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| <b>FACULTY/COLLEGE</b>                            | College of Business and Economics                    |
| <b>SCHOOL</b>                                     | School of Tourism and Hospitality                    |
| <b>CAMPUS(ES)</b>                                 | APB  |
| <b>MODULE NAME</b>                                | Food and Beverage Studies                            |
| <b>MODULE CODE</b>                                | FBS2BB2  |
| <b>SEMESTER</b>                                   | Second   |
| <b>ASSESSMENT OPPORTUNITY,<br/>MONTH AND YEAR</b> | Final Summative Assessment (Agrotat)<br>January 2021 |

|                        |                                  |                    |              |
|------------------------|----------------------------------|--------------------|--------------|
| <b>ASSESSMENT DATE</b> | January 2021                     | <b>SESSION</b>     | 8:30 – 10:30 |
| <b>ASSESSOR(S)</b>     | Miss S Ismael and Mrs E Sao Joao |                    |              |
| <b>MODERATOR(S)</b>    | Mr R Urwin                       |                    |              |
| <b>DURATION</b>        | 2 hours (120 mins)               | <b>TOTAL MARKS</b> | 100          |

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|---|---|
| <b>NUMBER OF PAGES OF QUESTION PAPER (Including cover page)</b> | 9 |
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**INFORMATION/INSTRUCTIONS:**

- This is an online assessment.
- Read the questions carefully and answer only what is asked.
- Please ensure all questions are saved and submitted correctly.
- Write neatly and legibly.
- Structure your answers by using appropriate headings and sub-headings.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

**Section A: Food and Beverage Studies (Miss S Ismael)****Question 1****(10 Marks)**

Match the correct statement with the correct term. (Match Column A and Column B).

| <b>Column A</b>  | <b>Column B</b>                 |
|--|---------------------------------|
| 1. The degree to which a business or activity yields profit or financial gain  | <b>A. Profitability</b>         |
| 2. A measurement that determines how happy customers are with a company's products, services, and capabilities   | <b>B. Customer Satisfaction</b> |
| 3. The money that an individual or business receives, usually in exchange for providing a good or service  | <b>C. Income</b>                |
| 4. The act of spending funds   | <b>D. Expenditure</b>           |
| 5. A method of predicting the number of customers using the catering facilities on a specific day, and also of predicting as accurately as possible what items they will eat and drink | <b>E. Volume Forecasting</b>    |
| 6. A menu that has a balanced and strategic developed so that you have varying and attractive profit margins across the menu   | <b>F. Menu Mix</b>              |
| 7. A change in the volume of business from day to day, and in many establishments from hour to hour  | <b>G. Sales Instability</b>     |
| 8. Concerned with or relating to work in an office, especially routine documentation and administrative tasks  | <b>H. Clerical Procedures</b>   |
| 9. The amount received in sales for a stated period,   | <b>I. Turnover</b>              |
| 10. The country-of-origin may create identities for brands, thereby exploiting positive country-specific expertise   | <b>J. National Identity</b>     |

**Question 2****(4 Marks)**

Re-order the following stages of the product life cycle in the correct order.

| <b>Display Order</b>  | <b>Correct Order</b>         |
|-----------------------|------------------------------|
| 1. Decline Stage      | <b>A. Introduction Stage</b> |
| 2. Growth Stage       | <b>B. Growth Stage</b>       |
| 3. Introduction Stage | <b>C. Maturity Stage</b>     |
| 4. Maturity Stage     | <b>D. Decline Stage</b>      |

**Question 3****(4 Marks)**

Choose the correct animals or parts of an animal that are considered to be Kosher (multiple answers)

- a. Birds of prey
- b. Poultry
- c. Fish that has both fins and scales
- d. Forequarters of the kosher animals
- e. Birds with a defect
- f. Animals that have both cloven hooves and chew the cud

**Question 4****(5 Marks)**

List five (5) ways a bartender could defraud a customer.

**Question 5****(5 Marks)**

How can food and beverage operations reduce the risk of intoxication of customers in the establishment?

**Question 6****(3 Marks)**

Discuss the importance of having a server intervention program in place in a restaurant.

**Question 7****(6 Marks)**

Briefly discuss three (3) reasons why the hospitality industry has the highest rate in terms of alcohol and substance abuse.

**Question 8****(5 Marks)**

List the symptoms of the Marijuana drug

**Question 9****(5 Marks)**

List three (3) offences stipulated under the Liquor Act and the describe consequences (2) of committing an offence under the Act.

**Question 10****(3 Marks)**

List three (3) conditions of a hotel liquor license.

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**SECTION A TOTAL = 50 MARKS**

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**SECTION B: FOOD COSTING (Mrs Sao Joao)****[50]**

**Always work to two (2) decimal places for Rands and percentages and to three (3) decimal places for mass and volume. Answers must also be expressed in the correct decimal format. The correct prefixes and suffixes must be used for the answers to be classified as valid (e.g. R 100.00; 1.500kg; 124 Units, etc.)**

**Question 1: Multiple choice****[20]**

Choose the letter of the best answer to the questions listed below.

- 1.1 Which workers are generally exempt from the overtime pay provisions?
- a. Tipped employees
  - b. Salaried employees
  - c. Unionized employees
  - d. Hourly paid employees
- 1.2 Which expense will be the largest in the typical food service operation?
- a. Labour
  - b. Wages
  - c. Salary
  - d. Payroll
- 1.3 Productivity ratios are used to measure a manager's
- a. profit margins.
  - b. usage of labour.
  - c. inventory turnover.
  - d. hourly sales levels.
- 1.4 What would be included in the job description for a cook?
- a. A description of the skills required to hold the job.
  - b. A listing of all tasks required to complete the job.
  - c. The name of the person to whom the cook would report.
  - d. Identification of the times at which the cook would be scheduled to work.
- 1.5 Which step should managers complete first when developing a task training program?
- a. Plan the training session
  - b. Present the training session
  - c. Determine how the task is to be done
  - d. Evaluate the effectiveness of the training
- 1.6 A manager had beginning beverage inventory of R15,000 for an accounting period and an ending beverage inventory of R19,000 for the period. What was the manager's average beverage inventory value for the period?
- a. R16,000
  - b. R16,500
  - c. R17,000
  - d. R17,500

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- 1.7 For which food category should inventory turnover in a food service operation be highest?
- a. Dried foods
  - b. Baked goods
  - c. Frozen foods
  - d. Canned goods
- 1.8 Last year a manager had a cost of food consumed for meats of R310,000. Last year the manager had beginning meat inventory of R15,000 and ending meat inventory of R16,000. What was the manager's inventory turnover for meat last year?
- a. 20
  - b. 21
  - c. 22
  - d. 23
- 1.9 Last month a manager's operation generated R200,000 in food sales and R50,000 in beverage sales. The manager had a cost of sales for beverages of R10,000. What was the manager's beverage cost percentage last month?
- a. 2%
  - b. 4%
  - c. 20%
  - d. 40%
- 1.10 What are the effects on variable labor cost and on variable labor cost percentage when an operation's sales increase?
- a. Cost of variable labor increases and variable labor cost percentage increases
  - b. Cost of variable labour decreases and variable labour cost percentage increases
  - c. Cost of variable labour decreases and variable labour cost percentage is unchanged
  - d. Cost of variable labour increases and variable labour cost percentage is unchanged
- 1.11 Last year a manager's operation achieved a 35% food cost on sales of R800,000. For next year, the manager anticipates a 5% increase in the prices he will pay for food. What should the manager estimate next year's food cost percentage to be if he does not raise his menu prices?
- a. 36.00%
  - b. 36.75%
  - c. 40.00%
  - d. 40.75%
- 1.12 Last year a manager's operation achieved a 28% labour cost on sales of R1,500,000. For next year, the manager anticipates an 8% increase in the prices he will pay for labour. The manager will also increase her menu prices by 5%. What should be the manager's best estimate for next year's labour cost percentage?
- a. 28.8%
  - b. 29.8%
  - c. 30.8%
  - d. 31.8%

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- 1.13 A manager budgeted R6,000 for kitchen equipment repairs this year. The manager currently has spent R1,830 on these repairs. What percentage of the kitchen equipment repair budget has now been spent by the manager?
- a. 30.5%
  - b. 32%
  - c. 34.5%
  - d. 36%
- 1.14 An owner is building a new operation and she calculates that it can achieve R550 in sales per square metre built. She also feels that to achieve her desired 18% ROI the business must generate R1,100,000 in annual revenue. How large should the owner's new facility be to generate the desired level of annual revenue?
- a. 2,000 square metre
  - b. 2,750 square metre
  - c. 3,250 square metre
  - d. 4,000 square metre
- 1.15 Use of the yardstick method as a control device allows food service managers to
- a. minimise fixed costs.
  - b. minimise variable costs.
  - c. analyse variances in revenue.
  - d. analyse variances in expenses.
- 1.16. Which activity is a common form of embezzlement?
- a. Theft of food products
  - b. Falsification of bank deposits
  - c. Excessive requests for time off
  - d. Overconsumption of employee meals
- 1.17. The primary purpose of a bank reconciliation is to compare an operation's
- a. sales records with the bank's acceptance records.
  - b. deposit records with the bank's acceptance records.
  - c. product issues records with the bank's acceptance records.
  - d. an operation's inventory valuation records with the bank's acceptance records.
- 1.18. What is the term used to indicate the amounts of money owed to an operation by its guests; but which have not yet been collected from those guests?
- a. Accounts payable
  - b. Accounts receivable
  - c. Unrecorded accounts
  - d. Uncollectable accounts
- 1.19. What is a danger of excessively high levels of accounts receivable in a food service operation?
- a. The operation's sales will be over-reported
  - b. The operation's sales will be under-reported

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- c. The operation may experience operating cash overages
  - d. The operation may experience operating cash shortages

1.20. When should managers pay invoices submitted by their vendors?

- a. When purchase orders are issued
  - b. When the invoices are submitted by vendors
  - c. When products are accepted by receiving staff
  - d. When the invoices are verified as legitimate
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**Question 2: True/False**

**[10]**

Read the statement and decide whether it is true or false.

|      | Statement   | True | False |
|------|---|------|-------|
| 2.1  | Interviewing and training time are examples of the hidden costs of employee turnover.   |      |       |
| 2.2  | If an operation achieved R8,000 in sales for one day and a labour cost of R1,760 for that same day, then the operation achieved a 22% labour cost.  |      |       |
| 2.3  | To calculate their other expense cost percentage and their other expense cost per guest, managers must know their total sales, the amount of the other expense, and the number of guests they served. |      |       |
| 2.4  | Involuntary separation occurs when an employee, rather than the employee's manager, makes the decision for the employee to leave an organization.   |      |       |
| 2.5  | In most cases performing routine maintenance on mechanical equipment prolongs its life but also increases its total operational costs.  |      |       |
| 2.6  | A kilowatt hours (kwh) is a measure of natural gas usage.   |      |       |
| 2.7  | An operation's return on sales (ROS) is also referred to as its profit margin.  |      |       |
| 2.8  | Popularity is a factor utilized when performing both food cost percentage and contribution margin matrix analysis.  |      |       |
| 2.9  | Managers who forecast increases in revenue should also forecast increases in their variable cost percentages.   |      |       |
| 2.10 | Achievement budgets are typically prepared for a period of two to five years into the future and provide a long-term view about the direction of a business.  |      |       |

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**Question 3**

**[10]**

Nomsa operates a lounge in an extremely popular convention hotel. The hotel regularly operates around the 80% occupancy mark, and its lounge, Luigi's, is very often filled to capacity. On weeks when business at the hotel is slower, Nomsa attempts to build local sales by scheduling a variety of popular bands to play on the stage. She must select one band to play on Saturday night, six weeks from now, when the hotel is not busy. She has kept records of the costs and sales volume of the last four bands she has booked. Compute both band expense percent and cost per guest served.

3.1 Based on the cost % of the bands, which one should Nomsa select for booking? (6+1=7)

Unit Name: Luigi's Lounge

| Band                         | Band Expense | Lounge Sales | Cost % | Number of Guests Served | Sales per Guest Served |
|------------------------------|--------------|--------------|--------|-------------------------|------------------------|
| A) Tess and the Tramps       | R3,400       | R20,400      | a.     | 1,825                   | d.                     |
| B) The Tsotsis               | R2,700       | R16,500      | b.     | 2,250                   | e.                     |
| C) Natalie and the Chipmunks | R2,900       | R27,250      | c.     | 2,380                   | f.                     |

|                               |   |   |   |
|-------------------------------|---|---|---|
| Which band should Nomsa book? | A | B | C |
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3.2 Explain in detail why you have made this selection. (3)

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#### Question 4

[10]

Analyse the table below and answer the following questions.

| Menu item        | No. sold | Selling Price | Total sales | Item Cost | Total cost | Item contribution Margin | Total Contribution Margin | Food cost % |
|------------------|----------|---------------|-------------|-----------|------------|--------------------------|---------------------------|-------------|
| Chicken Kiev     | 85       | R85.00        | R7 225.00   | R27.20    | R2 312.00  | R57.80                   | R4913.00                  | 32.0        |
| Pepper Steak     | 99       | R105.00       | R10 395.00  | R35.18    | R3 482.82  | R69.82                   | R6 912.18                 | 33.5        |
| Prawn Stir Fry   | 90       | R90.00        | R8 100.00   | R35.60    | R3 204.00  | R54.40                   | R4896.00                  | 39.6        |
| Carnivore Pizza  | 75       | R79.00        | R5 925.00   | R36.70    | R2 752.50  | R42.30                   | R3172.50                  | 46.5        |
| Nachos Pizza     | 101      | R90.00        | R9 090.00   | R42.00    | R4 242.00  | R48.00                   | R4848.00                  | 46.0        |
| Total            | 450      |               | R40 735.00  |           | R15 993.22 |                          | R24 741.68                |             |
| Weighted average | 90       | R89.80        | R8 147.00   | R35.34    | R3 198.66  | R54.46                   | R4948.34                  | 39.4        |



4.1 Define and discuss the use of a contribution margin table to the restaurant owner? (5)

4.2 When conducting a menu analysis, indicate two (2) questions that you need to ask. (2)

4.3 What is the strategy for the menu item labelled a 'dog'? (2)

4.4 Which item is a plough horse? (1)

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**SECTION B TOTAL = 50 MARKS**

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**PAPER TOTAL: 100 MARKS**

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