristics of tourism products, Types of tourism products.

Unit: III Tourism Demand and Supply

[LH: 12]

Concept, nature and types of tourism demand, Measurement and determinants of tourism demand, Methods of forecasting tourism demand, problems and prospects: manufacturing and infrastructure (physical and social), Tourism supply- concept and components, Determinants of tourism supply.

Unit: IV Impact of Tourism and Hospitality Services in National Economy [LH: 10]

Concept and impact of tourism and hospitality, Tourist expenditure and inter-sectoral linkages: forward linkages and backward linkages, Tourism impact on national economy (national income, GDP, employment, poverty, inequality, economic growth and development, social transformation and technological transformation), Economic Multipliers of Tourism.

Unit: V Pricing of Tourism Products

[LH: 7]

Introduction of different market structures of travel and tourism, Determinants of price and output of tourism products (under perfect competition and *monopoly market, monopolistic competition*), Pricing the Service Product, cost benefit analysis (CBA) and social cost benefit analysis (SCBA) of tourism products.

Unit: VII Investment in Leisure and Tourism

[LH: 7]

Principles of investment, Investment in travel and tourism, Role of Foreign Direct Investment (FDI) in tourism development in Nepal, Project feasibility studies and investment models, Application of investment criteria of public-private partnership in tourism sector in Nepal. Tourism Financial Sources, Factors affecting travel and tourism's yields and future.

Prescribed Books:

- Agrawal, M. and Upadhyaya, R., (2006), *Tourism and Economic Development in Nepal*, New Delhi: Northern Book Centre.
- Bull, A. (1999). *The Economics of Travel and Tourism*, Malaysia: Addison Wesley Longman Australia Pty Ltd.
- Dixit, S.K.,(2005), *Tourism and Economics*, New Delhi: Mohit Publications
- Karma, K. K,(2001), *Economics of Tourism*, New Delhi: Kanishka Publishers.
- Koutsoyiannis, A, (1975). *Modern Microeconomics*, Palgrave Macmillan, UK.

Recommended Readings:

- Kotler, P., Bowen J.T. and Mackens J.C.(2010), *Marketing for Hospitality and Tourism*, Prentice Hall
- Lundberg, D., Krishnamoorthy, M., and Stavenga, M.H. (1995). *Tourism Economics*, New York: John Wiley & Sons, Inc.
- Vogel, H. (2001). *Travel Industry Economics*, New York: Cambridge University Press.
- Tribe, J.(2011): *The Economics of Recreation, Leisure and Tourism*, UK: Taylor & Francis co.
- Dewett, K.K. (2001): *Modern Economics Theory*, New Delhi: S. Chand & Co.
- Morrison, A. L (1989), *Hospitality and Tourism Marketing*, Delmer Publishers, New Jersey.