



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF HUMANITIES AND SOCIAL SCIENCES

DEPARTMENT OF HOSPITALITY & TOURISM

UNIVERSITY EXAMINATION FOR THE DIPLOMA IN:

HOTEL AND INSTITUTIONAL MANAGEMENT (DHIMM14/S14)

BHC 2212: FOOD AND BEVERAGE CONTROL II

END OF SEMESTER EXAMINATION

SERIES: MAY 2016

TIME: 2 HOURS

DATE: Pick Date May 2016

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt Choose instruction.

Do not write on the question paper.

SECTION A (Answer ALL the questions)

30 POINTS

1.

a) Explain what these terms mean; (10marks)

- i. Maximum allowable food cost
- ii. Actual Food cost percentages
- iii. Net Margin
- iv. Labour cost percentage
- v. Labour dollar per guest served
- vi. Revenue per Available Seat Hour
- vii. Net profit
- viii. Gross profit
- ix. Overheads
- x. Budget

b.) Rose manages a sports bar in Westlands, Nairobi. She keeps track of sales and customer count since the bar was opened. The restaurant has a seating capacity of 150. To achieve her monthly profit objective, Rose must make an average sale of at least 250000/= per day.

- i. Complete the table below (16 marks)

SALES PERIOD	DATE (JANUARY)	SALES	GUESTS SERVED	AVERAGE SALES PER GUEST	SEAT TURNOVER
Monday	1	184000	190		
Tuesday	2	204800	201		
Wednesday	3	176000	179		
Thursday	4	216000	225		
Friday	5	418000	365		
Saturday	6	398000	330		
Sunday	7	318000	280		
TOTAL		1915200	1770		

- ii. How many customers per day are needed to achieve the sales objectives of 200000/=per day with an average check of 1000/=? (4 marks)

SECTION B

2.

a.) Discuss the following measures of labor productivity;

- i. Labor cost percentage
- ii. Sales per labor hour
- iii. Labor dollars per guest served
- iv. Guests served per labor dollar
- v. Guests served per labor hour (10mks)

b.) Wide net Casters company is planning to open a new restaurant in a highly competitive area .The monthly fixed costs of the restaurant are estimated at \$30000 and it intends to provide a fixed quality three course meal at a food cost of \$2.50 per cover .It is felt that the price charged will influence the number of covers sold, and a preliminary market study suggests that the price charged will affect the number of covers as follows;

Possible price in \$	No. of covers per month
5.00	15000
5.50	14000
6.00	12000
6.50	10000

State and give reasons what price should be charged. (10mks)

3.

a.) The trading results for the first three months of 2010 for Kwabuzi restaurant were as follows;

	JAN	FEB	MAR
	\$	\$	\$
Sales	50500	57200	63900
Cost of sales	19800	23700	28200
Labor costs	12600	13100	15200
Overheads	10200	10500	11700

Calculate the percentage of gross profit and net profit in each trading period and comment on the trends shown by the sales, costs and net profit. (14mks)

b.) Explain what you understand by;

- Operating budgets
- Capital budgets
- Master budgets (6mks)

4.

Shanna operates a lounge in an extremely popular downtown convention hotel. The hotel regularly operates around the 80% occupancy mark, and its lounge, Luigi's, is very often filled to capacity. On weeks when business at the hotel is slower, Shanna attempts to build local sales by scheduling a variety of popular bands to play on the stage. She must select one band to play on Saturday night, six weeks from now, when the hotel is not busy. She has kept records of the costs and sales volume of the last four bands she has booked. (See table below.)

a. Compute both band expense % and cost per guest served. Based on the cost % of the bands, which one should Shanna select for booking? (10mks)

b. Would your answer change if you knew Shanna charged a \$5.00 cover charge to enter the lounge on the nights she has a band, and the cover charge is reported separately from the lounge sales? If so, which band would you choose? (10mks)

Date	Band	Band Expense \$	Lounge Sales \$	Cost %	No. of guests	Cost per guest served
1/1	Tiny and the Boys	1,400	11,400		1,425	
2/1	Shaking bill and the billfolds	1,900	12,250		1,980	

3/1	La noise	2,000	12,000		2,005	
4/1	The hoppers	2,000	10,250		2,100	

5.

Explain the importance of sales analysis in a market oriented catering establishment. (10marks)

From the information below, prepare a weekly food cost report for Kiziwi restaurant; (10marks)

	Current Week \$	Previous Week \$
Opening stock	900	960
Closing stock	740	900
Staff meals	260	260
Purchases	1640	1460
Sales	3900	3460

The budgeted gross profit of the restaurant is 60%