

FINAL
Alternative Assessment

(COVER PAGE)

Session : April 2020

Programme : Diploma in Culinary Arts (DCAN)
Diploma in Hotel Management (DHM/DHMN)

Course : **DHM1107: Food & Beverage Cost Control**

Date of Examination : 5 August 2020 (Wednesday)

Time : 8:00am – 10:30am Reading Time : Nil

Duration : 2 hours and 30 minutes

Special Instructions :

Answer ALL questions.

Materials permitted : Nil

Materials provided : Nil

Examiner (s) : Mr. Clemment Foo Cheok Hwa, Ms. Chang Yaw Yun

Chief Moderator : Mr. Cheng Mun Kid

This paper consists of 5 printed pages, including the cover page.

DIPLOMA IN HOTEL MANAGEMENT PROGRAMME (DHM/DHMN)
 DIPLOMA IN CULINARY ARTS PROGRAMME (DCAN)
 DHM1107: FOOD & BEVERAGE COST CONTROL
 FINAL ALTERNATIVE ASSESSMENT: APRIL 2020 SESSION

Instructions: Answer **ALL** questions below.

Question 1

(a) The owner of Brad 1 Restaurant estimates that fixed costs for the coming year will be RM860, 000. Based on his investment in the business, he wants a profit of RM980, 000 for the year. Experience has shown that the average check is RM20.90.

- (i) If total variable cost is RM900, 000, what level of *Ringgit* (RM) sales will be required to earn the target restaurant profit? (4 marks)
- (ii) Given total variable costs and total sales figures calculated in Question 1(i), what variable rate is the owner projecting? (3 marks)
- (iii) Given the variable rate calculated in Question 2(ii), determine the contribution rate. (2 marks)
- (iv) Given the contribution rate calculated in Question 2(iii), determine the average contribution margin based on RM20.90 average sale. (3 marks)
- (v) At what level of *Ringgit* (RM) sales will the restaurant break-even? (4 marks)

(b) The following information is from the records of Brad 2 Restaurant:

Sales	RM976, 000
Variable cost	RM366, 000
Fixed cost	RM300, 000

Assume that sales volume equals to 25,000 covers:

- (i) Calculate profit. (4 marks)
- (ii) Calculate average *Ringgit* (RM) sales. (3 marks)

(c) Describe the two limitations of CVP analysis. (2 marks)

(Total: 25 marks)

Question 2

(a) A 140-seat dining room had a weekly customer count by meal period and day:

	Lunch	Dinner
Sunday	Closed	180
Monday	160	110
Tuesday	170	112
Wednesday	175	108
Thursday	160	120
Friday	180	210
Saturday	50	250

- (i) For each meal period and for each day of the week calculate the seat turnover. (6 marks)
- (ii) Calculate the average number of customers per day and the average seat turnover for the week for each meal period. (8 marks)
- (iii) Provide suggestions how to improve seat turnover. (1 mark)

(b) Calculate the amount of tenderloin needed to order for the following function.

Item: 180gm per serving
 Number of pax: 100
 Average weight of tenderloin: 7.5kg
 Average yield of tenderloin: 80%

Complete the following:

- (i) How many tenderloins will be needed for this function? (4 marks)
- (ii) Purchase cost per kg is RM45.00, what is the per portion cost? (4 marks)
- (iii) Calculate the selling price at 30% food cost? (2 marks)

(Total: 25 marks)

Question 3

(a)

- (i) Compute the popularity index for the following sales. Answer must be in the nearest one decimal point. (Example: 30.646% rounded to 30.6%)

Item	Portions Sold
A	40
B	65
C	80
D	160
E	155

(10 marks)

- (ii) Using the popularity indexes calculated in Question 3(b) (i), predict the sales for each item if total sales for all items are expected to be 800. Round your answer to the nearest whole number.

(10 marks)

- (b) Differentiate between perpetual inventory system and periodic inventory system.

(5 marks)

(Total: 25 marks)

Question 4

Case Study: Disappearing liquor

You are the general manager of a trendy pub restaurant in an upscale part of a large metropolitan area. You have local musicians that perform regularly. You have a great staff that gets along well and enjoys working together. Strong customer volume includes regular locals and new guests. The customers enjoy their interaction with the staff and bartenders and thus will often buy them a drink. When the staff gets off work before closing they will often become customers with the establishment. This increases the positive interaction between staff and customers. Sales are good and all costs are in line except the bar cost, which is one or two percent high. You are not too worried about it because your strong sales give you a good profit and the owners are happy.

On a tip from an employee, you learn that a lead bartender is stealing alcohol from the storeroom. You set up a hidden video surveillance camera. After a few nights, you catch the bartender on tape taking products from the liquor storeroom and going out the back door.

Lead bartenders are issued keys to the storeroom, as the bar often runs out of products during busy nights when management is busy with other operational issues. Inventory is taken weekly.

You do not know what to do. The lead bartender is very popular with your customers and the rest of the crew. Firing her would prove to be unpopular and could hurt sales, customer volume and morale, but ignoring the problem would open the door to other employees taking products. Since you were tipped off, you know that at least some of the employees know what is going on.

- (a) Should you dismiss the lead bartender? Why or why not? (10 marks)
- (b) Determine methods to solve the problem by tightening the policies and procedures of purchasing and storage of beverages. (15 marks)

(Total: 25 marks)