

Name _____

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 1) Name three different areas or departments in the accounting office.

Answer: Income Accounting
 Accounts Receivable
 Night Audit

Diff: 0 Type: ES

- 2) Name the four ways percentages are used in financial analysis.

Answer: Profit %
 Cost %
 Mix %
 % Change

Diff: 0 Type: ES

- 3) The 600 room Flagstaff Hotel reported the following results for the month of January. Calculate both the \$ variation and % variation for each category.

Variation	Actual	Budget	\$ Variation	% Variation
Room Revenue	\$1,225,000	\$1,200,000		
Room Profit	910,000	900,000		
Rooms Sold	12,200	12,500		
Occupancy %	65.6%	67.2%		
Average Room Rate	\$100.40	\$96.00		

Answer:

Variation	Actual	Budget	\$ Variation	% Variation
Room Revenue	\$1,225,000	\$1,200,000	+ \$25,000	+ 2.1%
Room Profit	910,000	900,000	+ 10,000	+ 1.1%
Rooms Sold	12,200	12,500	- 300	- 2.4%
Occupancy %	65.6%	67.2%	- 1.6	- 2.4%
Average Room Rate	\$100.40	\$96.00	+\$ 4.40	+ 4.6%

Diff: 0 Type: ES

- 4) Name five characteristics of the Balance Sheet.

Answer: 1. It measures the value or net worth of a company at a specific point in time.
 2. The fundamental accounting equation describes the Balance Sheet: Assets = Liabilities + Owner Equity.
 3. It is made up of accounts organized by assets, liabilities, and owner equity.
 4. These accounts are divided in to current accounts under one year and long term accounts over one year.
 5. Each account has a beginning balance, monthly activity, and an ending balance. The ending balance for one month becomes the beginning balance for the next month.
 6. Operations managers are not expected to provide monthly Balance Sheet critiques.
 7. Accounting managers balance monthly the account on the Balance Sheet.

Diff: 0 Type: ES

- 5) Write the formulas for the following:

Average Room Rate
Occupancy %
Profit %
REVPAR
Cost %

Answer: Average Room Rate: Room revenues divided by rooms sold
Occupancy %: Rooms sold divided by total rooms
Profit %: Profit \$ divided by revenue \$
REVPAR: Total room revenue divided by total rooms OR Average room rate times occupancy percentage
Cost %: Cost in \$ divided by revenue in \$

Diff: 0 Type: ES

6) Name five characteristics of the P&L Statement.

Answer: 1. It covers a specific time period, for example month, accounting period, year.
2. It reports the actual financial results for a business for the specific time period.
3. It compares the actual financial performance to other measures such as budget, the previous year, the previous month or previous accounting period.
4. It includes a Summary or Consolidated P&L Statement and supporting Department P&L Statements.
5. A new P&L Statement is started each month or accounting period and records information for the current month/accounting period and year to date YTD.
6. Managers are expected to analyze or critique their monthly P&L Statements to explain variations—both positive and negative—from the budget or from the previous year.

Diff: 0 Type: ES

MATCHING. Choose the item in column 2 that best matches each item in column 1.

Match the term with the correct definition.

7) The one year formal financial plan of a business A) Budget 7) _____

Answer: A B) RevPAR

Diff: 0 Type: MA

8) An important measure of a hotel's ability to generate room revenue 8) _____

Answer: B

Diff: 0 Type: MA

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

9) Name five characteristics of the Statement of Cash Flow.

Answer: 1. It involves the cash account of the Balance Sheet.
2. It has beginning and ending balances.
3. It shows how money is used in the daily operations of the business.
4. It measures liquidity.
5. It is a fundamental component of working capital.
6. It reflects the increases and decreases in Balance Sheet accounts.
7. There are three classifications of Cash Flow: Operating activities, Financial activities, and Investment activities.

Diff: 0 Type: ES

10) Changes both positive and negative are measured in terms of:

Answer: units, dollars and percents

Diff: 0 Type: ES

- 11) Food beginning inventory is \$15,000 and Cash beginning balance is \$30,000. You purchase \$6,000 in food supplies to be paid for at the end of the month and \$2,500 in purchases that were paid for immediately. You also put \$8,000 of inventory into production. Set up the necessary Balance Sheet and P&L Statement accounts and post these transactions to the appropriate accounts. *Do not give journal entries!* Post amounts to accounts.

Answer:

Cash	Accounts Payable	Food Inventory	Food Cost
\$ 30,000	\$ + 6,000	\$ 15,000	\$ + 8,000
(2,500)		+ 6,000	
		+ 2,500	
		(8,000)	

Diff: 0 Type: ES

- 12) Name four measurements on a Profit and Loss Statement that a company's *actual financial performance* is compared to.

Answer: Budget
Forecast
Pro Forma
Specific Goal
Last Year
Last Month

Diff: 0 Type: ES

- 13) Why is RevPAR so important in analyzing the financial performance of hotels?

Answer: It measures both rate and volume in maximizing room revenues.

Diff: 0 Type: ES

MATCHING. Choose the item in column 2 that best matches each item in column 1.

Match the term with the correct definition.

- 14) Updates the budget, weekly, monthly or quarterly

A) Statement of Cash Flow

14) _____

Answer: B

B) Forecast

Diff: 0 Type: MA

- 15) Statement that measures the liquidity of a company

15) _____

Answer: A

Diff: 0 Type: MA

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 16) Calculate the wage cost percent, operating cost percent and the profit percent for the following information:

	Actual Results	Cost/Profit Percent
Room Sales	\$ 1,200,000	
Wage Cost	150,000	
Operating Cost	100,000	
Rooms Profit	\$ 950,000	

Answer:

	Actual Results	Cost/Profit Percent
Room Sales	\$ 1,200,000	

Wage Cost	Rooms Profit	150,00	\$ 950,000	79.2%
Operating Cost		100,000	8.3%	

Diff: 0 Type: ES

MATCHING. Choose the item in column 2 that best matches each item in column 1.

Match the term with the correct definition.

- 17) The amount of cash or cash equivalents that a business has to cover its daily operating expenses

A) Liquidity

17) _____

Answer: A

Diff: 0 Type: MA

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 18) Name the four important trends used in financial analysis.

Answer: Revenue, expense and profits

Short and long term

Industry and company

National or general economic trends

Diff: 0 Type: ES

MATCHING. Choose the item in column 2 that best matches each item in column 1.

Match the term with the correct definition.

- 19) Measures the value or net worth of a company

A) Staff Department

19) _____

Answer: D

Diff: 0 Type: MA

B) Retention

C) P&L Statement

- 20) Members of senior management that report directly to the General Manager

20) _____

Answer: E

Diff: 0 Type: MA

D) Balance Sheet

E) Executive Committee

- 21) A hotel department that provides support to the operating departments of a hotel

21) _____

Answer: A

Diff: 0 Type: MA

- 22) The change in profit \$ divided by the change in revenue \$

22) _____

Answer: B

Diff: 0 Type: MA

- 23) Measures the operating success of a company

23) _____

Answer: C

Diff: 0 Type: MA

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

24) What are the four steps in the Financial Management Cycle?

Answer: Operations produce the numbers.
Accounting prepares the reports.
Both analyze the numbers.
Operations applies back to daily operations.

Diff: 0 Type: ES

25) The 600 room Flagstaff Hotel recorded \$61,950 in revenue with 550 room sold last night. Calculate the following:

Occupancy %

Average Room Rate

REVPAR

Answer: Occupancy %: 91.7%

Average Room Rate: \$112.64

REVPAR: \$103.25

Diff: 0 Type: ES

26) Actual room sales and rooms sold for the Flagstaff Hotel were as follows. Calculate the rooms sales and rooms sold mix percentage.

	Room Sales	Room Sold	Sales Mix %	Room Sold_ Mix %
Transient Rooms	\$ 753,000	8,200		
Group Rooms	395,00	4,000		
Contract Rooms	<u>114,000</u>	<u>1,000</u>		
Totals	\$ 1,262,00	13,200		

Answer:

	Room Sales	Room Sold	Sales Mix %	Room Sold_ Mix %
Transient Rooms	\$ 753,000	8,200	59.7%	62.1%
Group Rooms	395,000	4,000	31.3%	30.3%
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Totals	\$ 1,262,00	13,200		

Diff: 0 Type: ES

27) What are the two ways numbers are used in financial analysis?

Answer: To measure financial performance
As a management tool

Diff: 0 Type: ES

28) Name four levels of management and hourly positions that are part of a hotel organization chart.

Answer: General Manager
Executive or Leadership Team
Department Head
Line Managers
Supervisors
Hourly Employees

Diff: 0 Type: ES

MATCHING. Choose the item in column 2 that best matches each item in column 1.

Match the term with the correct definition.

29) A hotel department that records revenues and produces a profit by providing products and services to paying customers

A) Operating Department

29) _____

B)
Working Capital

Answer: A

Diff: 0 Type: MA

30) The amount of money used in the daily operations of a business

30) _____

Answer: B

Diff: 0 Type: MA

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

31) Name four different profit levels in a hotel.

Answer: Department Profit

Total Department Profit

House Profit or Gross Operating Profit

Net House Profit or Adjusted Gross Operating Profit

Diff: 0 Type: ES

- 1) Income Accounting
Accounts Receivable
Night Audit
Diff: 0 Page Ref:
Topic:

- 2) Profit %
Cost %
Mix %
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Diff: 0 Page Ref:
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3)

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- 7) A
Diff: 0 Page Ref:
Topic:

- 8) B
Diff: 0 Page Ref:

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Diff: 0 Page Ref:

Topic:

- ## 12) Budget

Forecast

Pro Forma

Specific Goal

Last Year

Last Month

Diff: 0 Page Ref:

Topic:

- 13) It measures both rate and volume in maximizing room revenues.

Diff: 0 Page Ref:

Topic:

- 14) B

Diff: 0 Page Ref:

Topic:

- 15) A

Diff: 0 Page Ref:

Topic:

16)	Actual Results	Cost/Profit Percent
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Diff: 0 Page Ref:

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Short and long term

Industry and company

National or general economic trends

Diff: 0 Page Ref:

Topic:

19) D

Diff: 0 Page Ref:

Topic:

20) E

Diff: 0 Page Ref:

Topic:

21) A

Diff: 0 Page Ref:

Topic:

22) B

Diff: 0 Page Ref:

Topic:

23) C

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29) A

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List of Files:

Please note that this is very short test bank. Each Ch/Test has very few questions. Other Tests are similar like the sample (Test 1A-Part 1: Chapter 1-3)

Test 1A.tst - TestGen

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Testbank Library Resource Library

- Accounting & Financial Analysis in the Hospitality Industry
 - Test 1A--Part 1: Chapters 1 - 3
 - Test 1B--Part 1: Chapters 1 - 3
 - Test 2A--Part 2: Chapters 4 - 5
 - Test 2B--Part 2: Chapters 4 - 5
 - Test 3--Part 3: Chapters 6 - 10
 - Final Exam

Test 1A.tst (Paper) 31 questions -- page 1 of 11

Exam

Name _____

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Food & Beverage	610,000	600,000		

Add Selected Item(s) Choose Multiple ...