Uva Wellassa University

Faculty of Management

Degree of Bachelor of Business Management (BBM) in Hospitality, Tourism and Events Management

FOURTH YEAR FIRST SEMESTER EXAMINATION – MAY/ JULY 2017

HTE 451 – 2 Food and Beverage Management

Instructions to candidates:

No. of pages : Four (04) Pages
No. of questions : Five (05) Essay
Time : Two (02) Hours
Marks allocated : Hundred (100)

Answer only four (04) questions including Question Number One (1).

1) Assume that you have been recruited as the Operations Manager of Ceyline Restaurant in the heart of Galle city. As the Operation Manager, you need to analyze the business performance for last two financial years to check whether there is any improvement in the business after your arrival.

   The financial records of the Ceyline are shown in the following table for the last two years.

Description	Year ending 31/03/2016 Amount (Rs.'000)	Year ending 31/03/2017 Amount (Rs.'000)
Depreciation	24,200	25,000
Food sales	325,000	375,000
Cost of beverages sold	45,000	30,000
Other controllable expenses	50,000	60,000
Salaries and wages	125,000	130,000
Beverage sales	130,000	125,000
Employee benefits	20,000	20,000
Cost of food sold	125,000	127,500
Occupancy costs	55,000	55,000

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The additional information is given by the financial department.

Description	2015/16	2016/17
Number of service staff	15	14
Number of covers	125	125
Average number of customers per day	150	145

Note: Restaurant is usually open 06 days per week except Poya day.

a. You are required to prepare a statement of income for the business for last two years following a standard format.

(09 Marks)

b. Determine the following percentages for 2015/16 and 2016/217. Comment on your answer.

I. Food cost percent

II. Labor cost percent (payroll, and employee benefits)

III. Beverage cost percent

IV. Combined food and beverage cost percent

V. Percentage of profit before income taxes

VI. Average sales and average profit per server

VII. Average sales and average profit per customer

VIII. Average sales and average profit per customer

(03 Marks × 07 = 21 Marks)

(Total Marks 30)

2)

a. State four (04) types of costs associated with food service operation with one example for each.

(04 Marks)

b. Briefly explain six (06) key techniques that can be adopted in the cost controlling of a commercial F & B operation.

(06 Marks)

c. **"Planning a banquet is a very stressful and challenging sense of duty in the contemporary business arena."**

Critically discuss the key challenges faced by banquet managers. Your answer should be elaborated with sufficient examples.

(10 Marks)

(Total Marks 20)

3) Write short notes on following topics.

a. Food service cycle in a catering business
b. Importance of budgeting in food and beverage operation
c. Food and beverage service in traditional vs. modern restaurants
d. Food production methods

(05 Marks × 04 = 20 Marks)

(Total Marks 20)

4) Beverage control is as important as food control because of the nature of the product. It requires that standards and standard procedures which are developed for purchasing, receiving, storage, issuing, production, and sales.

a. Briefly explain five (05) reasons that people patronize beverage establishments.

(05 Marks)

b. Describe the key objectives of a successful beverage control system.

(05 Marks)

c. Discuss possible challenges that are faced by beverage service operations in the contemporary world.

(10 Marks)

(Total Marks 20)

15

5) Problems associated with staff turnover can affect other employees and have the potential to drive profitability down. 'Service Profit Chain' provides more refined affiliation in between staff satisfaction and organization's profitability.

Discuss the above statement providing sufficient examples from the food and beverage service industry.

(20 Marks)

(Total Marks 20)