

Financial Management

Quiz

Time Allowed: 15 minutes

Answer all questions in Section A and B.

Section A

Multiple-choice questions (1-5). Circle the correct answer.

- 1.** Which of the following best describes an income statement?
 - A. A report showing cash inflows and outflows
 - B. A summary of revenues and expenses over a period
 - C. A list of all assets and liabilities
 - D. A statement of the owner's equity

- 2.** In a hotel income statement, "Rooms Revenue" is classified under:
 - A. Operating Revenue
 - B. Non-operating Income
 - C. Cost of Goods Sold
 - D. Long-term Assets

- 3.** Which department is typically NOT considered an operating department in a hotel P&L?
 - A. Rooms
 - B. Food & Beverage
 - C. Human Resources
 - D. Spa/Wellness

- 4.** Gross Operating Profit (GOP) is calculated by subtracting:
 - A. Total Revenue – Operating Expenses
 - B. Revenue – Cost of Goods Sold
 - C. Net Income – Taxes
 - D. ADR × Occupancy

5. In the Uniform System of Accounts for the Lodging Industry (USALI), management fees are treated as:
- A. Departmental expense
 - B. Undistributed operating expense
 - C. Non-operating expense
 - D. Cost of goods sold

Section B

Fill-in-the-Gap Questions (6–10)

6. The difference between total revenue and the cost of goods sold (COGS) is called _____
7. The income statement covers a specific _____ of time, such as a month, quarter, or year.
8. The largest revenue source in most hotels is typically the _____ department.
9. Net income is calculated by subtracting all expenses, including taxes and interest, from _____
10. In a hotel, payroll, utilities, and administrative costs are examples of _____ operating expenses.

Good luck!