

ACC109 Food,Beverage,and Labor Cost Control FALL 2008

Course Information

Organization	Mercer County Community College
Course Number	ACC109
Credits	3
Contact Hours	3

Description

Principles and theories underlying cost control as it applies to the hospitality industry. Problem solving using EXCEL is an integral part of the instruction.

Textbooks

Dittmer, Paul R. and Keefe III, J. Desmond. *Principles of Food, Beverage, and Labor Cost Controls*. John Wiley & Sons, Inc. **Edition:** 8th.

Core Abilities

- A. Define and interpret the basic principles and concepts as they relate to cost control in the hospitality industry.
- B. Apply the principles and concepts of cost control to typical decisions in food establishments.
- C. Determine the profitability of a food establishment and where costs might be better controlled.
- D. Prepare revenue and cost analyses using EXCEL.

General Education Outcomes

- A. 3.1 Students will identify a problem and analyze it in terms of its significant parts and the information needed to solve it.
- B. 3.2 Students will use appropriate library tools such as cataloging systems to access information in reference publications, periodicals, bibliographies and databases.
- C. 4.1 Students will identify ethical implications of an issue or situation.
- D. 5.1 Students will translate quantifiable problems into mathematical terms and solve the problems using mathematical or statistical procedures.

Competencies

1. Explain the cost and sales concepts used in the hospitality industry - Chapter One

Learning Objectives

- a. Define the terms cost and sales.
- b. Provide examples of the following types of costs: fixed, directly variable, semivariable, controllable, non-controllable, unit, total, prime, historical and planned.
- c. Describe the significant of cost-to-sales relationships and identify several cost-to-sales ratios
- d. Calculate cost percent and sales price.
- e. Explain the value of comparing current cost-to-sales ratios with historical ratios.

2. Discuss the control process in the hospitality industry- Chapter Two
Learning Objectives
 - a. Define control and provide examples of its significance in food and beverage management.
 - b. Cite eight control techniques used in food and beverage operations.
 - c. List the four steps in the control process.
 - d. Describe the steps involved in preparing an operating budget.
 - e. Prepare a budget given fixed and variable costs for a restaurant.
 - f. Explain the cost/benefit ratio.

3. Discuss the food purchasing and control procedures used in the hospitality industry - Chapter Four
Learning Objectives
 - a. Outline the purchasing process in the operations of restaurants.
 - b. Describe the quality and quantity standards for perishable and nonperishable foods.
 - c. Compare and contrast the periodic order method and the perpetual inventory method for purchasing nonperishable foods.
 - d. Determine order quantities.
 - e. Discuss centralized purchasing and standing orders.
 - f. List and explain the control procedure in the receiving process.

4. Explain the food storing and issuing controls used in the hospitality industry - Chapter Five
Learning Objectives
 - a. List and explain the three causes of unplanned costs that can develop while food is in storage.
 - b. Identify optimum storage temperatures for the five classifications of perishable foods.
 - c. Describe the five concerns that must be addressed when implementing standards for storing food.
 - d. Explain the significance of transfers, interunit and intraunit in determining accurate food costs.

5. Apply food portion control procedures - Chapter Six
Learning Objectives
 - a. Explain the importance of standard portion sizes, standard recipes, and standard portion costs to foodservice operations.
 - b. Identify the four methods and use each to determine standard portion costs.
 - c. Use butcher tests and cooking loss tests to calculate portion costs.
 - d. Use yield factors to determine correct purchase quantities.

6. Apply food quantity control procedures - Chapter Seven
Learning Objectives
 - a. List and describe three standard procedures that enable managers to gain control over production volume.
 - b. List three basic approaches to arranging data in a sales history.
 - c. Use a popularity index to forecast portion sales.
 - d. Complete a portion inventory and reconciliation.
 - e. Describe a procedure used for controlling high-cost, proportioned entrees.

7. Discuss the monthly monitoring of food service operations - Chapter Eight
Learning Objectives
 - a. Explain the importance of monitoring a foodservice operation to assess monthly performance.
 - b. List and explain five ways to assign unit costs to a food inventory.
 - c. Calculate cost of food consumed, cost of food sold, food cost percentage, food cost per dollar.
 - d. Prepare a simple monthly food cost report.
 - e. Explain the relationship between the monthly calculation of cost of food sold and the monthly income statement.

8. Discuss the daily monitoring of food service operations - Chapter Nine
Learning Objectives
 - a. Calculate food cost and food cost percentage for any one day and for all days to date in a period.
 - b. Prepare a daily report of food sales, food cost, and food cost percentage.
 - c. Determine book inventory value.
 - d. Explain the difference between book inventory and actual inventory.

9. Calculate actual and standard food costs - Chapter Ten
Learning Objectives
 - a. Define standard cost and explain how it is calculated.
 - b. Describe how to use a menu pre-cost and abstract form.
 - c. List three ways an undesirable forecasted food cost percentage could be changed.
 - d. Define potential saving and list several conditions that affect it.

10. Apply the concepts of menu engineering and analysis - Chapter Eleven
Learning Objectives
 - a. Complete a menu engineering worksheet and analyze the resulting information.
 - b. Define the terms star, dog, plowhorses, puzzles.
 - c. Prepare a chart showing stars, dogs, plowhorses, puzzles.
 - d. Describe appropriate action to take to stars, dogs, plowhorses, puzzles when changes are made to the menu.

11. Explain the procedures used in controlling food sales - Chapter Twelve
Learning Objectives
- List and explain the three goals of sales control.
 - List and explain eight determinants of customer restaurant selection.
 - Describe the two principle means of maximizing profits.
 - List and explain five most important elements of menu preparation.
 - Explain the standards established to achieve the goals of revenue control.
12. Discuss the procedures used in beverage purchasing control - Chapter Thirteen
Learning Objectives
- Describe the three classifications of beverages.
 - Explain the difference between call brands and pouring brands.
 - List the purposes for establishing beverage purchase controls.
 - Explain the difference between license states and control states.
 - Calculate order quantities.
13. Apply the principles of beverage sales control - Chapter Seventeen
Learning Objectives
- List and explain the three goals of beverage sales control.
 - Identify five explanations given by customers for patronizing establishments that serve drinks.
 - Describe two methods that can be used to maximize profits in beverage operations.
 - Identify two factors normally taken into account when establishing beverage sales prices.
 - Describe the essential features of a precheck system.
14. Discuss the concepts of labor cost control - Chapter Eighteen
Learning Objectives
- Define employee compensation and list the principal types common in food and beverage operations.
 - Explain the difference between direct and indirect compensation.
 - Describe the determinants of labor cost contracts.
 - Explain why labor costs and labor cost percentages vary from one establishment to another.
 - Illustrate why the minimizing of dollar wages is not the same as labor cost control.

Grading Information

Grading Scale

Tests	80%
Homework & Class Work	5%
Projects	15%

Guidelines for Success

ATTENDANCE: Students are expected to attend all class meetings. In addition, students may be required to allow additional time to take tests in the college's testing center.

TESTS: Students are expected to take all tests at the time the tests are scheduled. Unless there are verifiable extenuating circumstances, approved by the instructor, no student will be allowed to make-up any missed test. Any missed test will result in a zero grade. All tests will be graded by the instructor.

QUIZZES, HOMEWORK, PROJECTS: Unannounced quizzes may be given during class time. NO MAKE-UP is allowed on a quiz. Out-of-class assignments must be completed and turned in on the date designated by the instructor. All projects must be typed and double-spaced. No handwritten assignments will be accepted.

WITHDRAWALS: If a student decides to discontinue attending the course, it is the student's responsibility to follow through and officially withdraw from the course before the withdrawal deadline date. Failure to do this may result in the student receiving an "F" grade for the course. Before withdrawing, discuss your concerns with your instructor.

CLASSROOM CONDUCT: It is students' responsibility to attend all of their classes. If they miss a class meeting for any reason, students are responsible for all content that is covered, for announcements made in their absence, and for acquiring any materials that may have been distributed in class. It is expected that students be on time for all their classes. If students walk into a class after it has begun, it is expected that they choose a seat close to where they entered the room so that they do not disrupt the class meeting.

Students are expected to follow ordinary rules of courtesy during class sessions. Engaging in private, side conversations during class time is distracting to other students and to the instructor. Leaving class early without having informed the instructor prior to class is not appropriate. Unless there is an emergency, leaving class and returning while the class is in session is not acceptable behavior. Disruptive behavior of any type, including sharpening pencils during class while someone is speaking, is not appropriate. Please turn off cell phones before class begins.

The college welcomes all students into an environment that creates a sense of community pride and respect; we are all here to work cooperatively and to learn together.

ACADEMIC INTEGRITY: Academic integrity refers to the total quality of the search for knowledge which a student undertakes. A student will be guilty of violating academic integrity if he/she:

- a. knowingly represents the work of others as his/her own.
- b. uses or obtains unauthorized assistance in the execution of an academic work
- c. gives fraudulent assistance to another student.