

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- employ a person to improve the Internet website which is out-of-date and basic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.



Answer ALL the questions.

1. (a) Complete each of the sentences below. Circle the **ONE** word or phrase from each list which gives the best answer.

(i) *CGH Ltd* is in the sector of the economy.

competitive financial primary tertiary

(ii) Guests who stay at *CGH Ltd* hotels are its

competitors customers employees suppliers

(iii) People who apply for a job at *CGH Ltd* have to complete an form.

account application invoice order

(3)

(b) For each of the questions (i) and (ii) below, write the letter A, B, C or D to show the correct answer. Use the boxes provided.

(i) A suitable way for *CGH Ltd* to attract more guests is by

A commission

B depreciation

C distribution

D promotion

Answer

(ii) *CGH Ltd* employees who go to college receive what sort of training?

A induction

B on-the-job

C off-the-job

D permanent

Answer

(2)



The following employees work at *CGH Ltd*.

- **Jack** writes job descriptions and person specifications.
- **Sarah** advertises *CGH Ltd*'s facilities.
- **Natalie** works as the Assistant to the Managing Director.
- **Betiel** is responsible for *CGH Ltd*'s cash flow.
- **Ieuan** controls the stationery and photocopying.

(c) Using the above information, show which Director will be most interested in the work of these employees.

Write the name of the employee next to the appropriate Director. The first one has been completed to help you.

Jessica (Managing Director) is most interested in the work of **Natalie**

Peter (Financial Director) is most interested in the work of

Simon (Sales and Marketing Director) is most interested in the work of

Laura (Human Resources Director) is most interested in the work of

Jenny (Administration Director) is most interested in the work of

(4)

The chart on page 5 shows income received by *CGH Ltd*'s London hotel from three different sources:

- bar and restaurant
- fitness and leisure centre
- small business centre.



Income: CGH Ltd's London hotel



(d) Using the figures in the chart, answer the following questions.

(i) Which source of income was the lowest in **2006**?

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(1)

(ii) How much was the lowest source of income in **2007**?

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(1)

(iii) What would be the total income from the bar and restaurant in 2006 **and** 2007?

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(1)

(iv) Calculate the increase in income from the small business centre from 2006 to 2007. (Show your working.)

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(2)

(v) How much more income did the hotel receive from these three sources in 2007 compared with 2006?

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(1)

(Total 15 marks)

Q1



2. Members of the Caygill family are stakeholders in *CGH Ltd*.

(a) Name **TWO other** stakeholders in *CGH Ltd*.

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(2)

The directors of *CGH Ltd* need to employ a person to improve their Internet website. Laura, the Human Resources (Personnel) Director, knows that she must take account of the Disability Discrimination Act and the Sex Discrimination Act when recruiting the new member of staff.

(b) Analyse how **ONE** of these Acts will affect Laura when recruiting the new member of staff.

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(4)

At present, most people who want to stay in a *CGH Ltd* hotel book their bedroom by telephone. The directors now plan to offer a **lower** price if people book through the website.

(c) (i) Name the pricing strategy that the directors plan to use for website bookings.

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(1)



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(ii) Suggest whether the plan to use this lower-price strategy for website bookings is likely to benefit *CGH Ltd*.

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(4)

The directors also plan to use the improved website to advertise *CGH Ltd*'s hotels and services.

(d) Discuss *CGH Ltd*'s plan to use the website for advertising.

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(4)

(Total 15 marks)

Q2

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3. *CGH Ltd*'s London hotel has recently been extended and improved. Some new bedrooms have been built. A bank loan was used to finance this work. Existing bedrooms have been redecorated. A bank overdraft was used to finance this work.

(a) Describe **TWO** differences between a bank loan and a bank overdraft.

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(4)

CGH Ltd has used part of its bank loan to buy more assets for the hotel.

(b) (i) Give **TWO** examples of fixed assets that *CGH Ltd* will own.

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(2)

(ii) Give **TWO** examples of current assets that *CGH Ltd* will own.

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(2)



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