

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS
CHUKA/EMBU**

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

DTHM 0261: INTRODUCTION TO COSTING IN HOSPITALITY AND TOURISM

STREAMS: DTHM Y2S1

TIME: 2 HOURS

DAY/DATE: FRIDAY 24/09/2021

8.30 A.M – 10.30 A.M

INSTRUCTIONS

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

SECTION A (30 MARKS)

1. Define the following:
 - (i) Revenue control [2 marks]
 - (ii) Food and Beverage cost [2 marks]
2. A menu provides a foundation for cost and revenue control in food service outlets. Explain. [4 marks]
3. Explain an appropriate standard procedure for receiving of food and beverage supplies. [4 marks]
4. Explain two main considerations required in maintaining the quality of stored food and beverages. [4 marks]
5. Briefly describe any two control standards applicable in ensuring standardized portions in sale of food and beverages. [4 marks]
6. Describe the two methods used in determining a menu item cost. [4 marks]
7. Briefly explain how you would control food and beverage revenues in a restaurant. [6 marks]

SECTION B (40 MARKS)

8. (a) The financial records of a fast food unit in a chain revealed the following (in shillings) for the January 2019. Determine the food cost percent for the month. [12 marks]

(i) Opening inventory	93,875
(ii) Purchases	123,545
(iii) Closing inventory	45,650
(iv) Cooking liquor	19,500
(v) Transfer to other units	22,500
(Vi) Steward sales	18,000
(vii) Food to bar	19,500
(viii) Transfer from other units	25,750
(ix) GrATIS TO BAR	20,000
(X) Employee meals	28,965
(xi) Total sales	466,895

- (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. The chicken is to be prepared in form of chicken breast and legs. AT least 150 portions of chicken are required. The beef is to be served in portions of 250 grams with at least 150 portions required. Raw beef is available with an average yield of 90% . Average price per piece of whole chicken is ksh 550 and a kilo of meat ksh 460. Determine the piece of whole chicken and kilograms of meat required and respective portion costs. [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 May reveal the following (amount in ksh)
- (i) Opening inventory on the 1st of the month 15 cans @ 100
 - (ii) Purchased on the 7th of the month: 24 cans @ 98
 - (iii) Purchased on the 15th of the month: 24 cans @96
 - (iv) Purchased on the 26th of the month: 12 cans @ 95

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 latest purchase price methods of stock valuation. [12 marks]

(b) Describe how as a restaurant manager you would control the production volume to avoid either overproduction or underproduction of food in the kitchen. [8 marks]

10. (a) Discuss four objectives of an effective cost control in a food and beverage service operation. [10 marks]

(b) Discuss five principles of an effective cost control system in hospitality businesses. [10 marks]
