MACHAKOS UNIVERSITY

University Examinations 2017/2018

SCHOOL OF HOSPITALITY AND TOURISM MANAGEMENT

DEPARTMENT HOSPITALITY MANAGEMENT

SECOND YEAR SECOND SEMESTER EXAMINATION FOR DIPLOMA IN HOSPITALITY AND TOURISM MANAGEMENT

DHTM 025: FOOD AND BEVERAGE CONTROL

DATE: 5/12/2017 **TIME: 11:00 – 1D:00 PM**

INSTRUCTIONS

- This paper consists of Two Sections A and B
- Section A is Compulsory and carries 30 marks
- Section B has four questions of 20 marks each. Attempt any Two.

SECTION A COMPULSORY (30 MARKS)

1. a) State **four** objectives of control (4 marks)

   b) Explain the following characteristics of an effective control system

   i. Accurate

   ii. Timely

   iii. Cost effective (6 marks)

   c) Explain the **three** elements of costs (6 marks)

   d) Define the following terms;

   i. Gross Profit

   ii. Net Margin (4 marks)

   e) Outline the **five** main stages of the control cycle (5 marks)

   f) State **five** instances when a credit note may be issued (5 marks)

SECTION B (40 MARKS) ATTEMPT ANY TWO QUESTIONS

2. a) Identify **four** items which constitute labour cost of an employee (4 marks)

   b) Outline five merits of the time rate method of computing wages (5 marks)

   c) The following budget was prepared for Le Technisch restaurant

Sales	Ksh. 105,000
Cost of sales	35%
Labour cost	25%
Overheads	20%
Net profit	12%

The actual results for the month were as follows:

Number of covers	1,200
Average spending power	Ksh. 100
Stock at 1st June 2016	2,500
Stock at 30th June 2016	4,000
Wages and salaries	20,000
National Insurance	1,500
Staff meals	2,500
Rent and rates	5,000
Depreciation	3,000
Postage and telephone	750
Printing and stationery	2,000
Laundry and cleaning	1,000
Purchases	31,500
Gas and electricity	4,000

Required

i. Calculate the elements of cost and express each as a percentage of sales (6 marks)

ii. Calculate the net profit (2 marks)

iii. Compare the actual results against the budgeted results showing the variances (3 marks)

3. a) Define the term 'Volume forecasting' (2 marks)

   b) Explain **four** day to day operational problems of a manual system (8 marks)

   c) Explain three objectives of checking systems (6 marks)

d) State **four** advantages of producing a daily food cost report (4 marks)

4. a) Outline **four** methods of control used during service of food (4 marks)

   b) Explain **four** ways of dealing with discrepancies when handling money (8 marks)

   c) Explain **four** points to consider in the control of telephone and internet usage (8 marks)

5. a) Outline **five** reasons for high labour turnover (5 marks)

   b) Distinguish between cash float and petty cash (4 marks)

   c) The following information is contained in the compensation policy of le Technisch restaurant

      i. Normal working hours per month are 200, overtime payable for extra hours at the rate of 50% above normal rate;

      ii. P.A.Y.E. to be deducted at the rate of 10% of gross wage;

      iii. N.S.S.F. to be deducted Ksh. 80.00 for each employee;

      iv. N.H.I.F. to be deducted Ksh. 20.00 for each employee over the month of July 2015. M. Zawadi worked for 220 hours, he is paid @ Ksh. 150.00 per hour.

      Required

   Prepare M. Baraka's pay slip for the month of August assuming Ksh. 8000.00 was paid in advance. (11 marks)