



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF HUMANITIES AND SOCIAL SCIENCES
DEPARTMENT OF HOSPITALITY & TOURISM MANAGEMENT
UNIVERSITY EXAMINATION FOR THE DEGREE OF:
BACHELOR OF TECHNOLOGY IN HOTEL AND HOSPITALITY
MANAGEMENT (BTHM S14)

BHH 4305: FRONT OFFICE MANAGEMENT

END OF SEMESTER EXAMINATION

SERIES: JUNE 2017

TIME: 2 HOURS

DATE: Pick Date Sep 2017

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt question ONE (Compulsory) and any other **TWO** questions.

Do not write on the question paper.

SECTION A (Answer all the questions)

30 POINTS

QUESTION ONE

- a. Describe techniques used to upsell guests **(10 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 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:

Property tax expenses	250,000
Insurance expenses	50,000

Depreciation expenses	300,000
Administrative and general expenses	300,000
Data processing expenses	120,000
Human resources expenses	80,000
Transportation expenses	40,000
Marketing expenses	200,000
Property operation and maintenance expenses	200,000
Energy and related expenses	300,000

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

Food and beverage department	150,000
Telephone department	(50,000)
Rentals and other departments	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 **(20 marks).**

SECTION B(Answer only TWO questions)

QUESTION TWO

Discuss the benefits and dangers that the front office management would experience went engaging in the internal recruitment practice **(20 Marks)**

QUESTION THREE

Describe the group business tactics used during the high demand periods by front office management

(20 Marks)

QUESTION FOUR

Explain how revenue management decisions are affected by

(20 marks):

- i. Group room sales
- ii. Transient room sales
- iii. Food and beverage activity
- iv. Conventions and special events

QUESTION FIVE

a) Compare and contrast the following:

(10 Marks)

- i. Overage
- ii. Shortage

iii. Due back

b) Describe the following front office management accounting systems term

(10 Marks)

- i. Charge purchase
- ii. Account transfer
- iii. Cash advance
- iv. Account correction