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**School of Hospitality**  
**Bachelor of Science in Hotel Management**  
**Semester End Examination - Nov 2023**

**Duration : 180 Minutes**  
**Max Marks : 100**

**Sem V - I1UB503B - Front Office Management**

General Instructions

*Answer to the specific question asked*

*Draw neat, labelled diagrams wherever necessary*

*Approved data hand books are allowed subject to verification by the Invigilator*

- 1) What is Hurdle rate. K1 (2)
- 2) Elaborate on the 'Rule of Thumb Approach' employed for setting room rates in hotels. Describe how this approach relies on a simple ratio between construction costs and desired return on investment. Illustrate with examples how this approach is used and its limitations in accurately reflecting market conditions. K2 (4)
- 3) Use an illustration to demonstrate the formula for calculating Income from Other Departments in a hotel setting. Explain which revenue sources are considered as income from other departments and how they are incorporated into the formula. K2 (6)
- 4) Evaluate the role of Fidelio, now known as Oracle Hospitality OPERA, as a hotel property management system (PMS). Identify the key functionalities and features that Fidelio/OPERA offers to hotels and resorts. Discuss how this system enhances guest experiences, optimizes front desk operations, and contributes to efficient overall hotel management. Provide practical instances of how Fidelio/OPERA benefits both guests and hotel staff. K3 (9)
- 5) Analyze the distinction between Revenue Per Available Room (REVPAR) and Average Room Rate (ARR) as financial performance metrics in the hotel industry. Utilize the calculation methods for both REVPAR and ARR, highlighting their respective focuses. Discuss why REVPAR and ARR are not identical terms by considering how each metric provides unique insights into a hotel's financial performance. Support your explanation with relevant examples from the hospitality sector. K3 (9)

- 6) Evaluate the distinction between capital and operational budgets within the front office department. Analyze how capital budgets allocate funds for long-term investments like equipment and renovations, while operational budgets manage day-to-day expenses. Discuss the importance of balancing these budgets for optimal financial performance. K5 (10)
- 7) Assess the impact of the Revenue Management Module in a Front Office Property Management System (PMS). Analyze its role in dynamic pricing, rate optimization, and demand forecasting. Examine how the module enhances revenue generation by aligning room rates with market demand and guest preferences. K4 (12)
- 8) Explain the structure and purpose of an Operational Budget within the context of the hospitality industry. Explore how operational budgets assist in managing day-to-day activities, optimizing resource allocation, and ensuring departmental accountability. Provide insights into the intricacies of creating and managing operational budgets, highlighting challenges and benefits. K5 (15)
- 9) Evaluate the components of a Master Budget in detail, elucidating its role as a comprehensive financial plan that encompasses various departments and functions. Analyze how the Master Budget aligns with an organization's strategic goals and aids in resource allocation and performance evaluation. Provide examples to illustrate its application in the hospitality sector. K5 (15)
- 10) Create an intricate analytical framework that intertwines the daily operational ratios of a hotel with the process of forecasting. Explore various operational ratios, such as Occupancy Ratio, Revenue Per Available Room (RevPAR), and Average Daily Rate (ADR). Illustrate how these ratios intertwine with forecasting methodologies, contributing to a more precise and dynamic predictive analysis for the hotel industry. K6 (18)