



# **Hospitality & Tourism Sample Exam Questions**

- Hospitality Event
- Restaurant & Food Service Management Event
  - Travel & Tourism Event

1. The AJR Resort hired a marketing firm to develop an online blog to create "buzz" about the resort's new banquet services; however, it did not advise the public that bloggers were paid to promote the services. This is an example of an unethical activity called
  - A. placement marketing.
  - B. stealth marketing.
  - C. sponsorship advertising.
  - D. endorsement advertising.
  
2. After pricing and issuing requested products, storeroom personnel often pass requisition forms on to a \_\_\_\_\_ who determines the cost of food and beverage each day.
  - A. executive chef
  - B. controller
  - C. purchaser
  - D. chief steward
  
3. Economies of scale are highly dependent on average
  - A. marginal cost.
  - B. total cost.
  - C. revenue.
  - D. marginal revenue.
  
4. You will graduate next year and need to buy clothes for work. You have found that the type of clothes you want will cost \$1,600 with an after-tax return of 2% interest. Using the following chart, determine how much money you need to save for a year to buy the type of clothes you want.

<b>Multipliers by Rate of Return</b>				
<b>Years to Goal</b>	<b>2%</b>	<b>4%</b>	<b>6%</b>	<b>8%</b>
1	12.1	12.2	12.3	12.4
2	24.5	24.9	25.4	25.9
3	37.1	38.2	39.3	40.6
4	49.9	51.9	54.1	56.4
5	63.1	66.2	69.8	73.6
6	76.5	81.1	86.4	92.1

- A. \$177.84
  - B. \$132.24
  - C. \$12.10
  - D. \$98.20
5. Which of the following are characteristics of effective marketing research efforts:
    - A. Systematic, timely, and accurate
    - B. Accurate, creative, and outdated
    - C. Thorough, objective, and imprecise
    - D. Timely, objective, and general
  
  6. Price fixing is unethical because it restricts
    - A. competition.
    - B. loss leaders.
    - C. tariffs.
    - D. unit pricing.
  
  7. Experience immersion is a somewhat unorthodox customer-experience evaluation technique. Which of the following statements best describes the experience immersion process:
    - A. Surveying customers and evaluating completed transactions
    - B. Observing customers and conducting customer focus groups
    - C. Conducting customer focus groups and surveying customers
    - D. Observing customers and completing customer tasks
  
  8. To develop its customer-service strategies, a hospitality and/or tourism business must consider its
    - A. desired image, size, and products.
    - B. authority, size, and products.
    - C. desired image, size, and authority.
    - D. desired image, products, and authority.

9. During the distribution channel selection process, a producer should consider an intermediary's services, its availability, and its
- A. scales.
  - B. theories.
  - C. origins.
  - D. policies.
10. Which of the following reports would indicate that a hotel's restaurant and banquet facility exceeded its weekly sales goals:
- A. Service bar's daily debit card receipts
  - B. Dry-goods requisition form
  - C. Fresh produce purchase order
  - D. Food and beverage income report

## KEY

### 1. B

Stealth marketing. Stealth marketing is a deceptive practice in which a business tries to stimulate interest in a product without disclosing to the public that the business is paying others to create the "buzz." When a company pays a firm to develop and maintain a blog (online journal) about the company's new product and does not disclose that the blog content is being paid for, the company is being deceptive, which is unethical behavior. Placement promotion is an advertising technique that involves placing products in movies, television shows, etc. A sponsorship is an agreement that allows a company to pay a fee for the right to affiliate itself with a business, sports team, or event. An endorsement is approval by a reputable external source.

SOURCE: PR:099

SOURCE: Anderson, N. (2006, December 13). *FTC says stealth marketing unethical*. Retrieved March 20, 2009, from <http://arstechnica.com/news.ars/post/20061213-8413.html>

### 2. B

Controller. A requisition is essentially a written request for products currently in storage. Head bartenders and senior members of the kitchen staff often fill out requisition forms to gain access to food and beverage products currently in storage. When storeroom personnel receive a requisition, they determine the price or cost of each item on the form, and then they issue the products requested by the bar or kitchen staff. After the products have been delivered or picked up, the requisition form is often passed on to a food and beverage controller. At the end of each day, the controller totals up the acquisitions and determines the cost of food and beverage for that particular day. An executive chef is typically a manager in charge of the kitchen staff. S/he may be involved in planning menus, developing food purchase specifications, preparing daily specials, and a number of other activities. The purchaser selects food and beverage suppliers, places orders, and makes buying decisions on behalf of the food and beverage division. The chief steward and her/his staff wash dishes, clean pots and pans, and maintain the cleanliness of food and beverage areas.

SOURCE: DS:067

SOURCE: Ninemeier, J.D. (2000). *Management of food and beverage operations* (3rd ed.) [pp. 21-29]. Weimar, TX: Culinary and Hospitality Industry Publications Services.

### 3. B

Total cost. The average total cost curve is what a manager should be looking at when s/he thinks about increasing or decreasing company size because it shows the average total cost to the company per unit produced. The average marginal cost per unit produced would not give an accurate picture of the company's financial situation because it only shows the cost incurred per each additional unit produced. Analysis of the average revenue and average marginal revenue would only show how much the company is profiting on average, respectively, in terms of total average output and per each additional unit produced. This information by itself gives no insight into the cost incurred by the company in the production process.

SOURCE: EC:077

SOURCE: McConnell, C.R., & Brue, S.L. (2005). *Economics: Principles, problems, and policies* (16<sup>th</sup> ed.) [p. 404]. Boston: McGraw-Hill/Irwin.

4. B

\$132.24. To determine the amount that has to be saved each month to have the money to buy the type of business clothes desired, locate the point on the chart where the timeframe and the after-tax return intersect. Divide that amount into the total amount of money needed to obtain the monthly savings required. In this case, the timeframe is one year with an after-tax return of 2% interest. The point at which they intersect is 12.1. Divide 12.1 into the \$1,600 to obtain the monthly savings needed of \$132.24.

SOURCE: FI:079

SOURCE: Stephenson, M.J. (n.d.). *Achieving financial goals*. Retrieved February 5, 2009, from <http://extension.umd.edu/publications/PDFs/FS709.pdf>

5. A

Systematic, timely, and accurate. Marketing research is the systematic gathering, recording, and analyzing of data about issues relating to the marketing of goods and services. Companies acquire and use marketing-research data to solve problems and make business decisions. When conducting marketing research, the researcher should obtain the desired information in a systematic (scientific) manner. By doing so, the researcher can ensure that all of the steps in the research process—collection, recording, and analysis—are performed objectively, thoroughly, accurately, and in a timely manner. Marketing-research efforts often require researchers to use creative thinking, but they should not use data that are imprecise and outdated. The data the researchers collect should be specific enough to address the issue or solve the problem.

SOURCE: IM:010

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 614, 621). New York: Glencoe/McGraw-Hill.

6. A

Competition. Price fixing occurs when competing businesses agree on the prices of their goods or services, resulting in little choice for the consumer. Price fixing does not restrict loss leaders, tariffs, or unit pricing. A loss leader is a product that is sold below cost to draw customers into a store. A tariff is a tax on imported goods. Unit pricing is a pricing technique in which consumers are given the price per unit for products.

SOURCE: PI:015

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 536-537). New York: Glencoe/McGraw-Hill.

7. D

Observing customers and completing customer tasks. Businesses that engage in experience immersion immerse themselves in the world of their customers. Business employees—even business executives—observe customers, pose as customers, and complete customer tasks to better understand what their customers go through and experience. After seeing his/her business through the eyes of its customers, a business executive can better identify the business's customer-service strengths, as well determine components of the customer experience that need to be improved. Conducting customer focus groups, surveying customers, and evaluating completed transactions are also customer-experience evaluation techniques. However, they are not techniques used in experience immersion.

SOURCE: PM:138

SOURCE: Agustin, L. (2006, July 20). *Understanding the total user experience*. Retrieved February 6, 2009, from <http://dd.dynamicdiagrams.com/2006/07/understanding-the-total-user-experience/>

8. A

Desired image, size, and products. A hospitality business should consider what it wants its image to be so that customer-service strategies can be developed around that idea. A hospitality business also needs to consider its size when developing its customer-service strategies. A large hospitality business probably has more resources to put toward customer-service tasks, but it may have to work harder to provide its customers with personalized service. Smaller hospitality businesses probably have fewer resources, but giving personalized service is much easier. A hospitality business's products also need to be considered. A conference hotel that focuses on businesspeople and has many meeting rooms and banquet options may have a different approach to service than a motel that accommodates short-term destination travelers, for instance. It is not necessary for a hospitality business to consider its authority and influence over others when developing its customer-service strategies.

SOURCE: PM:013

SOURCE: PM LAP 1—Customer Service Supersized (The Role of Customer Service in Positioning/Image)

9. D

Policies. When a business selects a channel of distribution, it must consider whether it is feasible to use a certain intermediary (i.e., wholesaler, retailer). Some factors that the business must consider include an intermediary's capabilities (e.g. services) and its policies. If the producer's and an intermediary's policies are incompatible, there is likely to be conflict, which can create ongoing relationship problems. Therefore, the producer would want to select another intermediary whose policies align closely to its own policies. The producer would not consider theories, origins, or scales when selecting a channel of distribution.

SOURCE: CM:010

SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14th ed.) [pp. 390-391]. Boston: McGraw-Hill/Irwin.

10.D

Food and beverage income report. The food and beverage income report summarizes revenues generated from all of the hotel's food and beverage departments (i.e., restaurant, bar, room service, and banquet sales) for a certain timeframe. The income sales report will indicate if the food and beverage function of the hotel exceeded or fell short of its sales goals. A dry goods requisition form, fresh produce purchase order, and the service bar's daily debit card receipts will not provide the desired information.

SOURCE: SE:279

SOURCE: Educational Institute of the American Hotel & Motel Association. (2000). *Lodging management program: Year two* (p. 272). Lansing, MI: Author.