

Element of Budget



GALGOTIAS
UNIVERSITY

Essential Element of Budget:

- 1. Objective:** Have to set the objective first
- 2. Understanding of Cost Behavior :** Need to understand different elements of costs attached with
- 3. Forecasting:** Of market, customer preference, competitor, Govt policies
- 4. Coordination:** Between each department, different level of Mgt
- 5. Communication & Reporting:** Between divisional and functional Manager
- 6. Flexibility:** Must have a scope for Adjustment based on actual situation
- 7. Accounting data support:** Past data if available.

School of Hospitality

Course Code :BSCH3003

Course Name: Front Office Management

- **Income**



Gift Shop

- **Expenditure**

Travel Agent

Variable Expenses on a \$200 same day room price

Room Attendant Pay (30 min x \$24 per hour)	\$12.00
Variable Employee Benefits (\$12 x 25%)	\$3.00
Linen Cleaning - per room occ cost	\$2.25
Guest Supplies - per room occ cost	\$3.60
Paper Supplies - per room occ cost	\$0.50
Cleaning Supplies - per room occ cost	\$1.40
Travel Agent Commissions - used an OTA @ 18%	\$36.00
Credit Card Commissions 3%	\$6.00
Brand Fees 7%	\$14.00
Energy Costs (some) (room vs. building) (25% of \$17)	\$4.25
Total Variable Cost	\$83.00
	\$117.00



References

- **Hotel Front Office – R. Jatashankar Tewari – Oxford Publication—
Core Textbook, Students & Faculty to follow this book.**
- Hotel Front Office – A Training Manual By Sudhir Andrews – Tata McGraw Hill
- Managing front office Operations by Michale L Kasavana (AHLEI - Books)
- Front Office Operations and Management by Ismail Ahmed (Cengage Earning)
- Text book of front office operations and Management by Sudhir Andrews (Tata McGraw Hill)



**GALGOTIAS
UNIVERSITY**

School of Hospitality

Course Code : BSCH3003

Course Name Front Office Management



Name of the Faculty: Jyoti

Program Name: BSChm/BHM