

**CHUKA**



**UNIVERSITY**

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**UNIVERSITY EXAMINATIONS**

**FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE OF  
BACHELOR OF SCIENCE IN HOSPITALITY AND TOURISM MANAGEMENT**

**BTHM 431: HOSPITALITY COSTING AND COST CONTROL**

**STREAMS: BTHM Y4S1**

**TIME: 2 HOURS**

**DAY/DATE: MONDAY 03/12/2018**

**2.30 PM – 4.30 PM**

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**INSTRUCTIONS:**

- **Answer ALL Questions in Section A and any Two in Section B**
- **Do not write anything on the question paper**

**SECTION A (30 MARKS)**

1. Giving illustrations, distinguish between direct and indirect costs in hotel operations. [4 marks]
2. Briefly describe the process of food and beverage production control in restaurants. [6 mark]
3. Briefly explain the control measures in purchasing and receiving in food service operations. [4 marks]
4. Briefly explain the receiving control measures for food and beverages. [4 marks]
5. Briefly explain any four methods of stock valuation in classified hotels. [4 marks]
6. A restaurant with an average check of sh 100 per guest has the following average monthly figures: Sales revenue Sh 500,000; Variable costs Sh 260,000 and Fixed costs Sh 160,000. Determine the breakeven sales revenue. [4 marks]
7. Explain briefly the two main approaches in control of beverages revenues. [4 marks]

**SECTION B (40 MARKS)**

8. (a) Discuss reasons why it is important to establish and maintain an effective cost and revenue control system. [12 marks]
- (b) Explain how you would develop and implement a Cost and Revenue Control System. [8 marks]
9. (a) Discuss any five internal control procedures for payroll costs in hotels. [10 marks]
- (b) Discuss ways by which cheating by staff may occur in Hotel Front Desk Operations. [10 marks]
10. (a) The financial records at Muhima Bar for the month of February provide the following information (Amounts in Kenya shillings)
- (i) Opening beverage stock 320,180
  - (ii) Beverage purchases 366,680
  - (iii) Closing stock 337,540
  - (iv) Food to bar 45,970
  - (v) Mixers 21,560
  - (vi) Bar to kitchen 9,070
  - (vii) Management's drinks 17,350
  - (viii) Special promotions 12,000
  - (ix) Net sales 1,146,190
- Calculate the beverage cost percent. [10 marks]
- (b) Briefly explain the considerations in determining par stock and re-order levels for food and beverage operations. [10 marks]
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