

False

- 1 ■ ■ Hotels control labor costs by using call-in staff: Employees work only when the business is there. Housekeeping is one such department.
☒ True
☐ False
- 2 ■ ■ Hoteliers value their properties on a per-room basis; for example, \$150,000 per room.
☐ True
☒ False
- 3 ■ ■ AAA, American Automobile Association, has a contract from the U.S. Department of Commerce to rate and rank hotels in the 50 states as a means of assuring quality standards to international guests visiting the country.
☐ True
☒ False
- 4 ■ ■ European hotels that have a "first-class" rating by the World Tourism Organization are the best the country has to offer.
☐ True
☒ False
- 5 ■ ■ If a resort includes all meals, tips, food, and beverage in one room-rate quote, it is said to be a megaresort.
☐ True
☒ False
- 6 ■ ■ Breakfast is the meal most often taken in the hotel by registered guests.
☒ True
☐ False

7 ■ ■ Geography is to the resort, as commerce is to the transient hotel and population is to the residential hotel.

- ☒ True
☐ False

8 ■ ■ Because occupancy reflects both supply and demand, it measures the economic health of the individual hotel and, indeed, of the entire industry.

- ☒ True
☐ False

9 ■ ■ So few countries of the world use governmental rating systems (the United States is an exception) that travelers are advised to use ADR as the best measure of class.

- ☐ True
☒ False

10 ■ ■ The plan of the conference center, CMP, is similar to the Caribbean's all-inclusive plan, and both borrow from the old-fashion American Plan.

- ☒ True
☐ False

11 ■ ■ Classifying a hotel by its class is far more accurate than classifying it by, say, its location.

- ☐ True
☒ False

12 ■ ■ The hotel industry is countercyclical; that is, it improves when the general economy falls and declines when the general economy booms.

- ☐ True
☒ False

13 ■ ■ "Mom-and-Pops" and the highway motels that they once operated are a historical note, replaced by franchised/chain names; but the individual properties

might still be owned individually.

- ☒ True
- ☐ False

14 ■ ■ A budget hotel might have a 1:1 employee-to-guest ratio, while a casino hotel would be even better, say 0.05 employee to each room.

- ☐ True
- ☒ False

15 ■ ■ Innkeeping is a cyclical industry that goes from highly profitable peaks to very difficult troughs.

- ☒ True
- ☐ False

16 ■ ■ RevPar is the product of ADR (say, \$80.00) multiplied by occupancy (say, 80%).

- ☒ True
- ☐ False

17 ■ ■ RevPar measures revenue relative to the total room inventory; ADR measures revenue relative to the number of rooms sold.

- ☒ True
- ☐ False

18 ■ ■ RevPar is closely watched because it reflects management's overall ability: bringing in business and holding down expenses.

- ☐ True
- ☒ False

19 ■ ■ Once a hotel achieves its break-even point, profits accumulate rapidly because fixed expenses and many semi-fixed expenses have been met.

- ☒ True
- ☐ False

20 ■ ■ Occupancy measures quantity and ADR measures quality.

- ☒ True
☐ False

21 ■ ■ The number of rooms available is known to the individual hotel executive but only estimated by those measuring larger units, such as the regional or national occupancy.

- ☒ True
☐ False

22 ■ ■ There are approximately 250,000 hotels and about 25,000,000 hotel rooms in the United States, so the average hotel is about 250 rooms in size. That's just about the right size.

- ☐ True
☒ False

23 ■ ■ Unlike most other industries, hotelkeeping is not subject to the ups and downs of economic cycles.

- ☐ True
☒ False

24 ■ ■ The word hôtel, meaning "large house," comes from the French and is a relatively modern term considering the long history of innkeeping.

- ☒ True
☐ False

25 ■ ■ A hotel must be evaluated as a piece of real estate as well as by its operations as an ongoing business.

- ☒ True
☐ False

26 ■ ■ The percentage of occupancy is a gauge of the industry's (and the individual hotel's) economic health.

- ☒ True
- ☐ False

27 ■ ■ RevPar (Revenue Per Available Room), an old industry standby, is quite different from REVPAR, which was introduced at about the turn of the century.

- ☐ True
- ☒ False

28 ■ ■ Geography is important to the resort hotel, population to the residential hotel, and businesses to the commercial hotel.

- ☒ True
- ☐ False

29 ■ ■ Because hotels have large fixed costs (interest on debt payments, licenses, taxes, etc.), they are able to break-even at very low rates of occupancy.

- ☐ True
- ☒ False

30 ■ ■ Most cities in the United States, New York City especially, have limited their hotels to either commercial or residential class; that is, commercial hotels may not accept long-term guests.

- ☐ True
- ☒ False

31 ■ ■ A hotel that sold 240 rooms last night with a total rooms revenue of \$24,000 has an average daily rate of \$100.00.

- ☒ True
- ☐ False