

HOSP-2500: HOSPITALITY COST CONTROL

Cuyahoga Community College

Viewing: HOSP-2500 : Hospitality Cost Control

Board of Trustees:

January 2022

Academic Term:

Fall 2022

Subject Code

HOSP - Hospitality Management

Course Number:

2500

Title:

Hospitality Cost Control

Catalog Description:

Addresses lodging, tourism, and food and beverage industries procedures to help control food, beverage, labor costs and sales income in food and beverage operations. Analysis of factors that serve as base for decision-making and improvement of operations that result in increased profits. Use of developing technology related to spreadsheets and other cost control aids. Field trips may be required.

Credit Hour(s):

3

Lecture Hour(s):

3

Lab Hour(s):

0

Other Hour(s):

0

Requisites

Prerequisite and Corequisite

HOSP-2700 Hospitality Purchasing, or concurrent enrollment; or departmental approval: work experience or prior business courses in related subjects.

Outcomes

Course Outcome(s):

Apply knowledge of cost control to calculate cost of food, beverage, labor, lodging and entertainment rates to meet employer's budgetary guidelines.

Essential Learning Outcome Mapping:

Quantitative Reasoning: Analyze problems, including real-world scenarios, through the application of mathematical and numerical concepts and skills, including the interpretation of data, tables, charts, or graphs.

Objective(s):

1. Discuss the control process.
2. Calculate labor costs, payroll, tax, tip, credits, and other employee related costs.
3. Analyze sales using menu engineering.
4. Analyze labor costs for banquet and room service.
5. Discuss room and space rental and how it affects your labor costs.
6. Describe the effects of fixed and controllable cost within the hospitality industry.

7. Determine break-even points for desired profit.
 8. Develop a budget.
 9. List cost factors in selected areas of food and beverage, lodging, or tourism management.
 10. Discuss how cost controls influence decision-making.
 11. Analyze profitability of a menu.
 12. Set menu prices based on food and beverage costs and food and beverage cost percents.
 13. Demonstrate proper use of hospitality cost control software.
 14. List factors influencing labor costs and relate labor costs to food production and services within lodging and food industries.
-

Course Outcome(s):

Perform inventory calculating month-ending, turnover rate, and monthly food and beverage costs.

Essential Learning Outcome Mapping:

Quantitative Reasoning: Analyze problems, including real-world scenarios, through the application of mathematical and numerical concepts and skills, including the interpretation of data, tables, charts, or graphs.

Objective(s):

1. Explain the use of the uniform system of accounts.
 2. Interpret and analyze income statements.
 3. Analyze profit and loss statement (ratio analysis).
 4. Analyze cost factors in selected areas of food and beverage, lodging, or tourism management.
 5. Describe procedures to control costs in purchasing, receiving, storing (inventory), issuing, production, and service.
 6. Explain procedures for rotation of stock and for costing inventory using first in, first out (FIFO) and last in, last out (LIFO).
 7. Devise corrective action procedures through case studies.
 8. Explain procedures implementing bar and beverage controls.
-

Methods of Evaluation:

1. Evaluation of daily preparation including problems in worksheets
2. Project
3. Quizzes
4. Final exam
5. Spreadsheets
6. Case Studies

Course Content Outline:

1. Food, beverage and lodging accounting
 - a. Defining cost control
 - b. Cycle of control
 - c. Relation of cost control and accounting
 - d. Uniform system of accounts
 - e. Balance statement
 - f. Income statement
 - g. Ratio analysis of the income statement
 - h. Fixed and controllable costs
2. Menu
 - a. Menu planning as the core of operation
 - b. Review of basics for successful planning
 - c. Methods of setting prices
 - d. Analyzing sales and profitability of menus
 - e. Using menu engineering to improve sales
 - f. Food cost percentage versus contribution margin for evaluating menus
3. Electronic spreadsheets: cost control software
4. Areas of food cost control
 - a. Purchasing
 - b. Receiving
 - c. Storing

- d. Issuing
- e. Production
- f. Service
- g. Summary of ideal food cost control system
- 5. Beverage cost control
 - a. Factors influencing beverage cost
 - b. Analysis of problems of beverage control
 - c. Control measures
- 6. Labor cost control
 - a. Factors influencing labor costs
 - b. Analysis of labor costs
 - c. Labor cost control measures
- 7. Other areas of cost control
 - a. Utilities
 - b. Supplies
 - c. Cash control
 - d. Contract services
 - e. Reviewing checklists as a control tool
 - f. Entertainment rates

Resources

Lea R. Dopson and David K. Hayes. *Food and Beverage Cost Control*. 7th ed. New York: Wiley, 2019.

Jagels, Martin G. *Hospitality Management Accounting*. 9th ed. Wiley, 2014.

Edward Sanders. *Food, Labor, and Beverage Cost Control: A Concise Guide*. 2nd ed. 2021.

Dittmer, Paul R., and Keefe, J Desmond. *Principles of Food, Beverage, and Labor Cost Control for Hotels and Restaurants*. 9th ed. Wiley, 2009.

Cote, Raymond. *Accounting for Hospitality Managers*. 5th ed. Michigan: Educational Institute of the American Hotel Motel Association, 2007.

Daniel Traster. *Foundations of Cost Control*. Pearson, 2013.

National Restaurant Association. *Uniform System of Accounts Restaurants*. 8th ed. Washington, D.C.: National Restaurant Association, 2012.

Ojugo, Clement. *Practical Food and Beverage Cost Control*. Second. Delmar, 2010.

Asch, Allen. *Hospitality Cost Control*. Pearson, 2006.

Resources Other

1. ALP. Software for purchasing from US Food Service
2. Chef Tec Software

Top of page

Key: 2303