



## Context – Caygill Group Hotels Ltd

Caygill Group Hotels Ltd (CGH Ltd) is a private limited company that owns 20 hotels in the United Kingdom. It is owned by the Caygill family with Jessica Caygill as the Managing Director. Other members of the family work in the business. These include Peter Caygill, Financial Director who is responsible for all financial matters including the final accounts, Simon Dalkin the Sales and Marketing Director, Laura Brown the Human Resources (Personnel) Director and Jenny Caygill the Administration/ICT Director.

CGH Ltd hotels are near airports and in the centre of towns and cities. Their guests consist mainly of tourists or business people working in the area for short periods. Jas Hopkins is the Manager of the CGH Ltd hotel in London. This hotel, with 120 bedrooms, is typical of other hotels in the Caygill chain and employs permanent and temporary staff. Guests use the hotel facilities, which include:

- a bar and restaurant
- a fitness and leisure centre with a swimming pool
- a small business centre
- car parking.

At present, all CGH Ltd hotels are not full with guests. Simon Dalkin has carried out some research and, after consultation, the directors of CGH Ltd have come up with the following plans to increase turnover:

- employ a person to improve the Internet website which is out-of-date and basic
- review the company's current marketing strategy, in particular future promotional campaigns
- improve the quality of service offered by all staff at CGH Ltd
- set up a membership scheme for people not staying at CGH Ltd hotels to use the hotels' fitness and leisure centre facilities.



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**Answer ALL questions.**

**For each question, choose an answer A, B C or D and put a cross in the box.  
Mark only one answer for each question. If you change your mind, put a line through the box and then mark your new answer with a cross.**

e.g: Mark the box like this:

<input type="checkbox"/> A
<input type="checkbox"/> B
<input checked="" type="checkbox"/> C <i>This shows your answer</i>
<input type="checkbox"/> D

If you change your mind, mark the boxes like this:

<input checked="" type="checkbox"/> A <i>This shows your final answer</i>
<input type="checkbox"/> B
<input checked="" type="checkbox"/> C <i>First answer</i>
<input type="checkbox"/> D

1. (a) (i) One of the four Ps in the marketing mix is

- A profit
- B price
- C payment
- D production

(ii) A current liability is

- A an overdraft
- B stock
- C cash
- D debtors

(iii) When a hotel manager asks an employee to carry out a task on his/her behalf, this is known as

- A recruitment
- B marketing
- C selection
- D delegation



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(iv) Money coming in and going out of a business is

- A a dividend
- B cash flow
- C profit
- D a mortgage

(v) Assets and liabilities are shown in a

- A profit and loss account
- B breakeven chart
- C balance sheet
- D budget

(5)



M 3 1 5 2 8 A 0 5 2 4

(b) (i) Name a fixed asset.

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**(1)**

(ii) What is an import?

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**(1)**

(iii) Define the term 'span of control'.

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(iv) Identify **ONE** method of advertising.

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**(1)**

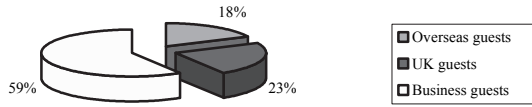
(v) What is meant by a competitor?

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**(1)**

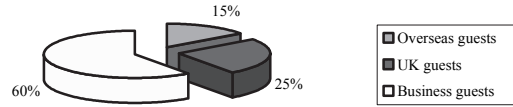


Answer the questions using the charts below.

CGH Ltd's London hotel – Guest Percentages  
2007



CGH Ltd's London hotel – Guest Percentages  
2006



(c) (i) Which year had the smaller percentage of business guests?

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**(1)**

(ii) Which group had 15% of guests?

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**(1)**

(iii) Calculate the total percentage of overseas and UK guests in 2007.

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**(1)**

(iv) Identify **THREE** factors that might account for the decrease in the percentage of UK guests in 2007.

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M 3 1 5 2 8 A 0 9 2 4

2. One factor that would influence where a hotel locates is cost of land.

(a) (i) Identify **TWO** other influences on the location of a business.

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**(2)**

CGH Ltd's hotels are near airports and in the centre of towns and cities.

(ii) Why do you think CGH Ltd has its hotels near airports and in towns and cities?

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**(4)**

CGH Ltd is a private limited company owned by the Caygill family.

(b) (i) What is the term given to the owners of a private limited company?

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**(1)**

(ii) Analyse **ONE** advantage to the Caygill family of being a private limited company.

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**(3)**











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5. One of the roles of Peter Caygill is to prepare CGH Ltd's final accounts. Part of the Trading and Profit and Loss Account is shown below.

	2007	2006
	£	£
Sales revenue	2 035 900	2 144 100
Cost of sales	487 180	471 702
Gross profit	1 548 720	1 672 398
Expenses/overheads	1 099 592	1 120 507
Net profit	449 128	551 891

$$\text{(Net profit ratio} = \frac{\text{Net profit}}{\text{Sales}} \times 100)$$

(a) (i) Calculate the net profit ratio for both years.

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..... (2)

(ii) Using the above information and your calculations, assess CGH Ltd's performance in 2006 against 2007.

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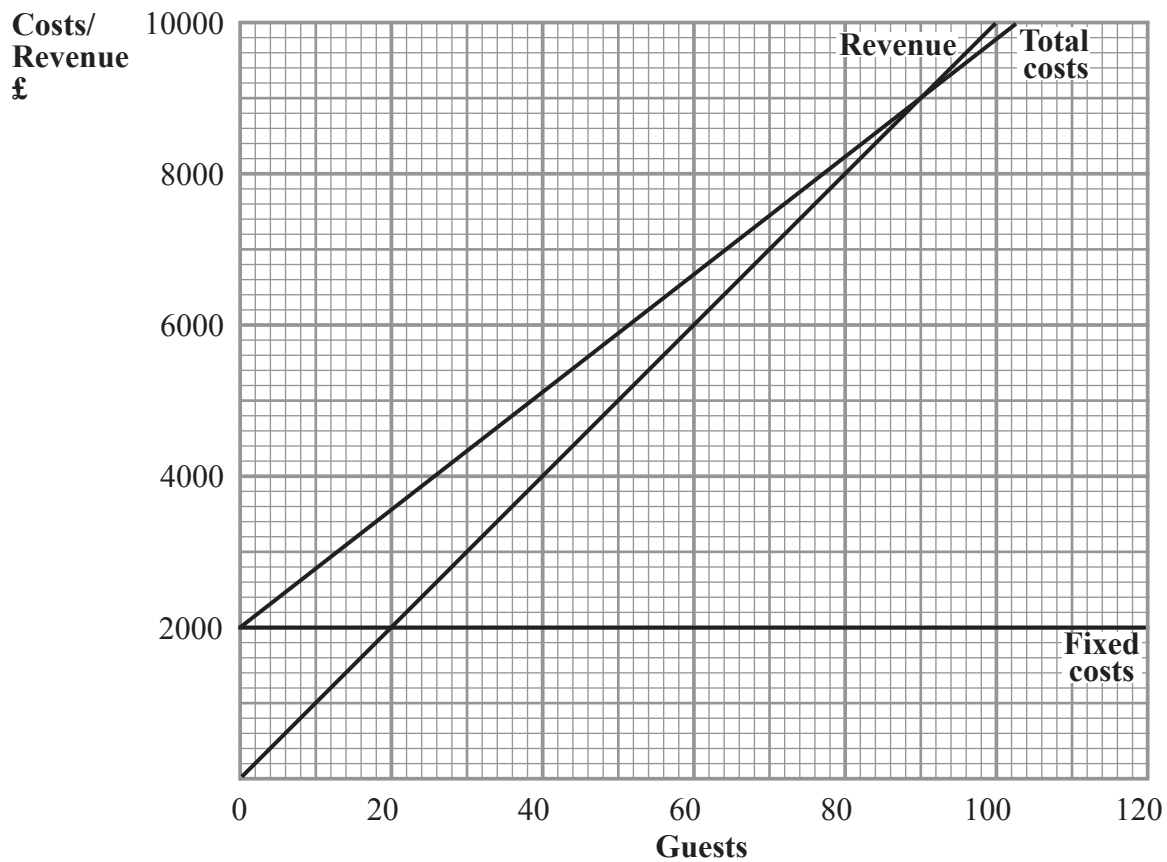
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(8)

Jas Hopkins, the hotel manager, needs to know the minimum number of guests staying each day in order to cover total costs. He uses a break even chart to do this.

**CGH Ltd London Hotel – Daily Guest Break even Chart**



(b) (i) On the above chart, label the break even point.

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(1)

(ii) How many guests does CGH Ltd need to break even?

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(1)

(iii) What is the revenue at the break even point?

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(1)





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