

Pellissippi State Community College  
Master Syllabus

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**PURCHASING AND COST CONTROL**  
**HSP 2075**

Class Hours: 3.0  
Laboratory Hours: 0.0  
Credit Hours: 3.0  
Revised: January 2009

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NOTE: This course is not designed for transfer credit.

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**Catalog Course Description:**

This course is intended to provide the student with the methodologies and tools to control food, beverage, labor and other costs within a hospitality business. It explores the principles behind hospitality purchasing. This course regularly uses basic mathematics.

**Entry-level Standards:**

Must be able to read, write, speak and reason at the college level.

**Prerequisite:** HSP 1200

**Textbooks and Other Supplies:**

Dittmer, Paul R. and Griffin, Gerald G. Principles of Food, Beverage, and Labor Cost Controls, 9<sup>th</sup> Edition, by John Wiley and Sons, New York, 2009.

Steffanelli, John M. Purchasing: Selection and Procurement for the Hospitality Industry. 6th ed., John Wiley and Sons, New York. 2005.

**I. WEEK/ASSIGNMENTS:**

<u>Week</u>	<u>Chapter(s)</u>	<u>Topic(s)</u>
	<b>Dittmer Text</b>	
1	1	Cost and Sales Concepts
2	2	The Control Process
3	3	Cost/Volume/Profit Relationships
	<b>Steffanelli Text</b>	
4	1, 3, 4, 5	The concept of selection and procurement; Distribution Systems; Forces affecting the distribution systems; An overview of the purchasing function
5	6, 7, 8	The organization of purchasing; The buyer's relations with company personnel; The purchase specification, an overall view
6	9, 10, 11	The optimal amount; The optimal price; The optimal payment policy

7	17, 18, 19, 20	Fresh produce; Processed produce and other grocery items; Dairy products; Eggs
8	21, 22, 23	Poultry; Fish; Meat
9	24, 25, 26, 27	Alcoholic and nonalcoholic beverages; Nonfood expense items; Services; Furniture, fixtures and equipment
10	7, 8	Food Production Control I: Portions; Food Production Control II: Quantities
11	9, 10, 11	Monitoring Food Service Operations I: Monthly Inventory and Monthly Food Cost; Monitoring Food Service Operations II: Daily Food Cost; Monitoring Food Service Operations III: Actual versus Standard Food Cost
12	12, 13, 14	Controlling Food Sales; Beverage Purchasing Control; Beverage Receiving, Storing, and Issuing Control
13	15, 16	Beverage Production Control; Monitoring Beverage Operations
14	18, 19, 20, 21	Labor Cost Considerations; Establishing Performance Standards; Training Staff; Monitoring Performance and Taking Corrective Action
15	→	FINAL EXAM

## **II. COURSE OBJECTIVES:**

- A. Exhibit an adequate knowledge of costs and sales relationships. (I, V, VI, VII, VIII)
- B. Demonstrate a complete and thorough understanding of the selection process for hospitality products. (I, II, V, VI, VII, VIII)
- C. Demonstrate a complete and thorough understanding of the management control process for hospitality products. (I, II, V, VI, VII, VIII)
- D. Understand the relationship between cost, volume and profit. (I, II, V, VII)
- E. Demonstrate the ability to analyze specific tracking documents and determine courses of action to correct or continue specific cost control results. (I, II, IV, V, VII)
- F. Exhibit an adequate knowledge of hospitality product description and uses. (I, IV, V, VI, VII, VIII)
- G. Demonstrate a complete and thorough understanding of the selection process for hospitality products (I, II, V, VI, VII, VIII)
- H. Demonstrate a complete and thorough understanding of the procurement process for hospitality products (I, II, V, VI, VII, VIII)
- I. Understand the relationship between the purchasing function and the other functions of hospitality management (I, II, V, VII)
- J. Demonstrate the ability to analyze specific purchasing documents and explain the events leading up to their preparation, as well as the events that occur after these documents are executed. (I, II, IV, V, VII)

### **III. INSTRUCTIONAL PROCESSES:**

*Students will:*

1. Utilize purchasing and receiving business forms and the functions they represent. *Active Learning Strategy, Communication Outcome, Mathematics Outcome*
2. Work as groups to determine correct portions and quantities of food products to attain a saleable price on a food service menu. *Active Learning Strategy, Communications Outcome, Mathematics Outcome.*
3. Strengthen analytical skills by solving cost control problems for supplied data and scenarios. *Mathematics Outcome, Active learning Strategies*
4. Develop standardized food and beverage recipes specifically for portion cost control. *Active Learning Strategy, Communication Outcome, Mathematics Outcome*
5. Evaluate hospitality establishment work schedules to determine the estimated cost of labor for comparison to the generated sales from labor. *Active Learning Strategy, Mathematics Outcome.*
6. Work as groups to determine labor performance standards for various types of hospitality establishments. *Active Learning Strategy, Technological Literacy Outcome.*
7. Write standardized product specifications for food service and lodging products. *Active Learning Strategy, Communication Outcome, Mathematics Outcome*
8. Work as groups to inspect a food service operation to determine any incorrect food storage problems. *Active Learning Strategy, Communication Outcome, Mathematics Outcome*
9. Strengthen analytical skills by solving cost control problems from supplied data and scenarios. *Mathematics Outcome, Active learning Strategies*
10. Develop standardized recipes specifically for portion cost control. *Active Learning Strategy, Communication Outcome, Mathematics Outcome*

### **IV. EXPECTATIONS FOR STUDENT PERFORMANCE:**

*The student should be able to:*

1. Identify procurement and selection procedures for the hospitality industry. (A, D)
2. Identify hospitality cost variations, and design effective and efficient solutions. (A, B, C, E)
3. Utilize the various personnel scheduling techniques inherent to the hospitality industry. (A, B, C)
4. Know the proper portion control and portion quantity evaluation techniques and apply them to realistic situations. (A, C, D, E)
5. Establish effective cost control monitoring programs for food, beverage and labor within the hospitality industry. (A, C, D, E)
6. Write and adjust personnel schedules for efficiency and effectiveness for numerous and various hospitality establishments. (A, C, E)
7. Track hospitality products from receiving to consumption. (B, C, E)
8. Utilize the Butcher's yield test for meats and recipes. (C, E)
9. Evaluate the cost of labor versus its effect on service. (A, B, C, E)
10. Utilize men engineering to accomplish an efficient and effective menu. (A, E)
11. Perform a month-ending inventory for a food service establishment. (A, B, D, E)
12. Perform a daily food cost analysis for a restaurant. (A, B, D, E)

### **V. EVALUATION:**

**A. Testing Procedures:** 45% of grade

Students are evaluated primarily on the basis of tests. A minimum of three exams must be given accounting for 45% of the final semester grade. The grading scale is as follows:

**B. Laboratory Expectations:** N/A

**C. Field Work:** 45% of grade

Students will be responsible for all Excel homework assignments and a minimum of two recipe evaluations as well as written income statement problems and analyses. These assignments will account for 45% of the final semester grade.

**D. Other Evaluation Methods:** 10% of grade

Class participation, group work, and homework will also comprise the final grade for the course. Each instructor must provide full details the first week of class via a syllabus supplement. This portion of the final semester grade will amount to 10%.

**E. Grading Scale:**

92 - 100	A
89 - 91	B+
82 - 88	B
79 - 81	C+
72 - 78	C
65 - 71	D
Below 65	F

**VI. POLICIES:**

**A. Attendance Policy:**

Pellissippi State Community College expects students to attend all scheduled instructional activities. As a minimum, students in all courses must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course. (*Pellissippi State Online Catalog*)

**B. Academic Dishonesty:**

Plagiarism, cheating and other forms of academic dishonesty are prohibited. A student guilty of academic misconduct, either directly or indirectly through participation or assistance, is immediately responsible to the instructor of the class. In addition to other possible disciplinary sanctions that may be imposed through the regular Pellissippi State procedures as a result of academic misconduct, the instructor has the authority to assign an F or a zero for the exercise or examination or to assign an F in the course. (*Pellissippi State Online Catalog*)

**C. Computer Usage Guidelines:**

College-owned or –operated computing resources are provided for use by students of Pellissippi State. All students are responsible for the usage of Pellissippi State's computing resources in an effective, efficient, ethical and lawful manner. (*Pellissippi State Online Catalog*)

**D. Accommodation for Disabilities:**

Students who need accommodations because of a disability, have emergency medical information to share, or need special arrangements in case the building must be evacuated should inform the instructor immediately, privately after class or in her or his office. Students must present a current accommodation plan from a staff member in Services for Students with Disabilities (SSWD) in order to receive accommodations in this course. Services for Students with Disabilities may be contacted by going to Goins134 or 126 or by phone: 694-6751 (Voice/TTY) or 539-7153. More information is available at [www.pstcc.edu/departments/swd/](http://www.pstcc.edu/departments/swd/).