S5 Tourism and Hospitality Practice Paper (Set 1)

S5 - Tourism and Hospitality Studies | Time: 60 minutes | Total: 100 marks | 24 parts

Question 1: Visitor Growth and Market Concentration

Study the visitor and market data below and answer all parts of Question 1.

1. A destination received 12,000,000 visitor arrivals last year and 14,400,000 this year. Calculate the growth rate of arrivals (1 decimal place). (3 marks)

2. This year: main source market 7,200,000, short-haul market 3,600,000, long-haul market 3,600,000. Calculate the percentage share of each market (1 decimal place) and check that they total 100%. (4 marks)

3. Using the Herfindahl-Hirschman Index (sum of squared market shares as decimals, multiplied by 10,000), measure source-market concentration and state whether it is highly concentrated or diversified. (4 marks)

4. Annual tourism receipts total HK$43,200 million. Calculate average spending per visitor (HK$) and explain one benefit of raising per-visitor spending if arrivals stop growing. (5 marks)

Question 2: Hotel Occupancy, ADR and RevPAR

Study the hotel operating data below and answer all parts of Question 2.

5. A hotel has 600 rooms and 219,000 available room-nights in a year; 175,200 room-nights were sold. Calculate the occupancy rate (1 decimal place). (4 marks)

6. Annual room revenue is HK$201,480,000. Calculate the average daily rate (ADR). (4 marks)

7. Calculate revenue per available room (RevPAR) as room revenue ÷ available room-nights, then verify it with ADR × occupancy. (4 marks)

8. If next year occupancy falls to 75% with ADR unchanged, calculate the new RevPAR and the fall in annual room revenue. (6 marks)

Question 3: Food Cost and Menu Pricing

Study the restaurant trading data below and answer all parts of Question 3.

9. A restaurant has annual sales of 2,400,000 and food cost of 840,000. Calculate the food cost percentage (1 decimal place). (4 marks)

10. Calculate the gross profit percentage and explain the effect of a 1 percentage point rise in food cost %. (3 marks)

11. Management sets a target food cost of 32%. At current sales, calculate the maximum allowable food cost and the amount that must be cut. (4 marks)

12. A dish has a food cost of 48 and the target food cost % is 30%. Calculate the menu price and explain how price should change if wastage rises. (5 marks)

Question 4: Tourism Multiplier, Leakage and Employment

Study the tourism economic data below and answer all parts of Question 4.

13. Visitors spend 5,000 million locally, of which 40% leaks out through imports and foreign profits. Calculate the local retention ratio and the tourism multiplier (multiplier = 1 ÷ (1 – retention), 2 decimal places). (5 marks)

14. Using that multiplier, calculate the total economic contribution of the visitor spending (million). (4 marks)

15. Assume every 10 million of tourism-related revenue supports 8 jobs. Calculate the number of jobs supported by the total contribution. (4 marks)

16. If local supply capacity improves and leakage falls from 40% to 30%, calculate the new multiplier and the increase (2 decimal places), and suggest one concrete way to cut leakage. (5 marks)

Question 5: Carrying Capacity, Congestion and Carbon Emissions

Study the carrying capacity and environmental data below and answer all parts of Question 5.

17. A beach covers 12,000 square metres with a sustainable density of 0.5 square metres per person. Calculate the daily physical carrying capacity (visitors). (4 marks)

18. On a peak day 7,800 visitors arrive. Calculate the overload percentage and the congestion index (actual ÷ capacity, 2 decimal places). (4 marks)

19. Each visitor trip emits 12 kg of carbon dioxide on average. Calculate total annual emissions for 14,400,000 visitor trips (tonnes). (4 marks)

20. Management wants peak-day use held at 90% of capacity. Calculate the acceptable limit and the number of visitors to divert, and suggest one diversion method. (4 marks)

Question 6: Exchange Rates, Package Cost and Promotion ROI

Study the exchange rate and promotion data below and answer all parts of Question 6.

21. The exchange rate is HK$1 = US$0.128. A visitor has a budget of US$1,600. How many HK$ can be exchanged (to the nearest hundred)? (4 marks)

22. A four-day package costs: return airfare 3,200, hotel 4 nights at 1,150 per night, meals 1,200 and local transport 400. Calculate the total package cost in HK$. (3 marks)

23. If the HK$ depreciates from HK$1 = US$0.128 to HK$1 = US$0.122, calculate the change in the US$ cost of the same package and state the effect on inbound tourism. (4 marks)

24. A tourism board spends 800,000 on promotion in one market and generates 6,400,000 of extra visitor spending. Calculate the ROI (extra spending ÷ promotion cost) and explain whether a high ROI alone justifies a bigger budget. (5 marks)
