



FINAL
Examination Paper

(COVER PAGE)

Session : August 2014

Programme : Diploma In Hotel Management (DHMN)

Course : DHM1107 : Food and Beverage Cost Control

Date of Examination : December 9, 2014 (Tuesday)

Time : 3:00 pm – 5:00 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

Materialspermitted :
Nil

Materials provided :
OMR Sheets

Examiner (s) : Mr Nik Mohd Shahril Nik Mohd Nor

Moderator : Dr Noor Azimin Zainol

This paper consists of 10 printed pages, including the cover page.

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DIPLOMA IN HOTEL MANAGEMENT PROGRAMME (DHMN)
DHM1107: FOOD & BEVERAGE COST CONTROL
FINAL EXAMINATION : AUGUST 2014 SESSION

Section A (30 marks)

Instructions : This section consists of **THIRTY (30)** questions. Answer **ALL** questions in the OMR sheet provided.

1. One good example of direct variable costs are
 - A. electricity and salaries.
 - B. licensing fees and advertising.
 - C. real estate taxes and insurance premiums.
 - D. food and beverage.
 - E. Rent

2. Cost percentage can be a useful tools of comparing
 - A. two or more different types of revenue.
 - B. cost for two or more different types of business.
 - C. cost for two or more time periods of a business.
 - D. two or more different types of fixed cost.
 - E. two or more type of beverages

3. Quantity standards refer to
 - A. rules for making comparison and judgments.
 - B. Standard measuring of weight, count and volume.
 - C. the degree of excellence of raw materials.
 - D. cooking standard.
 - E. cooking taste

4. Based on average variable cost of RM3.65 and average variable rate of 0.42, calculate contribution margin.
 - A. RM1.53
 - B. RM8.69
 - C. RM5.04
 - D. RM0.11
 - E. RM5.10

5. Wendy's total sales were RM1.5 million and its gross profit was RM889, 894. Calculate the restaurant's food and beverage cost percentage.
- A. 40.7%
 - B. 57.2%
 - C. 43.7%
 - D. 59.3%
 - E. 59.9%
6. Find the breakeven point for the restaurant if the variable rate is 0.39, given fixed cost is RM542,400.
- A. RM580,338.98
 - B. RM835,121.95
 - C. RM584,388.98
 - D. RM889,180.33
 - E. Rm 777,980.30
7. If there is a transfer from bar to kitchen, this would
- A. increase the daily food cost.
 - B. decrease the daily food cost.
 - C. increase daily food cost and monthly food cost.
 - D. give no effect.
 - E. none of the above
8. Among useful ways used by food service operators to achieve proper pricing is by
- A. matching the highest prices.
 - B. optimizing competitors' prices.
 - C. matching competitors' prices.
 - D. controlling prices.
 - E. calculating the cost per head
9. What is the restaurant seat turnover, given its average sales price per unit was RM11.50 and a total of 195 customers were served that month. The restaurant capacity is 90 seats.
- A. 1.8
 - B. 1.5
 - C. 2.8
 - D. 2.2
 - E. 2.7

10. When sales volume increase, this will result in
- A. decreased total variable cost.
 - B. increased total variable costs.
 - C. increased total fixed cost.
 - D. no effect on other cost.
 - E. remain constant
11. A case of eggs (30 dozen) costs RM54.00. Two eggs make one standard portion. The standard cost of one standard portion is
- A. RM1.80
 - B. RM0.15
 - C. RM0.30
 - D. RM0.35
 - E. RM0.70
12. 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.
 - E. 300 portions
13. The total covers for the day is 1538 customers. The number of sold for smoked salmon is 200 portions. Therefore, the popularity index for smoked salmon is
- A. 20.0%
 - B. 7.69%
 - C. 13.0%
 - D. 0.13%
 - E. 14%
14. The following are some of the techniques used for determining the cost of employees' meals, EXCEPT
- A. Cost of separate issues.
 - B. Prescribed amount per meal per staff.
 - C. Prescribed amount per period.
 - D. Sales value divided by cost percent.
 - E. Sales divided by number of stock

15. 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.
 - E. When food is ordered
16. Examples of directly variable costs are
- A. house rents.
 - B. food costs and beverages costs.
 - C. depreciation and license fees.
 - D. real estate taxes
 - E. insurance premiums
17. The cost of a single portion of a given item may be considered
- A. a total cost.
 - B. a unit cost.
 - C. a noncontrollable cost.
 - D. a variable cost.
 - E. A total cost percentage
18. The cost of food or beverages can be changed in several ways, EXCEPT
- A. by changing portion sizes.
 - B. by changing the chef.
 - C. by changing ingredients in a recipe.
 - D. by changing the quality of the products purchased.
 - E. by changing the ordered quantity
19. Most of food items are graded according to degree of excellence. This is an example of
- A. a quantity standard.
 - B. a quality standard.
 - C. a cost standard.
 - D. a total cost.
 - E. a total wholesome food

20. Standard cost is defined as
- A. rules for making judgments and comparisons.
 - B. a financial plan from the management.
 - C. a forecast of sales activity and an estimate of costs that will be incurred.
 - D. the cost of goods or services identified, approved, and accepted by management.
 - E. the total cost
21. A budget designed to project sales and costs for several levels of business activity is called
- A. fixed budget.
 - B. static budget.
 - C. operating budget.
 - D. flexible budget.
 - E. budget of the year
22. It is possible to determine the number of sales required for an establishment to break even provided one knows fixed costs and
- A. average sales price.
 - B. average rate.
 - C. contribution rate.
 - D. contribution margin.
 - E. contribution percentage
23. Sales equals to
- A. variable rate + contribution rate
 - B. variable rate x (fixed cost + profit)
 - C. variable cost + fixed cost + profit
 - D. variable cost + profit
 - E. variable cost – contribution rate
24. The characteristics of nonperishable foods are true, EXCEPT
- A. have longer shelf lives.
 - B. may be stored in the packages or containers in which they are received.
 - C. should be purchased for immediate use to take advantage of the quality.
 - D. they do not deteriorate quickly as long as they are unopened and kept at reasonable temperatures.
 - E. none of above

25. Quantity Standards are measures of
- A. weight, count and volume.
 - B. height, count and volume
 - C. distance, count and size
 - D. production standard
 - E. standard portion
26. The relationship between the cost incurred in instituting and maintaining a control and the benefit generated by that control is
- A. credit control
 - B. cost control
 - C. cost/benefit ratio
 - D. credit
 - E. control volume
27. Locating storage facilities at a proper place is important as it can
- A. minimise security.
 - B. minimise backtracking movement.
 - C. maximise infestation of rodents.
 - D. speed-up the temperature.
 - E. speed-up the storing and issuing of food.
28. If the purchased prices of units in an inventory are marked on each unit, the most accurate method of determining the value of the closing is
- A. latest purchase price method
 - B. weighted average method
 - C. actual purchase price method
 - D. first-in first-out method
 - E. first out in second
29. In a nearby restaurant, Nasi Paprik accounted for 68 of the 240 items sold last Monday. Popularity index for Nasi Paprik for that day is
- A. 28.33%
 - B. 17.33%
 - C. 33.33%
 - D. 20%
 - E. none of the above

30. Food transfers from one unit in a chain of restaurants to another unit in that chain is known as
- inter-kitchen transfer
 - intraunit transfer
 - extraunit transfer
 - interunit transfer.
 - none of the above

Section B (70 marks)

Instruction : Answer ALL questions.

Question 1

The following table indicates the number of covers served and the gross sales per server for one six-hour period in Panda Mayan Restaurant.

Server	Covers Served	Gross Sales Per Server
Loco	120	RM2060.00
Roberto	100	RM1800.40
Portos	150	RM3500.00

Using the information above, calculate:

- Average number of covers served per hour per server.
- Average sale per server for the six-hour period.
- Average check.
- Seat turnover for the six-hour period if there are 80 seats in the restaurant.

(10 marks)

Question 2

Below is the statement for the month of January, 2012.

Food Cost	RM 215,550.00
Occupancy cost	RM 41,000.00
Interest	RM 16,350.00
Depreciation	RM 24,300.00
Variable labor cost	RM 53,500.00
Beverage cost	RM 65,750.00
Fixed Labor cost	RM 75,000.00
Other controllable expenses	RM 62,300.00

From the above information, answer the following questions.

- (a) What are the establishment's sales if profit is RM 429,000.00? (4 marks)
- (b) What is the variable rate? (2 marks)
- (c) What is the contribution rate? (2 marks)
- (d) Calculate the breakeven point in dollar sales? (4 marks)
- (e) What level of dollar sales is required in order to earn a profit of RM 70,000? (4 marks)
- (f) If the establishment operated at a loss of RM 15,680.00 last year, what was its level of dollar sales? (4 marks)

Question 3

- (a) Restaurant Paso La Pizzerias use perpetual order method for canned tomato. Normally, this restaurant uses 16 cans daily and it takes 3 days to deliver. The store keeper reserved seven dozens as their par stock, determine reorder point and reorder quantity. Cans come 6 to a case. Note: 50% safety factor is applied. (5 marks)
- (b) Botox Café implementing periodic order method by making an order twice a month. Normal usage of apple juice is three dozen per week and quantity on hand is 6 bottles. The desired ending inventory is 10 bottles. Due to sales forecast, the coming month is expected to be very busy and required 50% more than normal usage. Determine the proper quantity of pineapple juice to be ordered. (5 marks)

Question 4

- (a) 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)

- (b) Using the popularity indexes calculated in Question 4(a), 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)

Question 5

Palazzo Des Mondeos Restaurant has bought a 30kg rib of beef at the cost of RM21.00 per kg. During the production of the beef, 12% is loss through trimming process and 15% of the remaining weight is loss through shrinkage during cooking process. The rib of beef is then portioned at 170gm per portion. Based from the information given, calculate:

- (a) The weight of edible portion of the beef. (2 marks)
- (b) The number of portion available for sale. (2 marks)
- (c) Cost per portion (2 marks)
- (d) Selling price per portion if the restaurant wish to attain a 40% food cost (2 marks)
- (e) Cost factor per portion (2 marks)

-THE END-

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