



Private & Confidential

FACULTY OF CULINARY ARTS

FINAL EXAMINATION

Student ID(in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **CUL 2013 PURCHASING FOR CHEFS**
Trimester & Year : MAY - AUGUST 2018
Lecturer/Examiner : NUR KHAIRUNNISAK ATHIRA BINTI AB RAZAK
Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (40 marks) : **FOUR (4) Short Answer Questions. Answer ALL questions in the Answer Booklet(s) provided.**

PART B (60 marks) : **TWO (2) Essay Questions. Answer ALL questions in the Answer Booklet(s) provided.**
2. Candidates are not allowed to bring any unauthorized materials except writing equipment 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 = 6 (Including the cover page)

PART A : SHORT ANSWER QUESTIONS (40 MARKS)

INSTRUCTION(S) : FOUR (4) short answer questions. Answer ALL questions in the Answer Booklet(s) provided.

1. a. Define the term **procurement** in the understanding of purchasing in the hospitality industry.
(2 marks)

b. Briefly explain how the par stocks approach to ordering works. Why does it work so well? What are some of the methods drawbacks?
(8 marks)

2. a. Explain the objectives of cost control. (4 marks)

b. Calculate the following value of stock consumed using the FIFO method.
(8 marks)

Month	Purchased	Used
Month 1	20 cans @ RM 2.00	12 cans
Month 2	30 cans @ RM 2.40	25 cans
Month 3	40 cans @ RM 2.80	40 cans

3. a. Briefly describes EOQ and ROP. What benefits are there for managements that adopt these procedures? (2 marks)

b. By applying the Levinson Approach Formula, work out the optimal amount of ordering that should be ordered by the purchaser. (6 marks)

Given the following data, calculated the number of raw pounds needed of each ingredient for a banquet for 200 people

INGREDIENT	SERVING SIZE	EDIBLE YIELD %
Salmon	12 oz	80
Cucumber	4 oz	90
Capsicum	4 oz	75

1 pound = 16 oz

4. Explain the term receiving. Hence compare and contrast between the blind receiving and normal receiving.

(10 marks)

END OF PART A

PART B : SCENARIO QUESTIONS (60 MARKS)

INSTRUCTION(S) : TWO (2) essay questions. Answer ALL other questions in the Answer Booklet(s) provided.

QUESTION 1

Mr Ilham is a multimillion businessman and aims to open up a new casual restaurant located in Kuala Lumpur International Airport. Mr Ilham is new to the hospitality catering industry. The restaurant is called Bonda Kitchen which aims to hit RM 80 000 gross profit daily. This high turnover restaurant features Asian cuisine which is serving local food. A few suppliers have stepped forward to supplying goods and raw materials to Mr Ilham. Due to the tight competition, prices of goods are relatively the same. What can you suggest in order to help Mr Ilham on selecting a good supplier?.

a. What do you look for in selecting a supplier?

(24 marks)

b. In your opinion, how should Mr Ilham evaluate his supplier services?

(6 marks)

QUESTION 2

EMPLOYEE THEFT IN RESTAURANTS : PERCEPTION ABOUT THEFT – RELATED ACTIVITIES AND REPORTING BEHAVIOUR.

Employee theft has a strong impact on the foodservice industry. According to the United States Chamber of Commerce, annual revenue loss due to employee theft ranges from \$40 to \$400 billion and contributes to approximately fifty percent of small business failures within the first year (Oliphant & Oliphant, 2001). Costs associated with employee theft in the restaurant industry are estimated at \$3 to \$6 billion (Garber & Walkup, 2004). Typically, employee theft in foodservice falls into two categories: “shrinkage” the loss of inventory or “larceny” the loss of cash or merchandise. Food and liquor inventory, unpaid food consumption, credit card fraud, stolen tips, unauthorized discounts, and free food given to friends or family are just a few examples of employee theft in the restaurant industry. Moreover, these types of theft may often go undetected for long periods of time because proper internal control procedures are not in place (Garber & Walkup, 2004).

Consistency and accountability at each level of operation can help reduce the opportunity for employee theft. Therefore, a well-designed system of internal controls becomes critical. Such systems may help decrease the opportunities an employee has to steal from their employer

(Mohsin, 2006). Additionally, internal controls contribute to the overall success of a restaurant by providing a standard operating procedure for each phase of the business. Separation of duties, limited access to cash or assets, physical protection of assets, and internal and external audits can help restaurant operators increase efficiency and reduce losses due to theft by employees (Mohsin, 2006).

Development of an internal control system that reduces theft is impossible without the understanding of employees' perceptions toward theft and their behavioral inclinations toward cooperation with management. However, very few studies have explored how foodservice employees view theft and what would motivate them to disclose information regarding activities of theft by their peers. Furthermore, previous research on employee theft has requested employees to disclose information about actual actions regarding different types of theft (Ghiselli & Ismail, 1998). However, it is possible that some respondents may not be completely truthful in their answers with regard to themselves. This study attempts to address these gaps in the hospitality theory and examine how employees view acts of theft and how they would behave if exposed to theft-related behavior of peers.

By nature, restaurants provide an environment full of opportunities for which employees can take advantage of stealing business profits. Criminologists have determined three factors that cause employee theft: opportunity, motivation, and rationalization (Fikes, 2009). Research conducted by criminologists show that motivation is a key factor in whether or not an employee will steal from their employer. Examples of theft motivation in the restaurant industry may include employees who feel underpaid and overworked, as well as mistreatment by owners or members of management (Krippel, Henderson, Keene, Levi, & Converse, 2008). Social scientists have tested several theories on employee theft and found employees who steal do so for a variety of reasons (Greenberg, 1990). Some employees may steal to ease financial pressures. Younger workers are viewed as having lower moral and ethical standards that might affect theft. Some may view theft as a norm that it is accepted by their employers. It is important to mention that employees' attitudes play a key role in whether or not employee theft takes place. For example, employees who feel unfairly treated by their company tend to be more involved in deviant acts against their employer (Hollinger & Clark, 1983).

Employee theft can be categorized in many different ways. Hollinger, et al. (1992) place different acts of theft into three distinct categories: personal property deviance, altruistic property deviance, and production deviance. Personal property deviance is the act of taking cash, merchandise, equipment, or supplies for personal use. Altruistic property deviance involves giving away company property or assets to others at no charge or at a discounted rate. Production deviance refers to the loss of time and productivity in the workplace. The study also

examined the correlation between age, perceived employer unfairness, and length of service with the different types of deviance. Hollinger, et al. (1992) found that employees of all ages with tenure of more than one year, who felt unfairly treated by their company, were more likely to participate in personal property deviance against their employer.

This study also showed no correlation between unfair treatment and altruistic property deviance. However, employees who felt unfairly treated did participate more frequently in production deviance. Oliphant and Oliphant (2001) reveal a different method of decreasing or eliminating employee theft that may prove useful in the restaurant industry. Public posting is a behavior based method of displaying lost revenue from week to week in an attempt to discourage employees from stealing. If employees are in fact stealing, the researchers believe this method will deter them from participating in further personal property deviance. This study focused on a group of targeted items and tracked the losses for each of these items during the course of a week. The results were posted in the employee break room so everyone could see the progress. Oliphant's study of drug store employees showed an 82.1% drop in the number of targeted items stolen each week.

Retrieved from "Employee theft in Restaurant: perception about theft related activities and reporting behavior" by Hayley Holmes, school of Hotel and Restaurant Administration Oklahoma State University.

- a. Describe the potential problems buyers encounter in purchasing. (8 marks)
- b. What are the several potential security problems arise in connection with purchasing, receiving, storing, and issuing that the owner must be on guard against them. (10 marks)
- c. In most cases hospitality operator falls short in attempting to arm themselves. These operators must learn to work instead with the resources available to them. Nevertheless, all the operators can take several specific steps to prevent theft and pilferage. What are the steps can be taken regarding employee behavior? (12 marks)

END OF PART B