MANAGEFIRST CONTROLLING FOODSERVICE COST PRACTICE TEST (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

https://managefirstcontfoodservicecost.examzify.com

Table of Contents

Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

1. **Which statement describes variable costs?**
   A. Costs that are controllable by management
   B. Costs that remain constant regardless of sales
   C. Costs that increase and decrease in direct proportion to sales volume
   D. Costs that occur only during peak hours

2. **If the budget for food and beverage costs drops to 280,000 and total revenue remains at 800,000, what is the new food and beverage cost as a percentage of sales?**
   A. 30%
   B. 40%
   C. 37%
   D. 35%

3. **Quantity standards measure which of the following?**
   A. Weight, count, or volume measures
   B. Price levels
   C. Time required for service
   D. Number of staff per shift

4. **A cost that increases or decreases in direct proportion to sales is known as a**
   A. Fixed cost
   B. Variable cost
   C. Sunk cost
   D. Marginal cost

5. **Which item is commonly listed as a direct operating expense category?**
   A. Menus and wine list
   B. Insurance
   C. Advertising
   D. Utilities

6. What is the restaurant and foodservice industry standard for prime cost?

A. 50%
B. 65%
C. 75%
D. 85%

7. Extended value of a stock item with unit cost 12.50 and 40 units?

A. 480
B. 520
C. 500
D. 530

8. What is par level?

A. A safety stock measure
B. The current inventory level
C. A purchasing method where each item has a level at which it is reordered
D. A minimum order quantity

9. Which expression correctly represents the cost of sales formula?

A. Opening inventory + Purchases - Closing inventory = Cost of sales
B. Opening inventory - Purchases + Closing inventory = Cost of sales
C. Purchases - Opening inventory + Closing inventory = Cost of sales
D. Closing inventory + Purchases - Opening inventory = Cost of sales

10. Actual costs should be compared against which type of costs?

A. Standard costs
B. Budgeted costs
C. Historical costs
D. Estimated costs

Answers

1. C
2. D
3. A
4. B
5. C
6. B
7. C
8. C
9. A
10. A

Explanations

1. Which statement describes variable costs?

A. Costs that are controllable by management

B. Costs that remain constant regardless of sales

C. Costs that increase and decrease in direct proportion to sales volume

D. Costs that occur only during peak hours

Variable costs are costs that change in total with the level of sales or activity. In a foodservice operation, things like ingredients and direct labor tied to production rise as you serve more customers. The key idea is that total variable costs move in direct proportion to sales volume—double the meals, and the total variable costs roughly double, while the cost per unit stays about the same. This distinguishes them from fixed costs, which stay the same regardless of volume, such as rent or salaries that don't fluctuate with sales. The other statements don't describe how variable costs behave with volume: controllability is about whether management can influence a cost, not how it changes with sales; fixed costs stay constant; and peak-hour timing isn't what defines a cost as variable.

2. If the budget for food and beverage costs drops to 280,000 and total revenue remains at 800,000, what is the new food and beverage cost as a percentage of sales?

A. 30%

B. 40%

C. 37%

D. 35%

Food and beverage cost as a percentage of sales is found by dividing the cost by the sales and converting to a percent. With costs at 280,000 and sales at 800,000, 280,000 ÷ 800,000 = 0.35, which equals 35%. Since 35% matches the given figures, that is the correct percentage. To see why the other options don't fit: 30% would require 240,000 in costs, 40% would require 320,000, and 37% would require 296,000. The actual cost of 280,000 corresponds to 35%.

3. Quantity standards measure which of the following?

A. Weight, count, or volume measures

B. Price levels

C. Time required for service

D. Number of staff per shift

Quantity standards focus on the amounts of inputs used in producing goods or services, expressed in weight, count, or volume per unit of output. In practice, you set a standard for how much of an ingredient should be used for each serving—for example, a certain number of ounces of meat per sandwich or a specific cup of sauce per plate. Then you compare actual usage to these standards to calculate variances, which helps you spot over-portioning, waste, or theft and tighten cost control. Other types of standards cover different aspects, such as price standards (cost per unit of input), time standards (how long tasks should take), or staffing standards (how many employees are needed per shift). These do not directly measure the physical amount of materials used, which is why quantity standards are about weight, count, or volume.

4. A cost that increases or decreases in direct proportion to sales is known as a

A. Fixed cost

B. Variable cost

C. Sunk cost

D. Marginal cost

Costs are grouped by how they respond to changes in sales. A cost that rises or falls in direct proportion to sales is a variable cost, because total variable cost moves with the level of activity. As you sell more units, you incur more cost; as you sell fewer, it decreases. This typically includes items directly tied to production and sales, like materials and direct labor, which scale with volume. Fixed costs stay the same across the relevant range, such as rent or a salaried supervisor, regardless of sales. Sunk costs are money already spent and not recoverable, so they don't change with current or future sales. Marginal cost is the cost of producing one additional unit, a specific incremental cost rather than the overall behavior of all costs with changes in sales. So the cost described is variable cost.

5. Which item is commonly listed as a direct operating expense category?

A. Menus and wine list

B. Insurance

C. Advertising

D. Utilities

Direct operating expenses are the costs tied to running the business and delivering service to guests in the ordinary course. Advertising fits this category because it directly supports attracting guests and generating sales in the current period. It's an ongoing expense that helps keep the operation visible and competitive, rather than a one-time capital investment or a purely fixed overhead item. Insurance, in contrast, is a risk-management cost that protects the business but isn't tied to daily guest service. Utilities are essential operating costs, but they're usually categorized with other ongoing overhead rather than as marketing. Menus and wine lists are materials used in service and marketing but are typically handled as supplies or cost of goods rather than as advertising costs.

6. What is the restaurant and foodservice industry standard for prime cost?

A. 50%

B. 65%

C. 75%

D. 85%

Prime cost is the sum of direct labor and the cost of goods sold (food) expressed as a percentage of sales, and it's used as a quick measure of how efficiently a restaurant is controlling its two largest controllable expenses. The industry standard target for prime cost is about 65% of sales. This level reflects a balance: enough labor and food cost to deliver your menu and service, while still leaving room in the remaining 35% of sales for all other operating costs and profit. If prime cost runs higher, profitability is squeezed; if it runs significantly lower, the operation may be under-resourced or compromising on quality or service. For example, with $10,000 in sales, aiming for prime costs around $6,500 keeps you near that 65% benchmark.

7. Extended value of a stock item with unit cost 12.50 and 40 units?

A. 480

B. 520

C. 500

D. 530

This question tests how to find the extended value of inventory by multiplying unit cost by quantity. With a unit cost of 12.50 and 40 units, you compute 12.50 × 40 = 500. So the extended value is 500. The other numbers aren't the product of 12.50 and 40, so they don't represent the extended value for this item.

8. What is par level?

A. A safety stock measure

B. The current inventory level

C. A purchasing method where each item has a level at which it is reordered

D. A minimum order quantity

Par level is the defined target quantity you want to have on hand for each item so you can operate smoothly until the next delivery. It acts as a reorder trigger: when the on-hand amount reaches the par level, you place an order to bring stock back up to that level. This isn't just the current stock you have, nor is it the minimum quantity you can order, and it isn't simply extra safety stock. It's the planned level used to decide when and how much to reorder for each item, helping maintain consistent availability and control purchasing.

9. Which expression correctly represents the cost of sales formula?

A. Opening inventory + Purchases - Closing inventory = Cost of sales

B. Opening inventory - Purchases + Closing inventory = Cost of sales

C. Purchases - Opening inventory + Closing inventory = Cost of sales

D. Closing inventory + Purchases - Opening inventory = Cost of sales

The key idea is that cost of sales for a period comes from the flow of inventory: you start with what you have, add what you bought, and subtract what you still have at the end. Opening inventory plus purchases gives you the total goods available for sale during the period. Subtracting ending inventory reveals the amount of inventory that was actually sold, i.e., the cost of goods sold. That's why opening inventory plus purchases minus closing inventory is the correct expression. Any other arrangement would miscount one side of the flow—either failing to account for the goods available for sale or not properly removing the ending stock—leading to an incorrect cost of sales figure.

10. Actual costs should be compared against which type of costs?

A. Standard costs

B. Budgeted costs

C. Historical costs

D. Estimated costs

Standard costs serve as the benchmark for cost control. They are predetermined per unit costs set under normal operating conditions, reflecting expected input prices and efficiency. By comparing what actually happened to what should have happened for the same level of production, you generate variances that show whether costs ran over or under the standard. This per-unit benchmark makes it possible to pinpoint price variances (actual price vs. standard) and efficiency variances (actual quantity or use vs. standard). Budgeted costs, historical costs, and estimated costs serve different roles, such as planning a period or reflecting past or forecast figures, but they don't provide the per-unit performance benchmark that standard costs do for variance analysis.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://managefirstcontfoodservicecost.examzify.com

We wish you the very best on your exam journey. You've got this!