

Course Title	Food & Beverage Costing				
Course Code	CHOS 304				
Course Type	Required				
Level	Diploma				
Year / Semester of Study	2 nd Year/ 1 ST Semester				
Lecturer's Name	TBA				
ECTS	4	Lectures/Week	2	Laboratorie s/ Week	N/A
Course Aim	The course covers the principles and procedures involved in an effective food and beverage control system, including the determination of standards, the operating budget, cost-volume-profit analysis, income and cost control, menu pricing, labor cost control and computer applications				
Learning Outcomes	By the end of the course, students are expected to: • be able to understand the logic and the systems involved with managing costs; • be able to compare actual operating results with budgets operating results; • be able to compute the actual cost of food and beverage consumed; • be able to establish and monitor labor cost standards and analyze actual labor utilization; and • be able to outline a complete food and beverage cost control system for a new food service operation; • be able to enhance and successfully implement any technological advance system for the success of the food and beverage control system of the organization;				
Prerequisites	NONE	Corequisites	NONE		
Course Content	1. Managing Income and Expenses: Foodservice Management; Profit; Income; Expenses; Getting Started; Expressing Percent; Computing Percent; Using Percent; Developing the Profit and Loss Statement; Performance to Budget. 2. Determining Sales Volume: Importance of Forecasting Sales; Sales History; Computing Averages; Recording Revenue; Cash Sales, Customer Counts, or Both? Maintaining Sales Histories; Sales Variances; Predicting Future Sales; Future Guest Counts; Estimating Change in Customer Counts; Forecasting Changes in Average Sale per Guest; Estimating Future Volume. 3. Managing The Cost Of Food: Menu Item Forecasting; Standardized Recipes; Factor Method; Percentage Method; Inventory Control; Determining Inventory Levels; Setting the Purchase Point; Purchasing; What is the Best Price to Pay; Steady Supply Assurance; One Vendor Versus Many Vendors; Purchasing Ethics; Preparing the Purchase Order; The Receiving Area; Proper Location; Proper Tools Equipment;				

Proper Delivery Schedules; Proper Training; Receiving Record or Daily Receiving Sheet; Storage; Maintaining Product Quality and Security; Determine Inventory Value; Computing Actual Food Expense; Food Cost Percentage; Estimating Daily Cost of Food Consumed.

4. Managing The Cost of Beverages: Serving Alcoholic Beverages; Forecasting Beverage Sales; Standardized Drink Recipes/Portions; Purchasing Beverage Products; Determining Beer Products to Carry; Determining Wine Products to Carry; Determining Spirit Products to Carry; Beverage Purchase Orders; Receiving Beverage Products; Beverage Storage; Bar Transfers; Computing Cost of Beverages; Special Features of Liquor Activity; Sales Mix.
5. Managing The Food And Beverage Production Process: Production Schedules; Product Issuing; Inventory Control; Physical or Perpetual Inventory; Managing Food Production Area; Controlling the Beverage Production Area; Employee Theft; Menu Design; Menu Specials; Related Menu Issues; Factors Affecting Menu Pricing; Assigning Menu Price; Product Cost Percentage or Contribution Margin?; Special Pricing Situations; Determining Actual Product Cost; Reducing Overall Product Cost Percentage; Approaches to Reducing Beverage Cost Percentage.
6. Managing the Food and Beverage Pricing: Menu Formats; Factors Affecting Menu Pricing; Assigning Menu Prices; Special Prices Situations.
7. Managing The Cost of Labor: Labor Expense in the hospitality Industry; Labor Expense Defined; Fixed Payroll versus Variable Payroll; Assessing Labor Productivity; Maintaining Productive Workforce; Managing Payroll Costs; Measuring Current Productivity; Six-Column Daily Productivity Report; Determining Costs by Labor Category; Steps in Controlling Labor Costs; Reducing Labor-Related Costs; Employee Empowerment.
8. Controlling Other Expenses: Managing Other Expenses; Fixed Variable and Mixed Expenses; Reducing Other Expenses; Cost Percentage or Cost per Guest; Techniques to Reduce Other Expenses.
9. Analyzing Results Using the Income Statement: Introduction to Financial Analysis; Uniform System of Accounts; Income Statement (USAR); Analysis of Balance Sheet; Analysis of Food Expense; Analysis of Beverage Expense; Analysis of Beverage Expense; Analysis of Profits; Involving Both the Balance Sheet and the Income Statement; ROI versus ROS.
10. Planning for Profit: Financial Analysis and Profit Planning of the Profit and Loss Statement; Menu Analysis/Break-Even Analysis; The Budget; Prior Periods Operating Results; Contribution Margin; Cost/Volume/Profit Analysis; Developing the Budget; Assumptions of Next Period Operations; Establishing Goals; Budget Monitoring Policies.

	11. Maintaining and Improving the Revenue Control System: Income Security; External Threats to Revenue Security; Internal Threats; Bonding; Developing the Income Security System; Computer Systems; System Selection; System Implementation. 12. Using Technology to Enhance Control Systems: Role of Technology in Cost Control Systems; Applications Programs for Cost Control; Monitoring Advances in Cost Control Technology. 13. Practices: Finding the Prices of Items According to Season; Calculating Cost of Recipes.																																
Lecturing Methodology	The course is delivered through lectures, discussion, assignments, presentations, case studies and laboratory applications.																																
Bibliography	Required: Title: Food and Beverage Cost Control Author(s): Jack E. Miller, Lea R. Dopson and David K. Hay Publisher: John Wiley and Sons Edition: Latest ISBN: 0-471-27354-6																																
Assessment Policy		50 %	Final Exam																														
		0 – 40 %	Mid –Term / Tests / Quizzes																														
		0 – 30 %	Laboratory Participation																														
		0 – 20 %	Homework																														
		0 – 10 %	Class Attendance & Participation																														
ECTS Allocation	<table><tr><th colspan="4">Estimated student's work time distribution in hours:</th></tr><tr><th colspan="2">Contact hours</th><th colspan="2">Student's private time</th></tr><tr><td>Lecture</td><td>23</td><td>Private study</td><td>55</td></tr><tr><td>Mid-Term Test</td><td>1</td><td>Homework / Assignments / Projects</td><td>20</td></tr><tr><td>Final Exam</td><td>2</td><td>Test preparation</td><td>8</td></tr><tr><td></td><td></td><td>Final Exam Preparation</td><td>11</td></tr><tr><td>Total:</td><td>26</td><td>Total:</td><td>94</td></tr></table>					Estimated student's work time distribution in hours:				Contact hours		Student's private time		Lecture	23	Private study	55	Mid-Term Test	1	Homework / Assignments / Projects	20	Final Exam	2	Test preparation	8			Final Exam Preparation	11	Total:	26	Total:	94
Estimated student's work time distribution in hours:																																	
Contact hours		Student's private time																															
Lecture	23	Private study	55																														
Mid-Term Test	1	Homework / Assignments / Projects	20																														
Final Exam	2	Test preparation	8																														
		Final Exam Preparation	11																														
Total:	26	Total:	94																														
Language	ENGLISH																																