



FACULTY OF HOSPITALITY AND TOURISM  
SCHOOL OF HOSPITALITY

FINAL EXAMINATION

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : **FBS1533 Food and Beverage Revenue Management**  
Trimester & Year : September 2018 - December 2018  
Lecturer/Examiner : Mr. Justin Ho Li Vern  
Duration : 3 Hours

**INSTRUCTONS TO CANDIDATES**

1. This question paper consists of 2 parts:  
  
PART A (60 Marks) : FIVE (5) short answer questions. Answer all FIVE (5) questions in the question paper provided.  
  
PART B (20 Marks) : ONE (1) calculation question. Answer in the question paper provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment and calculator into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

**WARNING:** The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students’ Handbook, up to and including expulsion from BERJAYA University College.

**Total Number of pages = 12 (Including the cover page)**



2. Suresh is the Food and Beverage Director for a mid-size hotel in a beach destination area. The General Manager of the hotel has given Suresh a target of 10% profit for this year. Suresh's staff is predominately his beach buddies. Although he is good at controlling most of his costs, he has a hard time telling his friends to go home when business slows down and he needs to reduce his staff. If he doesn't make his profit goal, his general manager will likely reprimand him, and he could possibly lose his job.

a. Express Suresh's expenses and profit as a percentage of total revenue, both this year and last year, to determine if he met his profit goal (fill in all empty blanks). (10 marks)

	This Year (RM)	%	Last Year (RM)	%
Revenue	1,448,956	100%	1,094,276	100%
F&B Expense	463,666			35%
Labor Expense	652,030			40%
Other Expense		15%	186,027	
Total Expense				92%
Profit	115,917		87,542	8%

b. Was Suresh effective at controlling his expenses? Did he meet the profit goal set by the General Manager? If not, what could Suresh do in the future to help him make his target profit? (4 marks)

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4. Farah is developing next year’s foodservice budget for her cafeteria operating in a factory. Farah knows the revenue she will get from the factory operations, but she is hoping to slightly increase the food selling price to help her pay for anticipated increases in employee benefits.

a. Complete the table below. *(Calculate and fill in the shaded column).* (8 marks)

Descriptions	Current Budget (RM)	Budget with Employee Benefits Increases		
		10% Increase	15% Increase	20% Increase
Revenue	7,000,000	7,000,000	7,000,000	7,000,000
Cost of Food	2,095,000	2,095,000	2,095,000	2,095,000
Cost of Payroll	3,700,000	3,700,000	3,700,000	3,700,000
Cost of Employee Benefits	700,000			
Other Expenses	400,000	400,000	400,000	400,000
Total Costs	6,895,000			
Budget Surplus / Deficit	105,000		-----	

b. Discuss which will result in a “break-even” budget? How much would her *surplus / deficit* be if benefits increase by 20%? (2 mark)

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**PART B : CALCULATION QUESTION (20 MARKS)**

**INSTRUCTION(S) : ONE (1) Calculation question. Answer in the question paper provided.**

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The Tropicana Valley golf course is managed by John Cena, a graduate of Berjaya University where he majored in hospitality management. The year 2013 was a good one for the golf course. Now John is preparing next year's operating budget. He has gathered a great deal of information to help him prepare the best budget possible. After carefully analyzing that information, John predicts that the year 2014 the course will experience:

- A 5% increase in food sales
- A 3% increase in beverage sales
- No change in food or beverage product cost percentage
- Salaries and wages will increase by 4.5%
- Benefits that will increase by 10%
- An increase of 2.5% in each Other Expense category except for Occupancy Cost and Depreciation. His accountant states those two categories will be unchanged.
- Interest payments of RM1,000 per month
- Tax payments that are estimated to be 25% of income before income taxes

Calculate operating percentages for the year 2013 for the food and beverage department on the budget worksheet provided, and then using his assumptions about the year 2014, create John's new operating budget in dollars and percentages. (20 marks)

<u>Food Sales</u> Total Sales = Food Sales %
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<u>Cost of Food Sold</u> Food Sales = Food Cost %
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<u>Food Gross Profit</u> Food Sales = Food G.P %
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<u>Operating Expenses</u> Total Sales = Expenses %
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<u>Beverage Sales</u> Total Sales = Beverage Cost %
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<u>Cost of Beverage Sold</u> Beverage Sales = Beverage Cost %
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<u>Beverage Gross Profit</u> Beverage Sales = Beverage G.P %
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**The Tropicana Valley Golf Course  
F&B Department  
Budget Worksheet for 2014**

	<b>2013 Actual \$</b>	<b>%</b>	<b>2014 Budget \$</b>	<b>%</b>
<b>SALES:</b>				
Food	173,250.00			
Beverage	56,750.00			
<b>Total Sales</b>				
<b>COST OF SALES:</b>				
Food	58,250.00			
Beverage	9,375.00			
<b>Total Cost of Sales</b>				
<b>GROSS PROFIT:</b>				
Food	115,000.00			
Beverage	47,375.00			
<b>Total Gross Profit</b>				
<b>OPERATING EXPENSES:</b>				
Salaries and Wages	36,250.00			
Employee Benefits	6,200.00			
Direct Operating Expenses	8,275.00			
Outing Rentals	1,600.00			
Beer Cart Expense	3,325.00			
Utility Allocation	5,975.00			
Kitchen Repair and Maintenance	1,750.00			
Administrative and General	6,375.00			
Occupancy	15,000.00			
Depreciation	4,200.00			
<b>Total Operating Expenses</b>				
<b>Operating Income</b>				
Interest	12,000.00			
<b>Income Before Income Taxes</b>				
Income Taxes	15,356.25			
<b>Net Income</b>				

**END OF EXAM PAPER**