

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

COURSE TITLE: FUNDAMENTALS OF HOSPITALITY ACCOUNTING

CODE NO.: ACC105 SEMESTER: ONE

PROGRAM: HOTEL AND RESTAURANT MANAGEMENT

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DATE: SEPTEMBER, 1994

PREVIOUS OUTLINE DATED: SEPTEMBER, 1993

New: \_\_\_\_\_ Revision: X

APPROVED: \_\_\_\_\_ DATE \_\_\_\_\_  
DEAN, SCHOOL OF BUSINESS &  
HOSPITALITY

FUND. OF HOSPITALITY ACCTING

ACC105

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**COURSE NAME**

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**COURSE CODE**

**Total Credits:** 4

**Prerequisites:** None

**PHILOSOPHY/GOALS:**

To enable the student to begin using Generally Accepted Accounting Principles when preparing and maintaining the accounting records of a business.

**STUDENT PERFORMANCE OBJECTIVES:**

Upon successful completion of this course the participant will be able to:

1. Identify and correctly apply the Generally Accepted Accounting Principles which relate to the preparation of the Income Statement, Balance Sheet and Statement of Owner's Equity.
2. Prepare the appropriate Accounting Journals when recording the daily financial transactions of a business.
3. Journalize transactions, post these transactions to the General Ledger and prepare a Trial Balance at the end of each accounting period.
4. Prepare and journalize the month end and year end closing entries and post the entries to the General Ledger. A post closing Trial Balance will be required at the close of the company's Fiscal year.

**TOPICS TO BE COVERED:**

- 1) Balance Sheet Equation Debit and Credit Rules
- 2) Accounting Principles applicable to Journalizing and Posting of transactions.
- 3) The General Journal
- 4) The General Ledger
- 5) Balance Sheets, Income Statements and Owner's Equity Statement Work sheets
- 6) Cash reconciliations

### LEARNING OBJECTIVES

**REQUIRED RESOURCES:** Financial Accounting Principles, Larson, Miller, Zin and Nelson. 7th Canadian Brief Edition, Irwin Publishers

#### LEARNING OBJECTIVES:

Upon completion of the units of study identified in this outline the student should be able to:

- 1.0 Introduction to the Accounting Cycle
  - 1.1 Describe the function of Accounting and the nature and purpose of the information it provides.
  - 1.2 Recognize and be able to indicate the effects of transactions on the elements of the Accounting equation.
- 2.0 Recording Transactions
  - 2.1 Describe the use of accounts used to record and store the effects of business transactions, the use of a number to identify each account, and the meaning of the words DEBIT and CREDIT.
  - 2.2 State the rules of DEBIT and Credit and use those rules to analyze transactions and show their effects on the accounts.
  - 2.3 Record transactions in a General Journal, describe balance column accounts and post entries from the Journal to the accounts.
  - 2.4 Prepare and explain the use of a Trial Balance to discover and correct errors.
- 3.0 Adjusting the Accounts and preparing the Statements
  - 3.1 Explain why the life of a business is divided into accounting periods of equal length and why unrecorded economic events require adjustments at the end of each period.
  - 3.2 Prepare adjustments for prepaid expenses, unearned revenues, accrued expenses and accrued revenues.
  - 3.3 Define each asset and liability classification appearing on the Balance Sheet, classify balance sheet items, and prepare a classified Balance Sheet.
- 4.0 The Work Sheet and Closing the Accounts

- 4.1 Explain why a Work Sheet is prepared and be able to prepare a work sheet for a service business.
- 4.2 Prepare the closing entries for a service business and explain why it is necessary to close the temporary accounts at the end of each accounting period.
- 4.3 Prepare a Post-closing trial balance and explain its purpose.
- 5.0 Accounting for a Merchandising Business
- 5.1 Analyze and record transactions that involve the purchase and resale of merchandise.
- 5.2 Explain the nature of each item entering into the calculation of cost of goods sold and gross profit from sales.
- 5.3 Prepare a work sheet and the financial statements for a merchandise business that uses a period inventory system.
- 5.4 Prepare adjusting and closing entries for a merchandising business.
- 6.0 Accounting for Cash
- 6.1 Explain the operation of a petty cash fund and be able to prepare journal entries to record petty cash transactions.
- 6.2 Explain why the bank balance and the book balance of cash should be reconciled and be able to prepare a reconciliation.

**Method of Assessment:**

A) Grading:	A+	90% - 100%
	A	80% - 89%
	B	70% - 79%
	C	60% - 69%
	R	Below 59% - Repeat the course

**B) Tests:** All students will be required to complete FOUR tests during the course of the term. The total weighting of the three tests will represent 100% of the final term grade. The tests will be administered during the term as follows:

Test #1: Unit of study: Debit and Credit rules, Journal entries, Posting to the General Ledger, Trial Balance. Reference material is Chapter 1, 2 & 3 from Financial Accounting text.

Test #2: Unit of study: Accounting principles for a Service business, Work sheets, Classified Balance Sheets, Income Statements, Accruals, Adjusting Entries and Closing Entries. Reference material is Chapter 4.

Test #3: Unit of Study: Accounting principles for a Merchandising business. Work sheets, Balance sheets and Income statements as well as adjusting entries. Chapter 5.

Test #4: Unit of study: Petty cash and accounting for cash. Reconciliation of Cash accounts. Chapter 7.

Supplementary Test: Administered at the end of the semester. A Student who fails a test or missed writing a test during the regular semester qualifies to write the Supplementary test. The grade received on the supplementary test will replace the lowest failed test or a missed test. The supplementary test is a comprehensive test drawing from all of the material covered during the regular semester.

**Notes to Students:**

- a) Attendance is critical to the participant's success in this course.
- b) Successful completion of Accounting 105 will allow the participant to enrol in Accounting 115.
- d) Your instructor reserves the right to modify the course as he/she deems necessary to meet the needs of the students.

**COURSE RESOURCES**

**PRIMARY RESOURCES**

- 1) Larson, Miller, Zin, Nelson, Financial Accounting Principles, 7th Canadian Brief Edition, Irwin Publishers