

COVER PAGE

Food & Beverage Cost and Control (737)

Marking Scheme

Class XII - 2018-19

Time: 3Hours

Total Marks: 60

General Instructions:

1. *Marking Scheme is divided into two sections: Section-A and Section- B.*
2. **Section–A:**
 - i. *Multiple choice question/Fill in the blanks/Direct Questions of 1 mark each. Answer any 10 questions out of the given 12 questions.*
 - ii. *Very Short Answer of 2 marks each. Answer any 5 questions from the given 7 questions.*
 - iii. *Short Answer of 3 marks each. Answer any 5 questions from the given 7 questions.*
3. **Section–B:** *Long/Essay type questions of 5 marks each. Answer any 5 questions from the given 7 questions.*
4. *All questions of a particular section must be attempted in the correct order.*
5. *Please check that this question paper contains 33 questions out of which 25 questions are to be attempted.*
6. *The maximum time allowed is 3 hrs.*
7. *The marking scheme carries only suggested value points for the answers. These are only guidelines and do not constitute the complete answers. The students can have their own expression and if the expression is correct, the marks be awarded accordingly.*

Food & Beverage Cost and Control (737)

Marking Scheme Class -XII, 2018-19

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Question No.	Expected Answers	Marks
1	Food cost is defined as the cost of raw material used to prepare a dish.	1
2	It will be a direct loss for the hotel.	1
3	Rent, Interest, Depreciation, Insurance (Any one)	1
4	The goods received first are issued first.(First In First Out)	1
5	Beverage Order Ticket, Restaurant/Bar Check, Beverage summary Sheet, Restaurant Summary Sheet, Guest weekly Bill, Visitor's Tabular Ledger (Any two)	1
6	Visitor's Tabular Ledger. It is prepared to record the room rent and all the vouchers of all the resident guests.	1
7	It ensures the continuity of supply of item. It ensures a reasonable percentage of profit.	1
8	Weighing scales, Conveyer belt, Fork truck, Crane, Trolleys, Lift (Any two)	1
9	<ul style="list-style-type: none">• Receiving department should be located in such a position that the goods may be quickly off loaded, checked, received and distributed to stores.• The area provided for receiving department should be large enough to handle the large quantity of goods.• The area should be easily cleanable and washable.• It should be also well lit and as far as possible it must have the natural light coming during day time.• The ramp should be made so that the goods can be carried through	1

	trolley. (Any two)	
10	Main use of transfer note is to transfer both the raw and cooked /semi cooked food from one department to another department within the hotel.	1
11	50 degree Fahrenheit (10 degree centigrade)	1
12	The standard recipe book helps new employees in maintaining the same standard always.	1
13	<ol style="list-style-type: none"> 1. Fluctuation in raw material cost 2. Wrong purchasing of raw material 3. Reduction in sale 4. Wastage during preparation. 5. Pilferage in food sale 6. Spoilage due to wrong storage. (Any four)	2
14	The costs which can be controlled by the departmental head are termed as controllable cost. It means the costs which can be controlled by a particular responsibility centre. eg:-Direct material cost, Direct wages, or direct expenses.	2
15	Overhead cost refer to those expenses associated with running a business that cannot be linked to producing a product or service.(Overhead expense are all costs on the income statement except for direct labour, direct materials, and direct expenses) Examples:- Insurance, Advertising, Rent, Repairs, Telephone bills, Electricity, Water bills (any two)	2
16	<p>1.Cost/Total cost:</p> <p>To make profit, it is not only that the sale is to be increased but the cost/total cost of the product is also to be controlled without affecting the portion of the dish or without deteriorating the quality of the dish.</p>	2

	<p>2.Purchasing: The purchase department must ensure that the right quality of food, at competitive price and right quantity of raw materials should be procured to keep the cost control.</p>	
17	<p>The copy o purchase order supplied to the receiving department does not show the quantity ordered as the invoices and delivery notes are sent to the accounts office directly. The receiving department has no other option than to count each and every item physically and receive the exact quantity /weight counted by him.</p> <p>Advantages:</p> <ul style="list-style-type: none"> • It gives the better receiving results. • The efficiency of the receiving department can be easily evaluated. 	2
18	<p>Meat tag is used to control the usage of expensive items, such as meat, fish, and poultry. It contains two duplicate parts. One part is attached to the item when it is received and placed into storage, the other one goes to the controller's office. The primary reason for using a meat tag is to check on the overall use of an item.</p> <p>Advantages: (Any two)</p> <ol style="list-style-type: none"> 1. It ensures that receiving officer actually weighs and checks each individual expensive item. 2. It provides a basis o control or expensive food items. 3. The date o receiving the item is mentioned and this helps kitchen and store or efficient stock rotation. 4. It helps in taking weekly and monthly inventories as the purchased weight is recorded. 5. It contains the desired information o the product. 	2
19	<p>Advantages:</p> <ol style="list-style-type: none"> 1. A computerized or mechanized accounting system makes it convenient to have a complete food and beverage control. 	2

	<p>2. It is easy and very quick and requires little manual handling.</p> <p>3. Management can get most of the information by just directing command to the machine.</p> <p>4. By using an account posting machine, it can monitor and balance the charges to the guest rooms.</p>	
20	<p>(Any three)</p> <p>To know cost:</p> <p>It is through the mechanism of cost accounting that costs of product or services are ascertained.</p> <p>To fix the selling price:</p> <p>The selling price is fixed in Restaurants, keeping in view the food cost. More the luxury restaurant, low is the food cost and vice versa.</p> <p>Cost controlling:</p> <p>The Chef/ Restaurant manager/Cost accountant while fixing the selling price of a dish must know its exact recipe. He must also keep in mind the labour cost, the overheads while fixing the food cost and its variance.</p> <p>Preparation of account and control of food cost:</p> <p>The organization will regularly review the production, sales and operating results, stocks of raw material and finished food and other items are valued at cost price or market price, whichever is lower. After ascertaining the stocks and taking a note of costs and sales, he is able to control the food cost.</p> <p>Operating policies:</p> <p>The food cost accounting helps management in formulating operating policies like what should be the food cost, whether to bake bakery products in house or out source.</p>	3

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Beverage Order Ticket (B.O.T) is a written document which is given to bar in exchange of any alcoholic or non alcoholic beverage or any item picked from the bar./ B.O.T is prepared by food service personnel to intimate the beverage order of the guest to the bar staff.

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Beverage order Ticket
ABC Restaurant

B.O.T.No.12345

Date.....

Time.....

Table No.	Waiter No	No. Of Pax	Check No
Quantity	Particulars		
	Please do not pay on this		

Captain's Signature

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Beverage Summary Sheet

Shift fromto.....

Date.....

S.No	Item	Opening stock	Indent/purchase	Total	Consumption	Closing stock

2+1=3

The bar man prepare a beverage summary sheet (bar cost sheet) with the help o beverage order ticket. The summary sheet is prepared in duplicate and a copy o each, is sent to the accounts department and the control department.

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- a) Fish : -5 to -1C
- b) Tomatoes : 13- 15.5 C
- c) Fresh fruits: 5-8 C

3

24	<p>Bin card:- Bin cards are prepared for each item stored in the store. It contains the description of the item, balance of the item, quantity of goods received; the quantity of goods issued and the balance of the item are shown on daily basis. The bin cards are either kept along with each item or they are stored near the store keeper's working table.</p> <p>Reorder level:- It is the point at which stock on a particular item has diminished to a point where it needs to be replenished. (This is the point lying between the maximum and the minimum levels of stock)</p> <p>Standard yield:- The yield of a recipe is the number of portions it will produce./ It can refer to the amount usable product after it has been processed.</p>	3
25	<p>(Any six)</p> <ol style="list-style-type: none"> 1. To forecast the total number of meals sold during breakfast, lunch, dinner, etc. in different restaurants during a particular day. 2. To forecast the type of meals preferred by the guests. 3. Volume forecasting will facilitate in purchasing of raw material. 4. It ensures availability of all necessary ingredients. 5. The quantity of each raw material required is procured in right quantity. 6. It helps in controlling the food cost of kitchen and bars. 7. The actual sale under various heads is compared with the forecasted sale to know the correctness of forecasting. 	3

<p>26</p>	<p>The primary job of internal control is to help management discharge their responsibilities. The nature and extent of control will depend upon business to business. It will also depend upon nature, size and volume of transactions and the policy of the management.</p> <p>Organization:</p> <p>The management must make the organization chart of all the departments. The authorities, responsibilities, reporting to, must be clearly identified; each job must be clearly described and specified. Delegation of power should be in writing with the approval of superiors.</p> <p>Division of duties: The duties among different employees must be divided to have an effective control; but in small hotels, the broad division of duties may not be possible.</p> <p>Supervision:</p> <p>The supervisors must authorize/approve the entire transactions of the hotel. All overwriting must be counter signed. The power of the supervisors must be specified in writing to avoid confusion.</p>	<p>3</p>
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a) Food Cost

Direct Material Cost: In hotel industry the food cost is termed as direct material cost and includes all food articles either used in the raw form or in semi cooked or cooked form in order to finish the dish and sell.

b) Labour Cost

i) Direct Wages: Direct wages or salaries are the wages which can be allocated to cost centre or cost unit.

The direct wages may include the following:

a) Laborers engaged in altering the condition, conformation and composition of the product.

b) Inspectors, analysis, etc specifically required for the production.

c) Wages paid to foremen, charge hands, etc is termed as direct wages.

ii) Direct Expenses: The direct expenses other than the direct material cost and direct wages which can be identified with and allocated to cost center of cost unit are termed as direct expenses. It includes the following.

a) Cost of special designs, drawings or layout.

b) Hire of special tools or equipments for a specific job.

c) Maintenance costs of tools and equipments used in production.

d) Over head

i) Production Overhead: It includes all indirect material cost, indirect wages and indirect expenses incurred for the production of goods in a unit.

It include the following groups of indirect items:

a) Indirect material

b) Indirect wages

c) Indirect expenses

ii) Administrative Overhead: It includes all indirect material cost, indirect wages and indirect expenses incurred in the direction, control and administration of a unit. Eg:-printing and stationery, legal charges.

iii) Selling Overhead: It includes all indirect material cost, indirect wages and indirect expenses incurred in the promotion of sales and retention of customers. Eg: Catalogues, rent, insurance premium paid for showrooms.

	<p>iv) Distribution Overhead: It includes all indirect material cost, indirect wages and indirect expenses incurred with making the packed product available for dispatch. Eg: Wages of packers, dispatch clerks etc.</p>	
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Purchasing through Tenders:

The open tenders are called to supply certain quantity of items with specifications. The prospective suppliers apply through sealed tenders on the tender form supplied by the hotel along with the earnest money. Tenders are opened at a specific time and date in the presence of those suppliers who are present. Rates are compared and the order is placed. The unsuccessful supplier's earnest money is returned and the selected supplier's earnest money is retained and returned after the contract is over. The contract is signed between the hotel and supplier.

Advantages:

By making an open offer through the print media a large number of prospective supplier's can be reached and more competitive prices can be obtained.

Centralized Purchase:

A chain of hotels may prefer to have a centralized purchasing system for non perishable items. All requisitions for the entire year or for specific period are sending to head office. The purchase department places order for all the hotels and dispatch the items to various hotels.

Advantages:

It reduces the purchase department's over heads and due to large quantity of ordered items more competitive rates can be obtained for all commodities.

29	<p>A concise description of the quality, size, weight, and quantity etc of a particular item is described in a standard purchase specification. The specification is determined by the management after a lot of consideration. For making the specification, the menu, pricing, portion size, desired food cost are considered.</p> <p>Objectives:</p> <ul style="list-style-type: none"> a) Buying standard: For each item to be purchased a buying standard is established by the management. b) Written Order: The supplier is informed in writing precisely what the management requires to purchase. c) Price: The price of the item is settled along with the purchase specification of the item. d) Receiving Department: The department is supplied with the copy of purchase specification that he knows what quality to be accepted. e) Quality of Finished Product: The right quality of item will ensure the right quality of finished product. f) Chef's Performance: If chef is supplied the standard raw material then, for any complaint, he cannot blame the purchase department for providing substandard raw material. 	2+3=5
30	<p>Receiving Procedure:</p> <p>The receiving department must have purchase order's copies along with the purchase specifications and the delivery date and time and the supplier's name and details.</p> <p>The following procedure is followed by the goods receiver after the goods are received.</p> <p>a) Delivery Note:</p> <p>The receiver checks the delivery note and the copy of the purchase order along with purchase specification to ensure that the goods supplied are in right quantity and of right quality. If there is any difference in-between the delivery note the purchase order or purchase specifications, then this must be immediately brought to the notice of supplier and purchaser and recorded on the supply order. If the supplied goods are unacceptable then they must be returned immediately with remarks that the goods are not as per the order.</p> <p>b) Quantity: The goods on being received are then checked for quantity. The receiving department must know the units in which food is purchased. Care must be taken to prevent being cheated of even a kilogram of an item by a</p>	5

	<p>dishonest delivery man. Any shortage in supply should be intimated to the supplier, purchase officer and an appropriate entry should be made.</p> <p>c) Quality: After checking the delivery note and the quantity supplied, the next step for the receiving department is to check the quality of goods supplied. The quality supplied should be as per the purchase specification. In case of branded products, the goods supplied should be of the same brand. Any variation should be brought to the notice of supplier, purchase officer and must be recorded in the delivery note and the receiver's report.</p>	
31	<p>The regular and surprise stock taking is a must for an effective control. The purpose of stock taking is to ascertain the actual value of goods in stores and how much it is different from book value.</p> <p>(Any Four Points)</p> <p>1) Stock in Hand: To calculate the profit and loss account, we must know the actual value of stock in rupees to show it in the books. The stock of items is taken physically and the value of the stock in hand is calculated.</p> <p>2) Discrepancy: There is chance of discrepancy in the physical stock as compare to the stock in books, even if the receipts and issue of goods are recorded in store. Management must ensure that these discrepancies must be minimized, if not eliminated all together.</p> <p>3) Printed Stock Sheets: The stock taking should be taken by the group of persons consisting of officials from control department, accounts and F&B departments. The printed stock sheets are prepared to helps in taking the stock more speedily.</p> <p>4) Time of Stock Taking: Usually the stock taking is done after the closing hour of the stores or before opening of the normal store timings.</p> <p>5) Stock Taking on Monthly Basis: The stock taking should be done at least once a month.</p> <p>6) Professional Stock Takers:-The management may hire professionals for stock</p>	1+4=5

	<p>taking at least once a month. This ensures that the stock taking is done more systematically and efficiently by the internal staff of the hotel.</p>	
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Procurement Price/Purchase Price:

In case goods are purchased through agent or the supplier is quoting price ex show room/store then the hotel is required to pay the commission to the agent and carriage inward charges for transporting the goods to the hotel.

Average Price:

In case the price of an item fluctuates very frequently and every time it is purchased, the price may be different than the price paid, may be, a day before. This ensures more stability in the issue price of the commodities and hence does not affect adversely on the food cost.

Weighted Average Price:

The weighted average of the item is calculated to have more stability in issue price as compare to average price.

Higher Price:

The price debited to the departments while issuing stores is more than the price paid by the hotel for procuring the goods.

Standard Price:

Irrespective of the price paid for procuring the commodities but the price charged is fixed by the management. Usually the management fixes the price of a commodity for a certain period, and the same price is charged to departments while issuing commodities against requisition.

33	<ol style="list-style-type: none"> 1) Quantity and Quality of Food ingredients: Standard recipes help in deciding the quantity and quality of raw material used for preparing a standard dish. It helps in making a standard purchase specification for each raw material for different dishes. 2) Yield: It helps in deciding the type of meat to be purchased to minimize the wastage. It guides the chef in fixing the size and weight of each portion and hence the maximum yield can be obtained from the raw material. 3) Food cost per dish: It helps in maintaining the food cost of each and every dish and hence in maintaining gross profit. 4) Nutritional value of dish: It is very useful especially for hotels, hospitals, industrial canteens. The nutritional value can be accurate when known quantities and qualities of raw material will be used. 5) Menu planning: It helps in planning menu as far as colour, method of cooking, basic raw material etc. because the quantity and quality of all raw materials is known in advance. <p>(Purchasing, Requisitions and Departmental Transfers, Standard Food, Portion Control, Standard Recipe Book</p>	5
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