Crunching Numbers: Budgeting and Forecasting Quiz (Key)

Match the correct term with definition.

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

1. The actual money a company receives during a specific period - _F_
2. The total amount of a good or service consumers want to purchase at a given price - _B_
3. A ratio of guest rooms/seats sold to guest rooms/seats available - _E_
4. Prediction or estimation of a future event for a given time period - _A_
5. The average of all the room rates together that have been sold for one night - _G_
6. The total amount of goods or services available for sale - _C_
7. A guideline for spending money - _D_

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.

   \[
   \text{Occupancy Rate} = \frac{1,028}{1,150} = 0.893 \times 100 = 89.4\%
   \]

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.

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