UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education Ordinary Level

BUSINESS STUDIES **7115/21**

Paper 2 **October/November 2010**

INSERT

1 hour 45 minutes

READ THESE INSTRUCTIONS FIRST

This Insert contains the case study material.
Anything the candidate writes on this Insert will not be marked.

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International Examinations

The Dream Hotel



The Dream Hotel is owned by two brothers Jenn and Kiang. They set up the hotel 5 years ago as a partnership. Each brother has a 50% ownership.

The net profits from the hotel had steadily increased until 2008 when they reached $300 000. Jenn was concerned about the 2009 profits after looking at the data in Appendix 1. He said 'the best way to increase profits is to increase the number of guests staying at the hotel'.

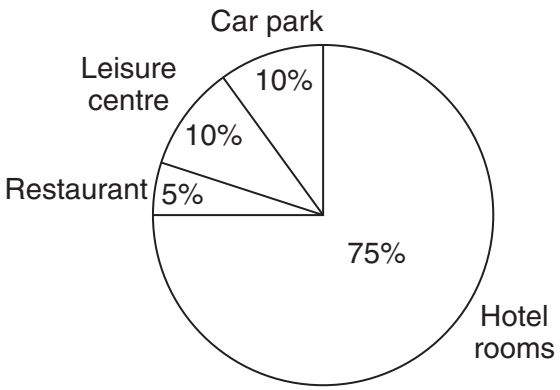
The hotel has 200 rooms but on average only 50% of them are occupied. Most of the guests are business people who are travelling to meetings in the city and therefore stay 2–3 nights. The hotel also has a leisure centre with a gymnasium and swimming pool that hotel guests can use. There is a restaurant which is only used by hotel guests and also a car park. Hotel guests who are flying from the nearby airport can leave their cars at the hotel while they are away and pay car parking fees to the hotel.

75 people work at the hotel.

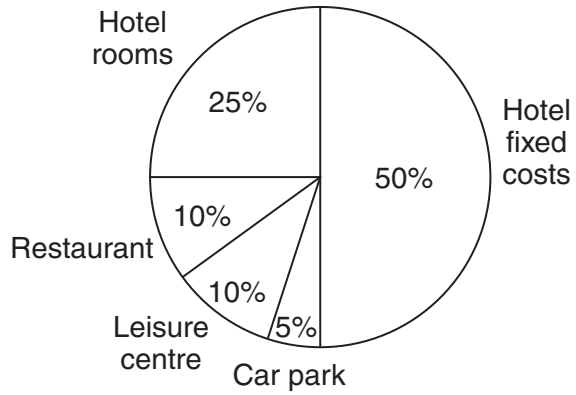
Appendix 1

A summary of the revenue and costs for The Dream Hotel for the year ending 31st December 2009

Total revenue = $2 000 000
This revenue comes from the following:



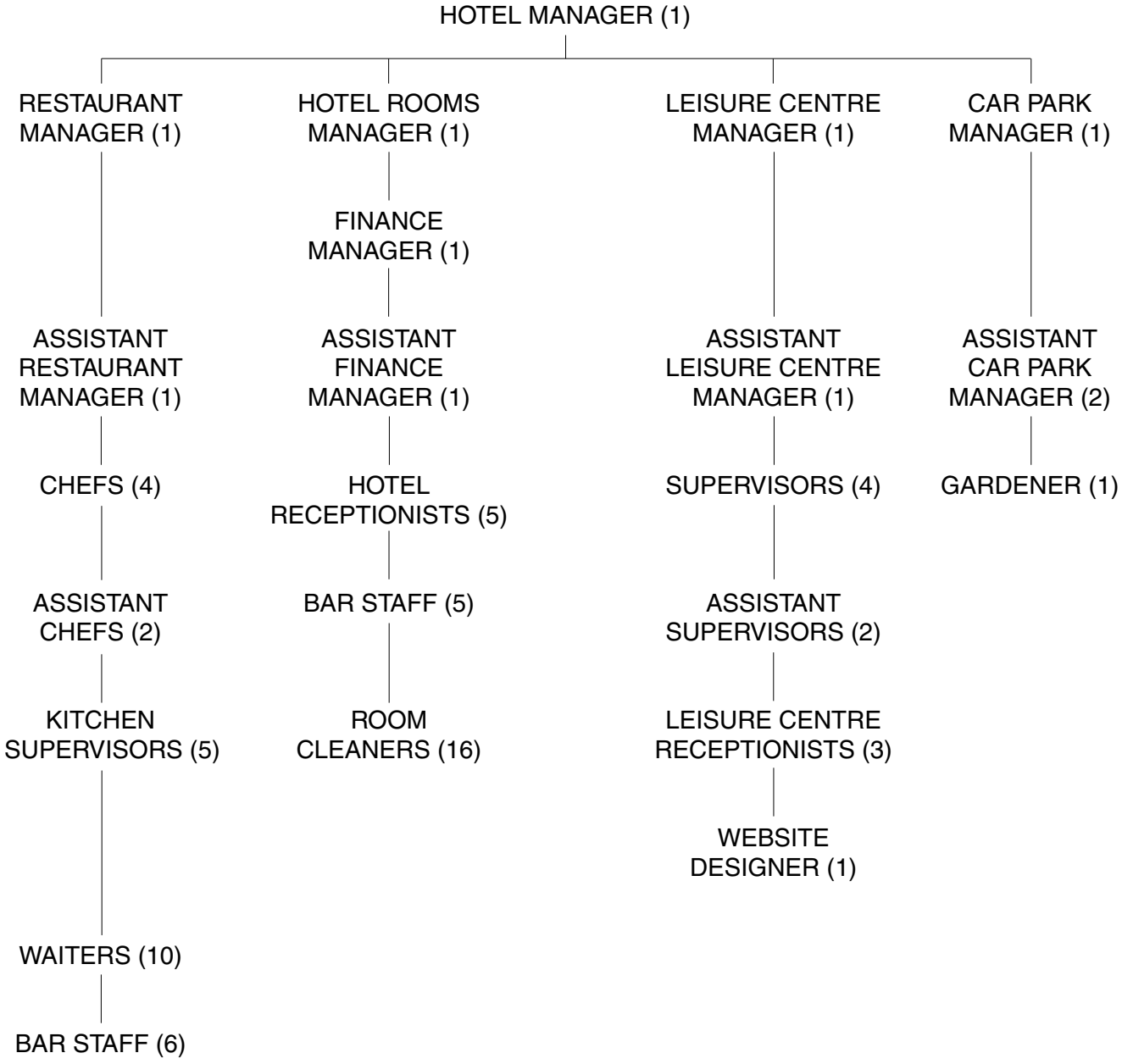
Total costs = $1 800 000
The costs are from the following:



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Appendix 2

The organisation structure of the Dream Hotel
(The numbers in the brackets are the number of staff in each job.)



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Appendix 3

Competitor's Website



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