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

ProStart 2 – Chapter 5

1. What are the 4 goals that keep buyers focused when purchasing? (287)

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

2. Explain each tool: (288)

 Customer-count histories

 Popularity index of items sold

 Vendor deliver schedules

 Availability of items from vendors

 Recognizing outside influences

3. Explain how quality standards are implemented. (288)

4. The amount of funds (money, spendable cash) that a business has available to it at any given time is its *cash position.*  Cash position affects spending factors. Explain each spending factor: (289)

 Customer-count forecasts:

 Available store capacity for new product:

 Forecasts of future costs of a product:

5. What three things must an operation do in order to stay competitive? (289-290)

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

6. Explain each of the following sources for product and give an example of each: (290-291)

|  |  |
| --- | --- |
| Primary |  |
| Intermediary |  |
| Retailers |  |

7. For each category of purchases give 2 examples of what is being purchased. Also label

 each asset for its type. (293-299)

|  |  |
| --- | --- |
| Food & Beverage  |  |
| Nonfood Items |  |
| Small wares & equipment |  |
| Technology |  |
| Furniture, fixtures, equipment |  |
| Business supplies & services |  |
| Support services |  |
| Maintenance services |  |
| Utilities |  |

8a. There are generally two kinds of restaurants. Independent restaurants are owned by an individual

 or group of people. Franchise restaurants are ….

8b. Explain the difference between formal and informal purchasing. (300)

|  |  |
| --- | --- |
| Formal Purchasing | Informal Purchasing |
| What types of businesses? | What types of businesses? |
| Who makes the purchases? | Who makes the purchases? |
| What do bids look like? | What do bids look like? |

9. What are kickbacks? Are they ethical or not? (301)

10. What are quality standards? (307)

11. Explain how the following factors go into determining quality standards (307-310)

|  |  |
| --- | --- |
| Item’s intended use |  |
| Operation’s concept and goals |  |
| The menu |  |
| Employee skill level |  |
| Budgetary constraints |  |
| Customer wants and needs |  |
| Seasonal availability |  |
| Storage capacity |  |

12. What are product specifications or specs? (310-311)

13. What are the 13 categories of possible specifications? (312-313)

 1. 8.

 2. 9.

 3. 10.

 4. 11.

 5. 12.

 6. 13.

 7.

14. What is a make-or-buy analysis? (313)

 What are the advantages to buying ready-made product? (313)

15. Define the following. Also list who is responsible for preparing each sheet. (314-316)

|  |  |
| --- | --- |
| Production sheet |  |
| Stockouts |  |
| Overproduction |  |
| Daily food cost sheets |  |
| Sales mix record |  |
| Leaders |  |
| Losers |  |
| Par stock |  |
| Reorder point (ROP) |  |

 15 b. What is a production record? How is it different from a production sheet?

 15c. What percentage do managers generally want to keep their daily food cost percentage below?

 (315)

16. What is a purchase order? (316)

What is typically included on a purchase order? (316-317)

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|  |  |

17. Define each factor that can influence price and explain briefly how it works. (318-319)

 Time value:

 Form value:

 Place value:

 Transportation value:

 Service value:

18. What is supply and demand? (320)

19. What does receiving mean? (326)

20. How does a receiver use an invoice? (326)

21. List the guidelines for receiving (377)

 1.

 2.

 3.

 4.

 5.

 6.

 7.

22. What are the four steps for refusing product? (327-328)

 1.

 2.

 3.

 4.

23. What’s the difference between perishable and nonperishable products? (329)

24. What are the points to remember in refrigerator storage? (330)

|  |  |
| --- | --- |
| 1 |  |
| 2 |  |
| 3 |  |
| 4 |  |
| 5 |  |
| 6 |  |
| 7 |  |

25. What are the points to remember in frozen storage? (331)

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

26. What are the points to remember in dry storage? (332)

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| --- | --- |
| 1 |  |
| 2 |  |
| 3 |  |
| 4 |  |
| 5 |  |
| 6 |  |
| 7 |  |
| 8 |  |
| 9 |  |
| 10 |  |
| 11 |  |
| 12 |  |
| 13 |  |

27. Define the following: (333-334)

 Inventory

 Physical inventory

 Perpetual inventory

 Invoice inventory

 Periodic inventory

28. What is the biggest difference between physical and perpetual inventory? (334)

29. What is issuing? (334)

30. What is pilfering and how can it be prevented? (334)

31. Summarize the 10 steps of purchasing. (337)

|  |  |
| --- | --- |
| 1 |  |
| 2 |  |
| 3 |  |
| 4 |  |
| 5 |  |
| 6 |  |
| 7 |  |
| 8 |  |
| 9 |  |
| 10 |  |

32. What is daily food cost and why would managers need to know it? What is the formula for calculating daily food cost percentage? (315)

Test Review Questions (346-347)

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

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

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

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

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