

How do we calculate the food costing of an item?



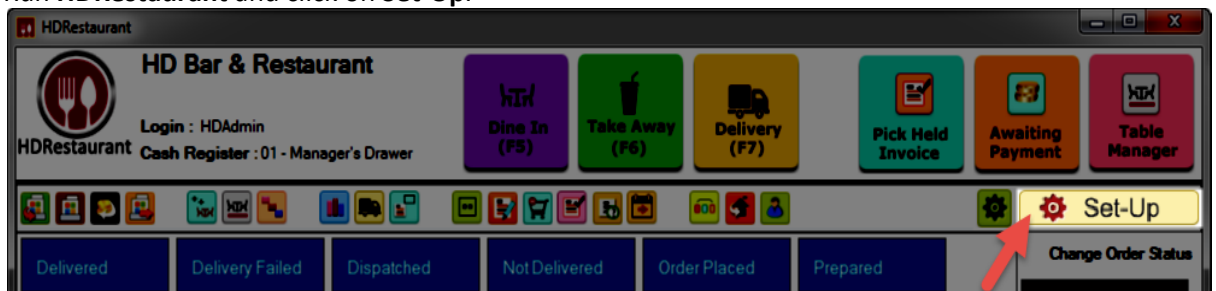
HDRestaurant Tutorials

Food costing of an item is basically the price involved of the components/ingredients and their quantities that are required to make an item. This feature is useful for the restaurants, sweet shops and for the businesses that make and sell items. This food costing feature helps you to calculate the purchase price of item including making charges and packaging charges etc.

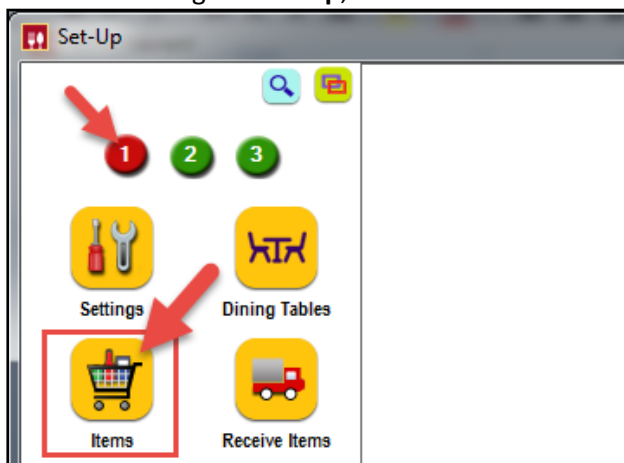
Here I have taken the **example** of Butter chicken as a Main course item whose ingredients are as Chicken, butter and gravy. For calculating the food costing of the main course item, you need to add the ingredient as items in the software with their purchase and selling price and add the ingredient items with their quantity as **BOM** in the main course item.

Below are the steps to calculate the food costing of an item:

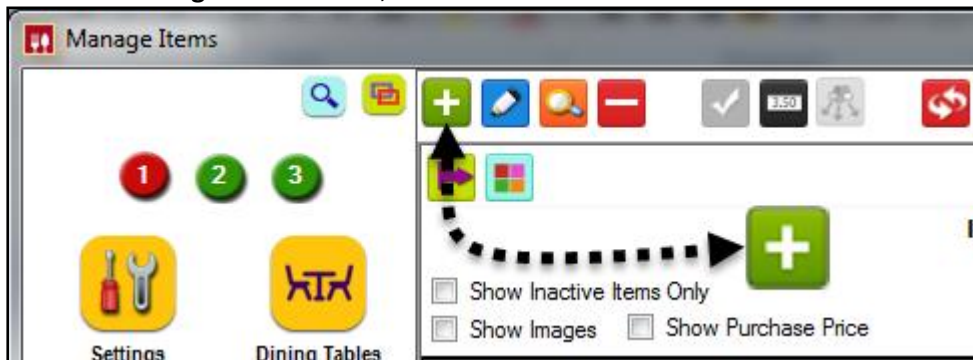
1. Run **HDRestaurant** and click on **Set-Up**.



2. From the 1st Page of **Set-Up**, click on **Items**.



3. From the **Manage Items** screen, click on **Add Item**.





4. Create all the ingredient items used in the main item.

Barcode : T00056 Define my own

Name : chicken Item Name Template

Item Unique Name : chicken

Item Group Name : chicken Group Name Template

Name In Regional Language : Settings...

Category : ingredients Search Code :

Item Attributes

Is Active Not For Sale Is Purchased Is Service Item

HasBOM Is Auto Make Is Auto Break Is Sortable Item Has Manual Batch Has Auto Batch

Is Gift Card Create Time Token

Is Measured at the time of sale Weighing scale used while selling

Is a Kit Need To Print Barcode Sticker

Only For Online Shop Not For Online Shop Allow to purchase on eShop when not in stock

Is A Combo

Opening Stock : Add Opening Stock Kg

HSN/SAC : GST Details

Keywords : Display Index :

Accessories Keywords :

Item Description Item Description For Website

Preferred Supplier :

Attachments Item Fields

User Field List

Cuisine : Type : Non-Veg Menu :

Drink Type :

1 Purchase unit is equal to : 1 Sales Units.

Pricing

Last Purchase Unit Price : 200.00

Sales Price Before Tax : 0.00

Sales Price (My MRP) : 0.00

MRP (Printed MRP) : 0.00 Add Item Price

Create & Clone (F6) Create & Continue (F7) Create (F8) Cancel

5. After all the ingredient items have been created, add main item.

Barcode : T00059 Define my own

Name : butter Chicken Item Name Template

Item Unique Name : butter Chicken

Item Group Name : butter Chicken Group Name Template

Name In Regional Language : Settings...

Category : Food Search Code :

6. Check the checkbox **HasBOM** under **Item Attributes** for the food costing involved.

Item Attributes

Is Active Not For Sale Is Purchased Is Service Item

HasBOM Is Auto Make Is Auto Break Is Sortable Item Has Manual Batch Has Auto Batch

Is Gift Card Create Time Token

Is Measured at the time of sale Weighing scale used while selling

Is a Kit Need To Print Barcode Sticker

Only For Online Shop Not For Online Shop Allow to purchase on eShop when not in stock

Is A Combo





7. Click on **HasBOM** button under **Item Attributes**.

Item Attributes

Is Active Not For Sale Is Purchased Is Service Item

BOM Is Auto Make Is Auto Break Is Sortable Item Has Manual Batch Has Auto Batch

Is Gift Card Create Time Token

Is Measured at the time of sale Weighing scale used while selling

Is a Kit Need To Print Barcode Sticker

Only For Online Shop Not For Online Shop Allow to purchase on eShop when not in stock

Is A Combo

8. In the BOM management window, select the items used as ingredients.

BOM Management

Barcode :

Item Name :

Search Code :

Barcode :

butter Chicken Category : Food

Items

- chicken
- Chicken 65
- Chicken Hariyali Masala
- Chicken Lollypop (Drums of heaven)
- Chicken Oyester Chilly Dry
- Chicken Spring Roll

9. Enter the quantity required in the **Quantity** column and accordingly purchase price will be calculated and displayed in the **Item Level purchase Price**.

| Name | Barcode | Quantity | Sales Measuring Unit | Unit Purchase Price | Last Purchase Price | Category Name | Is AutoBreak | Has BOM | Item Level Purchase Price | Item Level Basic Sales Price |
|-------------|---------|----------|----------------------|---------------------|---------------------|---------------|--------------|---------|---------------------------|------------------------------|
| chicken | T00055 | 0.3 | Kg | 180.00 | 180.00 | ingredients | No | No | 54.00 | 60.00 |
| Gravy | T00057 | 100 | Gram | 0.00 | 0.00 | ingredients | No | No | 0.00 | 0.00 |
| Amul butter | T00056 | 0.1 | Kg | 400.00 | 400.00 | ingredients | No | No | 40.00 | 42.40 |

10. Enter the **Labour Charge** and **Packaging Charge (if any)** in the **Making Cost** section of the BOM Management window. These labour and packaging charges are for unit quantity of the item.

All values below are for '1' unit of current item with Barcode : T00059

Making Cost

Labour Charge :

Packaging Charge :

Total Making Charge : 100.00

From BOM Purchase Price

Purchase Price including making cost : 194.00

Profit Margin : %

Suggested Basic Sales Price :

Apply

From BOM Basic Sales Price

Basic Sales Price including making cost : 202.40

Discount : %

Suggested Basic Sales Price :

Apply

Weight : 0

Current Basic Sales Price : 100.00

New Basic Sales Price : 213.40





11. Calculate sales price for the item

- Calculate Sales Price based on purchase price of ingredient items.

All values below are for '1' unit of current item with Barcode : T00059

| | | | |
|---|---|--|--|
| Making Cost Labour Charge : 100.00 Packaging Charge : 0.00 Total Making Charge : 100.00 | From BOM Purchase Price Purchase Price including making cost : 194.00 Profit Margin : 10.00 % Suggested Basic Sales Price : 213.40 <input checked="" type="checkbox"/> Apply | From BOM Basic Sales Price Basic Sales Price including making cost : 202.40 Discount : 0.00 % Suggested Basic Sales Price : 202.40 <input type="checkbox"/> Apply | Weight : 0 Current Basic Sales Price : 100.00 New Basic Sales Price : 213.40 |
|---|---|--|--|

OK Cancel

1. **Purchase Price including making cost:** This displays the cost price of a unit quantity of the item, including the making charges and the cost of raw materials.
2. **Profit Margin:** Enter profit margin for calculating sales price.
3. **Suggested Basic Sales Price:** Basic sales price, i.e. the sales price before tax is suggested based on the cost price and the profit margin. You can enter a value of your own.
4. **Apply:** To apply this suggested sales price as the basic price of the item, check this checkbox.

- Calculated sales price based on sales price of child items.

All values below are for '1' unit of current item with Barcode : T00059

| | | | |
|---|---|--|--|
| Making Cost Labour Charge : 100.00 Packaging Charge : 0.00 Total Making Charge : 100.00 | From BOM Purchase Price Purchase Price including making cost : 194.00 Profit Margin : 10.00 % Suggested Basic Sales Price : 213.40 <input checked="" type="checkbox"/> Apply | From BOM Basic Sales Price Basic Sales Price including making cost : 202.40 Discount : 0.00 % Suggested Basic Sales Price : 202.40 <input type="checkbox"/> Apply | Weight : 0 Current Basic Sales Price : 100.00 New Basic Sales Price : 213.40 |
|---|---|--|--|

OK Cancel

1. **Basic Sales Price including making cost:** This is the cumulative sales price (exclusive of tax) of the items used, along with the making cost.
2. **Discount:** Enter a discount amount.
3. **Suggested Basic Sales Price:** Basic sales price, i.e., the sales price before tax, is suggested based on the sales price of the individual items and the discount specified.
4. **Apply:** To apply this suggested sales price as the basic price of the item, check this checkbox.

12. Click on **OK**.

13. **Last Purchase Unit Price** will show the value of **Purchase Price including making cost** and **New Basic Sales Price** as **Sales Price Before Tax**.

Pricing

| | |
|----------------------------|--------|
| Last Purchase Unit Price : | 194.00 |
| Sales Price Before Tax : | 213.40 |
| Sales Price (My MRP) : | 224.07 |
| MRP (Printed MRP) : | 224.07 |

Add Item Price

14. Click on **Create** Create (F8)

