



HOSP-220 – Food and Beverage Cost Controls

Business

Effective Term & Year: Fall 2022

Course Outline Review Date: 2026-04-01

Program Area: Tourism, Recreation, & Hospitality

Description:

This course focuses on the principles and procedures involved in effective cost control management for food, beverage and labour in the Hospitality Industry. Students will develop skills in basic control procedures, internal control methods, methods used for cost analysis & cost adjustments as well as interpretation of financial information. The use of applicable computer applications will also be introduced.

Program Information:

This course is required for the completion of the Hospitality Management Diploma.

Delivery Methods: On-campus (Face-to-Face)

Credit Type: College of the Rockies Credits

Credits: 3

Instructional Activity and Hours:

| Activity | Hours |
|---|-------|
| Classroom, Directed Studies or Online Instruction | 45 |
| Seminar/Tutorials | |
| Laboratory/Studio | 15 |
| Practicum/Field Experience | |
| Co-op/Work Experience | |
| Other | |

| | |
|-------|----|
| Total | 60 |
|-------|----|

Course Requisites:

- Complete all of the following
 - Earned a minimum grade of C- (55%) in at least 1 of the following:
 - [ACCT261](#) – Introductory Financial Accounting 1 (3)
 - [ACCT263](#) – Financial Accounting for Tourism Majors (3)
 - Earned a minimum grade of C- (55%) in each of the following:
 - [HOSP135](#) – Beverage Operations (3)

Flexible Assessment: Yes

In some cases students may be able to apply for recognition of prior learning outside the classroom. This flexible assessment process provides equivalent course credit. It is a rigorous process that may include external evaluation, worksite assessment, demonstration, standardized test, self-assessment, interview, products/portfolio, and challenge exam, or other measures as appropriate. Tuition fees apply. Contact an education advisor for more information.

Course Transfer Credit:

For information about receiving transfer credit for courses taken at either British Columbia or Alberta institutions, please see <https://www.bctransferguide.ca/> or <https://transferalberta.alberta.ca> . For more transfer credit information, please visit <https://www.cotr.bc.ca/Transfer>

All requests for course transfer credit from institutions in British Columbia or elsewhere should go to the College of the Rockies Enrolment Services office.

Textbook Resources:

Textbook selection varies by instructor and may change from year to year. At the Course Outline Effective Date the following textbooks were in use:

Dopson, L. R., Hayes, D. K., *Food and beverage cost control*. 7th edition. (2016). Wiley

Please see the instructor's syllabus or check COTR's online text calculator <https://textbook.cotr.bc.ca/> for a complete list of the currently required textbooks.

Learning Outcomes:

Upon the successful completion of this course, students will be able to:

- Understand and explain the financial roles and responsibilities of a food and beverage manager in the success of the food and beverage business.
- Discuss the importance of menu item (recipe) standardization in controlling costs.
- Apply the terminology and industry acceptable calculations techniques involved in cost control and analysis for food, beverage and labour, by using manual as well as computerized systems.
- Utilize menu engineering techniques to analyze menu sales and increase profitability.
- Describe and evaluate best practices in sourcing, purchasing, receiving, storing & issuing of food and beverage items.
- Compare and discuss the difference between cost control and cost reduction as applicable to a food and beverage business.
- Identify internal control methods and summarize how these could effect the financial viability of the food and beverage business.
- Investigate current management techniques to control current assets, and explain the techniques of cash management and budgeting.
- Propose internal and external control methods to implement in an attempt to prevent theft and fraud.
- Evaluate labour optimization strategies to improve scheduling and operational productivity.
- Apply acquired knowledge by using food and beverage costing simulation software to practice food and beverage profitability.

Course Topics:

- Introduction to food and beverage financial control
 - Understanding basic financial statements
 - Manager's financial control function and responsibility
 - Basic pricing strategies and competitiveness
 - Trends in food and beverage control methods
- Menu costing principles
 - Standardized recipes and cost calculations
 - Recipe evaluation e.g. yield test
 - Menu pricing strategies and calculations
 - Ingredient quality specifications
- Product cycle policies and control procedures
 - Purchasing including supplier evaluation
 - Receiving
 - Storing, including physical inventory

- Issuing
- Sales and cost calculations
 - Cost control versus cost reduction
 - Guest check analysis
 - Cost volume profit (CVP) relationships
 - Breakeven analysis
- Food and beverage financial control
 - Inventory control
 - Revenue control through cash and accounts
 - Internal and external loss control methods in theft and fraud
 - Labour cost management
 - Operating budget analysis

See instructor's syllabus for the detailed outline of weekly readings, activities and assignments.

Evaluation and Assessments

Assessment Type: On-Campus (face-to-face)

| Assessment Type | % of Total Grade |
|--|------------------|
| Class discussion and participation | 10% |
| Food and Beverage costing application assignment | 15% |
| Food and Beverage financial management techniques assignment | 15% |
| Lab assignment – Food and Beverage cost simulation | 10% |
| Midterm Exam | 25% |
| Final Exam | 25% |
| Total | 100% |

Grade Scheme

| A+ | A | A- | B+ | B | B- | C+ | C | C- | D | F |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|
| >=90 | 89-85 | 84-80 | 79-76 | 75-72 | 71-68 | 67-64 | 63-60 | 59-55 | 54-50 | <50 |

Pass requirements: None

Evaluation Notes: A minimum grade of C (60%) is required for credit towards a diploma in Hospitality Management.

Exam Attendance:

Students must attend all scheduled exams at the appointed time and place. Instructors may approve an alternate exam to accommodate an illness or personal crisis. Department heads will consider other written requests. Any student who misses a scheduled exam without prior

approval will receive a “0” on the exam.

Academic Policies:

College of the Rockies policies related to courses can be found at <https://cotr.bc.ca/about-us/college-policies/> and include the following:

- Policy 2.4.3 Students with Documented Disabilities
 - Policy 2.4.4 Student Conduct (plagiarism, other cheating, behavioral misconduct)
 - Policy 2.5.8 Academic Performance
 - Policy 2.5.3 Grade Appeal
 - Policy 2.4.9 Student Concerns Re Faculty
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Course Changes:

The College of the Rockies updates course outlines regularly to meet changing educational, employment and marketing needs. The instructor will notify students in writing of any updates to this outline during the semester. The instructor reserves the right to revise, add or delete material while meeting the learning outcomes of this course outline.