

Module Title: MENU PLANNING AND COSTING

Department: Hospitality Management

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Answer Sheet for Assignment 2

Mr Elie, a chef in 55 Hotel bought the following food items to receive a function of 25 pax:

item	unit	quantity	Unit price	Trim and waste percent
chicken	kg	5	3800	2
potatoes	kg	10	350	1
cheese	kg	2	5800	1
fish	kg	5	5500	2
eggs	tray	1	5300	0
Others(spices, herbs, condiments, oil)	-	-	3000	0

# Tasks:

## Calculate:

- a) Purchase price for each food item
- b) Net weight for each food item
- c) Actual cost for each food item
- d) Selling price for each food item
- e) Selling price per portion for all menu items
- f) Sales volume
- g) Gross profit
- h) Net profit

**NB: Use a food cost percent of 25%**

# IMPORTANT FORMULAS TO APPLY

- 1. ACTUAL FOOD COST=PURCHASE PRICE\*100%/NET WEIGHT%**
- 2. FOOD COST %=FOOD COST\*100%/SALES PRICE**
- 3. a) SELLING PRICE=ACTUAL COST\*CONTRIBUTION FACTOR**  
**b) SELLING PRICE=FOOD COST:FOOD COST %**
- 4. GROSS PROFIT=SALES - FOOD COSTS**
- 5. GROSS PROFIT %=GROSS PROFIT\*100%/SALES**
- 6. NET PROFIT=GROSS PROFIT-OTHER EXPENSES**
- 7. CONTRIBUTION FACTOR=SALES PRICE: FOOD COST**
- 8. YIELD FACTOR =ACTUAL COST MINUS PURCHASE PRICE**

# a) Purchase price for each item

item	Unit price	Total price
chicken	3800	19000
potatoes	350	3500
cheese	5800	11600
fish	5500	27500
eggs	6000	6000
Others(spices, herbs,condiments, oil)	3000	3000

## b) Net weight for each food item

item	GW	TWP	NWP	NW
chicken	5	2	98	4.9
potatoes	10	4	96	9.6
cheese	2	1	99	1.98
fish	5	2	98	4.9
eggs	1	0	0	1
Others(spices, herbs,condiments,o il)	-	-	-	-

item	formula	Cost per yield	Cost per portion
chicken	$19000 * 100\% / 98\%$	19388	775
potatoes	$3500 * 100\% / 96\%$	3646	146
cheese	$11600 * 100\% / 99\%$	11717	468
fish	$27500 * 100\% / 98\%$	28061	1122
eggs	$6000 * 100\% / 100\%$	6000	240
Others(spices, herbs,condiments,oil)	$3000 * 100\% / 100\%$	3000	120
	Total cost		$2871 * 25 = 71\ 775$

## e) Gross profit

**Gross profit**=sales

volume-food cost

$$= 287,100 - 71,775$$

$$= \underline{215,325 \text{ rfw}}$$

## f) Net profit=gross profit-expenses

### Expenses:

electricity 2000

Water: 500

Labour:(1chef:300000 per month /10000 per day,2cooks:300000 per month/5000 per day ,1steward:60000 per month/2000 per day)

VAT(18%): $287,100 * 18 / 100 = 51678$

Insurance:100000 per month for 7 department,14285 per one department,476 per day.

Marketing and communication:15000

Depreciation:2000

Others: 20000

## d) Selling price for each menu item

item	formula	Price per portion
chicken	775/25%	3100
potatoes	146/25%	584
cheese	468/25%	1872
fish	1122/25%	4488
eggs	240/25%	960
Others(spices, herbs,condiments,oil)	120/25%	480
	Total sales(sales volume)	11484*25=287,100

Total of expenses:108 654 rfw

**NET PROFIT=215,325 rfw-108654 rfw**  
**=106 671 RFW**