Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Period:\_\_\_\_\_\_\_\_\_\_

ProStart 2 – Chapter 3

1. What is the one rule that must be obeyed in order for a business to survive? (147)

2. Define (147)

|  |  |
| --- | --- |
| Revenue |  |
| Cost |  |
| Cost control |  |

3. What does variable or semivariable costs mean? (148)

4. Why are variable or semivariable costs controllable costs? (148)

5. What does fixed or non-controllable cost mean? (148)

 Give 3 examples of fixed or overhead cost.

 1. 2. 3.

6. How can you control food cost? Give at least 2 examples. (149)

7. How can you manage labor costs? (149)

8. What is an operating budget? (151)

9. What are the three purposes of an operating budget? (151)

|  |
| --- |
| 1  |
| 2 |
| 3 |

10. Define the following: (152-153)

|  |  |
| --- | --- |
| Forecast  |  |
| Average Sales Per Customer |  |
| Sales History |  |
| Production Sheet |  |
| Moving Average Technique or Smoothing |  |

11. What is a point of sale or POS System? (153)

12. Financially why does is pay to sell alcohol in a restaurant? (154)

13. Explain the 3 steps to developing an operating budget (154-155)

|  |
| --- |
| Collect all available and demographic data.  |
| Forcast revenues. |
|  Forcast costs. |

14. What are the 4 steps used to forecast sales volume? (155-156)

|  |
| --- |
| 1  |
| 2 |
| 3 |
| 4 |

15. Another way to manage and control costs is by using a profit and loss report. Please explain how this is done. (156-157)

16. List at least six cost control tools (158)

|  |  |
| --- | --- |
| 1  | 4 |
| 2 | 5 |
| 3 | 6 |

17. Food costs must be controlled throughout all seven stages of the food flow process, explain how this can be done in each stage. (165-166)

Issuing

Storing

Receiving

Serving

Cooking

Preparing

Purchasing

18. Define the following (167)

|  |  |
| --- | --- |
| Food Cost  |  |
| Opening Inventory |  |
| Closing Inventory |  |

19. What is the formula for obtaining an actual food cost? (167)

20. What is food cost percentage? (167)

21. What is the formula for determining food cost percentage? (168)

22. What a standard portion cost? (169)

23. What is the difference between as purchased (AP) and edible portion (EP)? (170-171)

24. What is a recipe yield? (171)

25. What are the 5 steps for changing a recipes yield? (173)

|  |
| --- |
| 1  |
| 2 |
| 3 |
| 4 |
| 5 |

26. How does using a standard portion size affect a restaurant’s cost and profits? (174)

27. Explain the 4 ways to determine menu pricing. (177-178)

|  |  |
| --- | --- |
| Contribution Margin | Straight Markup Method |
| Average Check Method | Food Cost Percentage \*\* |

28. Why is labor cost semivariable? (185)

29. Explain what happens if an operation spends too much on labor? (186)

 What if they spend too little on labor? (186)

30. Explain how the following factors affect labor costs (187-189)

|  |  |
| --- | --- |
| Business Volume  |  |
| Employee Turnover |  |
| Quality Standards |  |
| Operational Standards |  |

31. Explain the difference between a master schedule and a crew schedule. (190-191)

32. Scheduling employees is important to controlling costs in an operation. Things don’t always go as planned. You might need a contingency plan…what three things should be included?

|  |
| --- |
| 1 |
| 2 |
| 3 |

33. What is one way in which quality standards help with cost control for each of the following aspects of foodservice? (199-203)

 Purchasing:

 Receiving:

 Storing:

34. Why is it important to compare the purchase order to the invoice? (201)

35. Define the following physical inventory. (204)

36. Explain the 4methods of taking closing inventory (205-206)

|  |  |
| --- | --- |
| Latest purchase price | Actual purchase price |
| Weighted average purchase price | Last in, first out |

Test Review Questions (214-215)

1. \_\_\_\_\_ 6. \_\_\_\_\_

2. \_\_\_\_\_ 7. \_\_\_\_\_

3. \_\_\_\_\_ 8. \_\_\_\_\_

4. \_\_\_\_\_ 9. \_\_\_\_\_

5. \_\_\_\_\_ 10. \_\_\_\_\_