



**CURRICULUM GUIDELINES**

**A:** Division: **Instructional** Date: **November 2001**  
**B:** Department/ **Commerce & Business Admin.** New Course | | Revision | **X**  
 Program Area: **Hotel and Restaurant Management**

If Revision, Section(s) Revised:

Date Last Revised: **1996-03:**

**C: HORM 330 D: FOOD AND BEVERAGE COST CONTROLS E: 3**

Subject & Course No. Descriptive Title Semester Credits

**F:** Calendar Description: This course focuses on the principles and procedures involved in an effective system of food, beverage and labour controls for the hospitality industry. This course provides the fundamentals for gathering information, developing forms and procedures, assessing and evaluating the information and applying the results to maintain efficient food, beverage and labour cost control. Topics include: the basic control procedures used, food and beverage costing, labour cost analysis, pricing methods, internal controls and computer applications.

**G:** Allocation of Contact Hours to Types of Instruction/Learning Settings

Primary Methods of Instructional Delivery and/or Learning Settings:

**Lectures and Seminars**

Number of Contact Hours: (per week / semester for each descriptor)

**Lecture: 3 Hrs.  
Seminar: 1 Hr.  
Total: 4 Hrs.**

Number of Weeks per Semester:

**15 Weeks X 4 Hours Per Week = 60 Hours**

**H** Course Prerequisites:  
:  
**HORM 210 and HORM 230**

**I** Course Corequisites:  
.  
**Nil**

**J** Course for which this Course is a Prerequisite:  
.  
**Nil**

**K** Maximum Class Size:  
.  
**35**

**L:** PLEASE INDICATE:

Non-Credit

College Credit Non-Transfer

College Credit Transfer:

Requested

Granted

SEE BC TRANSFER GUIDE FOR TRANSFER DETAILS ([www.bccat.bc.ca](http://www.bccat.bc.ca))

**M:** Course Objectives/Learning Outcomes

The student will be able to:

1. discuss costs and decision-making;
2. determine food and beverage standards;
3. discuss the purpose and types of budgets;
4. discuss purchasing, receiving and inventory cost controls;
5. discuss food and beverage purchasing, receiving and inventory controls;
6. calculate food, beverage and labour cost and percentages;
7. evaluate food, beverage and labour cost results;
8. discuss labour cost standards and controls;
9. measure labour cost and percentages;
10. discuss labour cost controls and employee policies;
11. discuss controlling other direct and indirect costs;
12. discuss application of computers and cost controls.

**N:** Course Content

1. Terminology for financial controls in the hospitality industry.
2. Basic principles of cost controls and areas of control that a manager is responsible for.
3. The interaction of control mechanisms with other management functions.
4. Changes in control systems and techniques over the past decade.
5. The purpose of internal control and basic principle of good internal control, such as defining job responsibilities, separating record keeping from control of assets, and dividing responsibilities for related tasks.
6. Concepts related to food and beverage sales and the different types of costs pertinent to food and beverage operations.
7. The implementation of internal controls in each of the following areas: deliveries, receiving and inventory, cash handling, accounts payable and payroll, and food and beverage.
8. The development of an efficient purchasing, receiving, storing, and issuing control system for food and beverage operations.
9. Calculation of the annual revenue required for a restaurant to cover all its forecast costs, a meal period average check, seat turnover figures, average room rate required by a hotel or motel to cover all forecast costs, and room rates based on room size.
10. The use of information about cost and revenues to develop a cost-volume-profit (CVP) relationship for a food and beverage operation.
11. Computer-based monitoring of food and beverage costs.
12. Identifying considerations and difficulties in pricing individual menu items.
13. Important considerations in pricing; e.g., an organization's objectives, elasticity of demand, cost structure and the competition.
14. General cost control procedures.
15. The major steps in the purchasing cycle.
16. General purchasing procedures and the importance of the purchasing function.
17. General inventory control procedures.
18. Control of food and beverages using a standard cost percentage approach.
19. Labour cost control procedures and why emphasis in this area has changed in recent times.
20. The use of forecasts and schedules for staff scheduling; the analysis of actual labour costs.
21. How costs are used to make business decisions; e.g., whether to close during the off-season.
22. Applying direct cost-of-supplies controls.
23. Management techniques to control current asset costs and the important aspects and techniques of cash management; e.g., the payment of invoices, use of bank floats, and concentration banking to increase cash flows.
24. Analysis of income statements, average check, cost and net income per guest figures.
25. The advantages and disadvantages of a computer system for managing purchasing functions, controlling

<p>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.</p>											
<p><b>O:</b> Methods of Instruction</p>	<p>This course uses lectures, lab sessions and case studies each week. Students are encouraged to participate in group discussions of case studies and control experiences.</p>										
<p><b>P:</b> Textbooks and Materials to be Purchased by Students</p>	<p>Coltman, Michael M. <i>Food and Beverage Cost Controls</i>, latest ed. Toronto: Macmillan of Canada  OR  Nenemeir, Jack D. <i>Planning and Control for Food and Beverage Operations</i>, latest ed. East Lansing, MI: The Educational Institute of American Hotel and Motel Association.</p>										
<p><b>Q:</b> Means of Assessment</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Assignments</td> <td style="text-align: right;">30%</td> </tr> <tr> <td>Term project</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Midterm examination</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Final examination</td> <td style="text-align: right;"><u>30%</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>100%</u></td> </tr> </table> <p>STUDENTS MUST COMPLETE <b><u>ALL</u></b> COMPONENTS OF THE COURSE TO OBTAIN CREDIT FOR THE COURSE.</p>	Assignments	30%	Term project	20%	Midterm examination	20%	Final examination	<u>30%</u>		<u>100%</u>
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<p><b>R:</b> Prior Learning Assessment and Recognition: specify whether course is open for PLAR</p>	<p>No</p>										

Course Designer(s): Mark Elliott

Education Council/Curriculum Committee Representative

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Dean/Director: Jim Sator

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Registrar: T. Angus