

**CHUKA**



**UNIVERSITY**

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**UNIVERSITY EXAMINATIONS**

**FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR  
OF HOTEL MANAGEMENT**

**BCHM 474: PRINCIPLES OF HOSPITALITY FRANCHISE MANAGEMENT**

**STREAMS: BCHM Y4S2**

**TIME: 2 HOURS**

**DAY/DATE: WEDNESDAY 08/04/2020**

**8.30 A.M. – 10.30 A.M.**

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**INSTRUCTIONS:**

**Answer ALL questions in SECTION A and any other TWO in SECTION B.**

**Do not write anything on the question paper.**

**SECTION A: (30 MARKS)**

1. Explain the reasons for horizontal integration in hospitality industry. (6 marks)
2. Explain different ways in which chain properties may be operated. (6 marks)
3. Describe three types of franchise formats that franchisors adopt to expand their operations. Cite examples in each case. (6 marks)
4. Briefly explain how the following conditions exert pressure on franchised operations. (6 marks)
  - (i) Geographical variations in market conditions and resource availability.
  - (ii) Standardization and uniformity.
5. State three characteristics of chain operations in hospitality industry. (6 marks)

**SECTION B: (40 MARKS)**

6. (a) Citing examples, explain four factors that have led to an increase in international hospitality brands in Kenya. (12 marks)

- (b) “Franchising is a mutually beneficial economic relationship.” Discuss this statement. (8 marks)
7. (a) Explain four reasons why renowned hospitality corporations are moving from asset-intensive portfolios to asset-light portfolios. (12 marks)
- (b) Explain economic and financial responsibilities of franchisors to the franchisees. (8 marks)
8. Discuss five emerging trends in hospitality chain operations management. (20 marks)
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