



ZIMBABWE

MINISTRY OF HIGHER AND TERTIARY EDUCATION

**HIGHER EDUCATION EXAMINATIONS COUNCIL
(HEXCO)**

NATIONAL DIPLOMA

IN

FOOD AND BEVERAGE MANAGEMENT

**SUBJECT: Food and Beverage Cost
Control**

PAPER NO: 586/S04

OCTOBER/NOVEMBER 2013 EXAMINATION

REQUIREMENTS

Silent Non-programmable Calculator.

INSTRUCTIONS TO CANDIDATE

Answer ALL questions.

This paper consists of 3 printed pages.

QUESTION 1

In the catering business, charge per cover is paramount. A catering company has the following cost structure:

Cost per Cover:

Food cost	\$0.90
Beverage	\$0.30

Cost per Guest:

Wages	\$0.25
Other costs	\$0.15

Cost per Distance

Transport per km	\$0.55
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Fixed Costs:

Fixed payroll	\$80.00
Depreciation	\$20.00
Other overheads	\$35.00

Handwritten notes:
 2.15
 Number of covers 222
 Average Spreads, 120
 Fixed costs, 500
 135
 Revenue

Required:

- 1.1 A customer is located 40 km from the company's premises. The charge per person is \$4.50. Calculate the number of covers to break-even. (8 marks)
- 1.2 A customer is located 60 km from the company's premises. With a charge of \$3.50 per cover and a targeted profit of \$400.00, how many covers must be served? (4 marks)
- 1.3 You have received a request to serve 400 guests at a venue 160 km away. What is the selling price required to achieve a profit of \$500.00? (8 marks)

Handwritten calculations:

$$\frac{\text{Fixed Costs}}{\text{Contribution}}$$

$$\frac{135}{4.50}$$

$$30 \times 400$$
 Contribution Selling Price -
 2700
 4.50
 600
 600 x 400
 240000
 240000 - 2700 = 237300

QUESTION 2

A take-away shop provided you with the following details:

Menu Item	Food Cost	Selling Price	Units Sold
Pork	8.50	25	600
Fish	7.50	20	400
Salad	2.20	5	100
Lamb	4.60	15	300
Game	3.20	10	350
Vegetarian	1.60	4	90
Chicken	2.80	12	320
Beef	2.90	14	380
Pasta	2.20	6	150

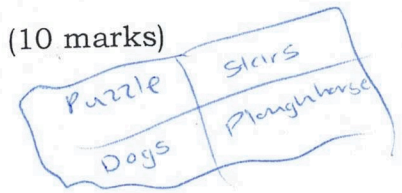
item Food Cost Selling MM% GP%

Required:

Using the above data:

- 2.1 Prepare a menu engineering worksheet. (20 marks)
- 2.2 Classify the items into four categories and recommend management actions for each category. (10 marks)

plough horse



QUESTION 3

Explain how knowledge of menu engineering will assist a Food and Beverage Manager in cost control and revenue generation. (20 marks)

QUESTION 4

- a) Explain the benefits of budgeting to a food and beverage operation. (5 marks)
- b) Discuss any five (5) key limiting factors in the budgeting process for a restaurant. (5 marks)

QUESTION 5 ✓

Discuss the food and beverage cost control cycle. (20 marks)

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Item	Quantity	Food Cost	Selling price	Total Cost	Total Selling Price	MM%	GP%	CP%	Item
Pork	600	8.50	25						

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