

FINAL
Examination Paper

(COVER PAGE)

Session : August 2017

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

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

Date of Examination : December 8, 2017 (Friday)

Time : 5:00 pm – 7:00 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.

For Section B question 2 & 6, please answer in the daily cumulative cost report and butcher test card booklets provided respectively and attach the answered booklets to the exam booklet together.

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: AUGUST 2017 SESSION

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

1. Cost control is an ongoing process which involves all, **EXCEPT**:
 - A. Purchasing
 - B. Receiving
 - C. Issuing
 - D. Marketing

2. Jason is a manager at Miracle Café. On the month of August, his profit for Miracle Café is RM12500 and his revenue for that month is RM20500. Calculate the profit percentages for her restaurant.
 - A. 40%
 - B. 164%
 - C. 24.5%
 - D. 61%

3. The total number of customers served in a given period of time is refer to _____.
 - A. Total covers
 - B. Average check
 - C. Sales mix
 - D. Seat turnover

4. Which formula is correct?
 - A. Sales = Profit + Expenses
 - B. Average Check = Total Sales × Number of Customers
 - C. Cost × Sales ÷ 100 = Cost%
 - D. Seat Turnover = Number of Customers – Number of seats

5. Saloma Bistro need to spend RM3580 within 4 weeks for their food cost. They manage to earn RM6530. Calculate the contribution margin for Saloma Bistro.
- A. RM1.83
 - B. RM2950
 - C. RM39.53
 - D. RM1550
6. Choose the correct sequence of operation in F&B operation.
- A. Purchasing → Receiving → Storing → Production → Issuing and requisition → Serving and sales
 - B. Purchasing → Receiving → Storing → Issuing and requisition → Production → Serving and sales
 - C. Receiving → Storing → Issuing and requisition → Production → Purchasing → Serving and sales
 - D. Issuing and requisition → Purchasing → Receiving → Storing → Production → Serving and sales
7. _____ foods that extremely short shelf-life by nature and purchased daily. Normally it will use immediately.
- A. Direct
 - B. Fresh
 - C. Non-perishable
 - D. Stored
8. _____ have been defined as the choices of proper conduct made by an individual in his or her relationships with other.
- A. Ethics
 - B. Requisitions
 - C. Storage
 - D. Training

9. Which one is not the factor that involved in proper internal condition of storage facilities?
- A. Temperature
 - B. Storage containers
 - C. Shelving
 - D. Size of area
10. Budget should be monitored in three areas, **EXCEPT**:
- A. Revenue
 - B. Expense
 - C. Profit
 - D. Liability
11. The sum of food cost, beverage cost and labor cost is refer to _____.
- A. Total cost
 - B. Prime cost
 - C. Fixed cost
 - D. Planned cost
12. *Predicts the number of guests you will serve and the revenue they will generate in a given future time period.*
The above statement is refer to _____.
- A. yield
 - B. budget
 - C. sales forescast
 - D. check average
13. The dollar value of fats and oils sold to rendering company is refer to _____.
- A. wastage sales
 - B. grease sales
 - C. steward sales
 - D. sales volume

14. Net cost of sales food is calculated by adjusting cost of sales food by:
- A. adding opening inventory to purchases and deducting closing inventory
 - B. adding transfers in, deducting transfers out, deducting employee meals
 - C. adding opening and closing inventory to purchases
 - D. adding transfers in, adding employee meals, and deducting transfers out
15. Average check is calculated by dividing:
- A. Sales revenue for a period into the number of guests served during that period.
 - B. Sales revenue for a period by the number of guests served during that period.
 - C. Sales revenue for a period by the number of guests served during that period and multiplying by 100.
 - D. Annual sales revenue by 365 and multiplying by number of guests served.
16. Fixed costs are those that:
- A. may be readily controlled.
 - B. change as sales volume changes.
 - C. are unaffected by normal fluctuations in sales volume.
 - D. Always fluctuate.
17. Increases in sales volume result in:
- A. unchanged variable cost per unit, but increased total variable costs.
 - B. increased variable cost per unit, but unchanged total variable costs.
 - C. decreased variable cost per unit, but increased total variable costs.
 - D. increased fixed cost per unit, but unchanged total variable costs.
18. If a business is to be profitable, costs must always be:
- A. more than 100.0% of sales
 - B. less than 100.0% of sales
 - C. equal to sales
 - D. none of the above

19. If 150 customers are served in a two-hour period in a restaurant with 50 seats, seat turnover for the period would be:
- A. 1.5
 - B. 3.0
 - C. 0.667
 - D. 2.0
20. If the standard cost of a one ounce drink is \$.50 and the actual cost of the drink is \$.55, the excessive cost in 10 such drinks is:
- A. \$.05.
 - B. \$.50.
 - C. \$5.
 - D. neither (a.) nor (b.) is correct.
21. Receiving controls verify that quantities, qualities, and prices of foods delivered conform to:
- A. the invoices.
 - B. purveyors' confirmations of orders.
 - C. order placed
 - D. None of the above.
22. Foods purchased for inventory and charged to cost when issued are classified as:
- A. directs.
 - B. stores.
 - C. perishables.
 - D. sales.
23. 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. manager is changed

24. Sales histories can be used to predict:
- A. portion sales for a given menu item
 - B. total covers for a given day
 - C. both (a) and (b) are correct.
 - D. none of the above is correct.
25. In a nearby restaurant, the popularity index for steak is 22%. The volume forecast for next Thursday is 400 covers, so the forecast for steak sales should be:
- A. 18 portions
 - B. 22 portions
 - C. 28 portions
 - D. 88 portions
26. If the purchase prices of units in an inventory are marked on each unit, the most accurate method of determining the value of the closing inventory is:
- A. latest purchase price
 - B. weighted average purchase price
 - C. actual purchase price.
 - D. FIFO or LIFO.
27. According to the principles of menu engineering, a menu item determined to be a plowhorse should be:
- A. removed from the menu
 - B. increased in price
 - C. featured as a special on the menu
 - D. decreased in price
28. In menu engineering, a menu item for which both contribution margin and sales volume are relatively high is called a:
- A. plowhorse
 - B. puzzle
 - C. star
 - D. dog

29. Shot glasses and other measuring devices are used as aids to:
- A. quality control
 - B. quantity control
 - C. price control
 - D. cost control
30. Direct purchases are added to food cost when they are:
- A. sold
 - B. inventoried
 - C. received
 - D. ordered

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

Question 1 (20 marks)

- (a) The owner of Carlos 1 Restaurant estimates that fixed costs for the coming year will be RM860,000. Based on his investment in the business, she 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 dollar sales will be required to earn the target restaurant profit?
(3 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 1(ii), determine the contribution rate.
(2 marks)
 - (iv) Given the contribution rate calculated in Question 1(iii), determine the average contribution margin based on RM20.90 average sale.
(3 marks)
 - (v) At what level of dollar sales will the restaurant break-even?

(3 marks)

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

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

Assume that sales volume equals to 25,000 covers:

(i) Calculate average dollar sales.

(3 marks)

(ii) Calculate break even in units (covers)

(3 marks)

(Total: 15 marks)

Question 2

Jennifer is a staff at Trio Café. She was instructed by her manager to determine food cost, food sales and food cost percent today and to date for four days of operation in October.

Date	Directs	Stores	Adjustment		Sales
			Added to cost	Subtracted from cost	
10/5	\$1530	\$1432	\$540	\$281	\$5775
10/6	\$970	\$1614	\$0	\$445	\$4820
10/7	\$1265	\$1330	\$0	\$0	\$4171
10/8	\$1478	\$979	\$840	\$530	\$3955

(a) By using Daily Cumulative Cost Report at page 9, help Emily to complete her task.

(8 marks)

(b) Calculate daily cost of food for day 3 (date:10/7) if cost of employee meal is \$350.

(2 marks)

(Total: 10 marks)

Question 3

Item	Portions Sold
Steak	90
Chicken chop	120
Fish & chips	180
Lamb chop	110

- (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%) (4 marks)
- (b) Using the popularity indexes calculated in Question 5(a), predict the sales for each item if total sales for all items are expected to be 900. Round your answer to the nearest whole number. (4 marks)
- (c) Based on the answers in (a), which of the menu item is the most popular, and which of the menu item is the least popular? (2 marks)

(Total: 10 marks)

Question 4

- (a) 1 kg of beef is needed to serve 5 people. How much of beef must be ordered to serve a party of 36 people? (2 marks)
- (b) A block of sirloin weighs 35 kg at RM14.00/kg and 10% of every kilogram is lost through cutting and trimming.
- (i) How much is a portion of 250 grams of sirloin steak cost? (4 marks)
- (ii) How many portions can be served? (4 marks)

(Total: 10 marks)

Question 5 (10 marks)

Discuss FIVE common bartender thefts of beverage products.

(Total: 10 marks)

Question 6 (10 marks)

Using Butcher Test form given at Page 13, complete butcher test calculation on a rib of beef, U.S. Choice from the following information:

Weight as purchased : 40 pounds 8 ounces
Dealer price : \$5.35
Portion size for roast beef : 9ozs.
Dealer : Frozen Field Meat Co. on May 8, 2017 at \$5.35 per pound.

Breakdown:

Fat : 5lbs. 12ozs.; value per lb.: \$0.00
Bones : 3lbs. 8ozs.; value per lb.: \$0.85
Short ribs : 8lbs. 0oz.; value per lb.: \$1.50
Loss in cutting: 1lb. 4ozs.
Usable meat : 22lbs. 0oz.

(Total: 10 marks)

-THE END-

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