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FINAL EXAMINATION**

COURSE NAME : **FOOD AND BEVERAGE COST CONTROL**
COURSE CODE : **DHM 2063**
EXAMINATION : **JUNE 2024**
DURATION : **3 HOURS**

INSTRUCTIONS TO CANDIDATES

1. This examination paper consists of **FOUR (4)** parts:
 - PART A (40 Marks)
 - PART B (20 Marks)
 - PART C (20 Marks)
 - PART D (20 Marks)

2. Candidates are not allowed to bring any material to examination room except with the permission from the invigilator.

3. Please check to make sure that this examination pack consist of:
 - i. The Question Paper
 - ii. An Objective Answer Paper
 - iii. An Answering Booklet

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO

*This examination paper consists of **18** printed pages including front page*

PART A

This part contains **FOURTY (40)** questions.

Answer ALL questions in Objective Answer Paper.

1. Identify which one refer to the total sales by category?
 - A Total dollar volume of sales for all item.
 - B Total dollar volume of sales for all item in one category.
 - C Total dollar volume of sales for a given time period for each customers.
 - D Total dollar volume of sales for a given time period for ach category of covers.

2. Which of the following below is true definition of cost concept?
 - A Cost as reduction in the value of an asset for the purposes of gain profit.
 - B Controlling for item and services by withdraw some value to get something.
 - C Process used by manager to regulate cost and guard against excessive cost.
 - D Selling for food and beverage regulate cost and guard against excessive cost.

3. _____ defined as measures of weight, count or volume are used to make comparisons and judgment.
 - A Quality standard
 - B Quantity standard
 - C Historical standard
 - D Standard cost control

4. Which of the following below is not consider as non-monetary term?
 - A Covers.
 - B Total cover.
 - C Seat turnover.
 - D Total sales per seat.

◇ Normally unaffected by changes in sales volume and has little direct relationship to the business sales either increase or decrease.

Figure 1

5. Based on Figure 1, the statement above is referring to _____.
- A wages
 - B fixed cost
 - C selling cost
 - D variable cost
6. Prime cost can be defines as _____.
- A the sum of materials, food and beverage cost, labor cost and payroll
 - B useful method for manager to identify how many sales receive per day
 - C reduction in the value of an asset for the purposes of securing benefit
 - D the cost that normally can be changed in short term and long term period
7. Find the cost percentage for Seafood Monster Restaurant when the cost is RM200 and sales was RM600.
- A 33%
 - B 30%
 - C 26%
 - D 20%

◇ Important function for management in order to plan effectively, manager used previous cost to develop cost for future projection.

Figure 2

8. Based on Figure 2, this statement is referring to _____.
- A variable cost
 - B planned costs
 - C controllable costs
 - D non controllable costs

9. Which of the following below are not the significant of cost percentage?
- A Indicates the efficiency of cost control measures.
 - B Helps in determining pricing strategies and menu profitability.
 - C Allows comparison of costs across different periods or establishments.
 - D Help in maintenance the volume of production focus only for beverage category.

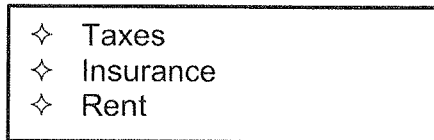


Figure 3

10. Based on the information in Figure 3, all above statements are referring to _____.
- A variable cost
 - B historical cost
 - C controllable costs
 - D non-controllable cost
11. Sales concept refer to the revenue generated from the sales food and beverage. Which of the following is true about sales concept?
- A Ignoring customer needs.
 - B Focus only for meeting customer needs .
 - C Resulting from the exchange of product and services for value.
 - D Dissatisfying customer needs through product price and product capability.
12. Which of following below is an example of non-monetary terms?
- A Covers.
 - B Sales price.
 - C Average sales.
 - D Average sales per server.
13. Which of the following below are not variable cost?
- A Rent.
 - B Packaging.
 - C Commission.
 - D Menu printing.

14. What is the primary goal of the sales concept?
- A Minimizing production costs.
 - B Maximizing sales and revenue.
 - C Maximizing customer satisfaction.
 - D Building long-term customer relationships.
15. Which of the following below are normally unaffected by sales volume?
- A Taxes.
 - B Utilities.
 - C Food cost.
 - D Labour cost.
16. Cost control is defined as the process used by manager to regulate cost and guard against _____.
- A excessive cost
 - B preventing wastage
 - C excessive promotion
 - D limited beverage production
17. Which of the following below are normally affected by sales volume?
- A Taxes
 - B Insurance
 - C Real estate
 - D Labour cost
18. Which of the following is not the elements in control technique?
- A Standard costing.
 - B Security and sanitation.
 - C Inventory management.
 - D Recipe standardization.

19. Analyzing the profitability of menu items and adjusting offering to promote high margin dishes. This statement refer to _____.
- A marketing
 - B menu engineering
 - C monthly sales revenue
 - D knife and chopping board
20. Which of the following is an example of control technique?
- A Inventory management.
 - B Post-implementation review.
 - C Employee motivation programs.
 - D Regular equipment maintenance.
21. Which of the following the final step in control process?
- A To evaluate post-implementation results.
 - B To outline the company's long-term goals.
 - C To serve as a performance appraisal for employees.
 - D To take appropriate action to correct deviation against standard.
22. Why is it important to have proper standardize recipe to follow in a daily production?
- A To simplify menu planning.
 - B To improve employee morale.
 - C To conduct marketing research.
 - D To ensuring consistent preparation method and portion size.
23. Cost benefit ratio is a study of a relationship between the _____ in running the operation and the expected return for the project either it is possible to run or not.
- A cost incurred
 - B daily food cost
 - C operation hours
 - D marketing strategy

24. In the context of food receiving, what does the term "COGS" refer to?
- A Cost of gain sales.
 - B Cost of goods sold.
 - C Cost of goods and services.
 - D Cost of generated supplies.
25. The manager need to monitor and compare the actual performance to established standard. This statement refer to _____.
- A control process
 - B evaluation process
 - C organization performance
 - D management performance
26. Cost of implementing restaurant operation is \$10,000, you estimate that it will lead to annual cost savings of \$20,000 by improving inventory management. Calculate the cost benefit ratio and decide either it is good to run the operation or not.
- A The ratio is 2 and it explain the business is strong enough to run.
 - B The ratio is 1 and it explain the business is strong enough to run.
 - C The ratio is -1 and this explain the operation is good enough to run.
 - D The ratio is -2 and it explain the business is not strong enough to run.
27. Which of the following is not true about cost control?
- A Important to simplify menu planning budget.
 - B Used to track customer feedback and suggestion.
 - C To maximize employee performance with better salary offer.
 - D To manage the cost efficiently without compromising the quality of products.
28. In sales forecast, estimating revenue are based on historical data, past sales performance and _____.
- A market trend
 - B business plan
 - C confident level
 - D employee satisfaction

29. In the context of daily food cost calculation, what does "COS" stand for?
- A Cash on sale.
 - B Cost of sales.
 - C Cost of service.
 - D Customer order summary.
30. When calculating daily food costs, what is the cost of goods sold?
- A The cost of marketing campaigns.
 - B The expense of employee uniforms.
 - C The cost of employee training materials.
 - D The cost of food and beverage used for sales.
31. Cost volume profit is a study relationship within the cost and the _____.
- A return on investment
 - B expense of employee uniforms
 - C the cost of buying training and materials
 - D method of preparation beverage production
32. When calculating break even point, the calculation must involve _____.
- A variable cost with loss
 - B variable cost with profit
 - C fixed cost and operating cost
 - D fixed cost with contribution margin

◇ The different between total revenue and total cost

Figure 4

33. Based on the statement from Figure 4 above, which of the term is best describe about the statement?
- A Loss.
 - B Profit.
 - C Selling price.
 - D Contribution margin.

34. Calculate the Cost volume profit when cost of sales is \$51,259, cost of labor is \$77351, cost of overhead \$42248 and loss is \$41167.
- A \$129,691
 - B \$121,691
 - C \$133,478
 - D \$130,690
35. A smoothie stand sell a glass of lemonade for \$2. The cost of smoothie for each glass is \$0.50. Calculate the contribution margin per glass?
- A \$1
 - B \$4
 - C \$0.2
 - D \$1.5
36. Break even analysis assist in making decision about pricing, production level and _____.
- A business profitability
 - B long term investment
 - C marketing expenses
 - D total amount of variable cost

| |
|---|
| <p>Selling price per glass = \$8</p> <p>Variable cost per glass = \$2.50</p> <p>Total fixed cost = \$225</p> |
|---|

Figure 5

37. Based on the information given in Figure 5, calculate the contribution margin for ice lemonade if the restaurant can sell 50 glass per day.
- A \$288
 - B \$275
 - C \$100
 - D \$222

38. The amount remaining after subtracting variable cost from sales is define as

- _____.
- A sales
 - B gross profit
 - C break even point
 - D contribution margin

39. Calculate the Cost volume profit when cost of sales is \$51,259, cost of labor is \$77,351, cost of overhead \$42,248 and profit \$41,167.

- A \$129,691
- B \$121,691
- C \$212,025
- D \$130,690

| | |
|------------------------------------|---------------------------------|
| Cost of Sales = \$51,788 | Cost of Labor = \$77,300 |
| Cost of Overhead = \$42,229 | Loss = -\$28,156 |

Figure 6

40. Calculate the total dollar sales for Black Man Family Restaurant as in Figure 6.

- A \$143,161
- B \$141,691
- C \$122,691
- D \$129,301

[40 MARKS]

PART B

This part consists of **TWENTY (20)** questions.

Answer ALL questions in Answering Booklet.

1. Purchasing is an activity concern with the acquisition of product and often describe as obtaining inexpensive item to the facilities.

(TRUE / FALSE)

2. One of the objective of purchasing is to maintain adequate supply and maintain quality of product.

(TRUE / FALSE)

3. Centralized purchasing is done by one person or department and the report send to the top management who has overall responsibility making a profit.

(TRUE / FALSE)

4. Independent purchasing usually bringing together the purchasing to one supplier to joint purchasing.

(TRUE / FALSE)

5. One of the disadvantages of centralized purchasing system is it will develop personnel with specialized knowledge and skill.

(TRUE / FALSE)

6. When making centralized purchasing, menus are normally standardized and thus limiting the individual freedom to change the menu.

(TRUE / FALSE)

7. An audit trail is a series of record, document and report that trace the flow of resources through an operation also known as purchasing cycle.

(TRUE / FALSE)

8. Store requisition, invoice and purchase specification record were the documents needed in audit trail.

(TRUE / FALSE)

9. In purchasing record, it is not crucial to note inside the document about description of the item.

(TRUE / FALSE)

10. F&B operation income must be sufficient to cover daily departmental operating costs.

(TRUE / FALSE)

11. Receiving involve an activity such as verifying quality, quantity meet specification and the price on the invoice agrees with the purchase order.

(TRUE / FALSE)

12. Substandard quality might be the potential consequence if poorly receiving program practice by the organization.

(TRUE / FALSE)

13. The invoice can be compared later after all good have been received to confirm the order placed.

(TRUE / FALSE)

14. Person in charge can just sign the invoice for next incoming product before do the inspection for refund item.

(TRUE / FALSE)

15. The supplier provide the delivery invoice which become the basis for the payment claim.

(TRUE / FALSE)

16. Credit memorandum form usually used by manager in order to verify the order received.

(TRUE / FALSE)

17. If package label carries an expiration date, receivers should ensure that it is within acceptable limit and receivers should make sure the dating code are correct.

(TRUE / FALSE)

18. Some of the supplier might confusing the purchaser they claim thawed frozen products presented as fresh, while the operation pay higher price for fresh product.

(TRUE / FALSE)

19. Basic principle may help to avoid theft at receiving department is to have the same people do receive and purchase product.

(TRUE / FALSE)

20. Make schedule product deliveries at peak time so that the receiving personnel who may have other duties have time to receive correctly.

(TRUE / FALSE)

[20 MARKS]

PART C

This part consists of **TWENTY (20)** questions.

Answer ALL questions in Answering Booklet.

| | | | |
|-------------------|-------------------|------------------------|--------------------|
| Electronic Method | Humidity Control | Bin Card | Requisition Form |
| Train Staff | Bin Card | Authorized Individuals | Kitchen |
| Consistency | Storage | Locking System | Inventory |
| Recipe | Actual Production | Par Stock | Production Control |
| Volume | Banquet | Front Bars | Weight |

1. Temperature, _____ and provision for circulation of air are necessary to retain the various quality factors of the stored food.
2. The access to storage areas must be restricted to _____ and step must be taken to guard against unauthorized use of beverage by those who are permitted access to the storage.
3. To ensure accessibility of product when needed, the storage facility must be _____ so that each brand and product can be found quickly.
4. _____ can be affixed to shelves and serve as shelf labels include an identification _____ number for beverages and others items.
5. Newer _____ may eliminate the need for traditional keys.
6. The issuing process entails control of food and supplies removed from _____ to each kitchen department needed for the item.
7. The objective of issuing system is to match item removed from storage with _____ requirement.

8. In storeroom operation _____ means the minimum quantity that may be on hold at any one time, it is limit that the quantity on hand should never exceed.
9. A bar where bartenders serves the public face to face is called as _____.
10. Special purpose bar usually set up for particular events such as _____.
11. The _____ is filled out by either a head bartender or another authorized person who determines the quantities needed at the bar to established par stock.
12. Direct issues or direct purchase are usually sent directly to the _____ for production use the same day.
13. _____ is a record of material assets owned by actual presence of product in the storage represent a significant investment of the organization assets.
14. Standard _____ are designed to ensure that all portions of any given item conform to management plan for that item and each portion of any given item is identical to all other portion.
15. Every item on the menu can be quantified in one of three ways by _____ volume and count.
16. _____ is used as the measure for portion of menu item such as liquid, soups, juices and coffee.
17. A _____ is a list of ingredient and the quantities of those ingredients needed to produce a particular item.
18. Standardize recipe will help to establish _____ of taste, appearance and customer desire about the food itself.

19. One of the disadvantages of using standardize recipe is it will take times to _____ to follow recipe exactly to the standard.
20. _____ is used to developing sales history data has become more simpler and faster.

[20 MARKS]

PART D

This part consists of **TWO (2)** questions.

Answer ALL questions in Answering Booklet.

QUESTION 1

It is important for a restaurant to have standardize recipe in order to make sure the cost for production can be controlled effectively.

a. Describe the definition of standardize recipe.

(2 marks)

b. illustrate a sample of standardize recipe that include **SEVEN (7)** important information that must be available in standardize recipe.

(8 marks)

QUESTION 2

a. Kindly describe what does the term 'sales history" in F&B industry.

(2 marks)

b. Identify **TWO (2)** method used to record customers sales history in a restaurant operation.

(2 marks)

c. Explain in your own understanding what does the term "forecasting" in context F&B industry.

(2 marks)

d. List **FOUR (4)** steps of forecasting used by manager to plan for operation.

(4 marks)

[20 MARKS]

END OF QUESTION PAPER

FORMULA SHEET

- a. $\text{Cost \%} = \text{Cost/sales} \times 100$
- b. $\text{Cost} = \text{Sales} \times \text{cost percentage}$
- c. $\text{Sale} = \text{Cost/cost percentage}$
- d. $\text{Average check} = \text{Sales} / \text{number of customer}$
- e. $\text{Seat turnover} = \text{Customer} / \text{number of seat}$
- f. $\text{Total sale} = \text{Quantity sold} \times \text{selling price per unit}$
- g. $\text{Quantity sold} = \text{Total sale} / \text{selling price per unit}$
- h. $\text{Selling price per unit} = \text{Total sale} / \text{quantity sold}$

COST- BENEFIT RATIO

$\text{Cost - benefit ratio} = (\text{Cost saving or revenue increase}) / \text{cost of implementation}$

COST-VOLUME-PROFIT EQUATION

$\text{Sales} = \text{Cost of sales} + \text{Cost of labor} + \text{Cost of overhead} + \text{Profit.}$

$\text{Contribution margin} = \text{Sales} - \text{Variable cost}$

$\text{Break even point} = \text{Total fixed cost} / \text{Contribution margin}$

