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Course Name

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Code No.

**I. COURSE DESCRIPTION:**

This course provides the student opportunities to use analytical principles when interpreting financial information in the hospitality industry and cost principles used to effectively price products.

**II. LEARNING OUTCOMES AND ELEMENTS OF THE PERFORMANCE:**

Upon successful completion of this course, the student will demonstrate the ability to:

1. Demonstrate a good understanding of introductory accounting concepts, principles and procedures.

Potential Elements of the Performance:

- define and discuss the more important accounting principles and concepts
- explain the balance sheet equation
- prepare entries for common hospitality transactions
- prepare period- end adjustments to accounts

This learning outcome will constitute approximately 10% of the course's grade.

2. Identify the major financial statements and their main sections, be able to prepare the statements in a number of recognized formats, and discuss other issues relating to the hospitality industry.

Potential Elements of the Performance:

- explain the main purpose of financial statements and the value of a uniform system of accounts
- define and explain the difference between an income statement and a balance sheet
- describe the difference between and give examples of direct and indirect or undistributed expenses
- prepare income statements in proper format, calculate net food cost from the given information, and discuss the concept of responsibility accounting
- explain the effect that a specific change in interdepartmental revenue mix will have on overall profit
- list the six major classifications of accounts that could appear on a balance sheet and give examples of the types of accounts that could appear in each classification
- define and calculate retained earnings

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- prepare a balance sheet in proper format, state the two methods of balance sheet presentation, and discuss the importance and limitations of a balance sheet

This learning outcome will constitute approximately 10% of the course's grade.

3. Demonstrate techniques useful in the analysis and interpretation of financial statements.

Potential Elements of the Performance:

- explain some of the ways in which different readers of financial statements are interested in different aspects of those statements
- describe comparative analysis and use it for balance sheet and income statement analysis
- describe comparative common-size analysis and use it for balance sheet and income statement analysis
- calculate average sale, average cost, and average income, per guest
- prepare trend analysis

This learning outcome will constitute approximately 15% of the course's grade.

4. Apply the information obtained from prepared financial statements to develop relationships in the form of ratio analysis to create new information helpful in managing the business.

Potential Elements of the Performance:

- list and briefly describe the value of each of the five major categories of ratios
- briefly explain and use each of the ratios illustrated
- interpret the results after using each of the ratios, stating how a creditor, an owner, and the management may view it from each of their perspectives
- list and describe briefly the use of some of the various operating ratios common to the hospitality industry
- explain how leverage works in financing

This learning outcome will constitute approximately 15% of the course's grade.

5. Identify and allocate various types of costs within the hospitality business to enhance the management decision making process.

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Potential Elements of the Performance:

- briefly define and give examples of some of the major types of cost such as direct and indirect costs, fixed and variable costs, and discretionary costs
- prorate indirect costs to revenue departments and make decisions based on the results
- use relevant costs to help determine which piece of equipment to buy
- use knowledge about fixed and variable costs for a variety of different business decisions, such as to close or not during the off-season
- define the term “high operating leverage” and explain its advantages and disadvantages
- explain and use each of the following three methods to separate semifixed or semivariable costs into their fixed and variable elements: maximum\ minimum calculation, multipoint graph, and regression analysis

This learning outcome will constitute approximately 15% of the course’s grade.

6. Apply the concepts of Cost-Volume-Profit relationships to analyzing financial results.

Potential Elements of the Performance:

- briefly discuss some of the assumptions and limitations inherent in CVP analysis
- prepare and use a graph, given information about sales and fixed and variable costs
- state the CVP equation for determining sales levels in dollars
- state the CVP equation for determining sales levels in units
- use either of the two equations as an aid in making a variety of different business decisions
- explain the term “contribution margin”
- incorporate tax considerations into CVP analysis

This learning outcome will constitute approximately 15% of the course’s grade.

7. Demonstrate techniques useful in the analysis and management of cash in an hospitality accounting environment.

Potential Elements of the Performance:

- explain why cash planning is necessary and state the two purposes of cash budgeting
- explain why net income on an income statement is not necessarily indicative of the amount of cash on hand

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- list items that would appear under cash receipts and cash disbursements on a cash budget and prepare a cash budget given appropriate information
- discuss the importance of marketable securities with reference to surplus cash funds
- explain long-term cash flow budgeting and use CVP to calculate the revenue required to provide a desired cash flow amount

This learning outcome will constitute approximately 20% of the course's grade.

### **III. TOPICS:**

1. Accounting Review
2. Understanding Financial Statements
3. Analysis and Interpretation of Financial Statements
4. Ratio Analysis
5. Cost Management
6. The CVP Approach to Decisions
7. Cash Management

### **IV. REQUIRED RESOURCES/TEXTS/MATERIALS:**

Hospitality Management Accounting, Michael M. Coltman, 6th Edition,  
Nelson Publishers

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**V. EVALUATION PROCESS/GRADING SYSTEM:**

The final grade will be based on four tests administered during the term as follows:

Test #1	20%	Learning Outcomes 1, 2	Chps. 2, notes
Test #2	30%	Learning Outcomes 3, 4	Chps. 3, 4
Test #3	30%	Learning Outcomes 5, 6	Chps. 7, 8
Test #4	20%	Learning Outcome 7	Chp. 11
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Grand Total	100%		

The following semester grades will be assigned to students in post secondary courses:

<u>Grade</u>	<u>Definition</u>	<u>Grade Point Equivalent</u>
A+	90 - 100%	4.00
A	80 - 89%	3.75
B	70 - 79%	3.00
C	60 - 69%	2.00
R (Repeat)	59% or below	0.00
CR (Credit)	Credit for diploma requirements has been awarded.	
S	Satisfactory achievement in field placement or non-graded subject areas.	
X	A temporary grade. This is used in limited situations with extenuating circumstances giving a student additional time to complete the requirements for a course (see <i>Policies &amp; Procedures Manual - Deferred Grades and Make-up</i> ).	
NR	Grade not reported to Registrar's office. This is used to facilitate transcript preparation when, for extenuating circumstances, it has been impossible for the faculty member to report grades.	

**VI. SPECIAL NOTES:**

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Special Needs:

If you are a student with special needs (e.g. physical limitations, visual impairments, hearing impairments, or learning disabilities), you are encouraged to discuss required accommodations with your instructor and/or the Special Needs office. Visit Room E1204 or call Extension 493, 717, or 491 so that support services can be arranged for you.

Retention of course outlines:

It is the responsibility of the student to retain all course outlines for possible future use in acquiring advanced standing at other post secondary institutions.

The Professor reserves the right to change the information contained in this course outline depending on the needs of the learner and the availability of resources.

Substitute course information is available in the Registrar's office.

Attendance is critical to the participant's success in this course.

An optional final exam will be made available at the end of the semester for those who wish to replace their mark on the exam for a failed or missed test. The final exam is a comprehensive test drawing from all of the material covered during the semester.

Plagiarism

Students should refer to the definition of "academic dishonesty" in the "Statement of Student Rights and Responsibilities."

Students who engage in "academic dishonesty" will receive an automatic failure for that submission and/or such other penalty, up to and including expulsion from the course, as may be decided by the professor.

**VII. PRIOR LEARNING ASSESSMENT:**

Students who wish to apply for advanced credit in the course should consult the instructor. Credit for prior learning will be given upon successful completion of the following:

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**VIII. DIRECT CREDIT TRANSFERS:**

Students who wish to apply for direct credit transfer (advanced standing) should obtain a direct credit transfer form from the Dean's secretary. Students will be required to provide a transcript and course outline related to the course in question.