



BA ASSIGNMENT SPECIFICATION

SCHOOL OF TOURISM AND HOSPITALITY

Student name:		Student P number:	
Programme:	BA International Hotel Management		
Module:	Financial Management for the Hotel Industry	Module Level (4, 5, 6):	5
Module code:	M5X01922	Contribution to Overall Module Assessment (%):	50%
Lecturer:	Dale Clarke	Internal Verifier:	Olu Adegbite
Assignment Title:	Haversons Ltd	Assignment No (x of x):	2 of 2
Hand Out Date:	September 2019	Submission deadline:	13 th December 2019
Return date of provisional marks & written feedback:	January 2020		
Referencing:	In the main body of your submission you must give credit to authors on whose research your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have read or quoted in order to complete this assignment (e.g. for books: surname of author and initials, year of publication, <u>title of book</u> , edition, publisher: place of publication).		
Submission:	All assignments must be submitted to Turnitin unless otherwise instructed by the Lecturer. Note: the Turnitin version is the primary submission and acts as a receipt for the student. Late submission of the electronic version of the assignment will result in a late penalty mark. Penalties for late submission: Up to four weeks late, maximum mark of 40%. Over one week late, Refer. Only the Extenuating Circumstances Panel may grant an extension.	Date:	
Lecturer to tick to indicate if a hard copy version of the assignment must be submitted.			YES
			NO

DO NOT put this form into Turnitin or it will match many similarities with other students' submissions.

TASK DESCRIPTION

Task 1

Haversons Ltd owns and manages a chain of hotels in the United Kingdom and Europe. One of the groups hotels situated in Llantwit Major (United Kingdom) has 50 identical twin-bedded rooms and 80 double rooms for which a standard rate of £100 per night is charged, irrespective of whether the room is occupied by one or two people.

From the following information which relates to the Hotel, you are required to prepare a month by month cash budget forecast for January 2020 to December 2020. (show each month separately)
(60% of assignment total mark)

- (a) On the basis of past experience and taking account of predicted future developments in the market, the hotel's management believes that the average nightly demand for 2020 will be:

Month	Predicted Revenue £
January	382,414
February	298,218
March	291,005
April	285,111
May	325,600
June	380,450
July	400,600
August	480,750
September	520,180
October	400,800
November	375,080
December	340,900

- (b) Each month, 60% of room sales are made for cash, whilst 40% are made on credit

(business accounts), except for September, where the credit sales figure increases to 60%

(c) Of the rooms paid for via business accounts, payment is received from customers as follows:

- 52% within one month of the invoice date
- 47% within two months of the invoice date
- The balance is not normally received (i.e. it is a bad debt)

Those customers who pay within 30 days of the invoice date will receive a discount of 5% from the hotel

(d) It is expected that the hotel will spend £30,000 on two new motor vehicles in April 2020 which will be paid for immediately

(e) The hotel pays a fixed annual cost of £75,000 for Laundry services, irrespective of occupancy rates.

(f) The hotel's printing and stationary costs are £4,000 per month, except for January, May, August and November where extra printing costs of 45% are incurred due to annual date changes and other amendments.

(g) The complimentary toiletries total £98,000 per annum.

(h) The complimentary in-room beverages (coffee, tea, sugar, milk and biscuits) are purchased on credit monthly at a cost of £3,000, except when room occupancy rates go over 65%, at which point the cost increases to £4,100. When room occupancy rates increase to 85% or more, the cost increases to £5,000. All other beverages are covered by a separate budget.

(i) The hotel plans to purchase land adjacent of the building at a cost of £80,000 to facilitate future expansion, which will include a gym, sauna and pool. An initial deposit of 35% of the purchase price will be paid immediately, the remainder being paid when the contracts are signed in May.

(j) Branded 80 bedding bundles to be purchased in March, and a further 80 in August to replace those which are old/damaged. Each Bundle costs £32 from the Hotel's usual supplier.

In August, 130 new kettle tray sets at a cost of £55 each will be purchased as replacement sets. They will be paid for in full at time of delivery.

(k) Employee details:

- There are currently twelve salaried staff at the hotel, totalling £320,000 per annum.
- There are currently 50 staff who receive a wage, with a combined total of £480,000 per annum

- The hotel also employs zero-hour contract staff to cover the busy periods, where there is over 50% occupancy. At these times, it is anticipated that 10 staff members will receive a wage of £55 per shift, with each employee working ten shifts within that month.
- All salaries and wages are inclusive of employer National Insurance contributions.

(l) Details of cost payments are as follows:

- Complimentary shampoos, conditioners and shower gels for guests are all purchased from one supplier who allows the hotel a months credit before payment
- All other suppliers are paid two months after receipt of goods
- Laundry services are paid for quarterly, the next payment is due in Feb 2020
- All wages are paid weekly
- All salaries are paid on the last day of the month

(m) Light and heat will be paid quarterly from March, with an anticipated annual cost of £120,000. Annual Business rates of £75,000 will be paid in monthly instalments, starting in April 2020

(n) Marketing costs of £25,000 will be incurred in March, July and November 2020

(o) Corporation tax of £779,000 is to be paid in March 2020, which is 9 months after the hotels year end.

(p) The hotel plans to purchase new furniture for the banqueting suite, which will be purchased in November 2019 at a cost of £150,000 and to be paid for in three instalments, beginning in January 2020.

Annual petrol and diesel costs for the hotel's motor vehicles is £13,200, with the cost being spread equally throughout the year.

(q) The hotel management has also decided to upgrade the top floor of the hotel which is currently a storage area. The contractor anticipates that it will take until November 2020 for the rooms will be ready. Fixtures and fittings will be delivered in September and October 2020 at a cost of £150,000 and paid in four instalments, beginning in September 2020. Building costs are estimated to be around £546,000 and will be payable in monthly instalments beginning in August 2020, with the final payment being due in December 2020.

Hotel Management have also decided that the staff toilets on the ground floor will also be refurbished. This will incur extra decorating costs of £18,000, which will be paid for in October.

The annual general maintenance costs for the Hotel are £72,000 and are spread out monthly within the budget.

- (r) Every year in September, a cleaning company is employed to undertake a deep clean of the Hotel. This service incurs a cost of £10,000 and will be paid for in November.
- (s) If the Hotel is overdrawn at the end of any month, it will be charged interest at an annual rate of 5.8%. This will be charged to the company's account on the 3rd day of the subsequent month.
- (t) However, if the Hotel is in credit at the end of the month, interest will be credited to its account on the 5th day of the subsequent month calculated at 2.6%.
- (u) Opening cash balance at 1st January 2020 is £318,000

The hotel has been the venue for a medical conference each September since 2015, which results in full occupancy during the week of the event, which significantly increases the overall occupancy percentage for that month. The contract for the holding of this event is due for renewal discussions in June 2020.

Significant overspending occurred in 2019, which affected the hotels finances. In the past two years room occupancy rates have remained constant.

Task 2

The new chief executive of the hotel has asked you to provide details of the zero-base budgeting technique with a view to implementing this type of budgeting approach in the future.

You are required to prepare a report for the board of directors that:

- (a) Defines and evaluates the process of zero-base budgeting
- (b) Assesses the advantages zero-base budgeting has over traditional based
- (c) How the organisation might introduce such a technique in practical terms

(1000 +/- 10% words – 40% of assignment total mark)

GUIDANCE FOR STUDENTS IN THE COMPLETION OF TASKS

NOTE: The guidance offered below is linked to the five common assessment criteria overleaf.

1. Research-informed Literature

Your work must be informed and supported by scholarly material that is *relevant* to and *focused* on the task(s) set. You should provide evidence that you have accessed a wide *range* of sources, which may be academic, governmental and industrial; these sources may include academic journal articles, textbooks, current news articles, organisational documents, and websites. You should consider the *credibility* of your sources; academic journals are normally highly credible sources while websites require careful consideration/selection and should be used sparingly. Any sources you use should be current and up-to-date, mostly published within the last five years or so, though seminal/important works in the field may be older. You must provide *evidence* of your research/own reading throughout your work, using in-text citations in the main body of your work and a reference list that is alphabetical at the end of your work. Please use the Harvard referencing system.

Specific to this assignment:

You should show a wide level of reading, a minimum of 25 references, from a variety of sources including textbooks, academic journals and academic based websites. You may cite company information and newspaper/magazine articles but take care with issues of reliability and validity.

2. Knowledge and Understanding of Subject

Your work must demonstrate the growing extent of your knowledge and understanding of concepts and underlying principles associated with the subject area. *Knowledge* relates to the facts, information and skills you have acquired through your learning. You demonstrate your *understanding* by interpreting the meaning of the facts and information (knowledge). This means that you need to select and include in your work the concepts, techniques, models, theories, etc. appropriate to the task(s) set. You should be able to explain the theories, concepts, etc. meaningfully to show your understanding. Your mark/grade will also depend upon the *extent* to which you demonstrate your knowledge and understanding; ideally each should be complete and detailed, with comprehensive coverage.

Specific to this assignment:

Use appropriate models/theories relating to budgeting to provide a framework for your report and budgeted forecast.

3. Analysis

Your work must contain evidence of logical, analytical thinking, evaluation and synthesis. For example, to examine and break information down into parts, make inferences, compile, compare and contrast information. This means not just

describing what! But also justifying: Why? How? When? Who? Where? At all times, you must provide justification for your arguments and judgements. Evidence that you have reflected upon the ideas of others within the subject area is crucial to you providing a reasoned and informed debate within your work. Furthermore, you should provide evidence that you are able to make sound judgements and convincing arguments using data and concepts. Sound, valid conclusions are necessary and must be derived from the content of your work. There should be no new information presented within your conclusion. Where relevant, alternative solutions and recommendations may be proposed.

Specific to this assignment:

The tasks themselves specify what is required of you. Take care to answer each question fully, and answer only the question set. You may find it helpful to keep the tasks to hand when writing to remain focused on them. Make sure you draw conclusions from the content of your work and highlight any key recommendations.

4. Practical Application and Deployment

You should be able to demonstrate how the subject-related concepts and ideas relate to real world situations or a particular context. How do they work in practice? You will deploy models, methods, techniques, and/or theories, in that context, to assess current situations, perhaps to formulate plans or solutions to solve problems, some of which may be innovative and creative. This is likely to involve, for instance, the use of real world examples and cases, the application of a model within an organisation and/or benchmarking one organisation against others based on stated criteria. You should show awareness of the limitations of concepts and theories when applied in particular contexts.

Specific to this assignment:

You should deploy your chosen techniques, models and/or theories to the questions. Use material from your research and wider reading to illustrate the points you make. Where necessary you should show awareness of the limitations of the models used when applied.

5. Skills for Professional Practice

Your work must provide evidence of the attributes expected in professional practice. This includes demonstrating your individual initiative and/or collaborative working. You must communicate effectively in a suitable format, which includes written and oral presentation. Work should be coherent and well-structured in presentation and organisation.

Specific to this assignment:

You should write a report in a recognised format. All writing should be academic style, formal, focused, concise and subject specific. It should use a font of Arial 12 point or Times New Roman 12 point, and be 1.5 or double spaced. All graphs, charts, and figures in the main body must be clearly referenced beside or beneath. Where possible they should not be on separate pages but should be incorporated within the text.

Essential Resources:

- Resources listed on the lecture schedule and on Moodle
- The student handbook
- The UWTSD website

MARKING CRITERIA AND STUDENT FEEDBACK

This section details the assessment criteria. The *extent* to which these are demonstrated by you determines your mark. The marks available for each criterion are shown. Lecturers will use the space provided to comment on the achievement of the task(s), including those areas in which you have performed well and areas that would benefit from development/improvement.

Common Assessment Criteria Applied	Marks available	Marks awarded
1. Research-informed Literature Extent of research and/or own reading, selection of credible sources, application of appropriate referencing conventions.		
	10	
2. Knowledge and Understanding of Subject Extent of knowledge and understanding of concepts and underlying principles associated with the discipline.		
	25	
3. Analysis Analysis, evaluation and synthesis; logic, argument and judgement; analytical reflection; organisation of ideas and evidence		

	30	
4. Practical Application and Deployment Deployment of methods, materials, tools and techniques; application of concepts; formulation of innovative and creative solutions to solve problems.		
	25	
5. Skills for Professional Practice Attributes in professional practice: individual and collaborative working; deployment of appropriate media; presentation and organisation.		
	10	

Assignment Mark (Assessment marks are subject to ratification at the Exam Board. These comments and marks are to give feedback on module work and are for guidance only until they are confirmed.)	Late Submission Penalties (tick if appropriate)	
	Up to 4 weeks late	40% Max
	Over 4 weeks late	0%

COMMON ASSESSMENT AND MARKING CRITERIA

Assessment Criteria	OUTRIGHT FAIL	UNSATISFACTORY	SATISFACTORY	GOOD	VERY GOOD	EXCELLENT	EXCEPTIONAL
	0-29%	30-39%*	40-49%	50-59%	60-69%	70-79%	80-100%
1. Research-informed Literature Extent of research and/or own reading, selection of credible sources, application of appropriate referencing conventions	Little or no evidence of reading. Views and findings unsupported and non-authoritative. Referencing conventions largely ignored.	Poor evidence of reading and/or of reliance on inappropriate sources, and/or indiscriminate use of sources. Referencing conventions used inconsistently.	References to a limited range of mostly relevant sources. Some omissions and minor errors. Referencing conventions evident though not always applied consistently.	Inclusion of a range of research-informed literature, including sources retrieved independently. Referencing conventions mostly consistently applied.	Inclusion of a wide range of research-informed literature, including sources retrieved independently. Selection of relevant and credible sources. Very good use of referencing conventions, consistently applied.	A comprehensive range of research-informed literature embedded in the work. Excellent selection of relevant and credible sources. High-level referencing skills, consistently applied.	Outstanding knowledge of research-informed literature embedded in the work. Outstanding selection of relevant and credible sources. High-level referencing skills consistently and professionally applied.

2. Knowledge and Understanding of Subject Extent of knowledge and understanding of concepts and underlying principles associated with the discipline.	Major gaps in knowledge and understanding of material at this level. Substantial inaccuracies.	Gaps in knowledge, with only superficial understanding. Some significant inaccuracies.	Evidence of basic knowledge and understanding of the relevant concepts and underlying principles.	Knowledge is accurate with a good understanding of the field of study.	Knowledge is extensive. Exhibits understanding of the breadth and depth of established views.	Excellent knowledge and understanding of the main concepts and key theories. Clear awareness of challenges to established views and the limitations of the knowledge base.	Highly detailed knowledge and understanding of the main theories/concepts, and a critical awareness of the ambiguities and limitations of knowledge.
3. Analysis Analysis, evaluation and synthesis; logic, argument and judgement; analytical reflection; organisation of ideas and evidence	Unsubstantiated generalisations, made without use of any credible evidence. Lack of logic, leading to unsupportable/missing conclusions. Lack of any attempt to analyse, synthesise or evaluate.	Some evidence of analytical intellectual skills, but for the most part descriptive. Ideas/findings sometimes illogical and contradictory. Generalised statements made with scant evidence. Conclusions lack relevance.	Evidence of some logical, analytical thinking and some attempts to synthesise, albeit with some weaknesses. Some evidence to support findings/ views, but evidence not consistently interpreted. Some relevant conclusions and recommendations, where relevant	Evidence of some logical, analytical thinking and synthesis. Can analyse new and/or abstract data and situations without guidance. An emerging awareness of different stances and ability to use evidence to support the argument. Valid conclusions and recommendations, where relevant	Sound, logical, analytical thinking; synthesis and evaluation. Ability to devise and sustain persuasive arguments, and to review the reliability, validity & significance of evidence. Ability to communicate ideas and evidence accurately and convincingly. Sound, convincing conclusions / recommendations.	Thoroughly logical work, supported by evaluated evidence. High quality analysis, developed independently or through effective collaboration. Ability to investigate contradictory information and identify reasons for contradictions. Strong, persuasive, conclusions, justifiable recommendations.	Exceptional work; judiciously selected and evaluated evidence. Very high quality analysis, developed independently or through effective collaboration. Ability to investigate contradictory information and identify reasons for contradictions. Highly persuasive conclusions
4. Practical Application and Deployment Effective deployment of appropriate methods, materials, tools and techniques; extent of skill demonstrated in the application of concepts to a variety of processes and/or contexts; formulation of innovative and creative solutions to solve problems.	Limited or no use of methods, materials, tools and/or techniques. Little or no appreciation of the context of the application.	Rudimentary application of methods, materials, tools and/or techniques but without consideration and competence. Flawed appreciation of the context of the application.	An adequate awareness and mostly appropriate application of well established methods, materials, tools and/or techniques. Basic appreciation of the context of the application.	A good and appropriate application of standard methods, materials, tools and/or techniques. Good appreciation of the context of the application, with some use of examples, where relevant.	A very good application of a range of methods, materials, tools and/or techniques. Very good consideration of the context of the application, with perceptive use of examples, where relevant. Evidence of some innovation and creativity.	An advanced application of a range of methods, materials, tools and/or techniques. The context of the application is well considered, with extensive use of relevant examples. Application and deployment extend beyond established conventions. Innovation and creativity evident throughout.	Outstanding levels of application and deployment skills. Assimilation and development of cutting edge processes and techniques.
5. Skills for Professional Practice Demonstrates attributes expected in professional practice including: individual initiative and collaborative working; deployment of appropriate media to communicate (including written and oral); clarity and effectiveness in presentation and organisation.	Communication media is inappropriate or misapplied. Little or no evidence of autonomy in the completion of tasks. Work is poorly structured and/or largely incoherent.	Media is poorly designed and/or not suitable for the audience. Poor independent or collaborative initiative. Work lacks structure, organisation, and/or coherence	Can communicate in a suitable format but with some room for improvement. Can work as part of a team, but with limited involvement in group activities. Work lacks coherence in places and could be better structured.	Can communicate effectively in a suitable format, but may have minor errors. Can work effectively as part of a team, with clear contribution to group activities. Mostly coherent work and is in a suitable structure.	Can communicate well, confidently and consistently in a suitable format. Can work very well as part of a team, with very good contribution to group activities. Work is coherent and fluent and is well structured and organised.	Can communicate professionally and, confidently in a suitable format. Can work professionally within a team, showing leadership skills as appropriate, managing conflict and meeting obligations. Work is coherent, very fluent and is presented professionally.	Can communicate with an exceptionally high level of professionalism. Can work exceptionally well and professionally within a team, showing advanced leadership skills. Work is exceptionally coherent, very fluent and is presented professionally.

Student Self Evaluation Form

Student name:		Student P number:	
Programme:		Year of programme	
Assignment Title:			

This section repeats in brief the common assessment criteria detailed on previous pages. The *extent* to which these are demonstrated by you determines your mark. Using these criteria, tick the box that best indicates the level of achievement you feel you have achieved with regard to each of them.

Common Assessment Criteria Applied	Level of Achievement						
	REFER		3 rd	2:2	2:1	1 st	1 st
	OUTRIGHT FAIL	UNSATISFACTORY	SATISFACTORY	GOOD	VERY GOOD	EXCELLENT	EXCEPTIONAL
1. Research-informed Literature	0-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-100%
	☐	☐	☐	☐	☐	☐	☐
2. Knowledge and Understanding of Subject	0-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-100%
	☐	☐	☐	☐	☐	☐	☐
3. Analysis	0-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-100%
	☐	☐	☐	☐	☐	☐	☐
4. Practical Application and Deployment	0-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-100%
	☐	☐	☐	☐	☐	☐	☐
5. Skills for Professional Practice	0-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-100%
	☐	☐	☐	☐	☐	☐	☐

PLEASE COMMENT ON AREAS IN WHICH YOU FEEL THAT YOU HAVE PERFORMED WELL	PLEASE COMMENT ON AREAS YOU FEEL THAT YOU NEED TO DEVELOP

Student's Name		Date	
Student's Signature			