



# **THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE**

***Faculty of Business & Social Studies***

DEPARTMENT OF HOSPITALITY & TOURISM

DIPLOMA IN HOTEL MANAGEMENT

(DHM J09)

## **FOOD AND BEVERAGE CONTROL II**

END OF SEMESTER EXAMS

**SERIES:** APRIL/MAY 2010

**TIME:** 2 HOURS

### **INSTRUCTIONS TO CANDIDATES**

- This paper consists of **TWO** sections **A** and **B**.
- Section **A** is compulsory. Answer **ALL** questions.
- Answer any **TWO** questions from Section **B**. Questions in this section carry equal marks
- Mobile phones are not allowed in the examination room

## SECTION A (30 marks)

Answer **ALL** questions.

- Q.1 (a) Explain what you understand by:
- (i) Material costs (2 marks)
  - (ii) Labour costs (2 marks)
  - (iii) Overheads (2 marks)
  - (iv) Total costs (2 marks)
  - (v) Gross profit (2 marks)
  - (vi) Net margin (2 marks)
  - (vii) Net profit (2 marks)
- (b) (i) Define - budget.  
- budgetary control (2 marks)
- (ii) Differentiate between:
- (I) Capital vs Operating budgets. (2 marks)
  - (II) Master vs departmental budgets. (2 marks)
  - (III) Fixed vs Flexible budgets. (2 marks)
  - (IV)
- (c) State and briefly explain any **FOUR** methods of pricing used by caterers to price their products. (4 marks)

## SECTION B

(Answer any **TWO** questions from this Section)

- Q.2 Pangoni Catering company has a system of budgeting in operation and the budgeted results for the 1<sup>st</sup> quarter of 2009 were as below.

Sales	£95,000
Cost of sales	40%
Labour costs	25%
Overheads	20%
Net profit	15%

The actual results for the period were as follows:-

Sales	94,200
Cost of Sales	38,800
Wages & Salaries	18,500
National insurance	2,500
Staff meals	3,000
Rent & Rates	5,000
Repair & replacements	2,000
Depreciation	4,000
Postage & telephone	500

Printing and Stationery	1,750
Laundry and Cleaning	1,250
Gas & Electricity	4,500

- (a) Prepare a statement of trading results for the period showing clearly the deviations in the budget. (10 marks)
- (b) If the A.S.P for this period is £6, does the establish break-even and if it does, at what level of number of covers.

$$\text{Break-even point} = \frac{c}{s - v}$$

Q.3 A luncheon club serves between 1700 and 2300 meals weekly. Its fixed costs are £1350 per week and its gross profit is maintained at the rate of 50%. The charge per meal is fixed at £1.25.

Calculate:

- (a) The number of meals the canteen has to serve to break-even.
- (b) The net profit/loss when the canteen serves 2100 meals. (20 marks)
- Q.4 (a) (i) What do you understand by the term “Limiting factors” as used in describing operations of a catering establishment. (2 marks)
- (ii) List the main limiting factors operating in hotel and catering establishments. (8 marks)
- (b) The following monthly budget was prepared by a catering establishment:

	<b>Dining room</b>	<b>Grill Room</b>	<b>Banqueting</b>	<b>Total</b>
Number of covers	6,000	4,000	2,000	12,000
ASP	<u>£5</u>	<u>£7.50</u>	<u>£10</u>	<u>-</u>
Sales	£30,000	£30,000	£20,000	£80,000
Less cost of sales	<u>13,500</u>	<u>12,000</u>	<u>7,000</u>	<u>32,500</u>
Gross profit	£16,500	£18,000	£13,000	£47,500
Less Operating expenses:				
Labour cost			£20,000	
Overheads			£16,000	<u>36,000</u>
				<u>£11,500</u>

Q.5 The actual results for that month were:-

	<b>Dining room</b>	<b>Grill Room</b>	<b>Banqueting</b>	<b>Total</b>
Number of covers	6,000	4,000	20,000	12,000
ASP	<u>£5</u>	<u>£7.50</u>	<u>£10</u>	<u>-</u>
Gross profit	£16,500	£18,000	£13,000	£47,500

Actual labour costs and overheads were as budgeted.

- (a) Prepare a monthly report showing all variances between budgeted and actual results. (15 mark)
- (b) Comment on the results actually achieved. (5 marks)