

FAB 461
Food and Beverage Cost Control
Section 004

Class Hours: Tuesday & Thursday: 10:00 – 11:15 AM; BEH 105
Office Hours: Tuesday: 3:00 – 6:00 P.M.
 Thursday: 3:00 – 5:00 P.M.

Course Objectives: By the end of this course, the student will be able to:

1. Illustrate an understanding of the factors which affect food, beverage, and labor costs in foodservice operations.
2. Identify the various analytical techniques that may be used to understand the profitability structure of food and beverage operations.
3. Analyze information from yield tests and recipe costs.
4. Calculate prices for food and beverage items.
5. Demonstrate how to control food, beverage, and labor costs in foodservice operations.
6. Explain how cash may be lost and how to prevent it.
7. Calculate Activity – Based Cost (ABC) for restaurant menu items.
8. Forecast sales by using regression analysis
9. Conduct breakeven analyses for sales volumes and revenues.

Web Campus Materials

- Course Syllabus: FAB 461 Syllabus.
- Course Text: *Food and Beverage Cost Control* by Donald A. Bell. This is available on Web Campus; you do not have to purchase a textbook. Recommended book: Hospitality Industry Managerial Accounting, Schmidgall 7th Edition.
- Course Content: This contains the PowerPoint slides (in handout format) used for this course. You should print out the slides and bring them to class so you can follow the lectures and take notes more effectively.

Course Requirements:

- 1) Pretest – This covers the entire course and it is used solely for assessment purposes. The class average score will be compared to the final exam to indicate whether and to what extent, learning has taken place. Although this does not count in the grade, it is mandatory and will be given on the first day of class.

- 2) Examinations - There will be a total of 2 non-cumulative examinations given during the semester and one final exam, which will be cumulative.
- 3) Quizzes – These will be given throughout the session and will usually be on material we have just or recently covered. They will not necessarily be announced. It is expected that, as soon as the material is introduced in class, you will prepare yourselves for a quiz.
- 4) Project – There will be a small project, which calculates Activity – Based Cost for a restaurant.
- 5) Final Examination - The final exam will be comprehensive. It will be given during the University scheduled final examination for our class schedule.

Exam/Quiz Make-Up Policy:

- The general policy is that quizzes cannot be made up since you are expected to attend every class. The professor may allow a quiz to be made up but only if arrangements have been made between the professor and the student ahead of time. If an examination is missed and no arrangements have been made ahead of time between the professor and the student, the student will have to take a zero on that exam.
- As a general University rule, a student missing a class or laboratory assignment because of observance of a religious holiday shall have the opportunity to make up missed work. Students must notify the instructor of anticipated absences.
- Also, students who represent UNLV at any official extracurricular activity shall have the opportunity to make up assignments, but the student must provide official written notification no less than one week prior to the missed class(es).
- Students who have an authorized absence are responsible for all the materials they miss. They can make up tests but will normally be required to take them prior to the absence. The same applies to assignments. If any are due on the day of their authorized absence, they will have to be submitted early.

Course Grading:

1. Examinations - 2 at 20 points each	40
2. Quizzes	20
3. ABC project	15

4. Final Examination

25

Total

100

Grading Scale: Grades will be determined on a straight-scale basis. Curving will not be used. Your grade reflects only your performance; the performance of others has no effect on it.

A = 93+	A- = 90-92.9	B+ = 87-89.9	B = 82-86.9	B- = 79-81.9
C+ = 75-78.9	C = 70-74.9	D = 60-69.9	F = 0-59.9	

Academic Honesty:

The penalty for academic dishonesty will be a failing grade in the course. The College may also suspend or expel the student(s), depending on the circumstances. Instances of academic dishonesty include, but are not limited to, the following types of activities.

- Looking at another student's exam. It does not matter if you are actually copying any answers; if you are observed looking at another student's exam paper, your exam will be taken by the professor and you will receive an F for the course.
- Stealing an exam.

Please view: <http://studentconduct.unlv.edu/misconduct/policy.html>

Examination Policy:

- You must bring a calculator to all classes; you will need it for most of the quizzes and for problems we work in class. No grade allowances will be made for students who forget to bring one. Cell phones may not be used as a calculator during quizzes and exams. You are allowed a formula sheet for the exams.

Attendance and Participation Policy:

Students will sign in for every class to create a record of participation for the class. Participation in this class includes the following: actively engaging in class discussions and solving in-class assignments. The professor will also use it to record participation in the course and in students' responses to randomly asked questions. The attendance and participation record will be used at the discretion of the professor to determine whether individual student's final grades should be "bumped" up when they are very close to the cut off score for a higher grade. It also will be used to determine whether exceptions should be made with students who request make up exams or quizzes. Students who have a record of missing class and/or are unresponsive in class will not be given any consideration. The instructor has found, after many years of teaching, that there is a

strong correlation between attendance and performance. Students who miss classes usually do poorly (although regular attendance is no guarantee of excellent performance).

Punctuality Policy:

Students who are late will not be permitted to enter and disrupt class. The only exception to this policy will be during quizzes when they are given at the beginning of the class period; students who are late will be permitted to take the exam or quiz but will not be given additional time. **Also, please turn off cell phones during class.**

Course Prerequisites:

You must have completed the prerequisites before taking FAB 461. There are specific prerequisites for this course and there are general pre-major core requirements that apply to all Hotel Administration required 300 and 400 level courses. An exception to this rule applies to students who are not required to take these courses (because an equivalent course has been transferred from another school).

If you have not yet completed these courses, or any of the prerequisites for them, you must drop this course. If, at any time during the session, it is found that the prerequisites have not been completed, the instructor will make an administrative drop.

- Pre-Major Designation: Pre-major core must be completed prior to enrolling in upper division degree requirements. All students entering the College of Hotel Administration will be designated as a pre-major until they have completed the pre-major core and achieved an overall 2.50 GPA.
 - The pre-major core for Hotel Administration majors includes: ENG 101, ENG 102, ENG 232 or 232, HIST 100 or PSC 101, MATH 124, COM 101, PHI 101, PSY 101 or SOC 101, ECON 261, IS 101 or HMD 225, or CS 115, HMD 101, HMD 103, FAB 101, FAB 159, FAB 160, TCA 201, TCA 221.
 - The pre-major core for Culinary Arts Management majors is the same except for the addition of CHEM 110, BIOL 100, NUTR 121 .
- The specific catalog prerequisites for FAB 461 are:
 - FAB 160 (FAB 159 [FAB 101])
 - TCA 221 (MATH 124)

COMPETENCIES

There have been problems with this course due to students seemingly not possessing the competencies they ought to have based on the courses they are required to take prior to 461. As a result, much time has been taken in teaching material that ought to

have been learned in earlier classes. This will no longer be done. The following is a list of competencies that can be expected from each prerequisite:

▪ **FAB 101**

- Understand and be able to define a foodborne illness and an outbreak.
- Be able to identify populations at high risk for foodborne illness.
- Be able to identify potentially hazardous foods.
- Be able to identify the three potential hazards to food safety (biological, chemical and physical hazards).
- Be able to identify how food becomes unsafe (time-temperature abuse, cross-contamination, and poor personal hygiene).
- Be able to identify the microorganisms that can contaminate food and cause illness (bacteria, viruses, parasites, fungi).
- Be able to identify the elements of the acronym FAT TOM (food, acidity, temperature, time, oxygen and moisture) and demonstrate understanding of them.
- Be able to identify fish, shellfish and plant toxins and demonstrate understanding of them.
- Be able to identify food allergens and develop training and menu policies to avoid problems.
- Be able to identify how food handlers can contaminate food.
- Demonstrate understanding of proper hand washing procedures and hygienic hand practices.
- Be able to demonstrate understanding of how to handle employee illnesses.
- Demonstrate knowledge of how to protect food during purchasing, receiving, storing, preparing, holding, and serving.
- Discuss the procedures for ensuring sanitary equipment, facilities, and food-handling practices.
- Explain how to set-up cleaning, safety, pest control, crisis management, and training programs.

▪ **FAB 159**

- Identify various food products, including herbs, spices, vegetables, fruits, dairy, meats, poultry, fish, shellfish, pastas, and grains.
- Prepare written standardized recipe and requisition forms.
- Calculate food and beverage costs per portion, cost percentages, and menu prices.
- Demonstrate understanding of product yields and how they are used to convert purchase prices (AP) to serving costs (EP) and purchase quantities to serving quantities.
- Be able to extend recipes to larger quantities and costs.
- Be able to demonstrate understanding of American weights and measures.
- Be able to analyze differences between styles of service.

▪ **TCA 221**

- Understand the major components of the Hospitality Balance Sheet and be able to interpret the financial information presented in this statement.
- Understand the major components of the Hospitality Income Statement and be able to interpret the financial information presented in this statement.
- Understand the major components of the Hospitality Statement of Cash Flows and be able to interpret the financial information presented in this statement.
- Understand the basic concepts of financial analysis and the use of key ratios to assess a company's financial situation. This specifically includes, but is not limited to, food, beverage and labor costs, both dollars and percentages.
- Understand the essentials of managing major liability and related accounts such as payroll.
- Demonstrate understanding of the use of computers in accounting and financial analysis.

This course will be taught based on the assumption that the students do possess all the above competencies.

HOW TO BE SUCCESSFUL IN FAB 461

- Attend every class.

- Read all assigned materials before they are covered in class. This is not a suggestion – it is required. The instructor will ask questions at random to determine whether the students have done so. She will also give unannounced quizzes over reading materials.
- Prepare class pre-preparation and homework assignments. The professor will not collect and grade homework but will discuss homework at the beginning of class.

COURSE SCHEDULE

Note: These are estimated dates. The instructor may change the schedule during the semester.

8/30

Course Overview & Introduction
to Cost Control & Pre-test

9/1 – 9/20

Chapter Two – Analysis of Food Systems

1. Standard Cost & Percentage Analysis
2. Product Analysis
3. Menu Engineering

9/22

Chapter Three – Food Cost & Quality Control

Purchasing
Receiving
Inventory Turnover Analysis

9/27 **Exam Review**

9/29 **Exam 1**

10/4 -10/13

Chapter Four- Beverage Analysis

Beverage Analysis
Draft Beer
Beverage Menu Engineering

10/18 Chapter Five – Beverage Cost Control

Beverage Frauds
Purchasing
Receiving, Storage & Issuing

No class on campus because of debates for the presidential election at UNLV

Read chapter 5 and complete assignment

10/20 - 10/25

The Application of Activity – Based Costing (Notes)

10/27 Exam Review

11/1 Exam 2

11/3 - 11/8

Breakeven Analysis

11/10 – 11/15

Pricing for Restaurants

11/17-11/22

Chapter One – Forecasting

Budgeting & Regression Analysis

11/24 Thanksgiving - no class

11/29 ABC Project – no class (students will work in their groups on their project due December 8.)

12/1-12/6

Chapter Six & Chapter Seven - Labor Analysis & Control of Labor Costs

Labor Analysis

Labor Control:

Factors that affect labor costs

Fixed, Semi-variable & Variable Employees

Prime time & Slack Time

12/ 8 **Exam Review**

Final Examination:

Tuesday, Dec 13. 11:10 – 12:10

UNLV POLICIES AND RESOURCES

Academic Misconduct – Academic integrity is a legitimate concern for every member of the campus community; all share in upholding the fundamental values of honesty, trust, respect, fairness, responsibility and professionalism. By choosing to join the UNLV community, students accept the expectations of the Student Academic Misconduct Policy and are encouraged when faced with choices to always take the ethical path. Students enrolling in UNLV assume the obligation to conduct themselves in a manner compatible with UNLV's function as an educational institution.

An example of academic misconduct is plagiarism. Plagiarism is using the words or ideas of another, from the Internet or any source, without proper citation of the sources. See the *Student Academic Misconduct Policy* (approved December 9, 2005) located at:

<https://www.unlv.edu/studentconduct/student-conduct>.

Copyright – The University requires all members of the University Community to familiarize themselves **with** and to follow copyright and fair use requirements. **You are individually and solely responsible for violations of copyright and fair use laws. The university will neither protect nor defend you nor assume any responsibility for employee or student violations of fair use laws.** Violations of copyright laws could subject you to federal and state civil penalties and criminal liability, as well as disciplinary action under University policies. Additional information can be found at: <http://www.unlv.edu/provost/copyright>.

Disability Resource Center (DRC) – The UNLV Disability Resource Center (SSC-A 143, <http://drc.unlv.edu/>, 702-895-0866) provides resources for students with disabilities. If you feel that you have a disability, please make an appointment with a Disabilities Specialist at the DRC to discuss what options may be available to you.

If you are registered with the UNLV Disability Resource Center, bring your Academic Accommodation Plan from the DRC to the instructor during office hours so that you may work together to develop strategies for implementing the accommodations to meet both your needs and the requirements of the course. Any information you provide is private and will be treated as such. To maintain the confidentiality of your request, please do not approach the instructor in front of others to discuss your accommodation needs.

Religious Holidays Policy – Any student missing class quizzes, examinations, or any other class or lab work because of observance of religious holidays shall be given an opportunity during that semester to make up missed work. The make-up will apply to the religious holiday absence only. It shall be the responsibility of the student to notify the instructor no later than the end of the first two weeks of classes, **January 29, 2016**, of his or her intention to participate in religious holidays which do not fall on state holidays or periods of class recess. For additional information, please visit: <http://catalog.unlv.edu/content.php?catoid=6&navoid=531>.

Incomplete Grades - The grade of I – Incomplete – can be granted when a student has satisfactorily completed three-fourths of course work for that semester/session but for reason(s) beyond the student’s control, and acceptable to the instructor, cannot complete the last part of the course, and the instructor believes that the student can finish the course without repeating it. The incomplete work must be made up before the end of the following regular semester for undergraduate courses. Graduate students receiving “I” grades in 500-, 600-, or 700-level courses have up to one calendar year to complete the work, at the discretion of the instructor. If course requirements are not completed within the time indicated, a grade of F will be recorded and the GPA will be adjusted accordingly. Students who are fulfilling an Incomplete do not register for the course but make individual arrangements with the instructor who assigned the grade.

Tutoring – The Academic Success Center (ASC) provides tutoring and academic assistance for all UNLV students taking UNLV courses. Students are encouraged to stop by the ASC to learn more about subjects offered, tutoring times and other academic resources. The ASC is located across from the Student Services Complex (SSC). Students may learn more about tutoring services by calling 702-895-3177 or visiting the tutoring web site at: <http://academicsuccess.unlv.edu/tutoring/>.

UNLV Writing Center – One-on-one or small group assistance with writing is available free of charge to UNLV students at the Writing Center, located in CDC-3-301. Although walk-in consultations are sometimes available, students with appointments will receive priority assistance. Appointments may be made in person or by calling 702-895-3908. The student's Rebel ID Card, a copy of the assignment (if possible), and two copies of any writing to be reviewed are requested for the consultation. More information can be found at: <http://writingcenter.unlv.edu/>

Library Resources – Students may consult with a librarian on research needs. For this class, the subject librarian is Lateka Grays (<http://guides.library.unlv.edu/hospitality>). UNLV Libraries provides resources to support students' access to information. Discovery, access, and use of information are vital skills for academic work and for successful post-college life. Access library resources and ask questions at <https://www.library.unlv.edu/>.

Communication within the College

All students are encouraged to subscribe to the student listserv for the College of Hotel Administration. To subscribe, go to: <http://groups.yahoo.com/group/unlvhotelcollege>. All information relevant to the College, job opportunities, activities, clubs, scholarships, etc. will be posted on this list serve. To be informed of opportunities available to you, YOU NEED TO BE A SUBSCRIBER TO THE LISTSERVE.

Academic Advising:

Academic advising is available through the college's Student Advising Center – BEH 543.

Rebelmail – By policy, faculty and staff should e-mail students' Rebelmail accounts only. Rebelmail is UNLV's official e-mail system for students. It is one of the primary ways students receive official university communication such as information about deadlines, major campus events, and announcements. All UNLV students receive a Rebelmail account after they have been admitted to the university. Students' e-mail prefixes are listed on class rosters. The suffix is always @unlv.nevada.edu. Emailing within WebCampus is acceptable.

Final Examinations – The University requires that final exams given at the end of a course occur at the time and on the day specified in the final exam schedule. See the schedule at: <http://www.unlv.edu/registrar/calendars>.

University Property and Security: If caught misappropriating State property, the student will be dropped from the College. The University may also wish to press formal charges. If you purchase items used in operation, you will be reimbursed for this purchase (if you have a proper receipt). Once you have been reimbursed, those items purchased become property of the University of Nevada, Las Vegas. No reimbursement will be made without proper receipt of purchase and strict adherence to UNLV policy.

Students should not bring valuables, personal items unrelated to course activities, or book bags into the building. The University of Nevada, Las Vegas staff and/or faculty will not be held responsible for the loss of personal items or valuables.

All books, papers, notebooks, and class-related items should be kept secured during the class. If you have valuables that must be locked please let your instructors know so that you can place your items in a secured office during class hours.

Alcohol and Drug Use: Students who consume any type of alcoholic beverages, use illegal drugs during class time, or attend class intoxicated will be immediately dropped from the course and sent to the university disciplinary board with recommendation for expulsion. Please do not come to class under the influence.

Insurance: The University of Nevada System does NOT carry insurance for students working in laboratories. This includes the Hotel College kitchens, dining rooms, and lounge/bar. Each student will have to provide his/her own coverage. If you are not covered by a family policy, you should purchase student insurance from the University. Information is available from the registrar's office. Although our safety record has been good, there is always a chance that an injury could occur that results in a trip to the hospital. Should an incident such as this occur, the University will not pay for the expenses incurred; it will be the responsibility of the student.