TECHNICAL UNIVERSITY OF MOMBASA

Faculty of Business & Social Studies

DEPARTMENT OF HOSPITALITY & TOURISM

DIPLOMA IN HOTEL MANAGEMENT

BHC 2214: FOOD AND BEVERAGE CONTROL II

SUPPLEMENTARY/SPECIAL EXAMINATIONS

SERIES: FEBRUARY 2013

TIME: 2 HOURS

INSTRUCTIONS:

- This paper consists of Sections **A** and **B**.
- Section **A** is **Compulsory**. Answer any **TWO** questions in Section **B**.
- Mobile phones are not allowed into the examination room.
- Cheating leads to disqualification.
- ***This paper consists of Two printed pages.***

SECTION A (Compulsory) 30 Marks

QUESTION 1

a) What do you understand by the following terms: **(10 marks)**
   i) Gross profit
   ii) Margin of safety
   iii) Break-even point
   iv) Net profit
   v) Net margin

b) A restaurant has a seating capacity to serve a maximum of 10,000 customers per 28 day period. The average spending power of the guests is sh. 200. The variable cost are 40% of sales and the fixed costs are sh. 600,000 per period. Using a break-even chart, find the break-even point and show the margin of safety. **(10 marks)**

c) Tabasamu catering company is planning to open a restaurant in a highly competitive area. The monthly fixed costs of the restaurant are estimated at £30,000 and it intends to provide a fixed three course menu at £2.50. it is felt that price change would influence the number of covers sold as follows:

£	**No. of covers**
6.00	15,000
5.50	14,000
6.00	12,000
6.50	10,000

State and give reason which price should be charged. **(10 marks)**

SECTION B (Answer any TWO questions) 40 Marks

QUESTION 2

Describe the triplicate checking system and discuss its suitability for a mid-size hotel with a capacity of 300 pax per meal time. **(20 marks)**

QUESTION 3

a) Define labour control. **(2 marks)**
b) Explain with appropriate examples from the following forms of pay are done in catering establishments:
   i) Direct compensation **(6 marks)**
   ii) Indirect compensation **(6 marks)**
   iii) Deferred compensation. **(6 marks)**

QUESTION 4

a) Outline and explain **SIX** stages of making restaurants budgets. **(12 marks)**
b) Explain how budgetary control is an extension of policy decision. **(8 marks)**

QUESTION 5

Directors of Tabasamu Company are considering acquisition of a restaurant at £120,000. All new acquisition must show a net return on capital of at least 15% before tax. The turnover is expected to be about £156,000 per annum

Labour costs of £42,000 per annum
Overheads of £33,000 per annum
Average spending power £3 per annum

The overall gross profit is expected to be between 55% to 65%.

Using a profitability statement advise the directors of Tabasamu Catering Company on the gross profit margins to aim for. **(20 marks)**