



SCHOOL OF PROFESSIONAL STUDIES

DIPLOMA IN HOSPITALITY AND TOURISM MANAGEMENT

UNIT CODE: DHTM 105, UNIT NAME: FOOD COSTING AND CONTROL

September – December 2018/2019 End Semester Exam - Time: 2 Hours

Instructions: Answer Question ONE (Compulsory) and any other TWO questions.

QUESTION ONE

- a) Using the following information calculate the stock turnover rate for materials A and B (4 Marks)

	Material A	Material B
Opening stock	25,000	87,500
Closing stock	15,000	62,500
Purchases	190,000	125,000

- b) Describe the three types of stock taking (6 Marks)
- c) Highlight five stages in catering cycle (5 Marks)
- d) Explain five objectives of food and beverage control (5 Marks)
- e) State four disadvantages of decentralized stores (4 Marks)
- f) State three elements of costs and give three examples in each case (6 Marks)

QUESTION 2

- a) Describe the following methods of purchasing (2 Marks)
- i) Time contract

- ii) Quantity contract (2 Marks)
- iii) Cash and carry (2 Marks)
- b) Outline the procedure of purchasing food and beverage (5 Marks)
- c) Highlight four advantages of perpetual inventory system (4 Marks)
- d) Explain five problems of food and beverage control (5 Marks)

QUESTION 3

- a) Explain the term stock taking (2 Marks)
- b) Explain the following concepts of profits
 - i) Gross profit (2 Marks)
 - ii) Net margin (2 Marks)
 - iii) Net profit (2 Marks)
- c) Examine six objectives of standard purchase specification (6 Marks)
- d) Highlight six documents used in receiving food and beverages (6 Marks)

QUESTION 4

- a) Describe three assumptions of the breakeven Analysis (6 Marks)
- b) Highlight three policies under the basic policy phase in control system (6 Marks)
- c) Describe the following methods of pricing issues
 - i. FIFO (2 Marks)
 - ii. LIFO (2 Marks)
- b) Differentiate between capital budget and operating budget (4 Marks)

QUESTION 5

- a) Using illustrations describe three types of costs (6 Marks)
- b) Discuss four limitations of a budget in Hotel and Catering establishment (4 Marks)
- c) Highlight four disadvantages of centralized stores (4 Marks)
- d) Illustrate with a diagram a sample of an invoice (6 Marks)