



# ICM

JUNE 2017

HOSPITALITY MANAGEMENT

**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. Companies with a similar function regarding travellers often have a quite distinct and separate role.
    - a) Compare the role of a travel agent with the role of a tour operator, relating your comparison to the hospitality industry. [10]
    - b) Outline the different needs of the following categories of tourist:
      - i Excursionist
      - ii Professional [10]
  - 2. Recent events around the world have demonstrated how economic activities can have a direct effect on a country's hospitality industry. Examine how EACH of the following factors may influence the pattern of leisure spending within the hospitality industry:
    - a) Demographic trend
    - b) Elasticity of demand
    - c) Real disposable income
    - d) Customer profile
    - e) Green tourism [20]
  - 3. A feasibility study can be described as an analysis of how successfully a proposed project can be completed.
    - a) Discuss the benefits of a feasibility study. [10]
    - b) Identify aspects that will be found in a feasibility study. [10]
  - 4. One can expect an element of uncertainty to exist when the pricing policy of a new hotel is discussed.
    - a) Examine THREE demands that will be influential on a new hotel's pricing policy. [6]
    - b) Revenue from accommodation is directly dependent upon occupancy level and price achieved. Discuss the relationship between these two components in respect of maximising yields through proportional reduced costs. [8]
    - c) Explain how the pricing policy of a hotel may be directly affected by the hotel's location. [6]
  - 5. The frequency of transactions completed in a hotel will be influenced by the type of guest. Critically examine how the flow of business may be divided into a four-stage guest cycle. [20]
  - 6. Many aspects of law will affect the hospitality manager when carrying out their professions.
    - a) Distinguish between statute law and judicial precedent. [6]
    - b) The Social Charter Action Programme covers equal treatment for men and women. Discuss how this will affect decisions made by managers in the hospitality industry. [6]
    - c) It is the duty of every employer to take all due diligence to prevent an outbreak of food poisoning. Describe the action that must be taken to comply with this requirement. [8]
  - 7. Contracts drawn up between catering companies and their clients will usually allow for regular financial reviews after agreed periods of time.
    - a) Differentiate between a catering contract tendered on a fixed-fee system and a catering contract tendered on a cost-plus terms basis. [15]
    - b) Explain why contract catering companies have increased their share of the market in recent years. [5]

*continued overleaf*

8. Although the law may have changed, the basis of the licensed sector of the hospitality industry is traditional and has remained constant.
- a) Compare a free house with a tied house.
  - b) Explain the difference between a tenant and a manager.
  - c) How does dry rent differ from wet rent?
  - d) Identify different criteria that the owner of a pub company may adopt to calculate the payment of rent from tenants in the company's pubs.
- [20]