



MURANG'A UNIVERSITY OF TECHNOLOGY
SCHOOL OF HOSPITALITY AND TOURISM MANAGEMENT
DEPARTMENT OF HOSPITALITY, TRAVEL AND TOURISM

UNIVERSITY ORDINARY EXAMINATION

2023/2024 ACADEMIC YEAR

**THIRD YEAR SECOND SEMESTER EXAMINATION FOR BACHELOR OF
SCIENCE IN HOSPITALITY MANAGEMENT**

BCF 325 – REVENUE MANAGEMENT AND PRICING

DURATION: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Answer question one and any other two questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

SECTION A: ANSWER ALL QUESTIONS IN THIS SECTION

QUESTION ONE (30 MARKS)

- a) Explain the following terminologies
 - i. Revenue management (2 marks)
 - ii. Demand (2 marks)
 - iii. Pace report (2 marks)
 - iv. Yield management (2 marks)
 - v. Customer – centric (2 marks)
- b) Highlight three segments of e-commerce. (3 marks)
- c) Enumerate ten (10) types of cost. (5 marks)
- d) Describe the term equilibrium (2 marks)
- e) State four (4) aims of revenue management in maximising yield by selling. (4 marks)
- f) Give four (4) benefits of yield management in the hospitality and tourism firms. (4 marks)
- g) Describe the term overbooking (2 marks)

SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION

QUESTION TWO (20 MARKS)

- a) Highlight eight (8) factors that affect differential pricing. (8 marks)
- b) Summarise six (6) distribution channels used by hotels while selling their services and products. (12 marks)

QUESTION THREE (20 MARKS)

- a) Highlight four (4) key practices observed in formulating an effective revenue management system. (4 marks)
- b) Explain the following challenges of differential pricing: (6 marks)
 - i. Imperfect knowledge
 - ii. Cannibalization
 - iii. Arbitrage
- c) Discuss the 4 I'S of service characteristic in the hospitality industry. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Describe the following terminologies (8 marks)
 - i. Price fence
 - ii. Inventory management
 - iii. Consumer surplus
 - iv. Competitive set
- b) Explain four important issues of demand forecasting. (8 marks)
- c) State any four ingredients of a contract. (4 marks)