TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF HOSPITALITY & TOURISM

UNIVERSITY EXAMINATIONS FOR DEGREE IN

BACHELOR OF TECHNOLOGY IN HOTEL & HOSPITALITY MANAGEMENT

BHH 4305: FRONT OFFICE MANAGEMENT

END OF SEMESTER EXAMINATIONS

SERIES: APRIL 2015
TIME: 2 HOURS

INSTRUCTIONS:

– Answer question **ONE** **(Compulsory)** in Section **A** and any other **TWO** questions in Section **B**.
 This paper consists of Three printed pages

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SECTION A (Compulsory)

QUESTION 1

a) Distinguish revenue management and room availability tactics front office managers implement during high demand periods versus those used in low demand periods. (20 marks)

b) The Hospitality and Tourism Training Centre and Resort, a 200 room property, is projected to cost Ksh. 9,900,000 inclusive of land, building, equipment and furniture. An additional Ksh. 100,000 is needed for working capital, bringing the total cost of construction and opening to Ksh. 10,000,000. The resort is financed with a loan of Ksh. 7,500,000 at 12 percent annual interest and cash of Ksh. 2,500,000 provided by the Technical University of Mombasa; Hospitality and Tourism Department. The department wants a 15 percent annual return on their investment. A 75 percent occupancy is estimated; thus 54, 750 rooms will be sold during the year. The income tax is 40 percent. Additional expenses are estimated as follows:

	Ksh.
Property tax expenses	250,000
Insurance expense	50,000
Depreciation expenses	300,000
Administrative and general expenses	300,000
Data processing expenses	120,000
Human resource expenses	80,000
Transportation expenses	40,000
Marketing expenses	200,000
Property operation and Maintenance expenses	200,000
Energy and related expense	300,000

The other operated departments' income (losses) is estimated below:

Food and beverage department	150,000
Telephone department	(50,000)
Rentals and other department	100,000

The rooms department estimates direct operating expenses to be Ksh. 10 per occupied room. With the use of the Hubbart formula; calculate the Average Room Rate. **(10 marks)**

SECTION B (Answer any **TWO** questions)

QUESTION 2

a) Explain the factors that affect traveller's buying decision. **(10 marks)**

b) Describe the various techniques used to award loyal guests. **(10 marks)**

QUESTION 3

With the aid of a diagram, describe guest's services and guests accounting tasks appropriate to the different stages of the traditional guest cycle. **(20 marks)**

QUESTION 4

Explain how managers maximize revenue using forecast information in

a) Capacity management

b) Discount allocation

c) Duration control.

(20 marks)

QUESTION 5

Highlight the techniques that front office managers can use to motivate staff members. **(20 marks)**