

BHOS414 Cost Control in Hospitality

ECTS Value: 4 ECTS

Overall Objectives and Outcomes

This module is intended to equip the student with adequate knowledge and skills related to business calculations, procurement and inventory control. The module shall focus on administering effective materials control in line to cost efficiency, logistics and production planning. The content is adapted to assist prospective educators of hospitality in the delivering topics related to planning and procurement, storing, receiving and issuing of materials from a hospitality perspective. All case studies addressed in this module shall remain valid in any organizational setup orientated to the procurement of stocks, logistics, warehousing and auditing of inventory. Constant emphasis throughout the course is intended to address effective cost efficiency, forecasting, monitoring and attaining targeted budgets of production control to satisfy the outcome of an organization. Furthermore, this module will discuss the core pedagogical techniques pertaining to the teaching of Cost control in Hospitality and the available learning resources that made the teaching of this subject relevant to students.

By the end of this module, the learner will be able to:

Competences

- a. develop a comprehensive understanding of effective cost control within a hospitality environment and evaluate how adequate planning of such an activity may increase the feasibility of a hospitality organisation;
- b. critically analyse how proper procedures that are employed when calculating the standing and seated capacity for a given space can lead to a better financial management and the compliance with the chronology of a profit-oriented event;
- c. critically review the role of reporting within the financial department of a hospitality organisation and develop a comprehensive understanding of the importance of procurement procedures, inventory control and trading accounts.

Knowledge

- a. apprehend different methods of purchasing and explain the concept of Standard Purchase Specification;
- b. identify the correct purchasing procedures while recognising the movement of stock;
- c. understands the concepts of Inventory Control and how does this relate to the Economic Order Quantity factor;
- d. identify the Trading account and discuss the importance of the Profit and loss account.

Skills

- a. follow the right procedures to carry out effective costings and cost control;
- b. develop effective projections, monitor and attain targeted budgets in line to costs;
- c. apply the correct financial terminology used in the industry;
- d. avoid specific elements which undermine the profits of an organization;
- e. convey the relevant information about purchasing and cost control to students in the most efficient and effective way;
- f. decide on specific activities with high volume of costs and materials;
- g. assess new trends related to the quality of materials, re-evaluate their performance and their influence on price structures and cost effectiveness;
- h. evaluate the various threats of an operating outlet due to lack of materials control, over-production, wastages, theft, pilfering, breakages and misuse of administration reports;
- i. explain and name different approaches to purchasing and cost control to students;
- j. carry out independent research exercises on purchasing and cost control in hospitality in order to prepare the necessary educational resources for student;
- k. access specific online sites and portals to obtain the necessary resources about purchasing and cost control in Hospitality and compile the information into visual/audio-visual material that can be used during the delivery of lessons.

Assessment Methods

This module will be assessed through: Case Study Assignment

Suggested Readings

Core Reading List:

1. Coltman, M.M. 1989. *Cost control for the hospitality industry* (2nd Edition). Van Nostrand Reinhold.
2. DeFranco, A.L. and Noriega, P.B. 2000. *Cost control in the hospitality industry*. Prentice Hall.
3. Dopson, L.R. and Haley, D.K 2015. *Food and Beverage Cost Control*. John Wiley and Sons Ltd. New Jersey.
4. Lea R. Dopson, David K. Hayes. 2016. *Food and Beverage Cost Control 6th Edition*. Wiley & Sons: New Jersey, USA.
5. National Restaurants Association. 2012. *Controlling Foodservice Costs*. Pearson Education: New York.
6. Wood, F. and Lightowers, P. 1985. *Purchasing, Costing and Finance in the Hotel and Catering industry*. Longman Scientific and Tech: Essex., U.K.