Course Description

Presents methods of pre-cost and pre-control as applied to the menu, purchasing, receiving, storing, issuing, production, sales and service which result in achievement of an operation's profit potential. Emphasizes both manual and computerized approaches. Lecture 3 hours per week.

General Course Purpose

The general goal is to have the student set up food and beverage cost control systems which will enable a hospitality operation to better achieve its profit potential. More specifically, the student will gain:

- Sufficient knowledge to analyze and improve existing food and beverage cost control systems
- Sufficient knowledge to analyze and develop food and beverage cost control systems where none presently exist
- Understanding of the importance of food and beverage cost controls as an integral part of a hospitality operation
- Managerial knowledge to assume responsibility for the control function in a food and beverage operation
- Knowledge of computerized control procedures for food and beverage operations

Course Prerequisites/Corequisites

Prerequisite: Math 151

Course Objective

Upon completion of this course, the student should be able to:

- Describe the conditions that necessitated development of food and beverage cost controls
- Define food and beverage "cost" and identify the various categories of costs
- Calculate food and beverage "cost to sales ratios."
- Define "sales" and identify various ways of expressing sales
- Memorize the principle objective of a food and beverage cost control system
- Explain the cycle of control and identify the aspects of it which should be emphasized
- Identify the basic operating activities known as the flow of costs
- Define the importance of using a "standard"
- Explain the relationship between routine procedures and controls
- Illustrate the nature of the Food Manage/Controller's job and his/her position within the operation
- Identify who has ultimate responsibility for food and beverage costs
- State the reasons why the menu is important to a successful food and beverage service operation
- Distinguish between the basic kinds of menus and their impact on average check per guest and total revenue
- Relate the effects of pricing your menu too high or too low
- Recall the importance of the little things in preventing waste
- Identify the primary objective in the purchasing of food and beverages
- Know the three requisites to an effective purchasing program
- Define standard purchase specification, and know who establishes it
- Identify the primary objective in receiving food and beverages
- Know the importance of the credit memo and how to use it
- Explain how the meat tag is used to establish the positive and perpetual control of major meat items
Tell what a receiving clerk's daily report is
Discuss the way in which goods should be inspected prior to accepting them
Identify the primary objective in storing food and beverages
Define par stock
Know the essentials necessary to achieving basic security over all merchandise
Identify the primary objective in the issuing of food and beverages
Explain the purpose of the requisition and its use in calculating daily food and beverage cost
Calculate and verify extensions on invoices and requisitions
Know the essential requirements to obtain quality in food and beverage preparation on a continuing basis
Define standard portion size/pours
Know the elements of a standard recipe
Define and calculate a “yield”
Practice doing a yield test and translating the results into cost management decision
Calculate the cost factor and use it to determine the cost per servable pound
Calculate portion costs and use the portion cost multiplier
Calculate the actual cost of food and beverages consumed and actual cost of food and beverages sold
Calculate the month-end actual food and beverage costs
Calculate daily actual food and beverage costs
Calculate standard food and beverage costs
List the causes for actual food and beverage costs exceeding standard
Know the objective of food and beverage production planning
Prepare a forecast and utilize the results in making purchasing and production decisions
Know the various uses of the food and beverage sales history record
Collect data needed to prepare a food and beverage sales history and analyze the results
Know the types of employee compensation
Calculate labor, food and beverage cost percentages on an income statement

**Major Topics To Be Included**

- Food and Beverage Cost and Sales Concepts
- The Control Process
- Menu Planning
- Food and Beverage Purchasing Control
- Food and Beverage Storing and Issuing Control
- Monthly / Book Value Food and Beverage Inventory
- Monthly and Daily Food and Beverage Cost
- Food and Beverage Production Control
- Food and Beverage Yield Testing
- Forecasting Food and Beverage Sales
- Food and Beverage Standard vs. Actual Costs
- Food and Beverage Sales Control
- Food and Beverage Labor Cost Considerations
- Establishing Food and Beverage Performance Standards
- Training Food and Beverage Staff
- Monitoring Performance in Food and Beverage and Taking Corrective Action