

**FINAL**  
Examination Paper

(COVER PAGE)

Session : August 2015

Programme : Diploma In Hotel Management (DHMN)  
Diploma In Culinary Arts (DCA)

Course : DHM1107 : Food and Beverage Cost Control

Date of Examination : December 8, 2015 (Tuesday)

Time : 11:00 am – 1:00 pm Reading Time: Nil

Duration : 2 Hours

Special Instructions :

**Section A: THIRTY (30) Multiple Choice questions. Answer ALL the questions.**

**Section B : Short answer questions. Answer ALL the questions.**

**IMPORTANT NOTE : THIS PAPER SHOULD NOT BE TAKEN OUT OF THE EXAMINATION HALL**

Materials permitted :

Nil

Materials provided :

OMR Sheets

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Moderator : Dr Noor Azimin Zainol

*This paper consists of 12 printed pages, including the cover page.*

DIPLOMA IN HOTEL MANAGEMENT PROGRAMME (DHMN)  
DIPLOMA IN CULINARY ARTS PROGRAMME (DCA)  
DHM1107: FOOD & BEVERAGE COST CONTROL  
FINAL EXAMINATION : AUGUST 2015 SESSION

**Section A : Answer ALL Multiple Choice questions in the OMR sheet provided. (30 marks)**

1. Puzzles :
  - A. are popular and profitable.
  - B. are popular but not profitable.
  - C. are profitable but not popular.
  - D. neither profitable nor popular.
  - E. none of the above.
  
2. All of the following are important in establishing sales prices **EXCEPT** :
  - A. cost considerations.
  - B. descriptive menu language.
  - C. the desire to maximize sales.
  - D. the desire to maximize profit.
  - E. understanding the relationship between sales price and number of portions sold.
  
3. To achieve effective control over revenue, management must establish standard procedures intended to insure that food sales are all except which of the following?
  - A. Price correctly.
  - B. Documented.
  - C. Checked and verified daily.
  - D. Delivered promptly to customers
  - E. None of the above.
  
4. The average sale is equal to total:
  - A. Contribution margin/total number of covers.
  - B. Menu cost/total number of covers.
  - C. Number of units sold/total number of covers.
  - D. Dollar sales/total number of covers.
  - E. Cost of sales/total number of covers.

5. Fixed cost employees are:
- A. typically paid by hours.
  - B. mainly part-timers.
  - C. those whose numbers are linked to business volume.
  - D. typically managers, chefs and accountants.
  - E. none of the above.
6. As business volume increases, variable costs will:
- A. increase.
  - B. decrease.
  - C. remain constant.
  - D. no longer be recorded.
  - E. none of the above.
7. Standardized bowls, cups, and ladlers are examples of which of the following standards?
- A. Quality.
  - B. Quantity.
  - C. Productivity.
  - D. Production.
  - E. All of the above.
8. The periodic order method is used mostly for:
- A. perishables.
  - B. non-perishables.
  - C. varibles.
  - D. controllables.
  - E. non-controllables.
9. The maximum quantity of any item that should be on hand at any given time is the:
- A. reorder point.
  - B. reorder control.
  - C. par stock.
  - D. perpetual inventory method.
  - E. periodic inventory method.

10. Foods that are categorized as directs are those that are:
- A. charge immediately to cost.
  - B. charged to cost when issued from inventory.
  - C. verified against a purchase order.
  - D. verified against an invoice.
  - E. all of the above.
11. The method used for determining the value of a physical inventory that assigns the most recent price paid for units is the:
- A. first in, first out.
  - B. last in, first out.
  - C. actual purchase price.
  - D. latest purchase price.
  - E. weighted average purchase price.
12. A primary advantage of the daily food cost report is that it :
- A. is-easier to prepare than the monthly food cost report.
  - B. can be prepared quickly.
  - C. allows management to make day-to-day operating decisions.
  - D. reduces excessive costs.
  - E. all of the above.
13. Gratis to bar and promotion expenses are:
- A. added to cost of food issued.
  - B. subtracted from cost of food issued.
  - C. multiply by cost of food issued.
  - D. divided by cost of food issued
  - E. equaled to cost of food issued.
14. If the restaurant's total sales on a given day were RM8,000 and the restaurant had served 200 customers, what is the average dollar sales?
- A. RM20.00
  - B. RM30.00
  - C. RM45.00
  - D. RM40.00
  - E. RM45.00

15. During the month, the Value Meal Restaurant sold 5,000 meals at an average price per meal sold of \$10. If the average variable cost per meal sold was \$5, what were the monthly fixed costs at the breakeven point?
- A. \$1,000
  - B. \$4,000
  - C. \$5,000
  - D. \$6,000
  - E. \$8,000
16. A process used by managers to regulate, direct and restrain the actions of people to achieved established goals. Which terms described the statement?
- A. Cost Control.
  - B. Control.
  - C. Purchasing.
  - D. Standard Cost.
  - E. Standard Procedures.
17. To determine sales dollar to achieve the profit goal, this formula is used to calculated the desired profit:
- A.  $\frac{\text{Fixed Costs} + \text{Profit}}{\text{Contribution Rate}} = \text{Sales Dollars to Achieve}$
  - B.  $\frac{\text{Fixed Costs}}{\text{Contribution Rate}} = \text{Sales Dollars to Achieve}$
  - C.  $\frac{\text{Fixed Costs}}{\text{Contribution Margin per Unit}} = \text{Sales Dollars to Achieve}$
  - D.  $\frac{\text{Variable Cost}}{\text{Sales}} = \text{Sales Dollars to Achieve}$
  - E.  $\frac{\text{Fixed Costs}}{\text{Variable Costs}} = \text{Sales Dollars to Achieve}$
18. When cost divided with sales the result shows \_\_\_\_\_.
- A. sales price
  - B. sales percentage
  - C. cost per dollar per sale
  - D. total sales
  - E. Cost Margin

19. Given sales price of RM 8.00 and variable rate of 0.4, contribution margin is
- A. RM 3.20
  - B. RM 5.00
  - C. RM 4.80
  - D. RM 4.00
  - E. RM 5.80
20. As Purchased (AP) refers to \_\_\_\_\_.
- A. Weight of a product after it has been cleaned, trimmed, cooked, and portioned.
  - B. The weight or count of a product, as delivered to the foodservice operator.
  - C. The weight of a product before it has been cleaned, trimmed, cooked, and portioned.
  - D. The weight of a product ready for consumable.
  - E. The weight for whole purchase unit of meat.
21. Overhead cost best described as
- A. The cost of one or many like units.
  - B. The unplanned, unwarranted costs.
  - C. A total cost that changes when sales volume changes.
  - D. The ratio of variable cost to dollar sales.
  - E. All costs other than prime cost.
22. A 60kg of beef bought by Ressa Restaurant. After some in-house trimmings, 18kg of beef was removed. Calculate the yield percentage of the beef.
- A. 30.0%
  - B. 70.0%
  - C. 16.25%
  - D. 61.5 %
  - E. 75.0%

23. Ain Cafe totals sales were RM45,000 and gain gross profit of RM25,500. Calculate the restaurants food and beverages cost percentage.
- A. 0.43%
  - B. 43.3%
  - C. 0.56%
  - D. 56.6%
  - E. 0.46%
24. Standardized recipe \_\_\_\_\_.
- A. controls both the quantity and quality of what the kitchen will produce.
  - B. details the procedures to be used in preparing and serving menu items.
  - C. Contains name of recipe and ingredients used.
  - D. A recipe that has been designated the correct one to use in the establishments.
  - E. All of the above.
25. An operating budget normally is prepared by using:
- A. historical data and other financial records.
  - B. records and receipts.
  - C. standard costs and procedures.
  - D. only food figures.
  - E. only Variable cost.
26. Which cost is both realistic and an ideal simultaneously?
- A. Actual cost.
  - B. Standard cost.
  - C. Prime cost.
  - D. Variable cost.
  - E. Fixed Cost.

27. Non-perishable foods should be stored :
- A. On solid shelves
  - B. On slatted shelves
  - C. On the floor
  - D. With no air circulation
  - E. In the chiller
28. If a restaurant's total sales on a given day were RM2000, and the restaurant had served 200 customers, what is the average sale?
- A. RM1.00
  - B. RM2.00
  - C. RM10.00
  - D. RM11.00
  - E. RM11.50
29. When preparing an operating budget, which would a restaurant manager consider as an external factor?
- A. Economic conditions in the community.
  - B. Plans to increase menu price.
  - C. Anticipated changes in number of seats.
  - D. An increase in employee wages.
  - E. An increase in Labor Cost.
30. Inventory turnover is calculated by dividing food cost by
- A. Total inventory
  - B. Opening inventory
  - C. Closing inventory
  - D. Average inventory
  - E. Inventory in hand

**SECTION B : Answer ALL FIVE (5) short answer questions below. (70 marks)**

**Question 1 (16 marks)**

Calculate the yield percentage below:

Item	A.P. Weight (kg)	Trim Loss (kg)	Yield Weight	Yield %
Asparagus	14.5	5.5 kg		
Broccoli	27	10.1		
Cabbage	18.45	3.12		
Cucumber	8	0.2		
Honeydew	6.5	2.3		
Onions	25	21		
Leeks	6.3	3		
Tomatoes	18.75	11.55		

**(Total: 16 marks)**

**Question 2 (20 marks)**

- (a) During one period, sales for a particular menu item are \$64,000, variable cost is \$20,000, and 4,000 customers are served.
- (i) What is the average sales/check? (3 marks)
  - (ii) What is the average contribution margin? (3 marks)
  - (iii) If fixed costs for the period are \$66,000, what is the break even sales? (4 marks)
  - (iv) How many covers needed to break even? (3 marks)

**(Total : 20 marks)**

- (b) If the menu price for the item in (a) is increased to \$20 (with variable cost remained unchanged):
- (i) What is the new dollar break even figure? (4 marks)
- (ii) How many covers are now needed for break even? (3 marks)
- (Total = 10 marks)**

**Question 3 (10 marks)**

For 405gms can of curry chicken in stores inventory at Susie's Restaurant, records for the month of November indicates the following:

Opening inventory on the 1 <sup>st</sup> of the month	11 cans @ RM7.10	= RM78.10
Purchased on the 8 <sup>th</sup> of the month	18 cans @ RM7.50	= RM135.00
Purchased on the 16 <sup>th</sup> of the month	24 cans @ RM7.80	= RM187.20
Purchased on the 28 <sup>th</sup> of the month	7 cans @ RM8.20	= RM57.40

A physical inventory on the last day of the month shows the following:

Opening inventory	11 cans
+ Purchases during the month	49 cans
= Total available	60 cans
- Closing inventory	12 cans
= Units consumed	48 cans

Assign values to the units in closing inventory using the following methods:

- (a) Actual purchase price if five cans were purchased on the 8<sup>th</sup>, four cans on the 16<sup>th</sup> and remaining cans on the 28<sup>th</sup> of the month. (2 marks)
- (b) First-in First-out (FIFO) (2 marks)
- (c) Weighted average purchase price (2 marks)
- (d) Latest purchase price (2 marks)
- (e) Last-In First out (LIFO) (2 marks)

**(Total = 14 marks)**

**Question 4 (14 marks)**

This is a sales record of Indiana Cafe house during December 29, 2014.

Menu Items	Number of Item Sold	Price (RM) Per item	Sales Mix (percent)	Sales (RM)
Smoked Salmon	12	12.00		
Shrimp Cocktail	14	6.00		
Oyster Rockefeller	7	20.00		
Wild Mushroom soup	15	15.00		
Caramelized Apple	5	8.00		
Caesar Salad	16	10.00		
Beef Steak	5	23.00		
Prime Rib BBQ	16	28.00		
Roast Leg of Lamb	7	30.00		
Chicken Au Jus	13	18.00		
Apple Pie	10	8.00		
Total	120	-	100%	

- (a) Calculate the sales mix (percent) for Indiana Café. (5 marks)
- (b) Calculate the total sales (RM) for each item. (5 marks)
- (c) Which item has the highest sales? (1 mark)
- (d) Which item has the lowest sales? (1 mark)
- (e) Calculate the total sales for Indiana Café. (2 marks)

**Question 5 (10 marks)**

Define the followings.

- (a) Perpetual Order method (2 marks)
- (b) Operating Budget (2 marks)
- (c) Par Stock (2 marks)
- (d) Quantity Standards (2 marks)
- (e) Popularity Index (2 marks)

**-THE END -**  
*DHM1107(F)/Aug2015*