

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF CATERING AND HOSPITALITY MANAGEMENT

BCHM 421: APPLIED COSTING IN HOTELS

STREAMS: BCHM Y4S1

TIME: 2 HOURS

DAY/DATE: TUESDAY 10/12/2019

8.30 AM – 10.30 AM

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. A menu forms the basis of cost control in food service outlets. Explain [6 marks]
2. Describe any three control standards when purchasing food & beverage production items. [6 marks]
3. Briefly explain any four best practices when managing food and beverage store. [6 marks]
4. Describe how you would regulate food production volume to minimize wastage. [6 marks]
5. Briefly explain how you would determine the cost of a food menu. [6 marks]

SECTION B (40 MARKS)

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

Operating inventory	81, 875
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Purchases	135,545
Closing inventory	43,650
Cooking liquor	19,000
Transfer to other units	24,500
Steward sales	15,000
Food to bar	17,500
Transfer from other units	22,750
Gratis to bar	20,000
Employee meals	28,965
Total sales	506,895

(b) An effective hotel cost controls system must be based on given principles. Using relevant examples, discuss any four of these principles. [8 marks]

7. (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 shillings)

- (i) Opening inventory on the 1st of the month: 10 @99
- (ii) Purchased on the 7th of the month: 24 cans @97
- (iii) Purchased on the 15th of the month: 24 cans @96
- (iv) Purchased on the 26th of the month: 12 cans @ 94.50

A physical inventory on the 31st of the month showed that 20 cans remained in stock. Determine the cost of closing cans and cost of used if the restaurant follows either FIFO or LIFO methods of valuation. [12 cans stock marks]

(b) Discuss any four common fraud practices by dishonest hotel front office staff. [8 marks]

8. The success of a hospitality operation is dependent on an effective control systems. Using relevant illustrations, discuss this statement. [20 marks]
