



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF HOSPITALITY & TOURISM

DIPLOMA IN HOTEL & INSTITUTIONAL MANAGEMENT
(DHIM M12)

BHC 2212: FOOD AND BEVERAGE CONTROL II

END OF SEMESTER EXAMINATIONS

SERIES: AUGUST 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 Three printed pages.***

SECTION A (Compulsory) 30 Marks

QUESTION 1

a) Explain the following faces of food cost ratios.

- i) Maximum allowance food cost percentage.
- ii) Actual food cost percentage.
- iii) Potential food cost percentage
- iv) Standard food cost percentage.

(8marks)

b) A catering company has a system of budgeting in operation and its budgeted results for the first quarter of 2012 were.

Sales	£ 95 000.00
Cost of sales	40%
Labour costs	25%
Overheads	20%
Net profit	15%

The following were actual results for the above period.

	£
Sales	94 200.00
Cost of sales	38 800.00
Wages of salaries	18 500.00
National Insurance etc	2 500.00
Staff meals	3 000.00
Rent & Rates	5 000.00
Repairs & replacements	2 000.00
Depreciation	4 000.00
Postage & telephone	500.00
Printing & stationery	1 750.00
Laundry & cleaning	1 250.00
Gas & Electricity	4 500.00

Prepare a statement of trading results for the above period showing deviations from the budgeted results. (12marks)

Describe the following types of budgets.

- a) Operating & budgets
- b) Capital budgets.
- c) Master budgets.
- d) Departmental budgets
- e) Fixed budgets.

(10marks)

QUESTION 2

a) Discuss the objectives of budgetary control.

(10marks)

b) Explain the factors to take in consideration when preparing a labour cost budget.

(10marks)

QUESTION 3

- a) Explain the following elements of labour costs.
- i) Fixed cost personnel
 - ii) Variable cost personnel
- b) Outline a step by step procedure of controlling labour.
- (4marks)**
(16marks)

QUESTION 4

The following are the budgeted results of a restaurant in respect of the half year end 30th June 2012.

		Budgeted(£)	Actual(£)
Sales	Food sales	60000	62000
	Beverage sales	20000	21000
	Other sales	<u>10000</u>	<u>11000</u>
		<u>90,000</u>	<u>94000</u>
Cost of sales	food cost	24000	24300
	Beverage cost	7000	7200
	Other cost	<u>9000</u>	<u>9500</u>
		<u>40,000</u>	<u>41,000</u>
Labour costs	wages/salaries	19 000	19000
	National insurance	25 00	2600
	Staff meals	2000	2000
	Staff welfare	<u>500</u>	<u>300</u>
		<u>24000</u>	<u>24000</u>
Overheads	Rent/Rates	6000	6000
	Depreciation	4000	4000
	Repair	1000	-
	Light/Heat	3000	3500
	Administration expenses	5000	5000
	Other expenses	<u>1000</u>	<u>500</u>
		<u>20,000</u>	<u>19,000</u>

- a) Prepare of the restaurants budgeted profit and loss account for the half year ending 30th June 2012. (10marks)
- b) Compile a report on the half yearly operations, showing variance between the budgeted and actual results and explain the factors responsible for the difference. (10marks)

QUESTION 5

A catering company is planning to purchase a new restaurant.

All its acquisitions should show a return on capital of 20%. It expects to average £10,000 per week. The annual wage bill should be £150,000 and the remaining operating costs at an overall average gross profit of 55% 65%. The A s.p. is at £ 5.00 and is expected to be stable.

Advise the directors on the potential profitability of the restaurant . Append a suitable break- even chart. (20marks)