



MAASAI MARA UNIVERSITY
REGULAR UNIVERSITY EXAMINATIONS
2023/2024 ACADEMIC YEAR
FOURTH YEAR SECOND SEMESTER
SCHOOL OF NATURAL RESOURCES, TOURISM
AND HOSPITALITY
BACHELOR OF HOSPITALITY MANAGEMENT
COURSE CODE: HHM 4248-1
COURSE TITLE: REVENUE MANAGEMENT

DATE:

TIME:

INSTRUCTIONS TO CANDIDATES

Answer **ALL** questions in **Section A** and any other **TWO** questions in Section B

SECTION A (20MARKS)

- i. Define the following terms used in Hotel Revenue Management
 - a) Price discrimination **(2 Marks)**
 - b) Variable costs **(2 Marks)**
 - c) Consumer disparity **(2 Marks)**
- ii. Outline any five factors to consider while forecasting tiered pricing for a hotel or restaurant **(5 Marks)**
- iii. Using three specific examples show the relationship between Revenue Management and the Sales and Marketing department. **(6 Marks)**
- iv. List six Key Performance indicators of daily interest to a Hotel Revenue Manager **(3 Marks)**

SECTION B (30 MARKS)

QUESTION TWO

Ms. Muriuki owns and manages the 200-room Comfort Inn. She prepares a daily Rooms Forecast Report that is shared with the housekeeping, food and beverage, and front desk managers. Muriuki has compiled the information in the table below from historical records, current PMS data, and her insight into room sales-related events likely to occur. Assuming today is Monday, 2nd June, use the information in the table to help Muriuki complete the Rooms Forecast Report for Tuesday 3rd June by answering the questions that follow

Rooms Forecast Report for:		Tuesday (This week)	
Date: June 3rd.		Day: Tuesday	
	Total rooms available		200
2	Out-of-order (OOO) rooms		0
Net Availability			200
	Stayovers		85
1	Reservations (Arrivals)		60
Rooms Sold or Reserved			
Adjustments:			
	Overstays		15
	Early departures		10
	No-shows		5
Total Forecast Sold or Reserved After Adjustments			

- i) Calculate the number of rooms that Muriuki forecasts to be occupied on Tuesday night. **(2 marks)**
- ii) Determine Muriuki's occupancy percentage forecast for Tuesday night. **(2 marks)**
- iii) Assume Muriuki's ADR forecast for Tuesday night is \$160.99. Calculate her estimated total room revenue for this day and date **(2 marks)**
- iv) Determine the RevPAR for the night. **(3 marks)**
- v) Explain Two insights into room sale related occurrences that Ms. Muriuki may need to consider **(6 marks)**

QUESTION THREE

Sharon Mohamed is the Revenue Manager (RM) of a popular 300-seat family-style Brazilian restaurant open only for dinner. Nightly, she calculates a variety of statistics that help her better understand the revenue-generation abilities of her operation.

Nightly Revenue Generation re-cap Date: <u>Today</u>			
Hour of Operation	Guests Served	Check Average	Revenue
5-6 P.M.	118	\$11.25	
6-7 P.M.	251	\$13.25	
7-8 P.M.		\$13.97	\$4400.55
8-9 P.M.	264	\$12.98	
9-10 P.M.	102		\$1,096.50
Total			
Table Turns = ___			

- i) Complete the revenue generation report she has developed using today's data by calculating the missing values. **(8 marks)**
- ii) Explain two ways a restaurant can manage duration. **(4 marks)**
- iii) c) Outline any Three Fundamental Elements in the development of a Revenue Management Strategy. **(3 marks)**

QUESTION FOUR

a) Njeri runs a restaurant in the Westlands area. She has just hired a Management Trainee who has no knowledge of the service sector to assist them in the restaurant. Njeri has delegated the task of training the Trainee to you. Inform the Trainee of three unique characteristics of services and explain the likely implications for each of the unique characteristics/ nuances when delivering services in the restaurant.

(9 marks)

b) Companies have a much better chance to deliver value to consumers when they pay close attention to consumer needs. It is easier to do this by going after segments instead of whole markets. Discuss in detail, using relevant examples, how a company that intends to own and run restaurants in Nairobi can segment the restaurant market using a demographic segmentation strategy.

(6 marks)

QUESTION FIVE

Explain three 'I's of service using the perceived value, price and benefit

Equation.

(15 mks)