

## Anticipation Guide: Crunching Numbers: Budgeting and Forecasting (Key)

Prior to the start of this lesson, place a check mark by each statement you THINK is true. At the conclusion of the lesson reread each statement and place a check mark by each statement you KNOW is true. Provide information that PROVES other statements are not true. You may use the back of this sheet if additional space is needed.

Knowledge before the lesson	Statements	Knowledge after lesson
	1. A business should predict the amount of money they can spend but do not need to predict how much product they will sell.	Need to forecast both revenue and expenses
	2. Revenue Management is the key to maximizing profits.	✓
	3. A budget is a guideline for spending money.	✓
	4. Demand is the amount of a product or service that consumers can afford to buy.	The total amount of a good or service consumers <u>want</u> to purchase at a <u>given</u> price
	5. Cost is the only factor in determining a price.	Many factors including competition, length/distance of flight or cruise, demand, supply, economy, weather and more
	6. The role of a revenue manager is to maximize revenue.	✓
	7. There is only one type of budget for a business.	There are at least 3 - Annual, Long-range and Monthly
	8. Supply is the amount of product or service available for sale.	✓
	9. Revenue is the actual money a company receives during a specific period including discounts and deductions for returned products.	✓
	10. The two main elements in the concept of revenue management, the determination of pricing and the methods used to sell products and service.	✓