

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

CHUKA/EMBU

**SECOND YEAR EXAMINATION FOR THE AWARD OF DIPLOMA IN TOURISM
AND HOSPITALITY MANAGEMENT**

DTHM 0261: INTRODUCTION TO COSTING IN HOSPITALITY AND TOURISM

STREAMS: Y2S1

TIME: 2 HOURS

DAY/DATE: TUESDAY 23/03/2021

8.30 A.M – 10.30 A.M

INSTRUCTIONS:

- **Answer all questions in section A and any other two questions in section B**
- **Do not write anything on the question paper**

SECTION A (30 MARKS)

1. Define the following in relation to restaurant and bar operations:
 - (i) Sales control [3 marks]
 - (ii) Cost control [3 marks]
2. Briefly explain the role of a recipe in control of both and revenue of food and beverages. [4 marks]
3. Briefly explain the control measures in purchasing food and beverages supplies. [4 marks]
4. Briefly explain how the quality of stored and beverage supplies can be maintained. [4 marks]
5. Briefly describe how you can regulate portions of food and beverages in a restaurant operation. [4 marks]
6. Describe the process of receiving food and beverage supplies in restaurants. [5 marks]

7. Briefly explain the concept of standard yield percentage in food cost control.[3 marks]

SECTION B (40 MARKS)

8. (a) The financial records of a fast-food unit in a chain revealed the following figures (in shillings) for the December 2020. Determine the food cost percent for the month.

[12 marks]

i. Opening inventory	101,875
ii. Purchases	145,545
iii. Closing inventory	63,650
iv. Cooking liquor	19,000
v. Transfer to other units	24,500
vi. Steward sales	18,000
vii. Food and bar	17,500
viii. Transfer from other units	33,750
ix. Gratis to bar	15,000
x. Employee meals	38,900
ix. Total sales	606,895

(b) You have been given the task of catering for a wedding function with 300 guests to be served. The menu includes beef stew and chicken for the main dish. The chicken is to be prepared in form chicken breast and legs. At least 150 portions of chicken are required. The beef is to be served in portions of 200 grams with at least 200 portions required. Raw beef is available with an average yield of 90%. Average price per chicken is shilling 650 and a kilo of meat shillings 460. Determine the number of chicken and kilograms of meat required and portion cost for each the menu items.

[8 marks]

9. (a) A restaurant uses cans of crushed tomatoes as one of the many food items. The Inventory records for the month of November 2020 indicate the following (amount in shillings)

(i) Opening inventory on the 1st of the month : 15 cans @ 105

(ii) Purchased on the 7th on the month: 25 cans @110

(iii) Purchased on the 15th on the month: 25 cans @107

(iv) Purchased on the 26th on the month: 15 cans @ 103

A physical inventory on the 31st of the month showed that 25 cans remain in stock. Determine the cost of closing inventory if the restaurant follows either weighted average purchase price or FIFO methods of stock valuation. [10 marks]

(b) As a restaurant manager in a restaurant serving clients who walks in for meals, discuss how you would regulate food production quantities to maximize profits. [10 marks]

10. (a) Assuming that you want to open a small restaurant business, discuss the important considerations when developing your food and beverage control system. [10 marks]

(b) Discuss how you would ensure that every sale results in revenue for the business. [10 marks]
