S5 Tourism and Hospitality Studies Practice Paper

S5 | Tourism and Hospitality Studies | Time: 75 minutes | Total: 100 marks | 24 questions

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Part A: Visitor Arrivals and Growth Rates (18 marks)

Show your working; give percentages to one decimal place.

1. Visitor arrivals were 46 million in one year and rose to 50.6 million the next year. Find the growth rate.

Answer: The increase is 4.6 million; 4.6 / 46 x 100% = 10.0%.

2. Mainland visitors numbered 3,900 million that year. Find their share of total arrivals and state one risk of reliance on a single source market.

Answer: 3,900 / 4,600 x 100% = 84.8%, i.e. nearly 85% of arrivals come from one market; a change in visa or exchange-rate policy would hit hotel and retail revenue at once.

3. Short-haul visitors numbered 460 million and long-haul visitors 240 million. Check that the three groups add up to the total, and find the long-haul share (one decimal place).

Answer: 3,900 + 460 + 240 = 4,600 million, which matches the total; 240 / 4,600 x 100% = 5.2%.

4. Taking 365 days in the year, find the average daily arrivals (to the nearest visitor) and explain why peak-season figures are higher.

Answer: 46,000,000 / 365 = 126,027, about 12.6 x 10,000 a day; arrivals cluster around holidays, so peak-season daily figures are well above the annual average.

Part B: Hotel Occupancy and Room Revenue (17 marks)

Express occupancy as a percentage and give units for all revenue figures.

5. A hotel has 500 rooms and sold 425 of them on one night. Find the occupancy rate.

Answer: 425 / 500 x 100% = 85%.

6. The average daily rate that night was $1,200. Find the revenue per available room (RevPAR) and state the formula.

Answer: RevPAR = ADR x occupancy = 1,200 x 0.85 = $1,020.

7. Find total room revenue for that night.

Answer: 425 x 1,200 = $510,000.

8. If annual average occupancy is 78%% and the average daily rate is unchanged, find the annual RevPAR.

Answer: 1,200 x 0.78 = $936.

Part C: Attraction Ticket Revenue (17 marks)

Show adult and child revenue separately before the total.

9. Adult tickets cost $480 and child tickets $300. One day 3,200 adult and 1,800 child tickets were sold. Find total ticket revenue.

Answer: 3,200 x 480 = $1,536,000; 1,800 x 300 = $540,000; total $2,076,000.

10. The adult ticket price rises 10%% and adult admissions fall 5%%; child price and numbers are unchanged. Find the new total revenue and its percentage change from the original (one decimal place).

Answer: New price $528; 3,040 adults x 528 = $1,605,120; plus $540,000 from children, giving $2,145,120; change (2,145,120 - 2,076,000) / 2,076,000 = 3.3%.

11. Total admissions that day were 5,000. Find the average ticket spend per visitor (one decimal place).

Answer: $2,076,000 / 5,000 = $415.2.

12. If the target ticket revenue is $2,280,000 with child revenue unchanged, how many adult tickets must be sold?

Answer: ($2,280,000 - $540,000) / 480 = $1,740,000 / 480 = 3,625 tickets.

Part D: Tourism Multiplier and Economic Contribution (16 marks)

Give the multiplier to two decimal places and money in ten-thousand or hundred-million units.

13. Visitors bring 8,000 ten-thousand dollars of new spending and the multiplier is 1.8. Find the total economic contribution.

Answer: 8,000 x 1.8 = 14,400 ten-thousand dollars, i.e. 1.44 hundred million dollars.

14. The marginal propensity to consume is 0.64. Find the multiplier (two decimal places) and explain its meaning.

Answer: Multiplier = 1 / (1 - 0.64) = 1 / 0.36 = 2.78; each dollar of new spending eventually creates about 2.78 dollars of total demand.

15. Every 1 million dollars of visitor spending supports 6 jobs. How many jobs does 8,000 ten-thousand dollars support?

Answer: 8,000 / 100 x 6 = 480 jobs.

16. If the multiplier rises from 1.8 to 2.0, how much does the contribution increase and what is the percentage rise (one decimal place)?

Answer: 8,000 x 2.0 = 16,000 ten-thousand dollars; the rise is 1,600; 1,600 / 14,400 = 11.1%.

Part E: Carrying Capacity and Sustainable Tourism (16 marks)

Show calculations and use the figures to describe the extent of overloading.

17. A site has a daily carrying capacity of 12,000 visits, while peak-season demand averages 15,000 visits a day. Find the percentage overload.

Answer: (15,000 - 12,000) / 12,000 x 100% = 25%.

18. Each visitor produces 1.8 kg of waste a day. How many tonnes does 15,000 visits generate in one day?

Answer: 15,000 x 1.8 = 27,000 kg = 27 tonnes.

19. After an online booking system is introduced, demand falls to 10,800 visits a day. What percentage of carrying capacity is that?

Answer: 10,800 / 12,000 x 100% = 90%, leaving 10% of headroom for unexpected crowds.

20. Each visitor generates 12 kg of carbon emissions a day. Compare the daily emissions of 15,000 visits and 10,800 visits and find the percentage cut (one decimal place).

Answer: 15,000 x 12 = 180,000 kg; 10,800 x 12 = 129,600 kg; cut (180,000 - 129,600) / 180,000 x 100% = 28.0%.

Part F: Package Tour Costing and Agency Profit (16 marks)

List each cost item and give the margin per person and for the whole group.

21. A package includes a flight at $2,400, 3 hotel nights at $800 each and transfers at $300. Find the cost per person.

Answer: 2,400 + 3 x 800 + 300 = $5,100.

22. The agency adds an 18%% mark-up on cost. Find the selling price.

Answer: $5,100 x 1.18 = $6,018.

23. The group has 24 travellers. Find the margin per person and the total gross profit.

Answer: $6,018 - $5,100 = $918; 24 x $918 = $22,032.

24. If the hotel rate rises 10% to $880 and the selling price is unchanged, find the margin per person and the percentage fall in margin (one decimal place).

Answer: Cost = 2,400 + 3 x 880 + 300 = $5,340; margin = $6,018 - $5,340 = $678; fall (918 - 678) / 918 = 26.1%.