



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF HOSPITALITY AND TOURISM MANAGEMENT

DEPARTMENT OF HOSPITALITY

UNIVERSITY ORDINARY EXAMINATION

2018/2019 ACADEMIC YEAR

SECOND YEAR FIRST SEMESTER EXAMINATION FOR DIPLOMA IN HOSPITALITY MANAGEMENT

DHM 063- FOOD AND BEVERAGE COSTNG AND CONTROL

DURATION: 2 HOURS

DATE: 16/04/2019

TIME: 9.00-11.00 AM

Instructions to candidates:

1. Answer question One and Any Other Two questions
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

SECTION A: ANSWER ALL QUESTIONS IN THIS SECTION

QUESTION ONE (30 MARKS)

- a) Explain the meaning of the following terms:
- (i) Food and beverage control (2marks)
 - (ii) Purchasing (2marks)
 - (iii) Receiving (2marks)
- b) Explain five problems of food and beverage control (10marks)
- c) Outline the procedure of purchasing (7marks)
- d) (i) Highlight four disadvantages of decentralized stores (4marks)
- (ii) State three elements of cost in food and beverage establishment (3marks)

SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION

QUESTION TWO (20 MARKS)

- a) Explain three effects of high labour turnover (6marks)
- b) Give four factors that may affect cash budget (4marks)
- c) Explain three instances when a credit note may be issued (6marks)
- d) Highlight four disadvantages of contract purchasing (4marks)

QUESTION THREE (20 MARKS)

- a) Consider the following trading results of Antique restaurant limited.
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|-----------------------------------|--------|
| - Cost of materials used | 70,000 |
| - Cost of beverage materials used | 30,000 |
| - Salaries and wages | 10,000 |

- Staff meals	5,000
- Staff bonuses	7,000
- Staff accommodation	6,000
- Rents and rates	14,000
- Water and electricity	4,500
- Depreciation of equipment	4,000
- Maintenance of equipment	3,500
- Sales	500,000

Showing all your workings calculate:

- | | |
|-----------------------|----------|
| (i) Material cost | (2marks) |
| (ii) Labour cost | (2marks) |
| (iii)Overhead cost | (2marks) |
| (iv)Gross profit | (3marks) |
| (v) Net profit | (2marks) |
| (vi)Net profit margin | (3mks) |
- b) Discuss three phases of food and beverage control system (6marks)

QUESTION FOUR (20 MARKS)

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|--|----------|
| a) Highlight four factors to consider when selecting a supplier | (4marks) |
| b) Explain four documents used in receiving | (8marks) |
| c) Outline four factors that may affect a budget | (4marks) |
| d) Enumerate four reasons for discrepancies between the physical stock and the balance on perpetual stock. | (4marks) |