Department of Human Environmental Studies  

Course No. FN 515

Title of Course: Yield / Revenue Management  

Revision____  

for Hospitality Industry____  

New Spring 2004

I. Catalog Description and Credit Hours of Course:

Principles of revenue maximization and factors impacting revenue management decisions such as room sales, food and beverage activity and special events. Three (3) credit hours.

II. Prerequisite(s): FN 150, FN 270, FN 304 or Consent of Instructor

III. Purposes or Objectives of the Course:

A. Explain how hotel room rates are established and identify and define various rate categories

B. Learn how to calculate a hotel’s average rate and RevPAR, forecast revenue and estimate expenses for budgeting and operations.

C. Analyze the concepts of capacity management, discount allocation and duration control.

D. Define and explain the use of various revenue management tools such as identical yields, equivalent occupancy, discount grid and required non-room revenue per guest.

E. Explain how revenue management decisions are affected by various factors.

F. Critique the various reports used to evaluate performance

IV. Expectations of Students:

Students will show progress in meeting the course objectives by:

A. Regularly attending class and participating in class discussion and activities.

B. Achieving satisfactory scores on tests, quizzes and all assignments.

C. Completing all assignments in a timely and professional manner.

V. Course Content or Outline:
Unit I. Growth and Development of the Hotel Industry 4 hrs

Unit II. Establishment of Room Rates and Identification of Special Rate Categories 5 hrs

Unit II. Ratios and Formulas: Forecasting Room Availability 4 hrs

Unit IV. Principles of Yield & Revenue Management 5 hrs

Unit III. Models of Yield Management: Hotel Chains vs. Corporate Travel Departments 4 hrs

Unit IV. Application of Yield Management to the Hotel 5 hrs

Unit V. Revenue Maximization Tools: Capacity Management, Discount Allocation and Duration Control 5 hrs

Unit VI. Revenue Management Tactics and Strategies 4 hrs

Unit VII. Budgeting for Operations: Forecasting and Estimating Expenses 5 hrs

Unit IX. Ratio and Report evaluation 4 hrs

Total 45 hrs

VI. Textbook(s) and/or Other Required Materials or Equipment:


VII. Basis for Student Evaluation

A. Assignments and Quizzes: 25%
B. Participation: 25%
B. Examinations: 50%