



# ICM

JUNE 2016

## FUNDAMENTALS OF THE HOTEL & CATERING INDUSTRY

### 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. For many countries, hotel and catering services have grown into an important economic activity. Examine the role to the economy that the hotel and catering industry plays in EACH of the following areas:
    - a) Provision of outlets for the products of other industries
    - b) Attracting visitors to the area
    - c) Provision of facilities
    - d) Employers of labour
    - e) Provision of amenities for local residents [20]
  
  2. In order to attain a company's objectives, a hotel manager will plan how to achieve agreed targets. Examine the relationship between objectives, strategies, plans and budgetary controls. [20]
  
  3. In the process of accepting room reservations and welcoming chance arrivals, front office staff will maintain records for every guest.
    - a) Explain what information is recorded on EACH of the following front office documents:
      - i Guest list
      - ii Room status board
      - iii Hotel register
      - iv Daily arrival list
      - v Reservation chart
      - vi Reservation form [18]
    - b) Determine which of the records listed above is complimentary to the distribution of guests' incoming mail. [2]
  
  4. A banqueting/conference manager will be responsible for all the administration involved in the running of every function.
    - a) Indicate how banqueting and conferences are frequently a separate and distinct sector of the food and beverage operation in a hotel. [10]
    - b) Describe how the use of a function diary will differ from that of a functions chart. [5]
    - c) Specify reasons why the profit gained from a function is usually higher than that gained from other food and beverage activities. [5]
  
  5. There is no doubt that the hotel and catering industry benefits from the training schemes run by many hotels.
    - a) Examine how a hotel will benefit from ensuring staff receive appropriate training. [14]
    - b) Discuss how a hotel manager may develop the quality of existing staff, and thereby increase sales revenue. [6]

*continued overleaf*

6. Marketing has been described as a network of dealings in a particular product between buyers and sellers. Examine activities that will be carried out at EACH of the following stages of the marketing cycle:
- a) Market research
  - b) Product formulation and development
  - c) Promotion
  - d) Selling
  - e) Monitoring and review
- [20]
7. Financial control is essential to the success of a business and spans all departments of a hotel.
- a) Contrast the financial interests of owners with those of trade creditors. [5]
  - b) Explain the difference between departmental gross profit and departmental profit margin. [5]
  - c) Describe how knowledge of the equity of a business and the capital gearing will assist the hotel owner. [5]
  - d) Compare the function of the balance sheet with that of a profit and loss account. [5]
8. The accommodation sector of the hotel and catering industry comprises a wide range of types of establishment of which privately owned smaller-sized hotels make up a significant section. Examine how a small hotel may gain a greater share in the market place. [20]