



**DOUGLAS COLLEGE**

**EFFECTIVE: SEPTEMBER 2012  
CURRICULUM GUIDELINES**

**A.** Division: Academic Effective Date: September 2012

**B.** Department / Faculty of Commerce & Business Revision:  New Course   
 Program Area: Administration / Hospitality Management

If Revision, Section(s) Revised: H, P

Date of Previous Revision: October 2011  
 Date of Current Revision: March 2012

**C:** HOSP 2330 **D:** Food & Beverage Cost Controls **E:** 3

C: HOSP 2330	D: Food & Beverage Cost Controls	E: 3						
Subject & Course No.	Descriptive Title	Semester Credits						
<p><b>F:</b> Calendar Description:</p> <p>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 and computer applications.</p>								
<p><b>G:</b> Allocation of Contact Hours to Type of Instruction / Learning Settings</p> <p>Primary Methods of Instructional Delivery and/or Learning Settings:</p> <p>Lectures and Seminars</p> <p>Number of Contact Hours: (per week / semester for each descriptor)</p> <p>Lecture: 3 Hours            Seminar: 1 Hour            Total: 4 Hours</p> <p>Number of Weeks per Semester:</p> <p>15 Weeks X 4 Hours Per Week = 60 Hours</p>		<p><b>H:</b> Course Prerequisites:</p> <p>HOSP 1145 and HOSP 1235 and (HOSP 1210 or ACCT 1110)</p> <p><b>I:</b> Course Corequisites:</p> <p>Nil</p> <p><b>J:</b> Course for which this Course is a Prerequisite:</p> <p>HOSP 2455 (may be taken as a corequisite) and HOSP 2465 (may be taken as a corequisite)</p> <p><b>K:</b> Maximum Class Size:</p> <p>35</p>						
<p><b>L:</b> PLEASE INDICATE:</p> <table border="1" style="margin-left: 20px;"> <tr> <td style="width: 30px; height: 20px;"><input type="checkbox"/></td> <td>Non-Credit</td> </tr> <tr> <td style="width: 30px; height: 20px;"><input type="checkbox"/></td> <td>College Credit Non-Transfer</td> </tr> <tr> <td style="width: 30px; height: 20px;"><input checked="" type="checkbox"/></td> <td>College Credit Transfer:</td> </tr> </table> <p>SEE BC TRANSFER GUIDE FOR TRANSFER DETAILS (<a href="http://www.bctransferguide.ca">www.bctransferguide.ca</a>)</p>			<input type="checkbox"/>	Non-Credit	<input type="checkbox"/>	College Credit Non-Transfer	<input checked="" type="checkbox"/>	College Credit Transfer:
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**M:** Course Objectives / Learning Outcomes:

The student will be able to:

1. Calculate actual and standard food cost and beverage cost for an operation manually and using a spreadsheet
2. Distinguish between standard, actual and budget food cost and food cost %
3. Develop and use an inventory control system for beverage control
4. Use revenue, covers and average cheque historicals to forecast sales
5. Discuss the importance of cost controls in the successful operation of a food and beverage business
6. Create and use a budget for identifying control issues
7. Use a spreadsheet to develop a flexible budget
8. Use breakeven analysis for planning and decision making
9. Understand and identify control procedures, forms and systems used in the purchasing, receiving, storage, issuing, production and service of both food and beverage
10. Create and use labour productivity standards
11. Discuss the role of effective human resource management in reducing labour cost
12. Create and use a staffing guide and align to budget
13. Discuss the control of other direct operating costs
14. Analyze a menu's pricing structure with respect to profitability and popularity
15. Set menu prices both scientifically and with qualitative considerations
16. Understand the concept of sales mix and the role it plays in food and beverage cost
17. Discuss the applications for computers and Point of Sales systems in food and beverage control
18. Understand POS generated management reports
19. Understand the importance of sales (revenue control) and systems which can be put in place to minimize losses
20. Discuss the increasing role of technology on control
21. Discuss the importance of planning, supervision and staff training in controlling costs
22. Identify employee, and customer theft risks and current preventative measures commonly used in the industry
23. Discuss major control issues in the rooms department of a hotel

**N:** Course Content:

1. The importance of effective cost control in the food and beverage industry
2. The development and use of standards including average check, forecast sales, food and beverage cost percentages, labour productivity, and other cost percentages as a means to identify cost control problems
3. The role of the operating budget in planning and cost management
4. Calculating actual food cost and food cost percentage
5. Developing standard food cost and food cost % given standardized recipes and sales history
6. Control considerations in the areas of food purchasing, receiving, storage, issuing production and service
7. Calculating actual and standard beverage cost and beverage cost percentages
8. Unique control considerations in the areas of beverage purchasing, storage, issuing, production and service
9. The mechanism and principle behind basic inventory control for a beverage operation
10. Revenue control systems including prechecking, guest check controls and cashiering controls in food and beverage operations
11. Labour cost control practices in food and beverage
12. Scheduling and human resource management issues in food and beverage operations and how these impact labour cost
13. Calculating, interpreting and using productivity ratios for labour cost control
14. Developing and using usage ratios for control of other operating expenses
15. Scientific and qualitative menu pricing considerations
16. Analysis of a menu for profitability and popularity
17. Functions and control applications of a POS
18. Using spreadsheets to develop flexible budgets
19. Using breakeven analysis in decision making and planning
20. Employee and customer theft; how and why it happens; how it can be detected
21. Analysis of income statements, average check, cost and net income per guest figures.
22. The role of computers to assist with purchasing functions, controlling 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.

23. Control systems commonly used within the rooms department of a hotel to control sales, energy costs, labour costs and rooms supplies expense										
<p><b>O:</b> Methods of Instruction:</p> <p>This course uses lectures, computer lab sessions and case studies. 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</p> <p>OR similar text as specified by instructor.</p>										
<p><b>Q:</b> Means of Assessment:</p> <table data-bbox="284 625 657 808"> <tr> <td>Assignments</td> <td>20-30%</td> </tr> <tr> <td>Term Project</td> <td>20-30%</td> </tr> <tr> <td>Mid-term examinations</td> <td>20-30%</td> </tr> <tr> <td>Final Examination</td> <td><u>20-30%</u></td> </tr> <tr> <td></td> <td>100%</td> </tr> </table> <p>STUDENTS MUST COMPLETE <u>ALL</u> COMPONENTS OF THE COURSE TO OBTAIN CREDIT FOR THE COURSE.</p>	Assignments	20-30%	Term Project	20-30%	Mid-term examinations	20-30%	Final Examination	<u>20-30%</u>		100%
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<p><b>R:</b> Prior Learning Assessment and Recognition: specify whether course is open for PLAR</p> <p>No.</p>										

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 Course Designer(s): Mark Elliott

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 Education Council / Curriculum Committee Representative

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 Interim Dean: Julie Crothers

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 Registrar