S6 Tourism and Hospitality Practice Paper (Set 2): visitor arrivals and source markets, hotel room rate, package tour costing, exchange rate, restaurant margin

Level: S6 | Subject: Tourism and Hospitality Studies | Time: 75 min | Total: 100 marks | Items: 24

Question 1: Visitor arrivals and source-market mix (17 marks)

The table shows visitor arrivals to a destination in a given year (thousands).

1. Arrivals were: Mainland 2,670, short-haul Asia 1,140, long-haul 690. Find total arrivals (thousands). (4 marks)

2. Find the Mainland share of total arrivals (1 decimal place). (4 marks)

3. Find the ratio of short-haul Asia to long-haul arrivals (2 decimal places). (4 marks)

4. Suppose next year total arrivals rise by 8% while the Mainland share falls to 55%. Find Mainland arrivals and the change from this year. (5 marks)

Question 2: Hotel room rate, occupancy and RevPAR (17 marks)

A hotel has 400 rooms. Average daily rate (ADR) is HK$1,250 and annual occupancy is 78%.

5. Find the number of rooms sold per night and the nightly room revenue. (4 marks)

6. Find RevPAR and its gap from ADR. (4 marks)

7. Find total annual room revenue. (4 marks)

8. The hotel considers raising occupancy to 85% while cutting ADR to HK$1,150. Find the new RevPAR and the percentage change, and comment on whether the strategy is worthwhile. (5 marks)

Question 3: Package tour costing and mark-up pricing (16 marks)

A travel agent designs a 4-day package. Cost per passenger (HK$): air ticket 3,200, hotel 4 nights at 780 per night, meals 900, transfers 380, guide share 250, insurance 120.

9. Find the hotel cost per passenger and the total cost per passenger. (4 marks)

10. If priced at a 18% mark-up on cost, find the tour price (2 decimal places). (4 marks)

11. Find the gross profit per passenger and gross profit as a percentage of the price (2 decimal places). (4 marks)

12. If the guide fee becomes a fixed HK$9,600 per group instead of a per-person share, for a group of 24 passengers find the cost per passenger and the price at the same mark-up. (4 marks)

Question 4: Exchange rate movements and inbound tourism (17 marks)

The local currency rises from 1 unit = 0.128 USD to 1 unit = 0.135 USD. A US tourist budgets US$3,000.

13. Before the appreciation, how much local currency could the tourist obtain (2 decimal places)? (4 marks)

14. After the appreciation, how much local currency (2 decimal places)? (4 marks)

15. Find the change in local currency obtained and its percentage change (2 decimal places). (4 marks)

16. A hotel room costs 1,800 in local currency. Find the USD price before and after appreciation, the percentage change, and explain the effect on inbound demand. (5 marks)

Question 5: Restaurant food cost and contribution margin (16 marks)

A restaurant has food cost HK$68 per cover and a selling price of HK$168, with 320 covers a day. Labour is HK$9,600 per day and rent is HK$38,000 per month (30 days a month).

17. Find the food cost percentage (2 decimal places) and gross profit per cover. (4 marks)

18. Find the daily total food gross profit. (4 marks)

19. Find the daily rent apportionment and the daily operating profit (2 decimal places). (4 marks)

20. Find the monthly operating profit, the daily break-even covers (rounded up) and the margin of safety. (4 marks)

Question 6: Carrying capacity, visitor quota and sustainability (17 marks)

A country-park site receives 1800 visitors a day; estimated carrying capacity is 1500 visitors a day. Each ferry carries 300 passengers and runs 40 trips a day. Average spending is HK$420 per visitor.

21. Find the utilisation of carrying capacity and the number of excess visitors a day. (4 marks)

22. Find the cumulative excess visits over a 90-day peak season. (4 marks)

23. Find the ferry daily capacity and the current load factor. (4 marks)

24. The site plans a daily quota of 1500 visitors. Find the percentage cut required, the visitor spending forgone per day and over a 90-day season, and comment on whether the quota is worthwhile. (5 marks)
