

# FBM A220: FOOD AND BEVERAGE COST CONTROL

Item	Value
Curriculum Committee Approval Date	11/15/2023
Top Code	130710 - Restaurant and Food Services and Management
Units	4 Total Units
Hours	72 Total Hours (Lecture Hours 72)
Total Outside of Class Hours	0
Course Credit Status	Credit: Degree Applicable (D)
Material Fee	No
Basic Skills	Not Basic Skills (N)
Repeatable	No
Grading Policy	Standard Letter (S)
Associate Arts Local General Education (GE)	<ul style="list-style-type: none"> <li>OC Comm/Analytical Thinking - AA (OA2)</li> </ul>
Associate Science Local General Education (GE)	<ul style="list-style-type: none"> <li>OCC Comm/Analytical Thinking - AS (OAS2)</li> <li>OCC Mathematics (OMTH)</li> </ul>

## Course Description

This course introduces students to the principles of cost control relating to concepts of food, beverage, and labor in the food & beverage industry including budgeting, forecasting, financial analysis, food and labor costs, beverage control, and inventory control. Formerly FSM A240. PREREQUISITE: Successful completion of a course at the level of beginning algebra or Appropriate OCC math placement. Transfer Credit: CSU.

## Course Level Student Learning Outcome(s)

1. Demonstrate and describe proper cost control principles relating to food, beverage and labor through the concepts of budgeting, forecasting and operating costs in addition to assessing the importance of standardization in controlling costs.

## Course Objectives

- 1. Define key terms and concepts relating to food, beverage, and labor cost controls.
- 2. Solve word problems involving algebra and general reasoning related to the food and beverage industry.
- 3. Identify and apply techniques and procedures of the control process to the primary cost areas of food, beverage, and labor.
- 4. Compute the cost of food and beverages sold and related cost percentages.
- 5. Apply the importance of standardization and percentages in controlling costs in the food and beverage industry.
- 6. Analyze sales and expenses using the profit and loss statement.
- 7. Distinguish between standard, actual and budget food beverage cost and percentage.
- 8. Describe, analyze and compare financial accounting statements and reports as a management tool.

## Lecture Content

Basic Math Fractions Decimals Ratios Proportions Percentage Calculations System of Units Units of measure in the american and metric system Traditional weights and measures Managing the Cost of Food Standardized recipes Calculate total yield, portion size, and recipe cost Inventory controls Establishing purchase point and amount to purchase Product Yield (A.P. vs E.P.) Managing the Cost of Beverage Forecasting beer, wine, and spirit sales Standardized drink and recipe/ portions Determine what and how much beer, wine, and spirits to stock Bar transfers Computing cost of beverages, sales mix, and percentages Food and Beverage Production Process Production schedules Inventory control Product issuing for food, supplies, and beverages Estimating daily costs using the issuing system Inventory controls Physical and perpetual Bin counts Financial Statements Profit and loss statement format Balance sheet formats Supporting schedules for financial statements Construction of food service statements Comparison of statements and calculations Using percent and dollar analysis Statement Analysis Accounting formula Liquidity ratios (current, quick and working capital) Leverage ratios (debt to asset, debt to equity and times interest earned) Activity ratios (inventory turnover, table turns, check average) Profitability ratios (return on sales, assets, and equity) Analyzing the profit and loss statement Analysis of sales/volume Analyzing food and beverage expense Vertical and horizontal analysis Contribution margin Break Even Point Analysis Mathematical Formula Defining Fixed and Variable Cost Managing the Cost of Labor Labor and payroll expense distinctions Fixed payroll and variable payroll Calculating labor cost percentage Sales per labor hour and guests served per labor hour Guests served per labor dollar Productivity standards Controlling Operating Expenses Controllable, Operational, and Occupancy Expenses Budgeting and Financing Forecasting tools Static vs. flexible budgets Financing options debt vs. equity Working capital calculation

## Method(s) of Instruction

- Lecture (02)
- DE Live Online Lecture (02S)

## Instructional Techniques

Lecture, demonstration, problem solving group discussion, videos, and computer applications

## Reading Assignments

2-4hours: textbook and additional provided materials.

## Writing Assignments

3-4hours: Objective is to have the student apply weekly topics in realistic problem solving situations. Examples would be graphing break-even point for a hypothetical restaurant, evaluating profit and loss situations, performing ratio analysis on balance sheets, financing an on-going and start-up business, etc. Apply knowledge learned to successful completion of comprehensive midterm and final examinations.

## Out-of-class Assignments

1-2hours: homework assignments relating to each chapters objectives.

## Demonstration of Critical Thinking

Weekly assignments; midterm exam; final exam; math competency test.

**Required Writing, Problem Solving, Skills Demonstration**

Weekly assignments. Objective is to have the student apply weekly topics in realistic problem solving situations. Examples would be graphing break-even point for a hypothetical restaurant, evaluating profit and loss situations, performing ratio analysis on balance sheets, financing an on-going and start-up business, etc. Apply knowledge learned to successful completion of comprehensive midterm and final examinations.

**Eligible Disciplines**

Culinary arts/food technology (food service, meat cutting, baking, waiter/waitress): Any bachelors degree and two years of professional experience, or any associate degree and six years of professional experience.  
Restaurant management: Any bachelors degree and two years of professional experience, or any associate degree and six years of professional experience.

**Textbooks Resources**

1. Required Dopson, Lea R., Hayes, David K.. Food and Beverage Cost Control, 7th ed. Wiley, 2019