

SIR ARTHUR LEWIS COMMUNITY COLLEGE
DIVISION OF TECHNICAL EDUCATION AND MANAGEMENT STUDIES

EXAMINATION SESSION December 2007 Examination

TUTOR (S) Mrs. D. Preville-Alfred

PROGRAMME TITLE Hospitality Studies
Food & Beverage Operations

PROGRAMME CODE 3HS-HOS-AD
3HS-FAB-AD

COURSE TITLE Food & Beverage Cost Control

COURSE CODE FAB215

CLASS (ES) Year 2's

DATE 6th December, 2007

COMMENCEMENT TIME 1:00 p.m.

DURATIO 2½ Hours

INVIGILATOR (S) **Mr. R. John Baptiste**, Ms. S. Meliat
Ms. B. Dwarikasingh, Mrs. A. Reid

ROOM (S) HOS R1
HOS R2

FD

I.D. Number:

Programme:



INSTRUCTIONS:

This Examination paper contains two sections. Attempt all question in each section.

Section A – Match the following (15 marks)

Section B – Short Answer Questions (65 marks)

GOOD LUCK!!

SECTION A – Match The Following terms to complete the definitions below

<i>Actual food cost</i>	<i>Lead-time Quantity</i>	<i>Order Point</i>
<i>Average food service check</i>	<i>Point of sales system</i>	<i>Purchasing</i>
<i>Beginning Inventory</i>	<i>Usage rate</i>	<i>Yield</i>
<i>Bin Card</i>	<i>Cost of sales</i>	<i>FIFO (First-in-first-out)</i>
<i>Food Transfers</i>	<i>Inventors</i>	

1. The amount of food, beverages and other supplies on hand. _____
2. The management function of effectively supervising personnel to ensure they are productive and when it is delivered. _____
3. The number of purchase units in stock when an order is placed. _____
4. A network of electronic cash registers and re-check terminals capable of capturing data at point-of-sale (POS) locations. _____
5. The series of activities designed to obtain products of the right quality, and quantity, at the right price and time, and from the right source.
6. The number of purchase units and time from the right source. _____
7. The net weight or volume of a food item after it has been processed and made ready for sale to the guest. _____
8. The wholesale cost of food that is used in departments other than the kitchen. _____
9. The cost of items sold as determined by the factual weekly or monthly record. _____
10. A method of valuing inventory, the products in storage areas are valued at the level of the most recently purchased items to be placed in inventory. _____
11. A ratio comparing the revenue generated during a meal period to the number of guests served during that same period; calculated by dividing total food revenue by the number of guests served. _____
12. Goods available for sale on the first day of the accounting period. _____
13. A small index card affixed to the shelving reserved for specific inventory items; the quantity put on or taken off the shelves is noted on the bin card so that a running balance (perpetual inventory) is maintained. _____
14. The standard cost of items combined to form dinners or other meals that are priced and sold as one menu selection. _____
15. The food and beverage incurred to produce all food and beverage items sold during an accounting period. _____

(1 mark each)

SECTION B – Short Answer Questions (Show all working)

1. Explain *two* (2) financial controls in the hospitality industry?

(4 marks)

2. List and *explain four* (4) principles of effective purchasing.

(8 marks)



3. Explain four (4) reasons why it is important for the hotel food and beverage department to market services to residents in the community as well as hotel guest?

(8 marks)

4. If you purchase a 50 – pound bag of potatoes and after peeling and trimming the yield is 42 lbs;

a) Calculate the yield percentage?

$$\frac{42}{50} \times 100 =$$

(3 marks)

b) If potatoes cost \$0.50 per lb as purchased, calculate the cost per servable pound?

(3 marks)

- c) If you could purchase potatoes from another vendor at \$0.60 per pound but the yield is 90%, is it a better cost per servable pound?

(3 marks)

5. If total sales are \$326,000 and the food cost percent is 28.22%, calculate the cost of food?

(3 marks)

- a) If total food sales are \$5,000, and actual food cost \$1,700, calculate the actual food cost percentage?

(3 marks)

- b) Assuming the potential beverage cost of an operation is 31%, and the actual beverage cost percentage is 34%, calculate the variance cost percentage?

(2 marks)

6. If beginning food inventory is \$3,500, purchases are \$12,000, and the ending inventory is \$3,000, calculate the actual cost of food for the period?

(5 marks)



7. Use the information below to calculate a), b) and c)

Beginning Inventory: Food	=	\$3,250
Beginning Inventory: Beverage	=	\$1,450
Food Purchases	=	\$48,252
Transfers to Kitchen	=	\$450
Transfers from Kitchen	=	\$600
Employee meals	=	\$3,690
Beverage Purchases	=	\$14,405
Complimentary meals	=	\$752
Ending inventory: Food	=	\$1,243
Ending inventory: Beverage	=	\$1,450

Sylvie's Restaurant & Bar generated revenue from food and beverage sales totaling \$20,395, for November 30th 2006. Food generated 68% of total food and beverage revenue, while the food percentage was 39.6%.

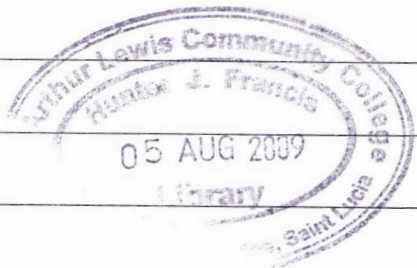
The operating expenses are as follows, wages and salaries cost \$3,695, entertainment \$380, utilities \$770, marketing \$616, employee benefits \$6,800. administration and general \$815, and repair and maintenance \$320. Income from miscellaneous sources totaled \$3,250, while income taxes were calculated at 5% of total income.

CALCULATE

a. Net cost of food sales for food:

(5marks)

b. Net cost of sales for beverage:



(5 marks)

