

NATIONAL COUNCIL FOR HOTEL MANAGEMENT  
AND CATERING TECHNOLOGY, NOIDA  
**ACADEMIC YEAR - 2017-2018**

COURSE : 2<sup>nd</sup> Semester of M.Sc. in HA  
SUBJECT : Revenue / Yield Management  
TIME ALLOWED : 03 Hours MAX. MARKS: 100

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(Marks allotted to each question are given in brackets)

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Q.1. Explain the concept of Revenue Management. Discuss the application of revenue management in hotel industry.

**OR**

Evaluate objectives of revenue management. Justify its applicability to the various service industries.

(5+5=10)

Q.2. Illustrate the various elements of Revenue Management. How the local area activities and special events influence the revenue management strategies?

**OR**

Discuss the importance and relevance of the element Group Room Sales in Revenue Management. Explain group booking data and lead time.

(6+4=10)

Q.3. Discuss the potential high and excess demand tactics of revenue management with reference to the hotel industry.

**OR**

Discuss the low demand tactics of revenue management in hotel industry. What does hurdle rate signify?

(10)

Q.4. Briefly explain **any five** terms

(a) RevPAR	(b) Wash factor	(c) P.A.S.R.
(d) Min LOS	(e) C.T.A.	(f) Equivalent occupancy

(5x2=10)

Q.5. Discuss the various software used for revenue management. Name and discuss **five** reports generated from the software.

(5+5=10)

Q.6. Draw the organizational structure of revenue management department. Explain the duties and responsibilities of revenue manager.

(4+6=10)

Q.7. Hotel Trident has 300 guest rooms and collects an average of Rs. 2,000/- per room and is currently operating at a 70% average occupancy. The hotel offers 100 one-bedded and 200 two-bedded guestrooms. The management has established single and double rates for each room type as follows:

- (i) One-bedded room tariff is Rs.3,000/- when sold for single occupancy.
- (ii) One bedded room tariff is Rs.4,000/- when sold for double occupancy.
- (iii) Two bedded room tariff is Rs.3,500/- when sold for single occupancy.
- (iv) Two bedded room tariff is Rs.4,500/- when sold on double occupancy.

For Trident hotel, compute the following:

- (a) Potential average single rate
- (b) Potential average double rate
- (c) Rate spread
- (d) Multiple occupancy (suppose 105 rooms are occupied on multiple occupancy).
- (e) Potential average rate

(5x2=10)

Q.8. Ms. Lucy is Sales Director for the 'The Trident Hotel'. Ms. Lucy receives a bulletin from the city convention and visitor's bureau with a list of city wide and large conventions due in town for the next year. She notices a medical group nine months out booked at a local competitor that will fill that hotel. A few hours later, Ms. Lucy receives a call from the group leader asking for guestroom and meeting space over the same period as the medical group. The hotel currently has the guestrooms and meeting space to fill the request.

- (a) What factors should Ms. Lucy consider in deciding whether to take the group?
- (b) Under what circumstances would it be better to take the group?
- (c) Under what circumstances would it be better to close out group sales and concentrate on transient business for this period?

(4+3+3=10)

Q.9. Complete the data in the space provided by calculating the key performance indicators for all the hotels with the data available:

Hotel	Occupancy	ARR	Rooms sold	Room revenue	Rooms available	RevPar
A	85%	4150			301	
B		4999	121		245	
C			144	580100		1900
D	93%	3950			234	

(12x1=12)

Q.10. Match the following:

- |   |                         |
|---|-------------------------|
| (a) Lowest rate per room                    | (i) Rate spread         |
| (b) Frequency of group business is booked   | (ii) RM software        |
| (c) Projection of estimated business volume | (iii) Hurdle rate       |
| (d) Occupancy % X ADR                       | (iv) Lead time          |
| (e) (PADR – PASR) =                         | (v) Sell through        |
| (f) Amadeus                                 | (vi) Group booking pace |
| (g) Min LOS                                 | (vii) Forecasting       |
| (h) Measurement of advance bookings         | (viii) RevPar           |

(8x1=8)

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