

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY
SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

COURSE TITLE: HOSPITALITY ACCOUNTING PROCEDURES

CODE NO.: ACC115 SEMESTER: TWO

PROGRAM: HOTEL AND RESTAURANT MANAGEMENT

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APPROVED: *Bob M. ...*
DEAN, SCHOOL OF BUSINESS &
HOSPITALITY

04/01/30
DATE

HOSPITALITY ACCTING PROCEDURES

ACC115

COURSE NAME

COURSE CODE

Total Credits: 4

Prerequisites: ACC105

PHILOSOPHY/GOALS:

To enable the student to begin using analytical principles when interpreting financial information regarding the Hospitality. To give the student an understanding of the cost principles utilized in the Hospitality industry to price products.

STUDENT PERFORMANCE OBJECTIVES:

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

1. Identify and correctly apply the Cost Principles which relate to the preparation of working papers extracted from the Income Statement, Balance Sheet and Statement of Owner's Equity.
2. Prepare the appropriate analysis when reviewing the financial statements of a Hospitality business.
3. Prepare departmental Financial Statements.
4. Prepare Financial statement Analysis and interpret the results.
5. Use cost management formulas for decision making.

TOPICS TO BE COVERED:

- 1) Understanding Financial Statements.
- 2) Financial Statement Analysis.
- 3) Internal Control and Pricing.
- 4) Cost Management and Budgeting.

REQUIRED RESOURCES: Hospitality Management Accounting, Michael Coltman
5th Edition, Nelson Publishers

Student Workbook, Hospitality Management
Accounting, 5th Edition, Michael Coltman

LEARNING OBJECTIVES:

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

- 1.0 Review of the Accounting Cycle
 - 1.1 List and use the four methods of depreciation.
 - 1.2 Recognize and be able to prepare working papers for adjustments to the accounting records.
- 2.0 Understanding Financial Statements
 - 2.1 Describe the difference between direct and indirect costs.
 - 2.2 Prepare financial statements in the proper format and calculate Net Food costs.
 - 2.3 Prepare a Balance Sheet in two different formats and identify the limitations of a Balance Sheet.
- 3.0 Analysis and Interpretation of Financial Statements
 - 3.1 Describe comparative Analysis and use it for balance sheet and income statement analysis.
 - 3.2 Describe comparative common-size analysis and use it for balance sheet and income statement analysis.
 - 3.3 Prepare trend analysis and calculate average costs and average income per guest.
- 4.0 Ratio Analysis
 - 4.1 Describe the four ways a ratio can be expressed.
 - 4.2 List and briefly describe the value of each of the five categories of ratios.
 - 4.3 Calculate the most common ratios used for analytical purposes and interpret the results.

5.0 Internal Control

- 5.1 Define the purpose of Internal control.
- 5.2 Briefly describe the basic principles of internal control.
- 5.3 Explain how control can be established over cash receipts and cash disbursements.

6.0 The Bottom Up approach to Pricing

- 6.1 Identify the various traditional pricing methods used in Hospitality industry.
- 6.2 Calculate; average check per meal period, and explain the effect that menu item sales mix has on pricing.
- 6.3 Calculate average room rates to cover all of the relevant forecast costs.
- 6.4 Discuss room rate discounting and the important considerations involved in pricing rooms.

7.0 Cost Management

- 7.1 Define direct costs, indirect costs, fixed and variable costs, and discretionary costs.
- 7.2 Use relevant costs to decide upon a purchase decision.

8.0 The CVP approach to Decisions

- 8.1 Define the Cost-Volume-Profit equation in Dollars and units.
- 8.2 Explain Contribution margin.
- 8.3 Use the CVP formula to make business decisions.

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 FOUR tests will represent 100% of the final term grade. The tests will be administered during the term as follows:

Test #1: Unit of study: Chapter 1,2,3. Financial Statements
Depreciation methods and departmental Financial Statements.

Test #2: Unit of study: Chapter 4,5,6. Ratio analysis
Internal Control and Bottoms Up costing.

Test #3: Unit of Study: Chapter 7. Cost Management

Test #4: Unit of study: Chapter 8. CVP approach to pricing.

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) 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) Michael Coltman, Hospitality Management Accounting, 5th Edition, Nelson Publishers
- 2) Michael Coltman, Student Workbook, Hospitality Management Accounting, 5th edition, Nelson Publishers

SPECIAL NOTES:

Students with special needs (e.g. physical limitations, visual impairments, hearing impairments, learning disabilities) are encouraged to discuss required accommodations confidentially with the instructor.

Your instructor reserves the right to modify the course as he/she deems necessary to meet the needs of the students.