



ICM

JUNE 2017

FUNDAMENTALS OF THE HOTEL & CATERING INDUSTRY

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
 - b) Answer any FIVE questions
 - c) All questions carry equal marks. Marks for each question are shown in []
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1. The purpose of the hotel industry is to satisfy the demand for accommodation, food and drink away from home. Examine the influences that have contributed to the development of the hotel industry in a country of your choosing. [20]
 2. Sectional policies will assist a hotel to focus its actions and decisions on achieving stated objectives. Discuss the principles that may be formulated in a sectional policy to provide management guidelines in EACH of the following areas:
 - a) Customer
 - b) Supplier
 - c) Shareholder
 - d) Employer[20]
 3. It is recognised that room sales in a hotel generate the largest single source of revenue.
 - a) Differentiate between TWO main hotel activities that earn room revenue. [10]
 - b) Describe how the atmosphere in a hotel dining room may be changed. [10]
 4. Conferencing and banqueting in a hotel is frequently distinguished from other parts of the food and beverage operation.
 - a) Indicate how banqueting and conferences are frequently a separate and distinct sector of the food and beverage operation in a hotel. [10]
 - b) Describe how the use of a function diary will differ from that of a functions chart. [5]
 - c) Specify reasons why the profit gained from a function is usually higher than that gained from other food and beverage activities. [5]
 5. A hotel may be divided into departments and sections for maximum efficiency.
 - a) Examine activities that may be classified within EACH of the following operations:
 - i Primary revenue-earning departments
 - ii Ancillary revenue-earning departments
 - iii Support service departments[15]
 - b) Specify the type of services that may be operated under rental and concession arrangements within a hotel. [5]
 6. Productivity in a hotel may be measured by studying the relationship between output and income.
 - a) Examine ways in which a hotel may achieve a higher level of productivity. [10]
 - b) Explain how computers increase productivity in hotels. [10]
 7. Many hotels have a large group of employees who are responsible for the upkeep and maintenance of the hotel.
 - a) Determine the categories of cost that may be included under 'Property Operation and Maintenance' costs. [10]
 - b) Discuss, with reasons, the main factors that will affect these costs. [6]
 - c) Explain how energy costs will be influenced by climate. [4]

continued overleaf

8. A successful hotel will employ strict financial control throughout all departments.
- a) Contrast the financial interests of owners with those of trade creditors. [5]
 - b) Explain the difference between departmental gross profit and departmental profit margin. [5]
 - c) Describe how knowledge of the equity of a business and the capital gearing will assist the hotel owner. [5]
 - d) Compare the function of the balance sheet with that of a profit and loss account. [5]