



Controlling Foodservice Costs

Final Examination

IT IS EXTREMELY IMPORTANT THAT YOU FOLLOW THE INSTRUCTIONS FOR ACCURATELY COMPLETING YOUR ANSWER SHEET. IF YOUR ANSWER SHEET IS NOT COMPLETED PROPERLY, IT WILL NOT BE SCORED, AND YOU WILL HAVE TO PAY TO RETAKE THE EXAMINATION.

Directions for Taking the Examination

This examination is designed to test your knowledge and understanding of basic hospitality industry skills. It contains 80 multiple-choice questions. For each question, choose the response that you believe to be the correct answer. It is to your advantage to answer every question on the examination, even if you have to guess. Skipping a question will reduce your overall examination score. **The Proctor is not allowed to discuss the contents of the questions with you at any time.**

Completing the Examination Answer Sheet

Fill out the side of the Examination Answer Sheet with your name and address information completely. Print the requested information clearly in the row of appropriate boxes. If your entire name is longer than the space provided, please abbreviate. Do not leave space between letters of your name, and **use the same name for all ManageFirst tests you take.** Also, completely darken the circles in the columns beneath, corresponding to the letters printed in the boxes. More than one darkened circle within a column will be recorded as an error and will result in an incorrect spelling on your Certificate. **Note:** Twenty dollars (\$20) is charged for corrections or reprints of Certificates.

When answering questions on your Examination Answer Sheet, be sure that the row number matches the number of the question. Darken the circle completely. If you decide to change an answer, erase the original answer completely. Incomplete erasing, multiple responses, or stray marks anywhere on the Examination Answer Sheet could result in incorrect scoring.

• Fill in appropriate boxes by printing neatly, one character per space provided, being careful not to touch any of the lines.

Correct

JOHN

Correct



Incorrect

JOHN

Incorrect



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Examinations are scored by the National Restaurant Association. Scores will be available within 10 business days of your examination date at managefirst.restaurant.org. Click on *Student Resources*, then click *Exam and Scores*, and finally *Check your exam score*.

Important: To access your examination score information online, you must have:

- 1) the Exam Session Number, which is provided by your Instructor/Proctor and can be recorded on your Examination Answer Sheet tab;
- 2) your email address with the name and address information provided on the Answer Sheet.

If you do not have this information, you must contact your Instructor/Proctor for your score; the National Restaurant Association will not provide you with score or exam session number information.

DO NOT BEGIN THIS EXAMINATION UNTIL YOU ARE TOLD TO DO SO BY YOUR PROCTOR

1. **The best method for ensuring that employees use portion control is by**
 - A. checking portion sizes on a regular basis.
 - B. giving employees a training manual showing portion sizes.
 - C. conducting a 5-hour orientation session on portion control.
 - D. increasing the length of portion-control training to 3 weeks.

2. **The standard meatloaf recipe includes 10 pounds of ground beef, 1 pound of dried bread cubed, 6 eggs, 1 tablespoon of salt, 1 teaspoon of black pepper, and 1 cup of tomato paste. How many pounds of ground beef are required for the recipe when using a conversion factor of 0.8?**
 - A. 6
 - B. 8
 - C. 10
 - D. 12

3. **Food cost is an example of which type of cost?**
 - A. Noncontrollable
 - B. Controllable
 - C. Semivariable
 - D. Fixed

4. **A document listing the names of products to be purchased, their price, the delivery date, the supplier's name, and the buyer's signature is called a**
 - A. specification.
 - B. requisition.
 - C. standing order.
 - D. purchase order.

5. **When reviewing the weekly waste report, the manager notices that many food items were discarded because they were burnt, not rotated properly, made incorrectly, or left out of the cooler too long before serving. Which corrective action should the manager take?**
 - A. Fire the kitchen staff.
 - B. Increase training.
 - C. Remove those items from the menu.
 - D. Recheck the food production chart.

6. **The best way to evaluate the relationship between labor cost and business volume, or sales, is to calculate**
 - A. labor cost percentage.
 - B. labor benefit costs.
 - C. food cost percentage.
 - D. total payroll cost.

7. **Into which cost category would the total cost of employees' salaries be placed?**
 - A. Labor
 - B. Payroll
 - C. Food
 - D. Other

8. **A proper revenue collection system involves charging the guest, collecting revenue, and**
 - A. securing payment.
 - B. protecting the operation's cash assets.
 - C. billing the guest later.
 - D. making sure the guest received a discount.

9. **A report detailing an operation's sales, expenses, and profits or losses for a period of time is known as a(n)**
- A. income statement.
 - B. pro forma.
 - C. variance report.
 - D. budget analysis.
10. **A common tool used for portion control of cottage cheese and ice cream is a**
- A. portion control scale.
 - B. point-of-sale (POS) system.
 - C. scoop.
 - D. slotted serving spoon.
11. **A manager is purchasing an ingredient used for a banquet for 200 people. The standard portion size of this item is 4 ounces, has a 100% yield, and costs \$42.00 per 25-pound case. The manager should purchase how many cases for the banquet?**
- A. 1
 - B. 2
 - C. 4
 - D. 5
12. **Into which cost category would the employer's share of the premium for employee health insurance be placed?**
- A. Labor
 - B. Payroll
 - C. Food
 - D. Other
13. **Slack-out seafood is considered fraud because it is**
- A. seafood that suppliers have illegally harvested from contaminated waters.
 - B. seafood purchased internationally but sold as local.
 - C. frozen seafood that has been thawed in order to appear fresh.
 - D. a different species of seafood than that listed on the label.
14. **Checking the delivery quantity against both the invoice and the purchase order is an example of a**
- A. wasteful accounting practice.
 - B. monthly inventory.
 - C. vendor selection process.
 - D. good receiving procedure.
15. **A formal 1-year plan to achieve the financial goals of an organization would best be described as which type of budget?**
- A. Operating
 - B. Capital expenditure
 - C. Flexible
 - D. Fixed
16. **Intentional deception to cause a person to give up property or a lawful right is known as**
- A. trickery.
 - B. dishonesty.
 - C. shoplifting.
 - D. fraud.

17. The manager has set a par stock level of 20 cases for French fries. The buyer does the inventory and counts 5 cases on hand. How many cases should be ordered?
- A. 10
 - B. 15
 - C. 20
 - D. 25
18. The formula to calculate labor cost percentage is
- A. Labor cost \div Sales.
 - B. Payroll cost \div Sales.
 - C. Sales \div Labor cost.
 - D. Sales \div Payroll cost.
19. Funds from guest credit card payments are sent to which type of account?
- A. Security
 - B. Bank
 - C. Merchant
 - D. Savings
20. An example of a corrective action to control labor costs is to
- A. ask employees to end their shift early.
 - B. ask customers to tip more.
 - C. reduce portion sizes.
 - D. control portions.
21. Food and labor are examples of which type of cost?
- A. Occupational
 - B. Direct
 - C. Prime
 - D. Revenue
22. When an independent restaurateur wants to borrow money from a bank, an important consideration that banks use in their evaluation of a business is
- A. menu offerings.
 - B. gross profit.
 - C. inventory turnover.
 - D. food cost percentage.
23. Which term describes an established measure or level of excellence used to compare levels of attainment toward a specific goal or result?
- A. Standard
 - B. Cost
 - C. Procedure
 - D. Unit
24. Lasagna accounts for 12% of dinner sales. How many portions are forecast to be sold if 500 people are expected for dinner?
- A. 24
 - B. 41
 - C. 60
 - D. 500
25. Management is comparing the productivity of servers who work the weekend dinner shifts. Over the past 2 weeks, the following data was collected: Heather worked 10 hours with sales of \$1,000; John worked 15 hours with sales of \$1,800; Danielle worked 12 hours with sales of \$1,800; and Adam worked 10 hours with sales of \$1,200. Which server had the best productivity measured by sales per hour?
- A. Heather
 - B. John
 - C. Danielle
 - D. Adam

26. The daily production chart calls for 25 portions of meatloaf. The meatloaf recipe is for 20 portions. What is the conversion factor for the recipe?
- A. 0.8
 - B. 0.9
 - C. 1.0
 - D. 1.25
27. The composite food cost percentage of a menu is
- A. a weighted average food cost percentage of all items sold.
 - B. a simple average percentage of all items sold.
 - C. all variable food costs divided by sales.
 - D. the price value percentage of that menu.
28. A listing of a product name, such as a banana, along with information about its intended use, size, color, degree of ripeness, and country of origin is a
- A. definition.
 - B. standard recipe.
 - C. par stock.
 - D. specification.
29. The process of analyzing menu product mix, contribution margin, and item popularity is called menu
- A. engineering.
 - B. price–value relationship.
 - C. differentiation.
 - D. markup.
30. A manager taking an actual count of ingredients on hand for the purpose of calculating food costs is conducting which type of inventory?
- A. Perpetual
 - B. Averaging
 - C. Padding
 - D. Physical
31. The one-stop shop method of purchasing is best described as
- A. buying most ingredients from one supplier.
 - B. buying from suppliers only once each week.
 - C. shopping at the local grocery store.
 - D. using par stock as a guideline.
32. Competitive pricing is common in which section of the restaurant and foodservice industry?
- A. Quick service
 - B. Casual service
 - C. Fine dining
 - D. Full service
33. The closing inventory on March 31 was \$5,500. Purchases in April totaled \$21,000, and the closing inventory on April 30 was \$6,500. The total food available for sale in April was
- A. \$12,000.
 - B. \$26,500.
 - C. \$27,500.
 - D. \$33,000.
34. Which item is part of a food specification?
- A. Cost of product
 - B. Cooking directions
 - C. Size of pack
 - D. Par stock

35. The manager determines that the September opening inventory was \$5,000, the closing inventory was \$7,000, and the cost of food sold was \$24,000. The inventory turnover rate for September was
- A. 3%.
 - B. 4%.
 - C. 5%.
 - D. 6%.
36. Fixed and variable wages, employee benefits, FICA, and Medicare are considered
- A. payroll costs.
 - B. total cost of operations.
 - C. variable costs.
 - D. labor costs.
37. Baked chicken breast accounts for 48% of lunch sales. If 200 people are expected for lunch, how many breasts should be prepared?
- A. 24
 - B. 48
 - C. 96
 - D. 108
38. The scoop size used to serve a $\frac{1}{2}$ cup of pudding would be number
- A. 4.
 - B. 8.
 - C. 12.
 - D. 16.
39. Controlled access to storeroom areas and keeping high-value items in locked areas are examples of
- A. good inventory security.
 - B. the issuing inventory method.
 - C. standardized inventory methods.
 - D. minimizing inventory levels.
40. An important reason to use standardized recipes is to
- A. maintain portion costs.
 - B. take an accurate inventory.
 - C. calculate the total food available.
 - D. obtain feedback from guests.
41. Which schedule acts as a template for listing the number of people needed in each position to run an operation?
- A. Master
 - B. Crew
 - C. Service
 - D. Labor
42. The standard portion size of sliced honey pork loin is 8 ounces, and the current edible portion cost is \$0.30 an ounce. If the kitchen staff slices 10-ounce portions and the restaurant sells 50 orders during the week, by how much did the food cost exceed the standard?
- A. \$15.00
 - B. \$30.00
 - C. \$40.00
 - D. \$50.00

43. A primary indicator of a manager's effectiveness in meeting operational and financial standards is known as
- prime profit.
 - controllable profit.
 - a forecast.
 - a budget.
44. Perishable goods are best described as products that have a(n)
- relatively short shelf life.
 - indefinite shelf life.
 - lower edible portion.
 - higher edible portion.
45. Food, beverage, and labor costs combined are known as
- prime cost.
 - major cost.
 - gross profit.
 - fixed profit.
46. When preparing a pro forma income statement, the manager is
- estimating what is expected to happen in the future.
 - preparing a more formal-looking income statement.
 - calculating what the income statement was for the previous month.
 - listing the assets and liabilities of the operation.
47. If a standardized recipe lists 10 pounds of onions "as-purchased" (AP) and the peeling and trimming waste is 20%, the "edible portion" (EP) is how many pounds?
- 6
 - 7
 - 8
 - 10
48. Sales for June were \$25,000, and the food cost percentage was 30. The actual food cost in dollars for June was
- \$5,500.
 - \$6,500.
 - \$7,000.
 - \$7,500.
49. Meat specifications are found in the
- Meat Buyer's Guide.
 - Meat Yield Guide.
 - American Culinary Guide.
 - Food Manufacturers Association Guide.
50. Which forecasting method adds the expected growth rate to last year's revenue?
- Levinson
 - Growth
 - Simple markup
 - Percentage of sales
51. The most common method of rotating stock in which the oldest items in inventory are used first is called
- first in, first out (FIFO).
 - first in, last out (FILO).
 - last in, first out (LIFO).
 - first find, first out (FFFO).

52. A product-usage report is used to track

- A. storeroom inventory.
- B. menu-item mix.
- C. high-cost items.
- D. yield percentage.

53. The recipe for biscuits calls for 8 ounces of sugar. Sugar has an “as-purchased” (AP) cost of \$40.00 for a 50-pound bag. What is the recipe cost of the sugar that would be on the recipe cost card?

- A. \$0.40
- B. \$0.50
- C. \$0.80
- D. \$0.90

54. The amount of money a business owes to suppliers of goods, products, and services is called

- A. revenue.
- B. bills.
- C. expenses.
- D. accounts payable.

55. If a cost is \$2,000 when sales are \$10,000 and \$4,000 when sales are \$20,000, this cost would be classified as

- A. variable.
- B. semivariable.
- C. fixed.
- D. gross.

56. The formula for calculating the cost of food sold is

- A. (Opening inventory + Purchases) – Closing inventory.
- B. (Purchases + Closing inventory) – Opening inventory.
- C. (Purchases + Food waste) – Closing inventory.
- D. (Opening inventory + Closing inventory) – Purchases.

57. If the forecasted dollars available for labor equal \$18,000, benefit costs equal \$3,600, and manager salaries equal \$4,500, which amount is available for variable-cost employees?

- A. \$8,100
- B. \$8,500
- C. \$9,900
- D. \$14,400

58. Price–value relationship is defined as

- A. a composite food cost percentage.
- B. a static formula.
- C. the connection between selling price and its worth to customers.
- D. the main component in the standard markup differentiation.

59. Ladles, a 6-ounce ramekin, and a scale that weighs 1 ounce to 32 ounces in ½-ounce increments are examples of

- A. items made of ceramic.
- B. kitchen tools used in preparing roast beef dishes.
- C. tools that every kitchen must have to function.
- D. portion-control devices.

60. The manager discovers that the brown gravy tastes very sweet during the daily taste test and does not meet the restaurant's standard. Upon investigation, it looks as if the staff accidentally used sugar instead of salt in the recipe. The gravy should be
- used anyway.
 - used after adding salt.
 - sold upon request.
 - discarded.
61. The menu selling price of an item sometimes needs to be adjusted from the ideal. One of the possible reasons for this is that the
- manager has not calculated standard portion costs.
 - price–value relationship will be improved.
 - kitchen staff does not like making that particular menu item.
 - item's food quality receives too many guest complaints.
62. If projected sales for the first week of November are \$55,000 and the standard labor cost percentage is 30, what is the total amount available for labor?
- \$15,500
 - \$16,000
 - \$16,500
 - \$17,000
63. Theft, food transfers, and food waste in a restaurant are related to food cost in that they are
- all part of the food cost.
 - equal to total food available.
 - part of the food sales.
 - noncontrollable costs.
64. The difference between an item's selling price and its food cost is the item's
- contribution margin.
 - menu product mix.
 - shrinkage percentage.
 - markup differentiation.
65. Consider the following historical information: grilled fish accounted for 26% of sales, barbecued ribs accounted for 22% of sales, beef stroganoff accounted for 20% of sales, and steak accounted for 14% of sales. How many portions of grilled fish are expected to be sold if 425 covers are anticipated?
- 18
 - 51
 - 111
 - 128
66. Which activity is the first step in forecasting labor usage for scheduling?
- Calculating labor costs for a given period of time
 - Planning the number of labor hours needed in the service and bar areas
 - Projecting sales based on historical data for a given period of time
 - Create a crew schedule for variable-cost employees
67. Making future predictions about the budget based on current situations and trends is called
- forecasting.
 - investing.
 - utilization factoring.
 - flexible budgeting.

- 68. Servers processing payments by credit card should compare the signatures on the card and the receipt, verify the card's expiration date, and**
- A. give the customer cash back.
 - B. ask for two more photo IDs.
 - C. input the CVV number.
 - D. ask the customer what the card's limit is.
- 69. If the actual week's food cost is \$3,000 and the food cost percentage is 30, the actual sales for that week are**
- A. \$6,000.
 - B. \$9,000.
 - C. \$10,000.
 - D. \$12,000.
- 70. In the "as-purchased" (AP) method, the cost of the ingredients is determined**
- A. by descending order of quantities used.
 - B. prior to any trim or waste being taken into account.
 - C. in the order of protein first, then starch, and then spices.
 - D. in order of the cost of each separate food item.
- 71. Industry standards recommend that management salaries should not exceed which percent of revenue?**
- A. 10
 - B. 15
 - C. 20
 - D. 25
- 72. When do customers using an open tab pay for their drinks?**
- A. Before receiving drinks
 - B. At the time each drink is served
 - C. After ordering and consuming drinks
 - D. After receiving a bill in the mail the next day
- 73. If analysis shows that the composite food cost percentage is 34 and the standard food cost percentage is 30, management could take which corrective action?**
- A. Adjust prices downward until the composite food cost is 30%.
 - B. Adjust menu prices upward until the composite food cost is 30%.
 - C. Change the standard food cost to equal the composite food cost.
 - D. Split the difference and adjust prices to a composite cost of 32%.
- 74. A manager determines that there are 6 cases of green beans on hand with a cost of \$15.00 per case, 4 cases of butter on hand with a cost of \$25.00 per case, and a ½ case of slivered almonds with a cost of \$80.00 per case. What is the extended cost of inventory on hand?**
- A. \$230.00
 - B. \$250.00
 - C. \$260.00
 - D. \$270.00
- 75. A plan that shows how managers expect to obtain and utilize resources to support operational goals is known as a**
- A. variance report.
 - B. forecast.
 - C. budget.
 - D. cost analysis.

76. To calculate a more accurate dollar food cost, a manager needs to

- A. add cost of meals for safety officers to transfer costs.
- B. subtract employee meals from cost of food sold.
- C. divide "food-to-bar" by the cost of food sold.
- D. multiply comp food cost by the number of guests.

77. The recipe for honey French dressing calls for 1 quart of honey. Using a recipe conversion factor of 0.5, how many cups of honey are needed?

- A. 1
- B. 2
- C. 3
- D. 4

78. Projected weekly payroll dollars available are \$10,000, fixed payroll dollars are \$3,400, and server payroll dollars are \$600. The average hourly cost of cashiers, hosts, busers, and kitchen staff is \$10.00. The number of hours available to schedule is

- A. 300.
- B. 450.
- C. 550.
- D. 600.

79. A financial examination of an organization's accounts is called a(n)

- A. financial test.
- B. audit.
- C. internal review.
- D. inquisition.

80. All orders coming out of the kitchen should have a

- A. point-of-sale (POS) system entry or written guest check.
- B. handwritten order on plain notepad paper.
- C. verbal order from the server.
- D. signed invoice from the guest.