



MASENO UNIVERSITY

UNIVERSITY EXAMINATIONS 2012/2013

SECOND YEAR SECOND SEMESTER EXAMINATIONS
FOR THE DEGREE OF BACHELOR OF SCIENCE IN
ECOTOURISM, HOTEL & INSTITUTIONAL
MANAGEMENT WITH INFORMATION TECHNOLOGY
(MAIN CAMPUS)

SEH 211: FOOD & BEVERAGE COST CONTROL

Date: 17th July, 2013

Time: 8.30 – 10.30 a.m.

SEH 211: FOOD & BEVERAGE COST CONTROL

(MAIN CAMPUS)

INSTRUCTIONS:

Answer **ALL** the questions in the answer booklet provided

Q1. The Lopez brothers, Victor, Tony, and Soren, own the Lopez Cantina. Victor is in charge of marketing, and he is developing his sales forecast for next year. Because of his marketing efforts, he predicts a 5% increase in his monthly guest counts. Victor is not aware of any anticipated menu price increases and assumes, therefore, that his weighted check average will remain stable.

- a) Using last year's sales and guest counts, estimate Victor's weighted check average (average sales per guest) for the year. (8mks)

Month	Sales Last Year	Guest Count Last Year	Check Average
January	\$45,216.00	4,800	?
February	48,538.00	5,120	?
March	50,009.00	5,006	?
April	45,979.00	4,960	?
May	49,703.00	5,140	?
June	48,813.00	5,300	?
July	55,142.00	5,621	?
August	59,119.00	6,002	?
September	55,257.00	5,780	?
October	50,900.00	5,341	?
November	54,054.00	5,460	?
December	50,998.00	5,400	?
Total	?	?	?

- b) Using the weighted check average calculated in part a, determine Victor's projected sales assuming a 5% increase in guest counts. (14mks)

Month	Guest Count Last Year	Guest Count Forecast	Weighted Check Average	Projected Sales
January	4,800	?	?	?
February	5,120	?	?	?
March	5,006	?	?	?
April	4,960	?	?	?
May	5,140	?	?	?
June	5,300	?	?	?
July	5,621	?	?	?
August	6,002	?	?	?
September	5,780	?	?	?
October	5,341	?	?	?
November	5,460	?	?	?
December	5,400	?	?	?
Total	?	?	?	?

- c) Define the following terms as used in Food and Beverage Cost Control:
Point of sales (POS) system, rolling average, and fixed average. (3mks)

- Q2. Saint John's Hospital foodservice director, Herman Mwangi, has a problem. He has the following information about his operation for the month of April, but has forgotten how to compute cost of food sold for the month.

<u>Inventory on March 31</u>		<u>\$22,184.50</u>
April Purchases		
Meats	\$11,501.00	
Dairy	\$ 6,300.00	
Fruits and Vegetables	\$ 9,641.00	
All Other Foods	\$32,384.00	
Number of Employees Eating Daily	85	
Cost per Employee for Employee Meals	\$1.25	
<u>Inventory on April 30</u>		<u>\$23,942.06</u>

- a) Use Herman's figures to compute actual cost of food sold for his operation. (7mks)
- b) Could Herman have computed this figure if he had not taken a physical inventory on April 30? Why or why not? (2mks)

- Q3.** "Fast Eddie" Green operates a restaurant in Kisumu City. He is checking over the work of his assistant manager who has been newly hired. One of the jobs of the assistant manager is to complete daily the six column food cost estimate. "Fast Eddie" finds that, while the data are there for the first 10 days of the accounting period, the form has not been completed. Complete the form for "Fast Eddie" so that he can go home. (21mks)

Six-Column Form, Date: 1/1-1/10

Weekday	Sales		Purchases		Cost %	
	Today	To Date	Today	To Date	Today	To Date
1/1	\$3,842.50	?	\$1,645.80	?	?	?
1/2	2,970.05	?	2,006.40	?	?	?
1/3	2,855.20	?	1,107.20	?	?	?
1/4	3,001.45	?	986.24	?	?	?
1/5	3,645.20	?	1,245.60	?	?	?
1/6	4,850.22	?	2,006.40	?	?	?
1/7	6,701.55	?	0.00	?	?	?
1/8	3,609.20	?	1,799.90	?	?	?
1/9	2,966.60	?	851.95	?	?	?
1/10	3,105.25	?	924.50	?	?	?
Total	?		?		?	

Q4.

- a) Briefly explain classifications of alcoholic beverages. (3mks)
- b) Gil is planning for the wedding of the governor's daughter in his hotel. The reception, to be held in the grand ballroom, will be attended by 1,000 people. From his sales histories of similar events, Gil knows that the average drinking habits of those attending receptions of this type are as follows:

25% select champagne
 50% select white wine
 25% select spirits

- 1) Assuming three drinks per person and a portion size of 3 ounces for champagne, 4 ounces for wine, and 1 ounce for spirits, how much of

