

**FINAL**  
Examination Paper

(COVER PAGE)

Session : April 2017

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

Course : DHM1107 : Food & Beverage Cost Control

Date of Examination : July 30, 2017 (Sunday)

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: SIX (6)** 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

Examiner (s) : Mr Alex Chang Yaw Yun, Ms Nur Adilah Zulkipli

Moderator : Dr Kamril Juraidi Bin Haji Abdul Karim

DIPLOMA IN HOTEL MANAGEMENT PROGRAMME (DHMN)  
DIPLOMA IN CULINARY ARTS PROGRAMME (DCA/DCAN)  
DHM1107: FOOD & BEVERAGE COST CONTROL  
FINAL EXAMINATION: APRIL 2017 SESSION

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

1. Cost percentages provide a useful means of comparing:

- A. costs for two or more different types of businesses.
- B. two or more different types of costs.
- C. costs for two or more time periods in one establishment.
- D. costs for all categories of goods and products.

2. Quantity standards are:

- A. measures of weight, count, or volume.
- B. measures of how fresh is the meat.
- C. rules for making comparisons and judgements.
- D. used for making judgements about the degree of excellence of raw materials and finished products.

3. *It is commonly referred as undistributed cost or one that cannot easily be identified with a particular or are.* The statement is refer to:

- A. Direct cost
- B. Unit cost
- C. Indirect cost
- D. Variable cost

4. Variable costs are those that

- A. change with business volume.
- B. are unaffected by sales volume.
- C. are always static.
- D. cannot be change in short term.

5. Which of the answer is NOT refer to the primary purpose of preparing a P&L statement?
- A. To identify profits for a given time period
  - B. To identify expenses.
  - C. To identify revenue earn.
  - D. To identify number of covers.
6. Standard purchase specifications can be used for:
- A. completing inventory calculations.
  - B. determining reorder quantities.
  - C. facilitating competitive bidding.
  - D. developing standard costs.
7. Cost control can be defined as \_\_\_\_\_.
- A. income from sales before expenses.
  - B. price an operation pays out in the purchasing and preparation of its products or the providing of its service.
  - C. the process used by a managers to regulate costs and guard against excessive costs
  - D. financial plan for a specific period of time.
8. The standard cost of one standard portion of a given menu item should not change unless:
- A. a new chef is employed.
  - B. menu prices are changed.
  - C. market prices change .
  - D. weather changed.
9. According to menu engineering categories, items that are popular but not profitable is refer to \_\_\_\_\_.
- A. Star
  - B. Plowhorses
  - C. Puzzle
  - D. Dog

10. If unit sales volume in a restaurant increases, one would normally expect to see labor cost per unit:

- A. increase
- B. decrease
- C. remain the same
- D. fluctuate

11. There are **THREE (3)** ways to quantify every menu items **EXCEPT**:

- A. Weight
- B. Volume
- C. Pieces
- D. Count

12. \_\_\_\_\_ is a method to determine standard portion costs for those items portioned before cooking.

- A. Butcher test
- B. Cooking loss test
- C. Yield test
- D. Weighted average test

13. A copy of the standard purchase specifications is a necessary tool of the receiving clerk so that the:

- A. quantity of food items can be checked.
- B. price of food items can be checked.
- C. quality of food items can be checked.
- D. invoice can be verified.

14. Which of the answer is NOT related to external factors in menu changes?

- A. Concept and theme
- B. Marketing aspects
- C. Competition
- D. Industry trends

15. A technique used to evaluate a menu by assessing sales volume and contribution margin for each item on a given menu and evaluate the individual menu items. The above statement is refer to:
- A. Menu engineering
  - B. Sales mix
  - C. Menu mix percentage
  - D. Contribution margin
16. The following are the characteristics for perishable foods, EXCEPT
- A. Typically fresh foods.
  - B. Short useful life.
  - C. May be stored in the containers in which they are received.
  - D. Should be purchased for immediate use.
17. The popularity index for fillet mignon is 40%. The volume forecast for next Saturday is 600 covers, so the forecast for fillet mignon sales should be
- A. 15 portions.
  - B. 40 portions.
  - C. 240 portions.
  - D. 200 portions.
18. Directs become part of food cost
- A. when the food is stored.
  - B. when the chef ordered the food.
  - C. when weekly inventory calculations are completed.
  - D. when the food is received.
19. These temperatures are generally accepted as optimum for storing the foods between -1 to 1 °C, EXCEPT
- A. fresh vegetables.
  - B. fresh fruits.
  - C. fresh fish.
  - D. fresh dairy products.

20. At the 120-seat Riverside Restaurant, total variable costs for September were \$12,000. For October, the manager expects to sell 10% more meals than in September. If the increase in sales volume occurs, the manager should expect that the total fixed costs for October would be:
- A. lower than in September.
  - B. higher than in September.
  - C. relatively same as in September.
  - D. unrelated to September's total variable costs.
21. A case of eggs (30 dozen) costs \$27.00. Two eggs make one standard portion. The standard cost of one standard portion is:
- A. \$0.075
  - B. \$0.15
  - C. \$0.90
  - D. \$1.00
22. A nearby restaurant has been serving a 150grams portion of roast lamb. The manager can determine the standard cost of the portion provided that she knows dealer price and:
- A. portion cost factor
  - B. yield factor
  - C. the ratio to total weight for salable lamb
  - D. none of the above
23. If average inventory is \$12,000, food sales are \$90,000, and cost of food sold is \$36,000, then inventory turnover rate is:
- A. 2.5
  - B. 3.0
  - C. 7.5
  - D. 4.0
24. Assuming no change in sales volume, reductions in quantities of stores purchased and smaller average inventory is likely to result in:
- A. an increase in the inventory turnover rate
  - B. no change in the inventory turnover rate
  - C. a decrease in the inventory turnover rate
  - D. Double the inventory turnover rate

25. To determine the daily cost of stores issued, a food controller would total the values recorded on the day's:
- A. sales checks
  - B. requisitions
  - C. receiving Clerk's Daily Report
  - D. inventory record
26. Some restaurants are successful in charging higher prices on their menu items because their products are:
- A. homogeneous
  - B. price-sensitive
  - C. differentiated
  - D. undifferentiated
27. Of the following, the most accurate device for standardizing beverage portion sizes is the:
- A. jigger
  - B. shot glass
  - C. automated dispenser
  - D. lined shot glass
28. The first steps in control process is:
- A. Appropriate corrective action.
  - B. Training available for related personnel.
  - C. Establish standard and standard procedures for operation.
  - D. Performance will be monitored and compared with standards.
29. \_\_\_\_\_ is refer to realistic expression of management's goals and objectives, expressed in financial terms. It will detail the expected financial results.
- A. Budget
  - B. Standard cost
  - C. Prime cost
  - D. Purchase specification

30. Below are the characteristics of market oriented business, **EXCEPT**:

- A. Highly percentage of fixed cost
- B. Flexible pricing policy
- C. Unstable market demand for the product
- D. Reliance on decreases in cost rather than increase in sales.

**SECTION B:** Answer **ALL SIX (6)** short answer questions below in the answer booklet provided. **(70 marks)**

**Question 1 (15 marks)**

A cocktail bar is currently doing \$582,000 a year in sales revenue. Liquor cost is 38% and other variable costs at this level of sales revenue are 28%. fixed costs are \$150,000.

- (a) What is the annual net income? (5 marks)
- (b) What is the breakeven sales revenue? (4 marks)
- (c) What is breakeven in covers (units) if the average check is \$30? (2 marks)
- (d) There is increment in fixed cost by \$12,000 a year. How much is the breakeven sales revenue with the additional fixed cost? (4 marks)

**(Total: 15 marks)**

**Question 2 (15 marks)**

Chef Lee at Dining Loft has created a new dish "Heavenly Grilled Salmon". The ingredients used are as follows:

No.	Items	Amount
1	Lean ground beef	300 grams
2	Egg	1 piece
3	Onion	50 grams
4	Carrot	30 grams
5	Salt	1 teaspoon
6	Green pepper	40 grams
7	Seasoned breadcrumbs	60 grams
8	Milk	100 ml
9	Worcestershire sauce	20 ml
10	Ground pepper	2 teaspoons
* Fresh ground pepper and salt used for this dish are RM 0.20 per teaspoon & RM0.10 per teaspoon respectively.		
* The ingredients are for three persons.		

PRICE LIST			
No.	Items	Unit	Price(RM)
1	Ground beef	Kg	30.00
2	Egg	10 pieces	4.00
3	Onions	Kg	5.00
4	Carrot	½ Kg	4.00
5	Green pepper	Kg	7.00
6	Seasoned breadcrumbs	Kg	8.00
7	Milk	Bottle (500ml)	6.00
8	Worcestershire sauce	Bottle (290ml)	11.00

From the data given above, you are required to calculate the followings:

- (a) Standard portion cost. (12 marks)
- (b) Total cost for 30 persons. (1 mark)
- (c) The selling price of one serving if the food cost is 30%. (2 marks)

**(Total : 15 marks)**

**Question 3 (10 marks)**

Given a table of menu items with its actual weight and trim loss weight:

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		

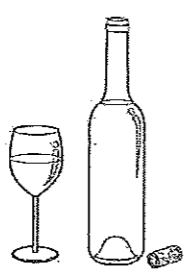
- (a) Calculate the yield weight and yield percentage. (8 marks)
- (b) Which **TWO** menu items having the highest yield percentages? (1 mark)
- (c) Which **TWO** menu items having the lowest yield percentages? (1 mark)

**(Total: 10 marks)**

**Question 4 (10 marks)**

By using the given data below, complete the following calculation:

Item: J&B Scotch  
 Bottle size: 1000ml / 33.8oz  
 Drink size: 1.5oz  
 Bottle cost: \$48.10  
 Ounce cost:  
 Drink cost:



- (a) Calculate the number of drinks per bottle. Round up to the nearest answer. (2 marks)
- (b) By using answer in 3(a), calculate ounce cost, round up to the nearest cents. (2 marks)
- (c) Calculate the standard drink cost. (2 marks)
- (d) If bottle cost and bottle size remain the same, but the drink size is increased for 1.8oz, calculate the drink cost for it. (3 marks)
- (e) Based on your answer in 4 (d), what is your conclusion regarding drink size and drink cost? (1 mark)

(Total: 10 marks)

**Question 5 (10 marks)**

Empire Café was operated for 10 hours daily. The café has 86 seats. Below are the details for business on May 20, 2017.

Items	Quantity Sold	Sales Price (RM)	Total Sales (RM)
Roasted Chicken	225	12.30	
Grill Steak	340	11.50	
Lamb Stew	197	20.80	
Trio Mixed Grill	86	25.90	
TOTAL			

- (a) Calculate total sales for each item above. (2 marks)
- (b) Calculate sales mix for each item. (4 marks)
- (c) Calculate the seat turnover that day, if there were 848 customers (1 mark)
- (d) If quantity sold for Trio Mixed Grill increased to 150, calculate new average sales per seat. (2 marks)

- (e) If average sales per seat day on 20 April, 2017 was recorded RM190, make a comment based on your answer in 5 (d). (1 mark)

**(Total: 10 marks)**

**Question 6 (10 marks)**

Briefly explain about:

- (a) Factors involved in arrangement of foods in storage area. (6 marks)
- (b) Differentiation between intraunit transfer and interunit transfer. (4 marks)

**(Total: 10 marks)**

**-THE END -**

*DHM1107(F)/April 2017/reformatted*