



## BERJAYA BUSINESS SCHOOL

### FINAL EXAMINATION

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Subject Code & Name : **BGN2301 Revenue and Profit Management**  
 Semester & Year : January – April 2017  
 Lecturer/Examiner : Katrina Chua  
 Duration : 3 Hours

### INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:  
     **PART A (20 marks) : Answer TWENTY (20) Multiple Choice Questions. Answers are to be written in the Answer Booklet provided.**  
     **PART B (80 marks) : Answer all FIVE (5) short answer 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.

**PART B :                      SHORT ANSWER QUESTIONS (80 MARKS)**

**INSTRUCTION(S) :**    There are **FIVE (5) questions** in this section, answer **ALL** questions. Write your answers in the Answer Booklet(s) provided. Use a new page for every new question.

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**QUESTION 1**

In Revenue Management of services, different practices are applied within different industries; discuss the practices adopted by **TWO (2)** industries of your choice. Provide examples to illustrate your answers. (10 marks)

**QUESTION 2**

“In order to optimize operational efficiency and increase their profitability hotel managers put emphasis on implementing successful operational techniques. Overbooking is seen as an important Revenue Management tool in the hotels’ operation management and is one of the commonly used revenue strategies implemented in the hotels’ management practices. In this regard, the current report aims to discuss and outline the main characteristics of overbooking and its impact on the hotels’ operation management. Moreover, it analyses and presents the consequences of successful or inappropriate overbooking management decisions because depending on the way the overbooking is planned and managed it can have positive (increased long-term revenue, better management capacity, etc.) and negative (loss of room revenue, decreased customer loyalty, loss of hotel reputation, etc.) influence over the hotel’s profitability. The paper also evaluates several publications as overbooking is a commonly discussed topic in the academic literature. In addition to the literature and theoretical background, the report examines overbooking from practical point of view and reviews its implementation within the hotel industry.”

- a) Explain why hotels practice overbooking? (5 marks)
  - b) Discuss the advantages and disadvantages of overbooking? (10 marks)
- (Total 15 marks)

**QUESTION 3**

Briefly explain **THREE (3)** distinguishable characteristics of a service industry which enable revenue management technique to be highly feasible. Provide examples to illustrate your answers. (15 marks)

**QUESTION 4**

- a) In value-based pricing, list and explain **FOUR (4)** approaches to reducing non-monetary and related-monetary costs. (8 marks)
  - b) Discuss **FOUR (4)** factors why service pricing and strategy is difficult to be implemented. (12 marks)
- (Total 20 marks)

**QUESTION 5**

The issues in pricing of services are often referred to as advanced pricing. Discuss the **TWO (2)** categories of risk associated at point of purchase (buyer's risks). Provide examples to illustrate your answers. (20 marks)

**END OF EXAM PAPER**