



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Subject Code & Name : **ACC2223 Revenue and Profit Management**
 Trimester& Year : September – December 2017
 Lecturer/Examiner : Ms. Chong Poh Ling
 Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
 PART A (20 marks) : FIVE (5) short answer questions. Answer ALL questions. Answers are to be written in the Answer Booklet provided.
 PART B (80 marks) : FOUR (4) essay type questions. Answer ALL questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College of Hospitality regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College of Hospitality.

Total Number of pages = 4 (Including the cover page)

PART A : SHORT ANSWER QUESTIONS (20 MARKS)

INSTRUCTION(S) : FIVE (5) short answer questions. Answer ALL questions in the Answer Booklet(s) provided.

Briefly describe the following terms:

1. Revenue manager (4 marks)
2. Market segment (4 marks)
3. Hard constraint and soft constraint (4 marks)
4. Fixed pricing (4 marks)
5. Consumer surplus (4 marks)

[Total: 20 marks]

END OF PART A

PART B : ESSAY TYPE QUESTIONS (80 MARKS)

INSTRUCTION : FOUR (4) essay type questions. Answer ALL questions in the Answer Booklet(s) provided.

Question 1

- a) Discuss what do you understand by “two-tiered price” and provide an example of a two-tiered price. (4 marks)
- b) Describe the advantages of practicing two-tiered price? Explain **THREE (3)** advantages. (6 marks)
- c) Discuss the ways to perform tiered pricing. (10 marks)

[Total: 20 marks]

Question 2

Buyers calculate their own value equations when considering a purchase. Interestingly, most buyers are happy to buy, but strongly resent being sold. Few buyers, for example, would announce a new purchase by proudly stating, “Look what I was just sold!” Rather, they proudly state, “Look what I just bought!”

In their book Free to Choose: A Personal Statement, economists Milton and Rose Friedman point out the complexity of understanding buyer behavior when they note that buyers utilize not just one but rather four different and unique value formulas when considering a purchase. The specific value formula utilized depends on whose money is being spent and who receives the benefit of the transaction.

- a) Illustrate the **FOUR (4)** value alternative value formulas in a table. (5 marks)
- b) Elaborate **EACH** of the four alternative value formulas, and provide an example for each alternative. (12 marks)
- c) With regards to Value Formula D, explain the responsibilities of a meeting planner. (3 marks)

[Total: 20 marks]

Question 3

All hotels overbook. In some cases, the overbooking is unintentional while in other cases it is intentional. Provide and describe **FOUR (4)** reasons for unintentional bookings.

[Total: 20 marks]

Question 4

Bridal Shoppe sells wedding dresses. The cost of each dress is comprised of the following: Selling price of \$1,000 and variable (flexible) costs of \$400. Total fixed (capacity-related) costs for Bridal Shoppe are \$90,000.

- a) What is the contribution margin per dress? (5 marks)
- b) What is the Bridal Shoppe's total profit when 200 dresses are sold? (5 marks)
- c) How many dresses must Bridal Shoppe sell to reach the breakeven point? (5 marks)
- d) How many dresses must Bridal Shoppe sell to yield a profit of \$60,000? (5 marks)

[Total: 20 marks]

END OF EXAM PAPER