Chapter 1

FOOD Cost Control

Learning Objectives : At the end of this unit learners would be able to :

(a) Understand concepts of Food Cost in Hospitality Sector.

(b) Know advantages of Food Cost Control.

(c) Understand the concept & ability to calculate material cost, labour, cost & overheads cost.

(d) Understand economic importance of Food Cost Control.

Material Cost (Food Cost):

In material cost (food cost) one has to take into account the opening stock, fresh stores receipts, closing stock and the food consumed by staff or served as complementary to guests usually spoilage of food is charged to the material cost. From the following example, it will be clear, that how material cost is calculated.

Illustration 1

Ascertain the Total Material (Food) Cost and its percentage to Net Sales from the following information:

Total Sale	₹ 57,500
Opening Stock	₹ 1,000
Fresh Indents / Purchases	₹ 12,000
Closing Stock	₹ 500
Food Consumed by Staff	₹ 600
Food Served to Guests (as Complementary)	₹ 400

Solution:

	Total Material / Food Cost:	₹
	Opening Stock	1,000
	Add Fresh Indents / Purchases	12,000
		13,000
	Less Closing Stock	500
		12,500
Less Food Served to Staff and Guests (Free of Cost) *		1,000
Total Material / Food Cost		11,500

To Ascertain the Material Cost Percentage to Net Sales the formula is:

$$= \frac{\text{Total Material Cost X 100}}{\text{Total Sale}} = \frac{11,500 \text{ X } 100}{57,500} = 20\%$$

The Material Cost Percentage to Net Sale is 20%

Working Notes:

* Food Consumed by staff	₹ 600
Food served to guests (as complementary)	₹ 400
Total	₹ 1,000

LABOUR COST :

To ascertain the labour cost one must include, apart from wages and salaries, all other expenditure incurred on staff or on its welfare like Medical Re-imbursement, Leave Travel Concession (L.T.C.), Contribution towards Employee's Provident Fund (E.P.F.), Free Food, Uniform, Accommodation, Interest Subsidy on Loan, Telephone, etc.

Illustration 2

Ascertain the Total Labour Cost and its percentage to Net Sale from the following information:

	₹
Total Sale	1,14,000
Wages and Salary	7,000
Contribution towards E.P.F.	700
Medical Re-imbursement	500
L.T.C.	1,200
Uniform and Washing Allowance	500
Accommodation worth Rs. 600, charged at	200
Interest Subsidy	200
Free Telephone at Home	500
Food h Rs. 400, Charged to Employees	200

Solution:

Total Labour Cost:		₹
Wages and Salaries		7,000
E.P.F.		700
Medical Re-imbursement		500
L.T.C.		1,200
Uniform and Washing Allowance		500
Rent for Accommodation	₹ 600	
Less Charged from Employees	₹ 200	400
Interest Subsidy		200
Free Telephone at Home		500
Food for Employees	₹ 400	
Food Money Charged	₹ 200	200
Total Labour Cost		11,200

To ascertain the Labour Cost Percentage to Net Sale, the formula is:

$$= \frac{\text{Total Labour Cost X 100}}{\text{Total Sale}}$$

$$= \frac{11,200 \text{ X } 100}{1,14,00} = 9.82\%$$

The Labour Cost Percentage to Net Sale is 9.82%

OVER HEADS:

All other costs like office expenses, rent, interest, light and power, commission, water, gas and fuel, cooking coke and wood, advertisement and marketing expenses, miscellaneous expenses, etc. are included under this head.

Illustration 3

Ascertain the Over heads and its percentage to Net Sales from the following data:

	₹
Total Sale	27,900
Rent	4,000
Interest	1,000
Commission	500
Depreciation	1,000
Advertisement	700
Gas and Fuel	200
Electricity and Power	500
Water	100
Miscellaneous Expenses	1,000
Laundry	300

Solution:

Total Over heads:

	₹
Rent	4,000
Interest	1,000
Commission	500
Depreciation	1,000
Advertisement	700
Gas and Fuel	200

Electricity and Power	500
Water	100
Miscellaneous Expenses	1,000
Laundry	300
Total Over heads	9,300

Note: The laundry charges can be apportioned into two (i) Over heads, (ii) Labour Cost. This allocation will be done if the staff's uniform is washed by hotel free of cost.

To ascertain the Over heads percentage to Net Sale the formula is:

$$= \frac{\text{Total Over heads X 100}}{\text{Total Sale}}$$

$$= \frac{9{,}300 \text{ X } 100}{27{,}900} = 33.33$$

The Over heads Percentage to Net Sale is 33.33%

Illustration 4

From the following information ascertain the Food Cost, Labour Cost and Over heads and also find out Percentage to Total Sale of each cost. Also find out Gross Profit / Loss and Net Profit / Loss and its percentage to Total Sale.

		₹
Sale	Food	20,000
	Beverage	15,000
Opening Stock	Food	700
	Beverage	800

Purchases	Food	8,500
	Beverage	6,800
Closing Stock	Food	300
	Beverage	400
Restaurant Rent		14,000
Fuel Expenses		800
Office Expenses		2,000
Miscellaneous Expenses		1,200
Traveling Allowance		500
Contribution towards E.P.F.		1,500
Wages and Salary		10,000
Furniture Purchased		4,000
Depreciation		300
Telephone		200
Repair		200

The total food debited to staff canteen from main kitchen was ₹ 1,200 but ₹ 200 was charged from staff towards meal. Hotel paid ₹ 1,000 as rent for staff accommodation but staff was charged ₹ 300 only. The hotel served free food to some guests worth ₹ 1,100.

Solution:

Total Food Cost:				₹
Opening Stock	Food	₹	700	
	Beverage	₹	800	1,500
Add Purchases	Food	₹	8,500	
	Beverage	₹	6,800	
			16,800	15,300
Less Closing Stock	Food	₹	300	
	Beverage	₹	400	700
				16,100

Less Staff Meal * (1200 - 200)	1,000	
		15,100
Less Free Food served to Guests	1,100	
Total Food Cost		**14,000**

Total Labour Cost:	₹
Staff Meal	1,000
Wages and Salary	10,000
Traveling Allowance	500
Contribution towards E.P.F.	1,500
Medical Re-imbursement	500
Rent **	700
Total Labour Cost	**14,200**

Total Over heads:	₹
Restaurant Rent	14,000
Fuel Expenses	800
Office Expenses	2,000
Miscellaneous Expenses	1,200
Electricity and Power	400
Free Food Served to Guests	1,100
Water Charges	300
Depreciation	300
Telephone	200
Repair	200
Total Over heads	**20,500**

Total Sale:		₹
Food	₹ 20,000	
Beverage	₹ 15,000	35,000

Food and Beverage Cost Percentage:

$$= \frac{\text{Total Food and Beverage Cost X 100}}{\text{Total Sale}}$$

$$= \frac{14,000 \text{ X } 100}{35,000} = 40\%$$

Labour Cost Percentage:

$$= \frac{\text{Total Labour Cost X 100}}{\text{Total Sale}}$$

$$= \frac{14,200 \text{ X } 100}{35,000} = 40.57\%$$

Over heads Percentage:

$$= \frac{\text{Total Over heads X 100}}{\text{Total Sale}}$$

$$= \frac{20,500 \text{ X } 100}{35,000} = 58.57\%$$

Net Loss = Total Cost - Total Sale

Net Profit = Total Sale - Total Cost

Total Cost = Total Food Cost + Total Labour Cost + Total Over heads

= 14,000 + 14,200 + 20,500 = ₹ 48,700

Net Loss = 48,700 - 35,000 = ₹ 13,700

Gross Profit = Total Sale - Total Food Cost (Variable Cost)

= 35,000 - 14,000 = ₹ 21,000

$$\text{Gross Profit Percentage} = \frac{\text{Gross Profit X 100}}{\text{Total Sale}} = \frac{21{,}000 \text{ X } 100}{35{,}000} = 60\%$$

$$\text{Net Loss Percentage} = \frac{\text{Net Loss X 100}}{\text{Total Sale}} = \frac{13{,}700 \text{ X } 100}{35{,}000} = 39.14\%$$

Working Notes:	₹
Total Food Send to Staff Canteen	1,200
Less Money Charged from Staff for Meals	200
Net Amount Spend on Staff Meal *	1,000
Total Rent Paid by Hotel for Staff Accommodation	1,000
Less Rent Charged from Staff for Accommodation	300
Net Amount Paid by Hotel for Staff Accommodation **	1,000

Note: The amount of ₹ 4,000 spend on purchase of furniture is a capital expenditure, hence will not be shown in revenue expenses.

Illustration 5

From the following data available ascertain the Food Cost, Labour Cost and Over heads and also find out Gross Profit / Gross Loss and Net Profit / Net Loss and their percentage to Total Sale.

		₹
Sale	Food	2,00,000
	Beverage	1,60,000
	Others	24,000

Opening Stock	Food	10,000
	Beverage	2,000
Purchased	Food	60,000
	Beverage	40,000
Closing Stock	Food	8,000
	Beverage	4,000
Wages and Salary		40,000
Contribution towards E.P.F.		5,000
Medical Re-imbursement		4,000
Laundry		2,000
Telephone Bills		1,000
Rent for Restaurant		12,000
Repair and Maintenance		2,000
Electricity and Power		1,500
Water Charges		500
Gas and Fuel		2,000
Miscellaneous Expenses		800
Office Expenses		5,000
Printing and Stationery		1,000
L.T.C. Paid to Staff		1,200
Depreciation		1,000

(i) Out of Rs. 2,000 spend on Laundry; Rs. 500 was spend on Staff's Uniform Washing

(ii) Staff was served a free food Rs. 2,000

(iii) Staff was given accommodation for Rs. 500, where as hotel paid Rs. 2,000 for the same.

(iv) Staff was given interest subsidy of Rs. 500

(v) Complementary food served to guests for Rs. 2,000.

Solution:

Total Food Cost:		₹
Opening Stock	Food	₹ 10,000
	Beverage	₹ 2,000
		12,000
Add Purchases	Food	₹ 60,000
	Beverage	₹ 40,000
		1,00,000
		1,12,000
Less Closing Stock	Food	₹ 8,000
	Beverage	₹ 4,000
		12,000
		1,00,000
Less Staff Meal		2,000
		98,000
Less Free Food Served to Guests		2,000
Total Food Cost		**96,000**

Total Labour Cost	₹
Wages and Salary	40,000
Contribution towards E.P.F.	5,000
Medical Re-imbursement	4,000
Laundry	500
L.T.C. paid to Staff	1,200
Staff Meal	2,000
Staff Accommodation (₹ 2,000 - ₹ 500)	1,500
Interest Subsidy	500
Total Labour Cost	**54,700**

Total Over heads:	₹
Laundry (₹ 2,000 - ₹ 500)	1,500
Telephone Bills	1,000
Rent for Restaurant	12,000
Repair and Maintenance	2,000
Electricity and Power	1,500
Water Charges	500
Gas and Fuel	2,000
Miscellaneous Expenses	800
Office Expenses	5,000
Printing and Stationery	1,000
Depreciation	1,000
Complementary Food Served to Guests	2,000
Total Over heads	**30,000**

Total Sale:		₹
Food	₹ 2,00,000	
Beverage	₹ 1,60,000	
Others	₹ 24,000	3,84,000

$$\text{Food Cost Percentage} = \frac{\text{Total Food Cost X 100}}{\text{Total Sale}}$$

$$= \frac{96{,}000 \text{ X } 100}{3{,}84{,}000} = 25\%$$

$$\text{Labour Cost Percentage} = \frac{\text{Total Labour Cost X 100}}{\text{Total Sale}}$$

$$= \frac{54,700 \text{ X } 100}{3,84,000} = 14.24\%$$

$$\text{Over heads Percentage} = \frac{\text{Total Over heads X } 100}{\text{Total Sale}}$$

$$= \frac{30,300 \text{ X } 100}{3,84,000} = 7.89\%$$

Net Loss = Total Cost - Total Sale

Net Profit = Total Sale - Total Cost

Total Cost = Total Food Cost + Total Labour Cost + Total Over heads

= 96,000 + 54,700 + 30,300 = ₹ 1,81,000

Net Profit = 3,84,000 - 1,81,000 = ₹. 2,03,000

Gross Profit = Total Sale - Total Food Cost

= 3,84,000 - 96,000 = ₹ 2,88,000

Gross Profit Percentage = Gross Profit X 100

$$= \frac{\text{Total Sale}}{\dfrac{2,88,000 \text{ X } 100}{3,84,000}} = 75\%$$

$$\text{Net Profit Percentage} = \frac{\text{Net Profit X } 100}{\text{Total Sale}}$$

$$= \frac{2,03,000 \text{ X } 100}{3,84,000} = 52.87\%$$

Note:

1. For the purpose of calculating Food Cost 'Food' means Food and Beverage.
2. To find out the Food Cost Percentage and Gross Profit Percentage instead of taking Total Sale only Food and Beverage Sale can also be taken.

Illustration 6

The following figures were extracted from the books of Mayur Hotel. Food Cost ₹ 800, Labour and Over head ₹ 1,000 and Sales ₹ 2,000. Find out Gross Profit, Net Profit, Gross Profit percentage to Sales and Net Profit percentage to Sales.

Solution:

Gross Profit = Sales - Food Cost

= 2,000 - 800 = ₹ 1,200

Net Profit = Sales-Total Cost (Total Cost = Food Cost + Labour Cost + Over head)

= 800 + 1,000 = ₹ 1,800

= 2,000 - 1,800 = ₹ 200

$$\text{Gross Profit Percentage to Sales} = \frac{\text{Gross Profit X 100}}{\text{Sale}}$$

$$= \frac{1,200 \text{ X } 100}{2000} = 60\%$$

$$\text{Net Profit Percentage to Sales} = \frac{\text{Net Profit X 100}}{\text{Sale}}$$

$$= \frac{200 \text{ X } 100}{2000} = 10\%$$

Illustration 7

Total Sale of an Institutes Canteen was ₹ 5,000 and Total Cost was ₹ 6,000. Find out the Net Loss and Net Loss Percentage to Receipts.

Solution:

Net Loss = Total Cost - Total Receipts (Sale)

= 6,000 - 5,000 = ₹ 1,000

$$\text{Net Loss Percentage to Receipts} = \frac{\text{Net Loss X 100}}{\text{Receipts}}$$

$$= \frac{200 \text{ X } 100}{1{,}000} = 20\%$$

Illustration 8

The following information was extracted from ABC Restaurant for the month of December, 2006.

	₹
Sales	50,000
Opening Stock	1,000
Purchases	22,000
Closing Stock	1,500
Wages and Salaries	8,500
E.S.I.	500
Gas and Electricity	2,000
Office Expenses	2,000
Insurance Premium	1,000
Telephone and Internet	800
Printing and Stationery	700
Postage	500
Depreciation	5,000
Light and Fuel	2,500

Note the following information before calculation:

a) Food worth ₹ 1,500 was served to staff and was charged ₹ 500 only.

b) Food worth ₹ 500 was served as complementary.

c) 2,000 guests were served during the month

Find out (i) Gross Profit (ii) Net Profit (iii) Profit after Wages (iv) Sales Per Cover (v) Gross Profit Percentage to Sales Per Cover.

Solution:

Total Food Cost:	₹
Opening Stock	1,000
Add Purchases	22,000
	23,000
Less Closing Stock	1,500
	21,500
Less Staff Meal (1,500 - 500)	1,000
	20,500
Less Free Food Served to Guests	500
	20,000

$$\text{Food Cost Per Cover / Person} = \frac{\text{Total Food Cost}}{\text{No. of Guests}}$$

$$= \frac{20,000}{2,000} = ₹\ 10 \text{ Per Cover}$$

Gross Profit = Sale - Total Food Cost

= 50,000 - 20,000 = ₹ 30,000

Total Labour Cost:		₹
Wages and Salary		8,500
E.S.I.		500
Staff Meal	(1,500 - 500)	1,000
Total Labour Cost		10,000

Food and Wages Cost: = Total Food Cost + Total Labour Cost

= 20,000 + 10,000 = ₹ 30,000

Profit after Wages: = Sale - Food and Wages Cost

= 50,000 - 30,000 = ₹ 20,000

Total Over heads:	₹
Gas and Electricity	2,000
Office Expenses	2,000
Insurance Premium	1,000
Telephone and Internet	800
Printing and Stationery	700
Postage	500
Depreciation	5,000
Light and Fuel	2,500
Complementary Food served to Guests	500
Total Over heads	15,000

Total Cost = Total Food Cost + Total Labour Cost + Total Over heads

= 20,000 + 10,000 + 15,000 = ₹ 45,000

Net Profit = Total Sale - Total Cost

= 50,000 - 45,000 = ₹ 5,000

$$\text{Sales per Cover} = \frac{\text{Total Sales}}{\text{Total No. of Covers}} = \frac{50{,}000}{2000} = ₹\ 25$$

Gross Profit per Cover= Sales per Cover - Food Cost per Cover

= 25 - 10 = ₹ 15

$$\text{Gross Profit Percentage to Sales per Cover} = \frac{\text{Gross Profit per Cover X 100}}{\text{Sales per Cover}}$$

$$= \frac{15 \text{ X } 100}{25} = 60\%$$

Illustration 9

Calculate the following

(i) Cost Percentage; When Cost is ₹ 400 and Sale is ₹ 1,000

(ii) Cost: When Cost Percentage is 27% and Sales is ₹ 400

(iii) Sales: When Cost Percentage is 25% and Cost is ₹ 100

Solution:

(i) Cost Percentage:

If ₹ 1,000 is Sale then Cost is ₹ 400

If ₹ 1 is Sale then Cost is ₹ 400

1000

and If ₹ 100 is Sale then Cost is $= \frac{400 \text{ X } 100}{100} = 40\%$

(ii) Cost

If Rs. 100 is Sale then the Cost is ₹ 27

If Re. 1 is Sale then the Cost is ₹ 27

100

and If Rs. 400 is Sale then the Cost is $= \frac{27 \text{ X } 400}{100} = ₹\ 108$

(iii) Sales:

If ₹ 25 is the Cost then the Sale is ₹ 100

If ₹ 1 is the Cost then the Sale is ₹ $\frac{100}{25}$

and If Rs. 100 is the Cost then the Sale is = $\frac{100 \text{ X } 100}{25}$ = ₹ 400

ANSWERS AND QUESTIONS:

Q. 1 The following information's are related to a 100 cover buffet restaurant. The food cost and labour cost will be ₹ 5,000 and ₹ 2,000 respectively. The management wants to recover 15% of sales towards overhead.

You are required to calculate:

a) Selling price per cover to make a net profit of 15% and

b) Gross profit per cover.

Q. 2 The following information was extracted from the books of a restaurant in respect of June, 1997

	₹
Sales	40,000
Opening Stock	2,500
Closing Stock	3,200
Purchases	12,300
Wages and Salaries	5,600
Gas and Electricity	1,800
Repairs and Renewals	1,000
Rent and Rates	1,800
Insurance	400
Postage and Telephone	200
Printing and Stationery	300
Depreciation	2,000

You are required:

a) to calculate the elements of cost and to express each as a percentage of sales, assuming that ₹ 800 of the food has been used for staff meals.

b) To calculate the gross profit, after wage profit and net profit.

Q. 3 Calculate as given under

a) Food Cost: When food cost percentage is 30% and total sale is ₹ 600

b) Gross Profit Percentage: When total sale is ₹ 5,000 and total food cost is ₹ 3,000

c) Sale: When food cost percentage is 25% and total food cost is ₹ 750

Q. 4 The following information was extracted from ABC Restaurant for the month of December

	₹		₹
Sales	50,000	Office expenses	2,000
Opening Stock	1,000	Insurance Premium	1,000
Purchases	22,000	Telephone & Internet	800
Closing Stock	1,500	Printing & Stationery	700
Wages & Salaries	8,500	Postage	500
E.S.I.	500	Depreciation	5,000
Gas & Electricity	2,000	Light & Fuel	2,500

Note the following information before calculating:

a) Food worth ₹ 1,000 was served free of cost to staff.

b) Food worth ₹ 500 was served as complimentary.

c) 2000 guests were served during the month.

Find Out:

(i) Gross profit and percentage gross profit.

(ii) Net profit and percentage net profit

(iii) Profit after wages.

(iv) Net profit per cover.

Q. 5 The following information were obtained from the books of accounts of a restaurant for the month of March

	₹
Sales	1,50,000
Opening Stock	2,800
Purchases	28,000
Salaries & Wages	7,000
Depreciation	5,000
E.S.I.	2,000
Repairs & Maintenance	600
Printing & Stationery	3,000
Accommodation to Staff	1,000
Rent	10,000
Gas & Fuel	1,000
Closing Stock	4,000
Insurance	2,500
Postage & Telephone	1,000

You are required to calculate:

a) Elements of costs and express each as a percentage of sales assuming that ₹ 800 of the food has been used for staff meals and ₹ 1,200 of the food as complimentary meals.

b) Calculate Gross profit, After Wage profit and Net profit.

c) Calculate Average Spending Power per customer assuming that 7500 customers were served in the month of March.

Q. 6 A contractor has an order for supply of breakfast to the passengers of a train running daily. The weekly fixed cost will be ₹ 2,000. The variable labour cost will be ₹ 2/-, variable raw material cost will be ₹ 3/- and selling price will be ₹ 10 (all per unit). What sales must the contractor make to earn a profit of ₹ 10,000 per week?

Q. 7 The following information's were obtained from the books of accounts of a restaurant for the month of January.

	₹
Sales	1,00,000
Opening raw materials	10,000
Closing raw materials	20,000
Purchase of raw materials	50,000
Labour cost	15,000
Depreciation	8,000
Rent	2,000
Municipal tax	1,000
Administrative cost	4,000
Selling & Distribution cost	5,000
Upkeep and Service cost	2,500
Repairs and Maintenance cost	2,500

Calculate the following and express each as a percentage of sales:

(i) Kitchen Profit

(ii) Net Profit

(iii) After Wage Profit

(iv) Elements of Cost

Q. 8 A mixed spice is made up of five ingredients. Find the cost of 40 gms. Of the mixture if the following amounts are used:

Sl.	Ingredients	Quantity	Price
1.	Pepper	0.270 kg.	150 per kg.
2.	Chilly	0.05 kg.	90 per kg.
3.	Coriander	0.10 kg.	40 per kg.
4.	Cumin	0.03 kg.	120 per kg.
5.	Clove	0.25 kg.	220 per kg.

Q. 9 Calculate as given under:

(i) Cost percentage when cost is ₹ 500 and Sale is ₹ 2,000.

(ii) Cost, when cost percentage is 30% and sale is ₹ 1,500

(iii) Sale, when cost percentage is 25% and cost is ₹ 750

(Answer: (i) 40% (ii) ₹ 450 (iii) ₹ 3,000)

Q. 10 Calculate as given under:

(i) Food Cost, when Food Cost Percentage is 30% and Total Sale is ₹ 900

(ii) Gross Profit Percentage, when Total Sale is ₹ 5,000 and Food Cost is ₹ 3,000

(iii) Net Profit Percentage, when Total Sale is ₹ 6,000 and Total Cost is ₹ 4,000

(Answer: (i) ₹ 270 (ii) 40% (iii) 33.33%)

Q. 11 The following figures were extracted from ABC Hotel. Food Cost ₹ 5,000; Labour and Overhead ₹ 2,500; Sales ₹ 15,000. Find as a percentage of Sales: (a) Gross Profit (b) Net Profit

(Answer: (a) 66.67% (b) 50%)

Q. 12 The total cost of the restaurant is ₹ 15,00,000. The fixed cost is as under: Salaries and Wages ₹ 75,000; Office Expenses ₹ 25,000; Insurance ₹ 10,000; Interest ₹ 5,000; Depreciation ₹ 70,000; Rent Rs. 25,000. Variable Cost will be 30% of Sale. Average Selling Price will be ₹ 30 and the total sale will be ₹ 9,00,000. Calculate: Net Profit at desired sale

(Answer: ₹ 4,20,000)

Q. 13 The following information are related to a 150 cover buffet. The food cost and labour cost will be 8,000 and 3,000 respectively. The management wants to recover 20% of sales towards overheads. You are required to calculate

a) Selling price to make a net profit of 25%

b) Net profit per cover.

c) Gross Profit per cover.

d) Average selling price.

Q. 14 The following information was extracted from the books of a restaurant in respect of June.

	₹
Sales	30,000
Opening Stock	2,500
Closing Stock	3,200
Purchases	13,000
Wages and Salaries	5,600
E.S.I.	300
Gas and Electricity	800
Repair and Renewals	1,000
Rent and Rates	1,800
Insurance	400
Postage and Telephone	200
Printing and Stationery	300
Depreciation	2,000

You are required:

a) To calculate the elements of cost and to express each as a percentage of sales, assuming that ₹ 800 of the food has been used for staff meals and ₹ 500 of the food as complementary.

b) To calculate the gross profit, after wage profit and net profit.

c) To calculate the average spending power per customer, assuming that 6,000 customers were served in June.

Q. 15 Draw costing sheet and find the cost per portion of the following:

a) Shortbread biscuits (12 portions)

Flour	150 gms
Caster sugar	50 gms
Margarine	100 gms
Jam	50 gms

b) Queen of puddings (4 portions)

Milk	500 ml.
Caster sugar	100 gms
Butter	25 gms
Eggs	3 in no.

The rate of ingredients are given below

S. No.	Name	Quantity	Rate (Rs.)
1.	Egg	1 no.	1.50
2.	Caster sugar	1 kg.	30
3.	Butter	1 kg.	110
4.	Flour	1 kg.	20
5.	Jam	500 gms	40
6.	Margarine	1 kg.	100
7.	Milk	1 ltr.	15

Q. 16 The following information are related to a 200 cover restaurant. The fixed cost of the restaurant is:

	₹
Rent	800
Interest	500
Salary	800
Depreciation	900

You are required to calculate the following assuming the food cost is ₹ 800

(i) Selling price to make a net profit of 25%.

(ii) Net profit per cover

(iii) Gross profit per cover

(iv) Average selling price.

Q. 17 Calculate as given under

(i) Cost percentage, when Cost is ₹ 300 and Sale is ₹ 1,000.

(ii) Cost, when Cost percentage is 40% and Sales is ₹ 800

(iii) Sales, when Cost percentage is 30% and Cost is 120

Q. 18 The following information was extracted from the books of a restaurant in respect of December: Sales ₹ 60,000; Opening Stock ₹ 5,000; Closing Stock ₹ 6,400; Purchases ₹ 26,000; Wages and Salaries ₹ 11,200; Medical ₹ 600; Power and Fuel ₹ 1,600; Repairs and Renewals ₹ 2,000; Rent and Rates ₹ 3,600; Insurance ₹ 800; Postage and Telephone ₹ 400; Printing and Stationery ₹ 600; Depreciation ₹ 4,000. You are required:

a) To calculate the elements of cost and to express each as a percentage of sales assuming that ₹ 1,600 of the food as complementary.

b) To calculate the Gross Profit, After Wage Profit and Net Profit and their percentage.

c) To calculate the Average spending power for customer, assuming 6,000 customers were served in December.

Q. 19 Calculate as given under:

(i) Cost Percentage, when cost is ₹ 200 and Sales is ₹ 500

(ii) Cost, when cost percentage is 28% and sales is ₹ 500

(iii) Sales, when cost percentage is 30% and cost is ₹ 90