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KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
FIRST YEAR, SECOND SEMESTER EXAMINATION
FOR THE DIPLOMA IN HOSPITALITY MANAGEMENT
DHM 1621 CATERING AND ACCOMODATION CONTROL II

Date: 7th August 2024
Time: 2.30pm-4.30pm

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) Define the terms "catering" and "accommodation" as used in the hospitality industry (4 marks)
- b) Explain the importance of cost control in catering and accommodation operations (4 marks)
- c) Describe the elements of cost and discuss how they influence pricing decisions in the hospitality industry (4 marks)
- d) Discuss the role of yield management in portion control and its impact on food costing (4 marks)
- e) Explain the objectives of budgeting and identify different types of budgets used in the hospitality industry (4 marks)
- f) Outline the methods of timekeeping and their significance in controlling labour costs in the hospitality sector (4 marks)
- g) A hotel serves 200 meals daily, and the cost of raw ingredients per meal is Ksh. 150. The hotel uses FIFO costing method and wants to determine the impact of switching to LIFO. Assume the price of ingredients has been increasing over the last month, with the oldest batch costing Ksh. 140 per meal and the newest batch costing Ksh. 160 per meal. Calculate the total cost difference if the hotel serves 200 meals using FIFO versus LIFO for a day. Provide recommendations based on your calculation (6 marks)

QUESTION TWO (20 MARKS)

- a) Explain the concept of break-even analysis and its relevance in catering and accommodation pricing (7 marks)
- b) Compare and contrast the FIFO and LIFO methods of costing. Provide examples of when each method would be appropriate in the hospitality industry (7 marks)
- c) A restaurant incurs a fixed cost of Ksh. 200,000 per month and variable cost of Ksh. 300 per meal. If the price per meal is Ksh. 500, calculate the break-even point in units and in sales revenue (6 marks)

QUESTION THREE (20 MARKS)

- a) Discuss three emerging trends in catering and accommodation control (6 marks)
- b) Explain any four dangers of overstocking (8 marks)
- c) Explain any three methods used in issuing items from the store (6 marks)

QUESTION FOUR (20 MARKS)

- a) Explain any three types of reports in controlling costs in catering and accommodation operations (6 marks)
- b) Discuss any four aims of receiving stock in a hotel (8 marks)
- c) Given the following data for IHG hotel A located in Maasai Mara: Total sales for the month are Ksh. 1,000,000 and the cost of goods sold is Ksh. 400,000.
 - i) Calculate the gross profit margin (4 marks)
 - ii) Discuss its significance in cost control (2 marks)

QUESTION FIVE (20 MARKS)

- a) Define labor turnover and discuss its causes in the hospitality industry (7 marks)
- b) Examine any three purposes of a meat tag (6 marks)
- c) Forecasting is the predicting of future expectations in terms of sales for a specific period. Explain the main functions of forecasting in catering establishments. (6 marks)