

Chapter 14 Outline

Revenue Elements
 Sales Forecasting Methods
Moving Average Method
Percentage Method
Statistical Models
 Rooms Revenue Statistical Model
 Food Revenue Statistical Model
 Beverage Revenue Statistical Model
 Average Room Rate
 Contribution Margin
 Sales Mix
CVP Analysis
 Forecasting Sales Dollars
 Forecasting Sales Units
 Income Tax Considerations
 Forecasting Without Financial
 Statements

Competencies

1. Define and apply the concept of price elasticity of demand in a hospitality setting. (p. 375)
2. Identify the elements of revenue and describe how changes in one element may affect revenue. (pp. 373–377)
3. Describe and apply the moving average method and the percentage method of revenue forecasting. (pp. 377–379)
4. Describe and apply several statistical models that can be used to forecast rooms, food, and beverage sales. (pp. 379–386)
5. Use CVP analysis to forecast both revenue and unit sales. (pp. 387–392)