



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF MANAGEMENT SCIENCES

DEPARTMENT OF HOSPITALITY & TOURISM

QUALIFICATION : BACHELOR OF HOSPITALITY MANAGEMENT	
QUALIFICATION CODE: 07 BHMN	LEVEL: 7
COURSE CODE: RDM710S	COURSE NAME: ROOMS DIVISION MANAGEMENT
SESSION: JUNE 2019	PAPER: 1
DURATION: 2 HOURS	MARKS: 100

FIRST OPPORTUNITY QUESTION PAPER

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MODERATOR: MRS. C. SUNDE

INSTRUCTIONS

1. Answer ALL the questions.
2. Write clearly and neatly.
3. Number the answers clearly.

THIS QUESTION PAPER CONSISTS OF _5_ PAGES (Including front page)

Question 1

What do you understand by the following Terms? (8)

1.1 "Exponential Growth " (3)

1.2 "Budget "(2)

1.3 "Prestige Product Pricing "(3)

Question 2

Contrast and compare the "Price Makers" and "Price Takers" in the hospitality industry and provide practical examples where possible. (4)

Question 3

Various Hotels may have their own niche markets which are targeted and may decide which business to accept and not, in order to ensure the Hotel do not loose business. Discuss Displacement! (8)

Question 4

Discuss the factors that need to be taken into consideration when reviewing staffing and training needs analysis especially in the Front of House and Back of House. (8)

Question 5

Various methods of Assessing guest satisfaction exist in the Hotel & Tourism Industry! Deliberate how you as the Rooms Division Manager of a unit ascertain guest satisfaction? (4)

Question 6

To Develop Market Segmentation strategies various rates are dealt with in reservations in the Hospitality Industry. Critically evaluate the rate segments and offer examples in Hospitality where necessary. (10)

Question 7

Discuss the key points to consider when conferences are considered at your Hotel? (4)

Question 8

Discuss the commitments and responsibilities of a Rooms Division Manager? (8)

Question 9

With the focus on front office night audit budgets and targets and the achievement thereof, outline the desirable features of a daily occupancy and revenue report and give reasons for this! (8)

Question 10

Control in Rooms Division is vital and important! Define and explain the Control Process. (8)

Question 11

The Sales & Marketing Analysis of Windhoek Palm Hotel has reflected that over the last six months since the Hotel opened, the Hotel's Occupancy during the week were always lower than during the weekends.

Having visited the Hotel and focusing on the latest trends in planning of Hotels discuss what strategies you as the Rooms Division Manager would consider to increase occupancies during the week? Please provide clear examples. (10)

Question 12

Guests stay in an Hospitality establishments where interiors are good looking and convenient, for pleasure or for necessity and in each case they will require comfort, good food and service which are all dependent on good planning and organization throughout the establishment. Discuss Modern trends in planning Hotels. (8)

Question 13

Calculate the average Room Rate by using the Hubbart Formula. (10)

Martha's Hotel, a 50- room hotel, is projected to cost N\$ 3,900,000. This is inclusive of land, buildings, equipment, and furniture. An additional N\$100,000 is needed for working capital. The Hotel is financed with a loan of N\$ 2,500,000 at 12.0 % annual interest with the owners providing cash of N\$ 1,500,000.

The owners desire a 15 % annual return on their investment. 75% occupancy is estimated: thus 13,687 rooms will be sold during the year.

The income tax rate is 40 %. Additional expenses are estimated as follows:

- Property Tax N\$ 12,000
- Insurance 20,000
- Depreciation 30,000
- Administrative & General 20,000
- Data Processing 40,000
- Human Resources 20,000
- Transportation 21,000
- Marketing Expense 24,000
- Property Operation/ Maintenance 32,000
- Energy costs 18,000

The other operated departments' income or losses are estimated as follows:

- Food & Beverage N\$ 150,000
- Telephone (50,000)
- Rentals & Other Income 100,000

Rooms Department direct expenses are N\$ 17.00 per room sold.

Calculation of Average Room Rate

Item	Calculation	Amount
Desired net income	Owners Investment. x ROI	
Pretax income	= Net income / 1-t	(a).....
Interest Expense		(b).....
Income before interest & Taxes	= Principal x interest .rate x time	(c).....
Estimated depreciation, property taxes		(d).....
Income before fixed charges		(e).....
Undistributed operating expense		<u>175,000</u>
Required Operated dept's income		(f).....
Dept results exclude rooms		
Less: Food		
: Rentals & Other Income		(g).....
Plus: Telephone Department Loss		<u>50,000</u>
Rooms Department Income		(h).....
Rooms Department Direct Expense	<u>13687 x</u>	<u>232,687</u>
Rooms Revenue		(i).....

Required Average Room rate		(j).....

/10

[100]