

# Chapter 1: Principles of Control in a Foodservice Operation

## *Relationship between cost, sales, and profit (or loss)*

$$\text{Profit} = \text{Sales} - \text{Cost}$$

$$\text{Cost} = \text{Sales} - \text{Profit}$$

## *Ratios*

$$X:Y = \frac{X}{Y} = X \text{ to } Y$$

## *Comparing Product Prices*

### *Considering pack size*

$$\text{Number of Bags per Case} \times \text{Weight per Bag} = \text{Weight per Case}$$

$$\text{Price per Weight Measure (ex. pound)} = \frac{\text{Price per Case}}{\text{Weight per Case}}$$

## *Food Cost per Meal*

$$\text{Food Cost per Meal} = \frac{\text{Cost of Food to Prepare Meals}}{\text{Number of Meals Served}}$$

## *Labor Cost per Meal*

$$\text{Labor Cost per Meal} = \frac{\text{Labor Cost}}{\text{Meals Served}}$$

## *Variance Calculations*

$$\text{Budget} - \text{Actual} = \text{Variance}$$

### *Variance as a percent difference*

$$\frac{\text{Variance Amount}}{\text{Budgeted Amount}} \times 100 = \% \text{ Difference}$$