

Course Description**HFT2421 | Managerial Accounting for Hospitality | 3.00 credits**

Presents managerial accounting concepts and explains how they apply to specific operations within the hospitality industry.

Competency 1: The student will identify the revenue centers in and revenue accounts used by a hotel by:

1. Identifying the various revenue centers within a hotel, such as room revenue, food and beverage revenue, and ancillary revenue from services like spa, parking, and events
2. Describing the specific revenue accounts used in hotel operations, including room revenue accounts, food and beverage revenue accounts, and other income accounts related to hotel services and amenities
3. Providing examples of how revenue centers and accounts contribute to the overall financial performance and profitability of a hotel

Competency 2: The student will describe and implement basic internal control forms and procedures by:

1. Describing the fundamental internal control forms and procedures used in a hospitality setting, such as cash handling controls, inventory management procedures, and segregation of duties in financial transactions
2. Explaining the importance of internal controls in safeguarding assets, preventing fraud, and ensuring accuracy and reliability in financial reporting and operational processes
3. Implementing basic internal control forms and procedures in practical scenarios, such as conducting cash reconciliation, performing inventory audits, and documenting control activities

Competency 3: The student will define and give examples of financial reporting centers by:

1. Defining financial reporting centers in the context of a hotel's organizational structure and explaining their role in aggregating and presenting financial information for decision-making and performance evaluation
2. Providing examples of financial reporting centers in a hotel, such as rooms division reporting center, food and beverage reporting center, and administrative reporting center, and discussing the specific financial data and metrics associated with each center
3. Explaining how financial reporting centers contribute to the analysis of revenue, expenses, and profitability within different operational areas of a hotel

Competency 4: The student will describe the types of expenses incurred, and expense accounts used in a hotel by:

1. Identifying and describing the different types of expenses commonly incurred in a hotel, such as labor costs, food and beverage costs, operating expenses, and marketing expenses
2. Explaining the purpose and usage of expense accounts in a hotel's chart of accounts, including accounts such as payroll expenses, cost of goods sold, utilities expenses, and advertising expenses
3. Providing examples and discussing the specific nature and characteristics of expense accounts in a hotel, highlighting their impact on financial performance and profitability

Competency 5: The student will calculate cost of sales by:

1. Defining the concept of cost of sales and its significance in measuring the direct costs associated with producing goods or services sold in a hotel
2. Identifying the components of cost of sales in a hotel, such as the cost of food and beverages, cost of labor, and other direct costs related to production
3. Applying appropriate cost of sales calculation methods, such as the weighted average cost method or the first-in, first-out (FIFO) method, to determine the cost of sales for a given period

Competency 6: The student will explain the purpose of a uniform system of accounts by:

1. Describing the purpose and benefits of a uniform system of accounts in the hospitality industry, including standardized financial reporting, comparison of financial performance across different hotels, and benchmarking
2. Explaining the key elements and structure of a uniform system of accounts, such as the chart of accounts, general ledger, and standardized financial statements

3. Discussing the importance of adhering to a uniform system of accounts for accurate financial reporting, internal control, and effective decision-making in a hotel

Competency 7: The student will summarize the purposes of and formats for hotel departmental financial statements by:

1. Summarizing the purposes of departmental financial statements in a hotel, such as providing detailed financial information for each department, evaluating departmental performance, and facilitating cost control and budgeting
2. Describing the different formats used for departmental financial statements in a hotel, including income statements, cost reports, and variance analysis reports
3. Explaining how departmental financial statements contribute to overall financial management and decision-making in a hotel, including identifying areas of improvement, tracking expenses, and assessing the profitability of individual departments

Competency 8: The student will describe procedures for hospitality payroll accounting (including requirements for tipped employees) by:

1. Describing the procedures involved in hospitality payroll accounting, such as calculating wages, deductions, and benefits for employees, ensuring compliance with labor laws and regulations, and maintaining accurate payroll records
2. Explaining the specific requirements and considerations for payroll accounting related to tipped employees, including tip reporting, tip credit calculations, and compliance with tip reporting regulations
3. Discussing best practices for managing payroll in the hospitality industry, including payroll software utilization, payroll cycle management, and payroll auditing procedures

Competency 9: The student will describe and apply accounting procedures applicable to the acquisition, depreciation, and disposal of property and equipment by:

1. Describing the accounting procedures involved in the acquisition of property and equipment in a hospitality setting, including recording purchases, determining the initial cost, and allocating costs to appropriate asset accounts
2. Explaining the accounting procedures for depreciating property and equipment, including different depreciation methods, such as straight-line depreciation, and discussing the impact of depreciation on financial statements and tax reporting
3. Describing the accounting procedures for disposing of property and equipment, including recording disposals, calculating gain or loss on disposal, and updating asset records accordingly

Competency 10: The student will interpret and analyze income statements using ratios and list the commonly used income statement ratios by:

1. Analyzing income statements using ratios such as gross profit margin, operating profit margin, and net profit margin to assess the profitability and efficiency of a company
2. Interpreting income statement ratios, such as return on assets (ROA), return on equity (ROE), and earnings per share (EPS), to evaluate the financial performance and profitability of a company
3. Listing and explaining the commonly used income statement ratios, such as the current ratio, quick ratio, and debt-to-equity ratio, and discussing their significance in assessing a company's financial health and risk

Competency 11: The student will explain the purpose of, and prepare, various formats of balance sheets by:

1. Explaining the purpose of a balance sheet as a snapshot of a company's financial position, showing its assets, liabilities, and shareholders' equity at a specific point in time
2. Describing and preparing different formats of balance sheets, such as the report form and account form, and explaining the presentation of assets, liabilities, and shareholders' equity in each format
3. Discussing the significance of key balance sheet elements, such as current assets, long-term liabilities, and retained earnings, and explaining how changes in these elements impact the overall financial position of a company

Competency 12: The student will explain the purpose, preparation, content, and format of the statement of cash flows by:

1. Explaining the purpose of the statement of cash flows in showing the sources and uses of cash in a company during a specific period, categorized into operating, investing, and financing activities
2. Describing the preparation process for the statement of cash flows, including the direct and indirect methods, and discussing the differences and advantages of each method
3. Discussing the content and format of the statement of cash flows, including the three sections: operating activities, investing activities, and financing activities, and explaining the key information provided in each section

Competency 13: The student will describe the purpose and preparation of consolidated financial statements by:

1. Describing the purpose of consolidated financial statements in combining the financial information of a parent company and its subsidiaries to provide a comprehensive view of the group's financial position, performance, and cash flows
2. Explaining the process and procedures involved in the preparation of consolidated financial statements, including the elimination of intercompany transactions, adjustments for non-controlling interests, and the consolidation of financial data from different entities
3. Discussing the significance of consolidated financial statements for stakeholders, such as investors, creditors, and regulators, in assessing the overall financial health and performance of a group of companies

Competency 14: The student will explain the purpose and content of an annual report and describe how a reader can find and interpret information in the report by:

1. Explaining the purpose of an annual report as a comprehensive document that provides shareholders and other stakeholders with information about a company's financial performance, operations, and future prospects
2. Describing the typical content and sections of an annual report, including the letter to shareholders, financial statements, management's discussion and analysis (MD&A), and notes to the financial statements
3. Guiding readers on how to effectively find and interpret information in an annual report, such as understanding the financial statements, analyzing the MD&A for insights into the company's strategies and risks, and reviewing the notes to the financial statements for additional details

Competency 15: The student will define the various types of expenses and apply techniques to budget those expenses by:

1. Defining and categorizing different types of expenses in a business, such as fixed expenses, variable expenses, direct expenses, and indirect expenses, and explaining their characteristics and impact on financial performance
2. Applying techniques, such as historical data analysis, industry benchmarks, and cost-volume-profit analysis, to budget and forecast expenses for a specific period or project
3. Discussing the importance of budgeting expenses in financial planning and control, and highlighting the benefits of effective expense management in optimizing profitability and resource allocation

Competency 16: The student will identify various methods to forecast sales by:

1. Exploring and identifying quantitative methods to forecast sales, such as time series analysis, regression analysis, and moving averages, to predict future sales based on historical data and trends
2. Investigating qualitative methods, such as market research, customer surveys, and expert opinions, to forecast sales by gathering insights and understanding external factors that may impact sales performance
3. Comparing and contrasting different forecasting methods, assessing their strengths and limitations, and determining the most appropriate method based on the nature of the business and the availability of data

Competency 17: The student will outline the critical elements to be considered in financial decision-making by:

1. Identifying and explaining the importance of key financial elements, such as cash flow, profitability, liquidity, and risk, in making informed financial decisions
2. Outlining the factors to consider in financial decision-making, including the company's financial goals, cost of capital, potential returns, and the impact of decisions on stakeholders
3. Evaluating the impact of external factors, such as market conditions, regulatory requirements, and competitive landscape, on financial decision-making and outlining strategies for managing these factors

Learning Outcomes:

- Communicate effectively using listening, speaking, reading, and writing skills
- Use quantitative analytical skills to evaluate and process numerical data
- Solve problems using critical and creative thinking and scientific reasoning
- Formulate strategies to locate, evaluate, and apply information
- Demonstrate knowledge of ethical thinking and its application to issues in society