



# MACHAKOS UNIVERSITY

University Examinations 2018/2019

SCHOOL OF HOSPITALITY AND TOURISM MANAGEMENT

DEPARTMENT OF HOSPITALITY MANAGEMENT

FOURTH YEAR SECOND SEMESTER EXAMINATION FOR BACHELOR OF  
SCIENCE IN HOSPITALITY AND TOURISM MANAGEMENT

BHT 420- INTERNALS CONTROL IN HOSPITALITY

DATE: 2/5/2019

TIME: 8.30-10.30 AM

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## INSTRUCTIONS

Answer Question One and Any Other Two Questions

1. a) Explain the meaning of Break Even Point (3 marks)
- b) Differentiate between a Local Purchase Order (LPO) & Purchase Specification note (4 marks)
- c) Highlight the realities of a control system (4 marks)
- d) Highlight indicators of a broken control system (5 marks)
- e) Highlight the assumptions of break-even analysis (5 marks)
- f) Outline the importance of setting a Par-Stock level for hospitality materials (4 marks)
- g) Explain reasons why control of beverages is easier than control of food items (5 marks)

2. a) Discuss cost control strategies that can be adopted to control the costs of housekeeping operations (12 marks)
- b) Explain the advantages of adoption of automated guest check system (8 marks)
3. The control of food and beverages can be costly and time consuming.
- a) Examine advantages of using an electronic or computerized point-of-sale system in a food and beverage unit (10 marks)
- b) Differentiate between fixed costs and semi-fixed costs giving an example in each case (5 marks)
- c) Highlight courses of action that a food and beverage manager may take to minimize the food cost percentage (5 marks)
4. a) With reference to hospitality operations, discuss the principles and objectives of internal control (14 marks)
- b) Examine three main approaches of inventory control (6 marks)
5. A restaurant has a seating capacity of 180 covers enabling to serve 1000 customers per month. The average spending power (ASP) is KShs. 2000. The fixed costs of the restaurant is KShs. 500,000 per month and the variable costs are 40% of the sales. Using this information:
- a) Draw the B.E.P chart and indicate the Break-Even-Point (B.E.P) (10 marks)
- b) The margin of safety (5 marks)
- c) Advice whether the venture is viable (5 marks)