

**SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**SAULT STE. MARIE, ONTARIO**



Sault College

**COURSE OUTLINE**

**COURSE TITLE:** Food and Beverage Cost Controls

**CODE NO. :** HMG 242                                      **SEMESTER:** 4

**PROGRAM:** Resort Operations Program

**AUTHOR:** Peter Graf, H.B.Sc

**DATE:** Dec 2004    **PREVIOUS OUTLINE DATED:** Jan. 2004

**APPROVED:**

	_____	_____
	<b>DEAN</b>	<b>DATE</b>

**TOTAL CREDITS:** 3

**PREREQUISITE(S):** None

**HOURS/WEEK:** 3

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**I. COURSE DESCRIPTION:**

This course will provide the students with the opportunity to further develop their managerial knowledge and skills. The students will gain an understanding of how to control costs in food and beverage operations. The focus will be on food and beverage, labour and revenue control. In today's economic climate of financial cutbacks, this course will provide the students with a concrete understanding of the importance of cost reduction while improving the quality of products and service to ensure the overall success of the hospitality industry.

**II. LEARNING OUTCOMES AND ELEMENTS OF THE PERFORMANCE:**

Upon successful completion of this course, the student will demonstrate the ability to:

1. Research and identify the importance of control systems in the hospitality industry (food and beverage operations).

Potential Elements of the Performance:

- define "control" and recognize its importance in the management system
- identify the various types of costs
- explain the purposes and applications of standard costs and the uses of standard cost tools
- describe the role of budget standards in planning and control
- explain the role of analysis, corrective action, and evaluation in the control process

2. List and explain the various components essential to designing effective food and beverage control systems.

Potential Elements of the Performance:

- outline policies for monitoring inventory and forecasting requirements
- identify and explain methods for estimating allowable food and beverage costs based on forecasted sales levels
- discuss the importance of the menu as both a control tool and marketing tool
- apply principles and procedures important in controlling the purchasing and receiving processes and recognize the need to incorporate quality requirements in purchasing and receiving activities
- explain the basic formula for calculating cost of sales and identify sources of information for each component of the formula

- identify the goals of effective storage and issuing controls, describe physical and perpetual inventory systems, and recognize the need for accurate inventory record keeping systems
  - explain the importance of standard recipes as production tools
  - describe the operations of automated food and beverage control systems
3. Apply accounting and financial knowledge and skills, including cost control techniques, to the operation of a hospitality enterprise.

Potential Elements of the Performance:

- perform basic accounting procedures and use accounting terminology
  - apply mathematical skills to make accurate calculations and to verify the accuracy of the calculations
  - outline principles of revenue and cash flow management, and budgeting strategies, for hospitality operations
  - apply strategies of cost control to a variety of hospitality operations such as purchasing and receiving, food and beverage, labour, operations, and inventory
  - apply cost-volume profit analysis to food and beverage operations
4. Demonstrate an understanding of the importance proper human resource management in relation to labour cost control.

Potential Elements of the Performance:

- identify factors that affect work performance and explain the labour control process
  - describe how analysis, corrective action, and evaluation are used in the labour control process to reconcile staffing and budgeting concerns
  - outline the implementation of labour cost controls
5. Develop ongoing personal professional development strategies and plans to enhance leadership and management skills for the hospitality environment.

Potential Elements of the Performance:

- solicit and use constructive feedback in the evaluation of her/his knowledge and skills
- identify various methods of increasing professional knowledge and skills

- apply principles of time management and meet deadlines
- recognize the importance of the guest, the server-guest relationship, and the principles of good service

### III. TOPICS:

Note: These topics sometimes overlap several areas of skill development and are not necessarily intended to be explored in isolated learning units or in the order below.

1. Overview of Food and Beverage Operations
2. Control Function
3. Determining Food and Beverage Standards
4. Operations budgeting and cost-volume-profit analysis
5. The menu
6. Purchasing and receiving controls
7. Storing and issuing controls
8. Production and serving controls
9. Calculating actual food and beverage costs
10. Control analysis, corrective action, and evaluation
11. Revenue control
12. Preventing theft of revenue
13. Labour cost control
14. Implementing labour cost control

### IV. REQUIRED RESOURCES/TEXTS/MATERIALS:

**Ninemaier, Planning and Control for Food and Beverage Operations, 6<sup>th</sup> edition, Educational Institute of the American Hotel & Lodging Association.**

### V. EVALUATION PROCESS/GRADING SYSTEM:

3 Tests (25% each)	75%
Project/Assignments	20%
Classroom Attendance/Participation/Professionalism	<u>5%</u>
Total	100%

Guidelines re grading:

**Assignments:**

Since one of our goals is to assist students in the development of proper business habits, assignments will be treated as reports one would provide to an employer, i.e. in a timely and businesslike manner. Therefore, assignments will be due at the beginning of class and will be 100% complete. All work is to be typed, properly formatted, assembled and stapled prior to handing in. No extension will be given unless the student and the professor have come to an agreement prior to the due date.

**Tests:**

If a student is not able to write a test because of illness or a legitimate emergency, that student must contact the professor prior to the test or as soon as possible and provide an explanation which is acceptable to the professor. In cases where the student has contacted the professor and where the reason is not classified as an emergency, i.e. slept in, forgot, etc., the highest achievable grade is a "D". In cases where the student has not contacted the professor, the student will receive a mark of "0" on that test.

The following semester grades will be assigned to students in postsecondary courses:

<b>Grade</b>	<b><u>Definition</u></b>	<b><i>Grade Point Equivalent</i></b>
A+	90 – 100%	4.00
A	80 – 89%	
B	70 - 79%	3.00
C	60 - 69%	2.00
D	50 – 59%	1.00
F (Fail)	49% and below	0.00
CR (Credit)	Credit for diploma requirements has been awarded.	
S	Satisfactory achievement in field /clinical placement or non-graded subject area.	
U	Unsatisfactory achievement in field/clinical placement or non-graded subject area.	
X	A temporary grade limited to situations with extenuating circumstances giving a student additional time to complete the requirements for a course.	
NR	Grade not reported to Registrar's office.	

W Student has withdrawn from the course without academic penalty.

## VI. SPECIAL NOTES:

### Dress Code

All students are required to wear their uniforms while in the hospitality and tourism institute, both in and out of the classroom.

### Special Needs:

If you are a student with special needs (e.g. physical limitations, visual impairments, hearing impairments, or learning disabilities), you are encouraged to discuss required accommodations with your professor and/or the Special Needs office. Visit Room E1101 or call Extension 493 so that support services can be arranged for you.

### Retention of Course Outlines:

It is the responsibility of the student to retain all course outlines for possible future use in acquiring advanced standing at other postsecondary institutions.

### Plagiarism:

Students should refer to the definition of “academic dishonesty” in *Student Rights and Responsibilities*. Students who engage in “academic dishonesty” will receive an automatic failure for that submission and/or such other penalty, up to and including expulsion from the course/program, as may be decided by the professor/dean. In order to protect students from inadvertent plagiarism, to protect the copyright of the material referenced, and to credit the author of the material, it is the policy of the department to employ a documentation format for referencing source material.

### Course Outline Amendments:

The professor reserves the right to change the information contained in this course outline depending on the needs of the learner and the availability of resources.

Substitute course information is available in the Registrar's office.

## VII. PRIOR LEARNING ASSESSMENT:

Students who wish to apply for advanced credit in the course should consult the professor. Credit for prior learning will be given upon successful completion of a challenge exam or portfolio.

**VIII. DIRECT CREDIT TRANSFERS:**

Students who wish to apply for direct credit transfer (advanced standing) should obtain a direct credit transfer form from the Dean's secretary. Students will be required to provide a transcript and course outline related to the course in question.