



Kasarani Campus  
Off Thika Road  
P. O. Box 49274, 00101  
NAIROBI  
Westlands Campus  
Pamstech House  
Woodvale Grove  
Tel. 4442212  
Fax: 4444175

**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: 11<sup>th</sup> April 2024  
Time: 2.30pm-4.30pm

**INSTRUCTIONS TO CANDIDATES:**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

- a) The following information was extracted from the books of KWUST restaurant in respect of June 2011

Sales	£26000
Opening stock 1 <sup>st</sup> June	£2500
Closing stock 30 <sup>th</sup> June	£3200
Wages and salaries	£5600
Purchases	£12300
National insurance	£300
Repairs and renewals	£1000
Income tax	£400

Assuming that £800 of food cost consumed has been used for staff meals, calculate

- Material cost (4marks)
  - Labour cost (4marks)
  - Food cost and express it as a percentage (6marks)
  - COGs (4marks)
- b) Explain three basic methods of pricing that can be adopted in the hospitality industry (6marks)
- c) Highlight four types of costs that an organization should take into account while considering their behavior to volume of sales (4marks)
- d) Distinguish between a budget and budgetary control (2marks)

**QUESTION TWO (20 MARKS)**

- a) Budgetary control plays a key role in controlling organizations cost. Describe the basic categories of budgets giving examples in each case (8marks)
- b) Time keeping provides a record of total time spent by the workers in the factory. Describe the methods of time keeping that can be adopted in catering establishments (6marks)
- c) Idle time affects work productivity levels. Explain four causes of idle time in the hospitality industry (8marks)

**QUESTION THREE (20 MARKS)**

- a) i. With Aid of a diagram Illustrate the concept of break-even analysis (6 marks)  
ii. Factory costs for XYZ restaurant for the month of June are estimated to be \$300, Labour cost \$ 100 and food cost is \$600. Calculate the break-even point for the sales? (4marks)
- b) Budgeting serves basically as a tool for management control of control. Highlight five features of budgeting and budgetary control (5marks)
- c) Explain the basic types of forecasting that can be adopted by catering establishments (5marks)

#### **QUESTION FOUR (20 MARKS)**

- a) The following information was extracted from store books of accounts.

March 1st	received	1000 units at shs. 12 each
March 4th	received	500 units at shs. 13 each
March 9th	issued	400 units
March 15th	issued	700 units
March 21st	received	800 units at shs. 14 each
March 25th	issued	500 units
March 28th	issued	400 units

An order for 1000 units at shs.13.50 has been placed for delivery on April 1<sup>st</sup> 2023. Using FIFO method of Costing;

- i. Record the above transaction in a store ledger Sheet (4 marks)
  - ii. Calculate the closing balance as at 1<sup>st</sup> April 2023 (8 marks)
- b) High Employee turnover is among the challenges affecting the hospitality industry. Explain the factors that influence labour turnover in Accommodation establishments (8marks)

#### **QUESTION FIVE (20 MARKS)**

- a) A revenue control and management policy establishes proper control over all receipts and receivables. Describe the revenue control systems used in the hospitality industry (8marks)
- b) To calculate the net wages payable to each worker, there are deductions that are usually made from the gross wages: List these deductions (6 marks)
- c) Production planning and control is a tool available to the management to achieve the stated objectives. Describe the objectives of production planning and control (8 marks)