



MURANG'A UNIVERSITY COLLEGE

(A Constituent college of Jomo Kenyatta University of Agriculture and Technology)

SCHOOL OF HOSPITALITY & TOURISM

DEPARTMENT OF HOSPITALITY MANAGEMENT

UNIT CODE: DHM1213

UNIT TITLE: FOOD AND BEVERAGE COSTING AND CONTROL MAIN EXAM

DATE: 25TH APRIL 2016

TIME 2 HOURS

INSTRUCTIONS:

- 1. This paper consists of two Sections A and B.**
- 2. Section A is compulsory**
- 3. Answer any two (2) questions from Section B**

SECTION A: COMPULSORY (30 MARKS)

QUESTION ONE

(a) Define the following terms:

- | | |
|------------------------------|--------|
| i) Food and beverage control | (2mks) |
| ii) Re-order level | (2mks) |
| iii) Stock turn-over rate | (2mks) |

(b) Explain *four* disadvantages of blind receiving (8mks)

(c) Highlight six problems of the food and beverage control (6mks)

(d) Explain *five* factors which determine the stock levels in catering establishment (10mks)

SECTION B:

ANSWER ANY TWO (2) QUESTIONS. ALL QUESTIONS CARRY EQUAL MARKS

QUESTION ONE

- (a) State **FOUR** objectives of purchasing (4mks)
- (b) Describe **THREE** documents used in receiving (6mks)
- (c) From the following information prepare a payroll for the month of May 2007 (10mks)

Clock no.	Name	No. of hours worked	Rate of pay per hour(sh)	Advance paid
5012	A. Robert	180	10	500
5016	S. Mwangi	200	14	700
5011	J. Alex	190	12	600
5015	R. Josphat	210	10	800
5013	P. Wachira	200	16	800

Additional information:

- (a) Normal working hours per month 180. Over time payable for extra hours at 50% above normal pay rate.
- (b) P.A.Y.E to be deducted at the rate of 10% of gross profit
- (c) N.S.S.F to be deducted sh. 80 for each employee
- (d) N.H.I.F to be deducted sh. 20 for each employee

QUESTION THREE

- a) State three (3) instances when a credit note may be issued. (3mks)
- b) Differentiate between a fixed and flexible budget and give an example for each (4marks)

c) The following information was provided for Account for Fig café for May 1998.

Sales	sh.26000
Opening stock	sh. 2500
Purchases	sh. 12,300
Salaries	sh.5, 600
National insurance	sh. 300
Fuel	sh. 800
Repair	sh.1000
Rents and rates	sh.1, 800
Postage and telephone	sh. 200
Insurance for premises	sh . 400
Printing and stationary	sh. 300
Depreciation	sh. 200

Required:

- (a) Calculate element of costs and express as a percentage of sales and note sh. 800 goes to the staff meals (6mks)
- (b) Calculate the gross profit, Net profit and Net margin profit (6mks)
- (c) Calculate Average spending power per customer if 5900 customers were served that month (2mks)

QUESTION FOUR

- (a) Explain three advantages of budgeting (6mks)
- (b) A catering establishment serves 20,000 customers per month. The average spending power per customer is \$ 5.00. The fixed costs of establishment are \$45,000 per month and it's variable costs are 35% of sales.
Draw a Break-even chart of the establishment showing Break-even point, margin of safety, and angle of incidence. (10mks)
- (c) State **FOUR** reasons that explain the difference between book balance and physical balance which may arise in a stock taking exercise. (4mks)

QUESTION FIVE

- (a) Differentiate between decentralized stores and imprest stores (2mks)
- (b) Explain **three** effects of high labour turn over (6mks)
- (c) Highlight **three** factors that affect cash budget (3mks)
- (d) With the aid of graphs explain three types of costs (9mks)

