

Purchasing (RSTO 1325) Online



Credit: 3 semester credit hours (3 hours lecture)

Prerequisite/Co-requisite: Complete the Online Orientation and answer yes to 7+ questions on the Online Learner Self-Assessment: <http://www.lit.edu/depts/DistanceEd/OnlineOrientation/OOStep2.aspx>

Course Description

A study of purchasing and inventory management of foods and other supplies to include development of purchasing specification of order quantities, formal and informal price comparisons, proper receiving procedures, storage management, and issues procedures. Emphasis on product cost analysis, yields, pricing formulas, controls and record keeping at each stage of the purchasing cycle. *This course is time-bound, structured, and completed totally online.*

Required Textbook and Materials

1. Text is Purchasing, Selection and Procurement for the Hospitality Industry, 7th ed. Arthur A. Feinstein and J. Stefanelli.
2. This book has an accompanying student workbook.
3. Notebooks, pens, pencils and project materials.

Course Objectives

Upon completion of this course, the student will be able to:

1. Explain market factors affecting cost and availability of goods including seasonal, supply, and demand, distribution channel cost, and quantity levels. (SCANS: F1.3, F2.3, F4.4, F6.4)
2. Describe the mechanics of purchasing including food and supply sources, formal and informal bid procedures. (SCANS: C13.3, C16.3, C18.4)
3. Conduct proper receiving procedures assuring conformity of goods with specifications (SCANS: C3.4, C19.4, F8.4)

SCANS Skills and Competencies

Beginning in the late 1980's, the U.S. Department of Labor Secretary's Commission on Achieving Necessary Skills (SCANS) conducted extensive research and interviews with business owners, union leaders, supervisors, and laborers in a wide variety of work settings to determine what knowledge workers needed in order to perform well on a job. In 1991 the Commission announced its findings in *What Work Requires in Schools*. In its research, the Commission determined that "workplace know-how" consists of two elements: foundation skills and workplace competencies.

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Course Syllabi

Course Outline

- I. Concepts of Selection and Procurement
 - A. Purpose
 - B. Purchasing Function
- II. Technology Applications in Purchasing
 - A. Technology that Distributors Use
 - B. Technology that Buyers Use
- III. Distribution Systems
 - A. Distribution System for Food, Nonalcoholic Beverages and Nonfood Supplies
 - B. Distribution System Alcohol
- IV. Forces Affecting the Distribution Systems
 - A. Economic
 - B. Political
- V. Overview of Purchasing Function
 - A. Purchasing Activities
 - B. Purchasing Objectives
- VI. The Organization and Administration of Purchasing
 - A. Planning
 - B. Organization
 - C. Staffing
- VII. The Buyer's Relationship with Other Company Personnel
 - A. The Buyers Relationship with The Supervisor
 - B. The Buyer's Relationship with Hourly Employee
- VIII. Purchasing Specification: an Overall View
 - A. Why have Specs
 - B. Who Writes Specs
- IX. Optimal Amount
 - A. Optimal Inventory
 - B. Correct Order Size
- X. Optimal Amount
 - A. Optimal Inventory Level
 - B. Correct Order size and Order Time
- XI. Optimal Price
 - A. How AP Price Influences Buyer
 - B. How AP Prices are Determined
- XII. Optimal Payment Policy
 - A. Objective of Payment Policy
 - B. Cost of Paying
- XIII. Optimal Supplier
 - A. Initial Survey
 - B. Buying Plan
- XIV. Typical Ordering Procedures
 - A. Purchasing Request
 - B. Ordering Procedures
- XV. Typical Receiving procedures
 - A. Objectives of Receiving
 - B. Essentials for Receiving
- XVI. Typical Storage Management Procedures
 - A. Objectives
 - B. Managing the Storage Facility
- XVII. Security in the Purchasing Function
 - A. Security Problems
 - B. Preventing Problems
- XVIII. Fresh produce
 - A. Purchasing Fresh
 - B. Storing
- XIX. Processed Produce and Other Grocery Items
 - A. Purchasing
 - B. Storing
- XX. Dairy products, Meats, Eggs, Poultry, Fish
 - A. Purchasing
 - B. Storing
- XXI. Beverages
 - A. Purchasing Non alcohol
 - B. Purchasing Alcohol
- XXII. Nonfood Items
 - A. Management Considerations
 - B. Purchasing Nonfood Items

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Grade Scale

90 – 100	A
80 – 89	B
70 – 79	C
60 – 69	D
0 – 59	F

Course Evaluation

Final grades will be calculated according to the following criteria:

Chapter Tests	30%
Final Exam	30%
Assignment	15%
Project	25%

The instructor will respond to e-mail and voice mail communication within 48 hours. At present I do not have an office in the campus but I can be reached via cell 409-363-9218 during normal working hours.

Course Policies

1. Assignments are due on the date specified. Ten (10) points per day will be deducted for late assignments.
2. Tests. Students that miss a test are not allowed to make up the test. Students that miss a test will receive a grade of '0'.
3. Students are expected to log into Blackboard a minimum of three times a week.
4. Students are responsible for initiating and completing the drop process. If you stop coming to class and fail to drop the course, you will earn an 'F' in the course.
5. Class participation in the discussion board is required. Students will be asked to leave if they are disruptive. If you continue to disrupt the class in subsequent classes you will not be allowed to return to class.
6. Internet Usage. Students are expected to use proper net etiquette while participating in course emails, assignment submissions, and online discussions.

Disabilities Statement

The Americans with Disabilities Act of 1992 and Section 504 of the Rehabilitation Act of 1973 are federal anti-discrimination statutes that provide comprehensive civil rights for persons with disabilities. Among other things, these statutes require that all students with documented disabilities be guaranteed a learning environment that provides for reasonable accommodations for their disabilities. If you believe you have a disability requiring an accommodation, please contact the Special Populations Coordinator at (409) 880-1737 or visit: <http://www.lit.edu/depts/stuserv/special/defaults.aspx>

Course Schedule

Week	Topic	Reference
1	Technology Applications in Purchasing Distribution Systems	Required Textbook
2	Forces Affecting the Distribution Systems Overview of Purchasing Function	
3	The Organization and Administration of Purchasing The Buyer's Relationship with Other Company Personnel	
4	Purchasing Specification: an Overall View	
5	Optimal Amount	
6	Optimal Price Optimal Payment Policy	
7	Optimal Supplier	
8	Typical Ordering Procedures Typical Receiving procedures	
9	Typical Storage Management Procedures Security in the Purchasing Function	
10	Fresh produce Processed Produce and Other Grocery Items	
11	Dairy products, Meats, Eggs, Poultry, Fish	
12	Beverages	
13	Nonfood Items	

Technical Requirements

For an online course we recommend the following minimum technical requirements:

Operating System	Windows XP or Vista, MAC OS 10.4 or higher	
Processor	1 GHz or higher	
Memory	256 MB of RAM. If running Vista: 512 MB of RAM	
Hard Drive Space	500 MB free disk space	
Browsers	Windows: Supported: <ul style="list-style-type: none"> • Internet Explorer 6.0 • Internet Explorer 7.0 • Firefox 2.0 Unsupported Browsers: <ul style="list-style-type: none"> • Internet Explorer 8 • Firefox 3.0 	MAC OS 10.4, 10.5: Supported: <ul style="list-style-type: none"> • Safari 3.0 • Safari 3.1 • Firefox 2.0 Unsupported Browsers: <ul style="list-style-type: none"> • Safari 3.2 • Firefox 3.0
	NOTE: Cookies, Java, and JavaScript must be enabled. Pop-up blockers should be configured to permit new windows from LIT Click here to check your browser.	

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Browser Plug-ins	In addition to the minimum system requirements needed to access Blackboard, you may also need additional browser plug-ins to view some of the content. Common plug-ins include: <ul data-bbox="623 317 922 459" style="list-style-type: none">• Adobe Acrobat• Adobe Flash Player• Quicktime• Windows Media Player
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