



**ALUPE UNIVERSITY**  
COLLEGE  
*Bastion of Knowledge...*

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**OFFICE OF THE DEPUTY PRINCIPAL  
ACADEMICS, STUDENT AFFAIRS AND RESEARCH**

# UNIVERSITY EXAMINATIONS

## 2017/2018 ACADEMIC YEAR

### FIRST YEAR FIRST SEMESTER EXAMINATION

**FOR THE DEGREE OF BACHELOR  
OF SCIENCE (HOTEL&HOSPITALITY)**

**SCHOOL: BUSINESS, ECONOMICS &  
HUMAN RESOURCE DEVELOPMENT**

**COURSE CODE: BHM 111**

**COURSE TITLE: INTRODUCTION TO HOTEL  
ECONOMICS**

**DATE: 14<sup>th</sup> December, 2017 TIME: 2.00pm-5.00pm**

For examiner's Use Only

| Question | I.E | E.E |
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| EXAM     |     |     |
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**INSTRUCTION TO CANDIDATES: SEE INSIDE**

**THIS PAPER CONSISTS OF 20 PRINTED PAGES**

**PLEASE TURN OVER**

Insert the numbers of the questions you have answered in the order done

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Student Admission No.....Exam Card No.....Signature.....

**INSTRUCTIONS TO CANDIDATES**

1. Write your **Admission Number, Exam Card Number** and **Sign** in the spaces provided at the bottom of each page of the Examination Booklet. **DO NOT** write your name anywhere in this booklet.
2. Write on both sides of the pages.
3. All rough work must be done in the Answer sheets and crossed through.
4. If supplementary pages are used, they must be fastened all together at the end of this Booklet. Supplementary pages should be used only after all the leaves in the booklet have been exhausted.
5. It is a serious examination offence to cheat or to have unauthorized materials including **MOBILE PHONES** (whether on or off) in the examination venue.
6. In no circumstances must Answer Booklet used or unused, be removed from the examination room by a candidate.
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12. Committing any form of irregularity is prohibited and shall attract severe disciplinary action in accordance with Alupe University College Examination Regulations.

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**INSTRUCTIONS**

*Attempt question ONE and any other TWO questions*

1. Casolodge International Hotel is a family business that has been in operation in Busia for a period of time. The facility aims at providing world class services to visitors and hence seeks the services of Hotel and Hospitality expert. The hotel manager approaches you to assist.
  - (a) (i) In your first interaction with the staff you realize some have no idea what a service is. With relevant examples define a service to them. **(2 marks)**
  - (ii) Describe any **four** main characteristics of services to the staff. **(8marks)**
  - (b) (i) In a subsequent meeting with management there is an indication that their hospitality services fall short in quality. Describe to the management any **four** barriers to excellent client service. **(8 marks)**
  - (ii) Describe to the management any **four** service quality gaps that can be envisaged when providing services to clients **(8 marks)**
  - (c) Identify to the management any **four** steps that can be undertaken to improve service quality in such a hotel **(4 marks)**
2. (a) (i) Name **two** natural resources on the surface of land **(2 marks)**
- (ii) Describe any **four** features of land **(8 marks)**
- (b) (i) Differentiate fixed capital from working capital **(4 marks)**
- (ii) State any **six** characteristics of capital **(6 marks)**
3. (a) (i) Define a sole proprietorship. **(2 marks)**
- (ii) Describe any **four** characteristics of a sole proprietorship. **(8marks)**
- (b) (i) Give **two** scenarios where sole proprietorship is suitable **(2 marks)**
- (ii) Discuss any **four** advantages and four limitations of sole proprietorship **(8 marks)**
4. (a) (i) Define scales of productions **(2 marks)**
- (ii) state any **four** scales of production **(4 marks)**



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- (b) Describe any **four** types of internal economies of scale (8 marks)
- (c) Clearly give any **three** differences between internal and external economies of scale (6 marks)
5. (a) (i) What is a market structure (1 marks)
- (ii) State any **four** characteristics of a market. (4 marks)
- (b) (i) State any **five** assumptions of perfect competition market structure. (5 marks)
- (ii) State any **two** reasons why perfectly competitive firms don't advertise. (2 marks)
- (c) (i) Describe any **two** types of monopolies (2 marks)
- (ii) Discuss any **three** determinants of a market structure for a particular good. (6 marks)