

INSTRUCTION(S) : **FOUR (4)** definitional and short answer questions. Answers are to be written on the space provided in question sheet.

1. Describe each of the following terms and provide an example in hospitality of each :

(10 marks)

a. E-wholesaler

b. Operating Cost

2. Describe **TWO (2) HIGH DEMAND** Revenue Management tactics that are applied in the Rooms Division section of the hotels of today and for each and analyse **TWO (2)** benefits to the Rooms Division department from a business (profitability) point of view.(10 marks)

3. Labour is the largest housekeeping expense, the executive housekeeper must be sure not to overschedule the department's work force, for calling too many employees to work

INSTRUCTION(S): TWO (2) short answer questions that require you to refer to a Rooms Division Departmental Budget on page 5. Answers are to be written in the space provided in the question sheet.

The Blue Lagoon Resort, Langkawi

The Blue Lagoon Resort Langkawi, a 5-star luxury hotel in Langkawi tells a tale of a lifestyle getaway. It is enveloped by immaculate splendor of sandy beach, marina and lush tropical hills. This awards-winning hotel in Malaysia embraces the architectural beauty from the Colonial era in a Mediterranean ambiance.

Sales Mix Overview

The general sales mix of the hotel guests means that the hotel is normally a leisure hotel (families) during school and other major holidays. There are 100 Family suites Room with family facilities (but no in-room laundry, the guests have to pay for the hotel to launder). The Blue Lagoon Resort, Langkawi has a **high season with often excessive demand** in December with many families travelling from neighboring countries like Singapore and Indonesia as well as Middle East and Europe as It also has excellent leisure facilities and June is a good month for Internet Travel Agent bookings. The room types and numbers of each are as follows:

THE BLUE LAGOON RESORT ROOM TYPE BREAKDOWN:

Deluxe Suite Room:	100
Family Suite Room:	100
Standard Room	: <u>163</u>
Total	363

The Financial Controller has just released the profit and loss statement for Rooms Division for the previous month of May, and there were some major variances in revenue and costs she wishes improved for June.

THE BLUE LAGOON RESORT, LANGKAWI PROFIT AND LOSS STATEMENT

MAY 2016

	Budget	Actual	Variance
REVENUE			
Rooms Occupancy	81.0%	71.1%	(9.9%)
Total Rooms Occupied	9115	7750	(1365)
Average Daily Rate	RM184.00	RM200.00	RM 16.00
Total Rooms Revenue	RM1,677,160	RM1,550,136	RM (127,024)

Telephone	RM 18,230	RM22,500	RM 4,270
Laundry/Dry Cleaning	RM 9,115	RM 9,215	RM 100
In-House Movies	RM 1, 823	RM 2,823	RM 1000
Concierge Services	RM 3, 646	RM 7,258	RM 3612
TOTAL REVENUE	RM1,709,961	RM1,591,932	RM (118,029)

OPERATING COSTS

Wages	RM 547,187	RM 500,001	RM 47,186
Telephone	RM 5,469	RM 6,500	RM 1,031
Laundry/ Dry-Cleaning	RM 2,734	RM 2,676	RM (59)
In-House Movies	RM 7,292	RM 7,292	RM 0
Concierge Services	RM 10,938	RM 11,403	RM 465
Cleaning Supplies	RM 11,849	RM 11,627	RM (223)
Flowers	RM 1,458	RM 1,403	RM (55)
Guest Supplies	RM 45,575	RM 50,215	RM 4,640
Stationery & News	RM 1,458	RM 1,403	RM (56)
Travel Agent Commissions	RM 50,314	RM 49,607	RM (708)
Miscellaneous Expenses	RM 17,100	RM 15,043	RM (2,057)
TOTAL EXPENSES	RM 756,065	RM 655,767	RM 1,848
Gross Operating Profit	RM 953,896	RM 936,165	RM(17,731)

SALES MIX

Rack FIT- Rms Sold	273	500	227
Rack FIT- Occupancy	3.0%	6.5%	3.5%
Rack FIT- ADR	RM 240.00	RM 240.00	RM 0.00
Corporate - Rms Sold	2279	2635	356
Corporate - Occupancy	25.0%	34.0%	9.0%
Corporate - ADR	RM 180.00	RM 210.00	RM 30.00
T. Agent - Rms Sold	2734	2093	-641
T. Agent - Occupancy	30.0%	27.0%	-3.0%
T. Agent - ADR	RM 185.00	RM 178.00	RM (7.00)
Group- Rms Sold	1823	930	(893)
Group- Occupancy	10.0%	12.0%	2.0%
Group- ADR	RM120.00	RM121.00	RM 1.00
Package- Rms Sold	2005	1589	-416
Package- Occupancy	32.0%	20.5%	-11.5%
Package- ADR	RM200.00	RM185.00	RM(15.00)

COSTS:

As the Rooms Division manager, you have been called to a meeting with the GM to explain the items in the budget that have cost variances in which the Resort has spent more than it budgeted in May.

1. Regarding the **THREE (3)** major variances in OPERATING COSTS on Page 5;
 - a) Name the cost item with a variance
 - b) Give **ONE (1)** logical reason for each variance
 - c) Create a **THREE (3) STEP ACTION PLAN** to prevent future problems. (15 marks)

COST ITEM:	ACTION PLAN STEPS:
I. a) VARIANCE: b) REASON:	
II. a) VARIANCE b) REASON:	
III. a) VARIANCE: b) REASON:	

Revenue and Sales Mix

