



**M:** Course Objectives / Learning Outcomes:

The student will be able to:

1. Calculate actual and standard food cost and beverage cost for an operation manually and using a spreadsheet
2. Distinguish between standard, actual and budget food cost and food cost %
3. Develop and use an inventory control system for beverage control
4. Use revenue, covers and average cheque historicals to forecast sales
5. Discuss the importance of cost controls in the successful operation of a food and beverage business
6. Create and use a budget for identifying control issues
7. Use a spreadsheet to develop a flexible budget
8. Use breakeven analysis for planning and decision making
9. Understand and identify control procedures, forms and systems used in the purchasing, receiving, storage, issuing, production and service of both food and beverage
10. Create and use labour productivity standards
11. Discuss the role of effective human resource management in reducing labour cost
12. Create and use a staffing guide and align to budget
13. Discuss the control of other direct operating costs
14. Analyze a menu's pricing structure with respect to profitability and popularity
15. Set menu prices both scientifically and with qualitative considerations
16. Understand the concept of sales mix and the role it plays in food and beverage cost
17. Discuss the applications for computers and Point of Sales systems in food and beverage control
18. Understand POS generated management reports
19. Understand the importance of sales (revenue control) and systems which can be put in place to minimize losses
20. Discuss the increasing role of technology on control
21. Discuss the importance of planning, supervision and staff training in controlling costs
22. Identify employee, and customer theft risks and current preventative measures commonly used in the industry
23. Discuss major control issues in the rooms department of a hotel

**N:** Course Content:

1. The importance of effective cost control in the food and beverage industry
2. The development and use of standards including average check, forecast sales, food and beverage cost percentages, labour productivity, and other cost percentages as a means to identify cost control problems The role of the operating budget in planning and cost management
3. Calculating actual food cost and food cost percentage
4. Developing standard food cost and food cost % given standardized recipes and sales history
5. Control considerations in the areas of food purchasing, receiving, storage, issuing production and service
6. Calculating actual and standard beverage cost and beverage cost percentages
7. Unique control considerations in the areas of beverage purchasing, storage, issuing, production and service
8. The mechanism and principle behind basic inventory control for a beverage operation
9. Revenue control systems including prechecking, guest check controls and cashiering controls in food and beverage operations
10. Labour cost control practices in food and beverage
11. Scheduling and human resource management issues in food and beverage operations and how these impact labour cost
12. Calculating, interpreting and using productivity ratios for labour cost control
13. Developing and using usage ratios for control of other operating expenses
14. Scientific and qualitative menu pricing considerations
15. Analysis of a menu for profitability and popularity
16. Functions and control applications of a POS
17. Using spreadsheets to develop flexible budgets
18. Using breakeven analysis in decision making and planning
19. Employee and customer theft; how and why it happens; how it can be detected
20. Analysis of income statements, average check, cost and net income per guest figures.

21. The role of computers to assist with purchasing functions, controlling inventory, analyzing business and determining personnel requirements, controlling labour costs, generating daily reports of costs and sales for management, and budgeting and preparing financial statements.
22. Control systems commonly used within the rooms department of a hotel to control sales, energy costs, labour costs and rooms supplies expense

**O:** Methods of Instruction:

This course uses lectures, computer lab sessions and case studies. Students are encouraged to participate in group discussions of case studies and control experiences.

**P:** Textbooks and Materials to be Purchased by Students:

Coltman, Michael M. *Food and Beverage Cost Controls*, latest ed. Toronto: Macmillan of Canada  
 OR  
 Nenemeir, Jack D. *Planning and Control for Food and Beverage Operations*, latest ed. East Lansing, MI: The Educational Institute of American Hotel and Motel Association.  
 OR  
 Miller, Hayes and Dopson, *Food and Beverage Cost Control*, latest ed. New York, John Wiley and Sons Inc.

**Q:** Means of Assessment:

Assignments	20-30%
Term Project	20-30%
Mid-term examinations	20-30%
Final Examination	<u>20-30%</u>
	100%

STUDENTS MUST COMPLETE ALL COMPONENTS OF THE COURSE TO OBTAIN CREDIT