

FINAL
Examination Paper

(COVER PAGE)

Session : April 2016

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

Course : DHM1107 : Food & Beverage Cost Control

Date of Examination : July 31, 2016 (Sunday)

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

Duration : 2 Hours

Special Instructions :

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

Section B: FIVE (5) 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) : Chef Nor Fatin Hidayah Sulaiman, Mr Alex Chang Yaw Yun

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 2016 SESSION

SECTION A

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

1. Prime cost is defined as the sum of
 - A. food costs and payroll costs.
 - B. food costs, beverages costs, and labor costs.
 - C. beverage costs, fixed costs, and payroll costs.
 - D. variable costs, rental, and labor costs.

2. If the restaurant's total sales on a given day were RM7,000 and the restaurant had served 200 customers, what is the average dollar sales?
 - A. RM2.00
 - B. RM25.00
 - C. RM0.05
 - D. RM35.00

3. Standard portion sizes help
 - A. create animosity between kitchen staff and dining room personnel.
 - B. increase customer discontent.
 - C. repeat customers.
 - D. rising the excessive costs.

4. 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.

5. 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.
6. 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 capital.
 - D. contribution margin.
7. A very important and useful tool for the steward to employ in taking the daily inventory is a standard form called the
- A. Receiving Clerk's Daily Report.
 - B. Requisition Report.
 - C. Steward's Market Quotation List.
 - D. Kitchen Quotation List.
8. The food controller must establish procedures to ensure that older quantities are used before any new deliveries. The procedure to do this is known as the
- A. LIFO
 - B. SUFO
 - C. PIFO
 - D. FIFO
9. Quantity standards are best describe as
- A. judgment of raw materials and finished products.
 - B. measures of weight, count or volume.
 - C. procedures used to ensure the taste of the dishes.
 - D. rules of making comparisons and judgments.

10. Variable costs are best describes as
- A. change with sales volume.
 - B. are unaffected by sales volume.
 - C. are always static.
 - D. cannot be predicted.
11. A realistic experience of management's goals and objectives expressed in financial terms is called a
- A. payback.
 - B. budget.
 - C. standard.
 - D. forecast.
12. Food cost percentage is calculated by:
- A. amount of food sales divided by cost of labor.
 - B. amount of entrées sold divided by total sales.
 - C. amount of food sales divided by the cost of food.
 - D. cost of food divided by amount of food sales.
13. The first step in the process of budgeting for food and beverage operations is:
- A. To set profit requirements.
 - B. To project revenues.
 - C. To estimate expenses.
 - D. To predict cash needs.
14. Over purchasing and over production are likely result in
- A. an increased in food cost percentage.
 - B. a decrease in inventory turnover rate.
 - C. a decreased in food cost percentage.
 - D. an increased in inventory turnover rate.

15. The stockpiling of quantities greater than needed can lead to number of significant problems such as
- A. Excessive amount of cash tied up in inventory
 - B. Too many procedures
 - C. Increase in labour requirement
 - D. None of the above
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
17. When cost divided with sales the result shows _____.
- A. sales price
 - B. sales percentage
 - C. cost per dollar per sales
 - D. total sales
18. 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
19. 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 %

20. Given the following information, determine total dollar sales: Cost of sales RM46,450, Cost of labor RM34,000, Cost of Overhead RM75,800, Profit RM 4,200.
- A. RM 160,450
 - B. RM 175,450
 - C. RM 180,000
 - D. RM 165,760
21. Variable expense _____.
- A. refers to the increase in food cost percent
 - B. increases as sales volume increases
 - C. a decrease in food cost percent
 - D. decrease as sales volume increases
22. Food grades are examples of:
- A. quality standards
 - B. quantity standards
 - C. production records
 - D. standard cost
23. Which cost is both realistic and an ideal simultaneously?
- A. actual cost
 - B. standard cost
 - C. prime cost
 - D. variable cost
24. A method used for determining the value of a physical inventory that assigns the most recent price-paid for units is the:
- A. FIFO
 - B. Weighted average purchase price
 - C. Actual purchase price
 - D. Latest purchase price

25. An important element in the control process is to book inventory values with:
- A. Purchases
 - B. Issues
 - C. Actual inventory value
 - D. Receiving goods
26. Inventory turnover is calculated by dividing food cost by
- A. Total inventory
 - B. Opening inventory
 - C. Closing inventory
 - D. Average inventory
27. Given sales price of RM 6.00 and variable rate of 0.5, contribution margin is _____.
- A. RM12.20
 - B. RM3.00
 - C. RM3.80
 - D. RM12.00
28. 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
29. Monitoring budget involved three areas which are
- A. Revenue, expenses and Profit
 - B. Revenue, Cost and Expenses
 - C. Revenue, Expenses, and miscellaneous
 - D. Revenue, sales and Variable Cost

30. The periodic order method is used mostly for:
- A. Perishables
 - B. Nonperishables
 - C. Variables
 - D. Controllables

SECTION B

Instructions : Answer **ALL FIVE (5)** short answer questions below in the answer booklet provided. **(70 marks)**

Question 1 (15 marks)

For the last financial year, the Arabian Restaurant generated \$600,000 in revenue, with the average check being \$120.00. Food purchases were 70% of sales and the other variable costs totalled \$30,000. Fixed costs were \$90,000.

- (a) Calculate number of covers. (2 marks)
- (b) Calculate break even sales. (5 marks)
- (c) Calculate break even in covers. (3 marks)
- (d) If an additional fixed cost of \$30,000 were to be introduced and the operating income is to be increased to \$120,000 – calculate the revenue that would be required to achieve this. (5 marks)

Question 2

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

No.	Items	Amount
1	Salmon fillet	400 grams
2	Garlic powder	2 teaspoons
3	Lemon pepper	1 teaspoon
4	Soy sauce	20 ml
5	Brown sugar	30 grams
6	Vegetable oil	50 ml
7	Asparagus	150 grams
8	Onions	20 grams
* Garlic powder & lemon pepper used for this dish are RM 0.30 per teaspoon & RM0.20 per teaspoon respectively.		
* The ingredients are for two persons.		

PRICE LIST			
No.	Items	Unit	Price(RM)
1	Salmon fillet	Kg	40.00
2	Asparagus	Kg	20.00
3	Vegetable oil	Bottle (500 ml)	8.00
4	Onions	Kg	5.00
5	Soy sauce	Bottle (600 ml)	12.00
6	Brown sugar	Kg	6.00

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

- (a) Standard portion cost. (9 marks)
- (b) Total cost for 30 persons. (3 marks)
- (c) Selling price if food cost is 35%. (3 marks)

Question 3 (10 marks)

- (a) Briefly discuss **THREE (3)** factors involved in arrangement of foods. (6 marks)
- (b) List any **FOUR (4)** advantages of using written purchase order. (4 marks)

Question 4 (10 marks)

Define the term below

- (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)

Question 5 (20 marks)

Find the Yield Weight and Yield percentage for each of the item below by using the Trim Loss (kg) and A.P Weight (kg).

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		
Potatoes	12.75	3		
Watermelon	5.5	0.3		

-THE END-