

B.A. (VS) Tourism Management
Semester VI
DISCIPLINE SPECIFIC ELECTIVE COURSE (DSE- 6.5)

Revenue Management and Financial Essentials

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE, REQUISITES OF THE COURSE

| Course title & Code | Credits | Credit distribution of the course | | | Eligibility criteria | Pre requisite of the course (if any) |
|--|----------------|--|-----------------|----------------------------|-----------------------------|---|
| | | Lecture | Tutorial | Practical/ Practice | | |
| Revenue Management and Financial Essentials | 4 | 3 | 1 | 0 | Pass in Class XII | NIL |
| DSE: 6.5 | | | | | | |

Learning Objectives:

- Understand the importance of revenue management and financial management in the tourism industry
- Learn to develop effective pricing strategies and revenue optimization techniques
- Understand forecasting techniques and tools for demand analysis
- Understand basic accounting principles, financial statements, and cost accounting
- Learn how to perform financial analysis and use financial ratios for decision making ₉₆
- Develop skills in budgeting and financial planning for tourism operations

Learning outcomes:

- Develop a plan for implementing revenue management and financial management strategies in a tourism operation, considering factors such as competition, seasonality, and customer behavior. Unit 1
- Apply pricing strategies and revenue optimization techniques to a case study of a tourism business, analyzing the impact on revenue, customer satisfaction, and market share. Unit 2
- Use demand forecasting tools to analyze the impact of different scenarios on a tourism business, such as changes in pricing, marketing, and customer segmentation. Unit 3
- Analyze financial statements and perform cost accounting for a tourism business, identifying areas for improvement and making recommendations for cost reduction and revenue enhancement. Student will be able to prepare a cost sheet for any tour to be organised by you as a tour operator. Unit 4

- Analyze financial data for a tourism business and use financial ratios to make decisions related to pricing, marketing, investment, and resource allocation. Unit 5
- Develop a budget and financial plan for a tourism business, considering factors such as capital expenditures, operating costs, revenue projections, and risk management. Unit 5

Unit 1: Introduction to Revenue Management and Financial Management 9 hours

Definition and Importance of Revenue Management and Financial Management in Tourism, Differences between Revenue Management and Financial Management, Revenue Management in Tourism: Key Concepts and Strategies, Financial Management in Tourism: Key Concepts and Strategies **Unit 2: Pricing Strategies and Revenue Optimization**

6 hours

Types of Pricing Strategies, Setting Prices in Tourism, Revenue Optimization Techniques, Managing Overbooking and No-shows.

Unit 3: Forecasting and Demand Analysis

10 hours

Forecasting Techniques for Tourism Demand, Tools for Demand Analysis, Seasonality and Its Impact on Revenue Management, different types of budgets, Forecasting and Budgeting in Tourism, Forecasting Techniques, Budgetary control **Unit 4: Financial Analysis and Budgeting**

10 hours

Understanding Financial Statements, Cost Accounting and Its Importance, cost concepts, classification of cost, components of cost and preparation of cost sheet, CVP analysis, Financial Analysis and Ratios, Budgeting and Financial Planning, **Unit 5: Case Studies and Practical Applications**

10 hours

Case Studies on Revenue Management and Financial Management in Tourism, Application of Revenue Management and Financial Management Principles in Tourism Operations, Challenges and Opportunities in Revenue Management and Financial Management in Tourism, Key Performance Metrics for Revenue Management and Financial Management, Ethical Considerations in Revenue Management and Financial Management, Sustainability and Its Impact on Revenue Management and Financial Management **Practical exercises:**

1. You are the revenue manager of a hotel that caters to both leisure and business travelers. Develop a plan for implementing revenue management and financial management strategies that will increase revenue and profitability for the hotel. Consider factors such as competition, seasonality, and customer behavior. Include specific strategies for pricing, inventory management, and distribution channels.
2. You are the revenue manager of a tour operator that specializes in adventure travel. Use demand forecasting tools to analyze the impact of different scenarios on the business, such as changes in pricing, marketing, and customer segmentation. Develop a demand forecast for the next six months and adjust your pricing and marketing strategies accordingly.

3. You are the financial manager of a travel agency that specializes in group tours. Analyze the financial statements of the agency and prepare a cost sheet for a hypothetical tour. Identify areas for improvement and make recommendations for cost reduction and revenue enhancement.
4. You are the financial analyst of a hotel chain that is expanding internationally. Analyze financial data for the chain and use financial ratios to make decisions related to pricing, marketing, investment, and resource allocation. Develop a report that outlines your findings and recommendations.
5. You are the financial planner of a tourism business that is launching a new product. Develop a budget and financial plan that takes into account factors such as capital expenditures, operating costs, revenue projections, and risk management. Use sensitivity analysis to assess the impact of different scenarios on the financial performance of the business.

Suggested Readings:

- Agnihotri, S. (2022), Financial analysis and reporting, A.K. Publications. New Delhi.
- Kasavana, M. L., & Brooks, R. M. (2016). Managing Front Office Operations. American Hotel & Lodging Educational Institute.
- Hayes, D., & Miller, A. (2011). Revenue management for the hospitality industry. John Wiley & Sons.
- Jin, N., & Lee, S. (2018). Financial management for hospitality decision makers. Routledge.
- Kasavana, M. L., & Brooks, R. M. (2016). Managing Front Office Operations. American Hotel & Lodging Educational Institute.
- Kimes, S. E. (2016). Hospitality revenue management. American Hotel & Lodging Educational Institute.
- Laudon, K. C., & Laudon, J. P. (2016). Management information systems: Managing the digital firm. Pearson.
- Singh, S. (2023). Cost accounting. Kitab mahal, New Delhi
- Singh, S. (2016). Management accounting, PHI learning. New Delhi.
- Singh, S. & Kaur, R. (2022). Basic Financial management. Scholar Tech. New Delhi.
- Singh, S.K. & Gupta, L. (2023) Basic management accounting. A.K. Publications. New Delhi.

Notes:

- **Suggested readings shall be updated and uploaded on the college website from time to time.**
- **Examination scheme and mode shall be prescribed by the Examination branch, University of Delhi from time to time.**