



Examination Paper

March 2013

Name :

INSTITUTE OF LICENSED TRADE STOCK AUDITORS

THEORY PAPER GUIDELINES

1. The time allowed is **three hours**. Fifteen minutes will be allowed before the start of the period, so that candidates can scrutinize the paper and plan their approach.
2. Questions **1 - 10** are compulsory and must be answered. **8** out of the remaining **10** must be attempted.
3. Each compulsory question is worth **6** marks ; each optional question is worth **5**.
4. Questions can be answered in **any order** the candidate wishes.
5. Candidates **should not answer more questions than necessary**, but should spend any surplus time checking work already done.
6. Candidates are advised to give a **short, precise summary**, rather than a long protracted answer.
7. **All workings should be shown**. If the end result is wrong, but the error in calculation is identifiable, then some marks may still be given. **Where applicable please work to 3 decimal places**.
8. **Please answer questions using black ink or if pencil ensure that the answers can be photocopied**.
9. Please **tick** box for all questions answered.

1.	<input type="checkbox"/>	2.	<input type="checkbox"/>	3.	<input type="checkbox"/>	4.	<input type="checkbox"/>	5.	<input type="checkbox"/>
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Question 1

Please prepare an adjusted valuation from the following information.

Value of bar stock as at c.o.b. Sunday 3rd March	£ 6,576.15
Value of food stock as at c.o.b. Sunday 3rd March	£ 2,550.45
Bar purchases after month end are	£ 995.75 (VAT exclusive)
Food purchases after month end are	£ 457.15 (VAT exclusive)
Takings / Revenue for the bar are	£2,750.90 (Including VAT)
Takings / Revenue for food are	£1,250.10 (Including VAT)

Assume a GP % on the bar of 53.4% and food of 68.5%

Prepare a valuation as at c.o.b. Thursday 28th February showing all your workings

ANSWER

Value of bar stock as at c.o.b. Sunday 3rd March	£ 6,576.15
Less purchases	£ 995.75
Plus cost of sales $£2,750.90 / 1.2 \times 46.6\%$	<u>£ 1,068.27</u>
Valuation COB 28th February	£ 6,648.67
Value of food stock as at c.o.b. Sunday 3rd March	£ 2,550.45
Less food purchases	£ 457.15
Plus cost of sales $£1250.10 / 1.2 \times 31.5\%$	<u>£ 328.15</u>
Valuation COB 28th February	£ 2,421.45
Total Valuation	£ 9,070.12



Question 2

Explain briefly what you understand by the following terms:

1. Cask and keg beers
2. Brix cup and refractometer
3. Stock on hand and stock on loan
4. Ullage and pump cleaning allowance
5. Obscuration and meniscus
6. Projected sales analysis and till reconciliation

ANSWER

1. **Cask (or real) ale** is beer that has not been pasteurised and is dispensed from a cask with no additional pressure or gas used. After being tapped and vented the beer is served usually by a hand pump that pulls beer through the lines. **Keg beers** are pasteurised and in a sealed pressurised container from the brewery. This results in the need for Co2 or mixed gas, separate from the keg, to serve the products from a font on the bar.
2. Both are used to determine the dilution ratio of post mix syrups in different ways. **A Brix cup** is used to separate the syrup and the water into a container to assess the dilution ration by a visual scale on the cup. A **refractometer** is a microscopic style of device to obtain the dilution factor of the product by assessing the sugar content.
3. **Stock on hand** are goods held in any given premises. **Stock on loan** are goods that have been borrowed and are not paid for but still form part of our stock on hand
4. **Ullage** is mostly waste incurred by beer fobbing or spilt when being dispensed and may also include broken bottle tops, damaged cans or spoilt drinks other than draught products. **Pump cleaning allowance** is for the loss on draught products incurred when cleaning beer lines. It may comprise beer being pulled off before and after the cleaning solution and water have been flushed through the system.
5. **Obscuration** is the effect sugar has on an hydrometer reading. Brandy and dark rum in particular require a tolerance on the reading shown on the hydrometer. **Meniscus** is the curve of the liquid as it meets the hydrometer and where it touches the sides of the glass vessel.
6. **Projected sales analysis** is used when comparing the consumption of items in any given period against another period but does not take into account any seasonal fluctuations in sales patterns. **Till reconciliation** is comparing actual consumption of items against what has been registered in or on the till system showing any variances that might occur.



Question 3

Explain how you would take stock when faced with 7 litre, 10 litre and 12 litre post mix boxes. Whilst preparing a stock result, you establish that the half-pints (284 ml) of lemonade sell at £ 1.40 and dashes at £ 0.65 Dashes account for 55 % of the total sales. What is the selling price per litre of syrup, if the mix is 7.5:1 Assume a dash is 3 fl oz (85 ml)

ANSWER

Regardless of the amount of syrup in the boxes I would convert all counts of post mix to litres and part litres. A count of 1/10 of a 7 litre box would be 0.7 of a litre and in a 10 litre box would be 1 litre and in a 12 litre box would be 1.2 litres and so on. On the stock sheets it would be costed by the litre and assessed at the selling price by the litre.

If a syrup is 7.5:1 then each litre of the syrup yields 8.5 litres of the finished product.

If a 10 oz glass (284 ml) sells at £ 1.40 then the litre of syrup sells for:

$$8500 / 284 \times 1.40 = \text{£ } 41.90$$

If a 3oz (85 ml)dash sells at £ 0.65 then the litre of syrup sells for

$$8500 / 85 \times 0.65 = \text{£ } 65.00$$

$$55\% \text{ sales are dashes } \text{£ } 65.00 \times 55\% = \text{£ } 35.75$$

$$45\% \text{ sales are glasses } \text{£ } 41.90 \times 45\% = \text{£ } 18.86$$

$$\text{Selling price for litre } \text{£ } 54.61 \quad (\text{or } \text{£ } 54.60 \text{ rounded down })$$



Question 4

Having completed the physical count in a food stocktaking exercise, you have the following information:

Opening stock		£	3,745.75
Closing stock		£	2,974.12
Purchases	(Ex. VAT)	£	10,575.15
Income	(Inc. VAT)	£	29,570.75
Allowances at retail	(Inc. VAT)	£	3,550.50

Produce:-

- (a) Trading account excluding allowances
- (b) Trading account including allowances at retail
- (c) Trading account including allowances at cost

ANSWER

(a) Opening stock	£	3,745.75	Closing stock	£	2,974.12
Purchases Ex.VAT	£	10,575.15	Income (Ex VAT)	£	24,642.29
Gross Profit	£	13,295.51			
	£	27,616.41		£	27,616.41
Gross Profit %		53.95%			

(b) Opening stock	£	3,745.75	Closing stock	£	2,974.12
Purchases Ex.VAT	£	10,575.15	Income (Ex VAT)	£	24,642.29
Gross Profit	£	16,254.26	Allowances Ex Vat)	£	2,958.75
	£	30,575.16		£	30,575.16
Gross Profit %		58.89%			

(c) Opening stock	£	3,745.75	Closing stock	£	2,974.12
The difference betwe	£	10,575.15	Income (Ex VAT)	£	24,642.29
Gross Profit	£	14,511.85	Allowances at Cost	£	1,216.34
	£	28,832.75		£	28,832.75
Gross Profit %		58.89%			

Allowances at cost

$$£ 3550.50 / 1.2 = £ 2958.75 \text{ less } 58.89\% \text{ GP} = £ 1742.41 = £ 1216.34$$

Or

$$£ 3550.50 / 1.2 = £ 2958.75 \times 41.11\% = £ 1216.34$$



Question 5

Sales for a year at a client's premises are as shown below. With the aim of obtaining better purchase prices, he asks you to work out the actual barrelage of each item. Calculate each showing your workings.

Carlsberg Lager		6840 galls
Smooth Bitter		4518 galls
Budweiser	330.ml	3380 dozen
Becks Bier	275 ml	1544 dozen
Koppaberg Cider	550 ml	175 dozen
Guinness Surger	520 ml	240 dozen

ANSWER

Carlsberg	6840 divided by	36	190.00 barrels
Smooth Bitter	4518 divided by	36	125.50
Budweiser	12 x 330 ml=	3.96 litres	
	36 galls =	163.66 litres	
	163.66 / 3.96 =	41.328	
	3380 divided by	41.328	81.78
Becks Bier	12 x 275 ml=	3.3 litres	
	36 galls =	163.66 litres	
	163.66 / 3.3 =	49.594	
	1544 divided by	49.594	31.13
Koppaberg Cider	12 x 550 ml=	6.6 litres	
	36 galls =	163.66 litres	
	163.66 / 6.6 =	24.797	
	175 divided by	24.797	7.06
Guinness Surger	12 x 520 ml=	6.24 litres	
	36 galls =	163.66 litres	
	163.66 / 6.2 =	26.228	
	240 divided by	26.228	<u>9.15</u>
	Total barrelage		444.63



Question 6

Explain how you would react to the following situations arising in regular stocktakes.

- (a) During a 'happy hour', a pub gives a 20 % off every drink. If taking for the cheaper drink periods amount to £ 750.00 , what allowances would you make.
- (b) The sales of house vodka are 19 6/10 ths during a 35 day stock period and there are 5 5/10 ths left in stock. What is the days stockholding figure ?
- (c) A 1.5 Litre of house whisky has been bought for £ 26.94 plus VAT. If a 50ml measure is used what would the selling price have to be to achieve a 63% GP ?
- (d) Your client has received 1 keg of lager (11 gallons) free of charge to cover some of the retail loss on a promotion, how would you show this on your result ?
- (e) The budget has increased all cost prices on alcoholic products two weeks into a six week stock period. How do you manage to show the current GP for this period ? (For this exercise the selling prices have not yet been increased).

ANSWER

- (a)
- | | | | | |
|----------|-----------------------|-----------|-------|----------|
| £ 750.00 | divided by | 80 x | 100 = | £ 937.50 |
| | less declared takings | | | £ 750.00 |
| | | Allowance | | £ 187.50 |
| £ 26.94 | | | | £ 72.81 |
- (b)
- | | | | | |
|---------------|------|------------|-----------|--------------|
| Sales | 19.6 | divided by | 35 days = | 0.56 per day |
| Closing stock | 5.5 | divided by | 0.56 = | £ 9.291 days |
- (c)
- | | | | | |
|------------|-------------------|-------------|-------|-----------|
| To achieve | 63 % gross profit | 37 x | 100 = | |
| | | | = | Ex. VAT |
| | | | | Inc. VAT |
| | divided by | 30 measures | | a measure |
- (d) I would work out the retail value of the promotion say £ 200.00 then work out the selling value of the FOC lager, say 88 pints at £ 2.75 = £242.00 giving an overage of £ 42.00. I would then reduce my purchase figure from 11 to 1.9 galls and not show an allowance. 1.9 gallons = 15.2 pints at £ 2.75 = £ 41.80. An alternative is to bring in the FOC lager and show a full allowance both ways keep the GP % at the correct level.
- (e) The sales via the purchases before and after the price increase can be worked out, from that an allowance can be applied to each section of the stock report as a single line entry adjustment at cost price only. This keeps the GP % correct per section and in total for the result.



Question 7

A client has been approached by a different supplier who is offering a larger discount than they currently enjoy. In the current economic climate the client wishes to pass this potential benefit on to the customers in an effort to increase turnover.

Current prices per gallon net of discounts and selling prices are at the moment:

	Cost (gall)	Selling (Pint)
Lager	£ 9.30	£ 2.70
Bitter	£ 8.60	£ 2.55
Cask ale	£ 7.80	£ 2.45

What prices can be charged on each product to maintain current margins if the discounts on offer are £ 27.00 per barrel.

ANSWER

	Present Margins	Cost (gall)		Selling		Profit	%
Lager		£ 9.30	£ 2.70	x8 / 1.2	£ 18.00	£ 8.70	48.3%
Bitter		£ 8.60	£ 2.55	x8 / 1.2	£ 17.00	£ 8.40	49.4%
Cask ale		£ 7.80	£ 2.45	x8 / 1.2	£ 16.33	£ 8.53	52.2%

New Prices

Cost prices decrease by 0.75p per gallon (£ 27.00 / 36 = 0.75)

	New Cost				GP	Price per
	Cost	%			%	Pint
Lager	£ 8.55	/ 51.7	x 120	=	£ 19.85 48.3	£ 2.48
Bitter	£ 7.85	/ 50.6	x 120	=	£ 18.62 49.4	£ 2.33
Cask ale	£ 7.05	/ 47.8	x 120	=	£ 17.70 52.2	£ 2.21

Margins achieved and hopefully turnover and volume will increase



Question 8

At a hotel where you undertake stocktaking hot beverages such as tea or coffee have been posted through the drink income unbeknown to you. These have been included in the bar result giving inflated figures. Your client asks for advice on what profit margin would be achieved if hot beverages were removed from the liquor stock and put through as food stock. Using the current figures, as detailed below, calculate what the margin would be. Assume there are no allowances made against the hot beverage sales and they are as per the till report.

	Sales at Cost	Sales at Retail	
Draught beers	£ 3,195.13	£ 7,025.50	
Bottled / canned beers	£ 1,255.23	£ 2,851.85	
Minerals	£ 509.23	£ 2,055.25	
Spirits	£ 987.63	£ 3,912.40	
Liqueurs	£ 245.75	£ 766.00	
Hot beverages	£ 605.27	£ 3,495.15	
	<u>£ 6,798.24</u>	<u>£ 20,106.15</u>	
Allowances		£ 535.68	
		<u>£ 19,570.47</u>	
	Takings (Inc VAT)	£ 19,368.95	
	Surplus / (Deficit)	-£ 201.52 -1.04%	
Gross Profit			
£ 9,510.49	Estimated GP%	58.32%	
£ 9,342.55	Actual GP%	57.88%	

ANSWER

Total sales at cost	£ 6,798.24	Retail sales	£ 20,106.15
		Ex VAT	£ 16,755.13
	Gross Profit	59.43%	£ 9,956.89
Excluding hot beverages	£ 6,192.97		£ 16,611.00
		Ex VAT	£ 13,842.50
	Gross Profit	55.26%	£ 7,649.53
Less Allowances	£ 6,192.97	Retail Sale:	£ 16,611.00
Estimated GP %		less allow.	£ 535.68
			£ 16,075.32
		Ex VAT	£ 13,396.10
	Gross Profit	53.77%	£ 7,203.13
Less Allowances	£ 6,192.97	Takings	£ 15,873.80
Actual GP%			£ -
			£ 15,873.80
		Ex VAT	£ 13,228.17
	Gross Profit	53.18%	£ 7,035.20
	Deficit	-1.27%	-£ 201.52

The Gross profit has reduced by almost 5 %



Question 9

I buy a 9 gallon cask of beer for £ 82.55 Ex VAT, and I sell it for £ 2.90 a pint.

- (a) What is my gross profit percentage ?
- (b) What is my mark up percentage ?
- (c) What is my net profit percentage if my dispense costs are fixed at £ 10.00 per cask.

ANSWER

(a)	Sell at	£ 2.90	x	72	=	£ 208.80	
				Less VAT divide by 1.2		£ 174.00	
				Gross profit = Vat Ex Takings less cost	£ 91.45	=	52.56%
(b)				Gross Profit (As above)	£ 91.45		
				Cost	£ 82.55		
				Mark up = Gross Profit / Cost			
				x 100	110.8%	Mark up	
(c)				Gross Profit less costs = net costs			
				Gross Profit	£ 91.45		
				Less Costs	£ 10.00		
				Net Profit	£ 81.45		
				Net Profit divided by net sales x 100			46.8%



Question 11

On conducting an hotel stock audit where you normally provide a food and drink stock report you discover they have had an inclusive package for New Years Eve.

This includes, on arrival a glass of Champagne with canapes and a glass of vintage rose Champagne at midnight.

They have not split the revenue between the food and drink operation and the entire ticket price has been allocated to food.

How would you deal with this situation and keep your results accurate given the following information:

	Cost (Ex Vat)	S.P. (Inc VAT)
Champagne	£ 24.99	£ 47.00
Vintage rose Champagne	£ 36.50	£ 68.00

20 bottles of each were used for the event.

ANSWER

Either Allocate the cost value of the Champagne as a transfer from liquor to food at

$$20 \times £ 24.99 \text{ plus } 20 \times £ 36.50 = £ 1,229.80$$

This would be shown on the liquor result as a transfer at a cost of £ 1,229.80 and retail value of £ 2,300

$$20 \times £ 47.00 \text{ plus } 20 \times £ 68.00 = £ 2,300.00$$

Or Deduct £ 2300 from the food income and add to the drinks revenue.
If you take this action then I would make a note in the stock report as to why the revenue figures are different from those presented to you.



Question 12

For the list of wines below give the usual colour of each and the country of origin :

Muscadet

Torres Vina Sol

Corte Vigna Pinot Grigio

Louis Roederer Brut Non vintage

Chateau Petrus

Beaujolais

Bulls Blood

Mateus Rose

Sauternes

Nuits-Saint-George

ANSWER

Muscadet	White	France
Torres Vina Sol	White	Spain
Corte Vigna Pinot Grigio	White	Italy
Louis Roederer Brut Non vintage	White / sparkling	France
Chateau Petrus	Red	France
Beaujolais	Red	France
Bulls Blood	Red	Hungary
Mateus Rose	Rose	Portugal
Sauternes	White	France
Nuits-Saint-George	Red	France



Question 13

On scrutinising a till roll after completing a stock result showing a large shortage you note the following:-

No sales	375	15% of total rings
Voids	180	

the Z2 number has increased by three since the last visit.

Detail the advice that you would give your client and the recommendations you would make.

ANSWER

Instruct the client to scrutinise all audit rolls to identify the day or days the till is being cleared and then question the staff concerned. If this shows individual staff transactions the 'no sales' culprit may be identified. I would advise then that the facility for 'no sales' be removed from the till and remove or check all Z2 keys are accounted for and keep them under management control. This avoids a reading being taken other than on the day of a stock audit.



Question 14

Explain how you would deal with the following situations on a changeover if you were acting for both parties in a PubCo situation.

- (a) A quantity of 'homemade' lasagne, pies and other dishes with no indication of day or dates of production.
- (b) Calor gas tank to be valued.
- (c) Several part bottles of wine not on the 'by the glass' list.
- (d) Cases of 12 and 15's of bottled beers bought in from Cash & Carry but in date.
- (e) Upright cask ales connected ready to dispense.

ANSWER

- (a) Ignore from the valuation entirely unless the purchaser wishes to take over at an agreed price. A disclaimer needs to go in to that effect in case of repercussion at a later date.
- (b) Read the meter on the top or side to give a percentage of liquid gas inside. Contact the supplier and ascertain the tank size and current price per litre and work out its value.
- (c) Ignore these wines, as they may not be able to be sold prior to 'going off'. **Suggest they could be utilised in the kitchen.**
- (d) Ask the vendor to remove from the premises as these will not have the PubCo's authorised labels on and could be in breach of contract if presented for sale by another licensee and could incur a penalty for ' buying out'. Due diligence must be observed.
- (e) If all well in date then include each but be careful on ascertaining the contents and do not disturb as this could render them unfit for consumption.



Question 15

On producing the first result at a new outlet you discover the following prices and measures in places for glasses and bottles of house wine :

	125 ml	175 ml	250 ml	75 cl Bottle
Red		£ 3.00	£ 4.00	£ 11.50
White		£ 3.00	£ 4.00	£ 11.50
Rose		£ 3.00	£ 4.00	£ 11.50
Cava	£ 3.50			£ 18.00

How would you deal with this situation on your stock report and calculate any necessary adjustments to account for any difference in yield you may identify.

The till report provides the following sales information:

	125 ml	175 ml	250 ml	75 cl bottle
Red 85			110	35
White		110	135	54
Rose 64			72	28
Cava	60			25

ANSWER

I would calculate all movement of stock on these products at the full bottle price and then add an uplift or surcharge for all the glasses sold.

175 ml sales - $85 + 110 + 64 = 259 / 4.28$ glasses = 60.5 bottles sold at £ 3.00 glass
 $£ 3.00 \times 4.28$ glasses = £ 12.84 or a surplus of £ 1.34 per bottle.
 $£ 1.34 \times 60.5 = £ 81.07$

250 ml sales $110 + 135 + 72 = 317 / 3$ glasses = 105.6 bottles
 $£ 4.00 \times 3$ glasses = £ 12.00 Or 0.50p surplus per bottle
 $105.6 \times 0.50p = £ 52.80$

125 ml Cava $60 / 6$ glasses = 10 bottles sold at £ 3.50 glass.
 $£ 3.50 \times 6 = £ 21.00$ bottle or a surplus of £ 3.00 a bottle.
 $10 \times £ 3.00 = £ 30.00$

Overall surcharge to be applied of £ 163.87

This can be brought into the body of the stock report under the appropriate wine section as a negative sale or shown as a negative allowance in the overall report. An explanation might then be needed for your client to understand what has been done.



Question 16

You take stock at a students' union bar and during a routine meeting with the council you are asked for advice on the best way of dealing with promotions. Some stock comes in free of charge and is sold at discounted prices, some is purchased at normal price but is still sold at discounted prices, and some free of charge stock is sold at normal prices to boost gross profit. Detail the advice given to your clients.

ANSWER

I would check that the FOC stock is bona fide FOC and not because of inflated cost prices. The advice would be that all FOC stock will be entered on the stock sheets and report as a separate item with no cost and the discounted selling price that is being charged. Normal stock which is sold at discounted prices should be documented and an allowance made on the stock report.

FOC stock sold at normal price should again be entered as a separate line on the stock sheets and report at no cost but this time full selling price.

Because of all these different types of discounting it is essential to keep full and accurate records as these are complex transactions and any wrong information provided will result in incorrect margins and results being given. The stock auditor needs to be kept fully up to date on all promotions.

I would also suggest that the margin could be improved by not passing on all the benefits directly back to the students.



Question 17

On a stock result the estimated gross profit is 52.5% and the actual gross profit is 53.7%.

- (1) Give possible reasons for this difference.
- (2) Indicate what percentage of surplus or deficit may occur.

Based on the cost of sales figure of £ 15,795.47 show how the result may look and quantify the difference between estimated and actual G.P. %

ANSWER

The difference between the actual and estimated gross profit is the difference between the gross profit that should have been achieved after all allowances have been taken into consideration and the actual gross profit achieved based on the takings figure.

If the actual GP is higher than the estimated GP then it is obvious that we have a surplus at retail value.

This could be down to good management, free flow beers generating a " head " on the draught products which can be quantified but could also be due to the stock auditor not receiving all the correct information. In this instance all relevant information could be cross checked.

Based on the above :

Estimated GP = $15795.47 / 47.5 \times 120 = 39904.35$ or 52.5% estimated GP%

Actual GP = $15795.47 / 46.3 \times 120 = 40938.58$ or 53.7% actual GP%

The difference between the two figures is a surplus of £ 1034.23 or 2.53%



Question 18

At the end of the year, a client's profit and loss account shows a gross profit figure which differs from yours by 6%. List at least six possible reasons why this would happen.

ANSWER

- (1) Incorrect takings figure used by the accountant - check that dates used by both parties agree.
- (2) Incorrect purchase information or suppliers that the stock auditor ignores. Brewery gas or contract gas that might be for a monthly rental which is not part of the stock auditors figures. The allocation of glassware, bar sundries such as pump cleaning solution, cleaning materials, straws, ice, lemons etc. which one party may class as bar purchases but which have no resalable value to the other party.
- (3) Retro discounts that might not have been seen by the stock auditor but acted on by the accountant.
- (4) Deliveries or invoices outside the period included by one or other party. Including delivery dates that differ from invoice dates that can happen at month end or invoices that are accrued from a previous year that the accountant has not taken off the current year.
- (5) Transfers between outlets or even between departments in the same premises that are not taken into account - liquor for kitchen use or water used in housekeeping stock that are part of the room package price come to mind.
- (6) Wrong or estimated valuation used by the accountant or an accrual over the year of an on going valuation that has been estimated and has now been adjusted with the final valuation.
- (7) Client buying directly for themselves from cash and carry or similar and putting purchases through the business.
- (8) Including products such as gas cylinders, lemon and limes which are not for sale.
- (9) Stock borrowed or lent out.
- (10) Unpaid accounts or revenue not allocated to current period.



Question 19

Below is an extract from a PLU report for draught beer. Give three reasons why the sales total may not work out to the price of a pint as shown.

How would you deal with each situation and explain it to the client ?

The following information has been obtained from the till report.

			Units	Sales Total
£	2.75	Carlsberg	593	£ 1,610.50
£	3.20	Stella	398	£ 1,170.25
£	2.95	Guinness	167	£ 480.65
£	2.40	Cask Ales	533	£ 1,219.80

The selling prices (obtained from the bar tariff) are for your guidance
Show your answer with examples.

ANSWER

The units sold may include the number of half pints sold which may not be an exact half of the pint price. Most tills clock up a number of units sold regardless of being a pint or a half.

If this was the case then by dividing the price per pint into the value of the sales we find the following:

$$\text{Carlsberg } \text{£ } 1,610.50 / \text{£ } 2.75 = 585.64 \text{ pints}$$

This is different from the 593 units quoted and actually represents 565.5 pints.

There could be a 'happy hour' price level on the till and so some pints have been sold at a reduced rate. If this was the case then the till can help in assessing the 'happy hour' discounts along these lines.

$$593 \times \text{£ } 2.75 = \text{£ } 1630.75 \text{ less till sales of } \text{£ } 1610.50 \text{ gives a discount of } \text{£ } 20.25$$

This principal could be used on all sales to arrive at an accurate discounted figure.

There also may have been a price increase during the period and so some sales are at old (lower) prices and some at the new, higher prices. Again using the principal above we can work out an allowance. Depending on which base price you use then it would be a surcharge or a straight forward allowance.



Question 20

What are the contents (in gallons) of the following keg / cask sizes

Barrel

100 Litre

Kilderkin

20 Litre

Firkin

30 Litre

Pin

Hogshead

50 Litre

45.5 Litre

ANSWER

Barrel 36 gallons

100 Litre 22 gallons

Kilderkin 18 gallons

20 Litre 4.4 gallons

Firkin 9 gallons

30 Litre 6.6 gallons

Pin 4.5 gallons

Hogshead 54 gallons

50 Litre 11 gallons

45.5 Litre 10 gallons