



Chandaria
School of
Business

HRM 3010: FOOD AND BEVERAGE COST CONTROL

COURSE OUTLINE

LECTURER: G NJERU

CREDIT: 3

Email: gnjeru@usiu.ac.ke/ 0722568967

1.0 COURSE DESCRIPTION

The course is designed to equip the student with knowledge and skills of effective principles and methods of application of cost control to an F& B operation and accurate pricing of product so as to maintain a profitable F& B operation.

2.0 Learning Outcome Linkages

2.1 Link to University Mission

The university Mission outcomes are higher order thinking, literacy, global understanding and Multicultural perspectives, Preparedness for Career, leadership and ethics and community service. This course contributes to higher order thinking and preparedness for career in Hotel Management.

2.2 Link To Chandaria School Of Business School Mission

Chandaria School of Business Outcomes are, global orientation, multidisciplinary, change oriented, experiential, initiative and problem solving, team player, effective communication, preparedness for career and transformational leadership. The Course content is designed to contribute to global and change orientation, experiential, initiative, problem solving and team player outcomes.

2.3 Link to Program learning Outcomes

The course will contribute to the following Hotel Management Learning Outcome

1. Identify technology and software's for Food and beverage control for various types of Food and beverage establishments.
2. Implement appropriate procedures for cost control in food and beverage operations.
3. Apply basic research methods in restaurant management.
4. Develop new cost control systems in the F&B operations supply chain and price products profitably



3.0 LEARNING OUTCOMES

At the end of this course, the student should be able to:

- ❖ Organize and set up a functional F&B Control System.
- ❖ Develop and Implement a Purchasing and Receiving system.
- ❖ Explain different issuing procedures and adopt the most effective issuing system.
- ❖ Develop costs control policies that can be used in a food and beverage operation.
- ❖ Compile statistical information and establish reports for management.

4.0 METHOD OF INSTRUCTION AND COURSE PROCEDURE

Classroom Lectures, discussion, Case studies.

4.1 ACADEMIC EXPECTATIONS AND ATTENDANCE POLICY

University rules stipulate that class attendance is mandatory. An accumulated seven absences constitute Grade F.

You must be in class to understand weekly discussions and other assignments. It is not the lecturer's duty to repeat instructions he has already given in class. It is your responsibility to keep track of all instructions. In the unfortunate event that you shall miss a class session, you're advised to make prior arrangements with a fellow student to update you on missed instructions.

Any lateness or absence **must be cleared in advance with the instructor.** *If you are late for over 15 minutes without prior notice, you may not sign the register.*

4.2 DEADLINES

In addition to class punctuality, all assignments are due at the time assigned. The only exceptions to this rule are because of: 1) illness, which is verified by a letter from a doctor; or 2) any other acceptable excuse cleared in advance with the instructor.

No MAKE UP exams will be given.



5. COURSE CONTENT

Week 1:

Introduction to food and beverage costs control

- ❖ Introduction
- ❖ The menu and the operations control cycle
- ❖ Definition
- ❖ Control objectives

The control function

- ❖ As a management Component
- ❖ Management: Process and Functions
- ❖ The definition of Control, objectives and problems in the hospitality industry
- ❖ The control Process
- ❖ Considerations for an effective control system
- ❖ Responsibility for control

Week 2:

Concepts and Dynamics of Costs, Sales and Profit

- ❖ Definition and elements of cost
- ❖ Determination of material, labor, overhead, prime and total costs
- ❖ Concepts of sales and profit
- ❖ Variable, semi-variable, fixed and total costs
- ❖ The BEP chart and CVP analysis
- ❖ Class exercise

Week 3:

Determining the Food and Beverage Standards

- ❖ The menu: The basis of planning and control
- ❖ Standard cost tools:
- ❖ Standard Food and Beverage cost Determination
- ❖ Menu Pricing; Calculations and other considerations
- ❖ Evaluating the Menu Profitability and Popularity

Week 4:

Purchasing Controls

- ❖ Definition and Objectives of purchasing
- ❖ Purchasing responsibility and procedures
- ❖ Determining right product and quality
- ❖ Determining purchase quantity
- ❖ Determining purchase price and time



Assignment 1

Week 5:

Supplier Selection

- ❖ Criteria for Selecting suppliers
- ❖ Security concerns in purchasing
- ❖ Tools for reducing purchasing costs
- ❖ Qualities and requirements of the purchasing personnel Food and Beverage Service operations

Week 6:

Receiving Controls

- ❖ The receiving procedures, documents and equipment
- ❖ Direct and storeroom receipts
- ❖ The meat tag system security concerns in receiving
- ❖ Qualities and requirements of the receiving personnel

Week 7: Mid – Semester Examination

Week 8:

Storing and Issuing Controls

- ❖ Definition and objective of storing
- ❖ Storage space, equipment and arrangement procedure
- ❖ Documents used in Storage
- ❖ Quality in storing
- ❖ Security concern in storing

Week 9:

Inventory control procedure

- ❖ Perpetual Vs Periodic/Physical inventory system
- ❖ Average stock and the Inventory turnover rate
- ❖ Issuing Controls: The general procedures
- ❖ Food Vs Beverage requisition

Academic tour

Assignment 2



Week 10 and 11:

Production and service control

- ❖ Production planning: Forecasting and formulating production plans
- ❖ Food and Beverage production planning
- ❖ Food and Beverage production control tools
- ❖ The server, the guest and the general service procedures
- ❖ Control of the Captain order and the Guest Check
- ❖ Food and Beverage sales summary

Week 12:

Post Operations Control, Corrective Action and Evaluation

- ❖ The daily food/cost/cumulative
- ❖ Monthly/Period food cost reporting
- ❖ The Beverage Cost
- ❖ Food and Beverage Cost variance

Week 13: Evaluation and revenue control

- ❖ Revenue control
- ❖ Preventing theft of revenue

Week 14: Final Examination

4.0 Course Text

Ninemeier J.D. (2014) Planning and Control for food and Beverage Operations. 5th Ed. AH&MA, Florida

Other Readings: Hayes D & Dopson R (2015). Food and beverage cost control. 6th ed. Wiley

5.0 Course Evaluation

Attendance and Participation	10%
Assignments	30%
Mid sem Examination	30%
Final Examination	30%



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6.0 GRADING SYSTEM

90% - 100%	A
87% - 89%	A-
84% - 86%	B+
80% - 83%	B
77% - 79%	B-
74% - 76%	C+
70% - 73%	C
67% - 69%	C-
64% - 66%	D+
60% - 63%	D
57% - 59%	D-
Less than 57	F