

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

COURSE OUTLINE

COURSE TITLE: FUNDAMENTALS OF HOSPITALITY ACCOUNTING
CODE NO.: ACC - 105
PROGRAM: HOTEL AND RESTAURANT MANAGEMENT
SEMESTER: ONE
DATE: MAY 1995
PREVIOUS OUTLINE
DATED: SEPTEMBER 1994
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[Signature]
DEAN, SCHOOL OF BUSINESS &
HOSPITALITY

95-06-13
DATE

FUNDAMENTALS OF HOSPITALITY ACCOUNTING
COURSE NAME

ACC105
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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 Statement and Owner's Equity Statement work sheets
- 6) Cash reconciliations

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

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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 in the General Ledger.
 - 2.4 Prepare and explain the use of a Trial Balance to discover and correct errors.
- 3.0 Adjusting the Accounts and preparing Financial 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.
 - 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.

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- 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 worksheet 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 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: Debit and Credit rules, Journal entries, Posting to the General Ledger, Trial Balance, Reference material is Chapters 1, 2 & 3 from the Financial Accounting text.

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

Test #3 Unit of study: Accounting Principles for a Merchandising business. Work sheets, Balance sheets, Income statements and adjusting entries, Reference material is Chapter 5 from the Financial Accounting text.

Test #4 Unit of study: Petty cash and accounting for cash, Reconciliation of Cash accounts. Reference material is Chapter 7 from the Financial Accounting text.

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 a missed test or the lowest failed 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.
- c) Your instructor reserves the right to modify the course as He/She deems necessary to meet the needs of the students.

ACC105

