

## Crunching Numbers: Budgeting and Forecasting Quiz (Key)

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Match the correct term with definition.

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|----------------|-------------------|-----------------|
| A. Forecasting | D. Budget         | G. Average Rate |
| B. Demand      | E. Occupancy Rate |                 |
| C. Supply      | F. Revenue        |                 |

- \_\_\_ **F** \_\_\_ 1. The actual money a company receives during a specific period
- \_\_\_ **B** \_\_\_ 2. The total amount of a good or service consumers want to purchase at a given price
- \_\_\_ **E** \_\_\_ 3. A ratio of guest rooms/seats sold to guest rooms/seats available
- \_\_\_ **A** \_\_\_ 4. Prediction or estimation of a future event for a given time period
- \_\_\_ **G** \_\_\_ 5. The average of all the room rates together that have been sold for one night
- \_\_\_ **C** \_\_\_ 6. The total amount of goods or services available for sale
- \_\_\_ **D** \_\_\_ 7. A guideline for spending money

8. List the five (5) factors that affect revenue management.

- a. \_\_\_ **AR** \_\_\_\_\_
- b. \_\_\_ **Demand** \_\_\_\_\_
- c. \_\_\_ **Occupancy rate** \_\_\_\_\_
- d. \_\_\_ **Room Rates** \_\_\_\_\_
- e. \_\_\_ **Supply** \_\_\_\_\_

9. The Fun Time Cruise Line has a total of 1,150 rooms and 1,028 of the rooms are sold for the next cruise. Calculate the occupancy rate below. Show your work.

$$1,028 \div 1,150 = 0.893 \times 100 = 89.4\%$$

10. The Blue Diamond Airline has 275 seats available per flight with one flight per day. The airline has an average occupancy rate of 84% for the week and an average rate (AR) of \$139.00 per person. Calculate the weekly estimated revenue. Show your work.

$$(275 \times 0.84) \times 7 \times \$139.00 = \$224,763.00$$