

ITEM	
1. Title of subject	Accounting for Hospitality Managers
2. Subject code	362
3. Status of subject	Core
4. Stage	Diploma
5. Credit Hour	5.71 hours
6. Pre-Requisite	NIL
7. Assessment	100% Final Examination
8. Semester	Semester 3
9. Objective of subject	<p>At the completion of the course, the student able to:</p> <ul style="list-style-type: none"> <li>• List the revenue centres in and revenue accounts used by a hotel, and explain hotel revenue accounting procedures.</li> <li>• Describe basic internal control forms and procedures used in food and beverage sales.</li> <li>• Describe and give examples of financial reporting centers.</li> <li>• List the types of expenses incurred and expense accounts used in hotel, and explain hotel accounting procedures for expenses and bad debts.</li> <li>• Explain the logic and procedure for calculating cost of sales.</li> <li>• Describe procedures for hospitality payroll accounting (including requirements for tipped employees), and explain major payroll deductions and taxes.</li> </ul>
10. Synopsis of subject	<p>Covers such areas as specialised accounting for hotel revenue and expenses; accounting for inventory, property and equipment; hospitality payroll accounting; hotel departmental financial statements; the income statement, balance sheet, and statement of cash flows; the analysis of financial statements; interim and annual reports; budgeting expenses; forecasting sales; budgetary reporting and analysis; and financial decision-making</p>

11. Details of subject	Contents	Hours
<b>Week 1</b>	<b>Topic:</b> <b>Chapter 1 – HOTEL REVENUE ACCOUNTING</b>	<b>4</b>
	<b>Learning Outcomes:</b> <ul style="list-style-type: none"> <li>• Define revenue centres and identify examples.</li> <li>• Define revenue accounts, identify examples and explain cost of sales &amp; gross profit.</li> <li>• Understand trade discounts &amp; cash discounts and two methods of recording invoices &amp; discounts.</li> <li>• Common internal controls forms &amp; procedures in food and beverage sales.</li> <li>• Differentiation of guest and city ledger.</li> <li>• Identification of 3 front office staff part of accounting.</li> <li>• System used for cash and data collection.</li> </ul>	
	<b>Activity:</b> Optional Test	
	<b>Further reading for this lesson:</b> Raymond Cote, Understanding Hospitality Accounting I, 4 <sup>th</sup> ed. (East Lansing, Mich: Educational Institute of the American Hotel & Motel Association, 1997).	
<b>Week 2</b>	<b>Topic:</b> <b>Chapter 2 – HOTEL EXPENSES ACCOUNTING</b>	<b>4</b>
	<b>Learning Outcomes:</b>  After completing this unit, students should be able to : <ul style="list-style-type: none"> <li>• Define business segmentation and describe its relevance to a hospitality corporation comprising multiple hotels.</li> <li>• Explain responsibility accounting identify four broad categories of expenses and describe the difference between direct and indirect expenses.</li> <li>• Identify the typical bookkeeping accounts used to record expenses for the various departments in a hotel property.</li> </ul>	
	<b>Activity:</b> Optional Test	
	<b>Further reading for this lesson:</b> NIL	

<p><b>Week 3</b></p>	<p><b>Topic:</b> <b>Chapter 3 – PROPERTY &amp; EQUIPMENT ACCOUNTING</b></p> <hr/> <p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to :</p> <ul style="list-style-type: none"> <li>• Items classified as property &amp; equipment.</li> <li>• Summarize the difference between accounting for building repairs and accounting for building improvements.</li> <li>• Explain the purpose of depreciation, the affected accounts, and the different types of value of assets.</li> <li>• Describe the productive-output method of depreciation</li> <li>• Explain the accounting consideration involved in the sale, disposal, or trade-in of property and equipment.</li> <li>• Difference between repairs &amp; improvements</li> <li>• Operating lease and capital lease and criteria for differentiation</li> </ul> <hr/> <p><b>Activity:</b> Role play Optional Test</p> <hr/> <p><b>Further reading for this lesson:</b> NIL</p>	<p>4</p>
<p><b>Week 4</b></p>	<p><b>Topic:</b> <b>Chapter 3 – PROPERTY &amp; EQUIPMENT ACCOUNTING</b></p> <hr/> <p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to :</p> <ul style="list-style-type: none"> <li>• Purpose of depreciation and various methods used.</li> <li>• Computation of depreciation for partial periods.</li> <li>• Special consideration for depreciating china glassware and silver.</li> <li>• Explain amortization of leasehold and leasehold improvements.</li> <li>• Accounting for sale, disposal and trade-in of property &amp; equipment.</li> </ul> <hr/> <p><b>Activity:</b> Role Play Optional Test</p>	<p>4</p>
<p>Accounting for Hospitality Managers</p>		<p>3</p>

	<b>Further reading for this lesson:</b> NIL	
<b>Week 5</b>	<b>Topic:</b> <b>Chapter 4 – OTHER NONCURRENT ASSETS ACCOUNTING</b>	4
	<b>Learning Outcomes:</b> After completing this unit, students should be able to : <ul style="list-style-type: none"> <li>• Define intangible assets, and list common intangible assets discussed this chapter.</li> <li>• Explain the accounting term “ goodwill” and describe how goodwill is amortized.</li> <li>• Compare patents and copyrights and describe how they are amortized.</li> </ul>	
	<b>Activity:</b> Review Questions Optional Test	
	<b>Further reading for this lesson:</b> NIL	
<b>Week 6</b>	<b>Topic:</b> <b>Chapter 4 – OTHER NONCURRENT ASSETS ACCOUNTING</b>	4
	<b>Learning Outcomes:</b> After completing this unit, students should be able to : <ul style="list-style-type: none"> <li>• Contrast pre-opening expenses and organization costs.</li> <li>• Renewal and purchase of liquor licenses and amortization.</li> <li>• Cash value of intangible assets – security deposit as example.</li> <li>• Two types of basic life insurance and their similarities and differences.</li> </ul>	
	<b>Activity:</b> Menu Planning Optional Test	
	<b>Further reading for this lesson:</b> NIL	
<b>Week 7</b>	<b>Topic:</b> <b>Chapter 5 – HOSPITALITY PAYROLL ACCOUNTING</b>	4

	<p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to :</p> <ul style="list-style-type: none"> <li>• Define employer and employee</li> <li>• Define wages and salaries, gross pay, net pay regular pay and overtime pay.</li> <li>• Define two methods calculating overtime pay.</li> <li>• Explain major types of deductions.</li> </ul> <p><b>Activity:</b> Problem Solving Optional Test</p> <p><b>Further reading for this lesson:</b> NIL</p>	
<p><b>Week 8</b></p>	<p><b>Topic:</b> <b>Chapter 5 – HOSPITALITY PAYROLL ACCOUNTING</b></p> <p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> <li>• Understand payroll tax and related forms.</li> <li>• Explain primary function of payroll system, forms, records and procedures.</li> <li>• Describe payroll accounting for tipped employees.</li> <li>• Explain purpose of 8% tip regulation.</li> <li>• Explain methods of allocating tip shortfall among directly tipped employees.</li> </ul> <p><b>Activity:</b> Calculation Test</p> <p><b>Further reading for this lesson:</b> Internal Revenue Service office – http : <a href="http://www.irs.gov">www.irs.gov</a></p>	<p>4</p>
<p><b>Week 9</b></p>	<p><b>Topic:</b> <b>Chapter 6 – HOTEL DEPARTMENTAL STATEMENTS</b></p>	<p>4</p>

	<p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> <li>• Explain purposes and users of departmental statements.</li> <li>• Difference in financial statement formats for revenue centres and support centres.</li> <li>• Understand information included in payroll expenses.</li> <li>• Identify and reference financial statements to other statements.</li> </ul> <p><b>Activity:</b> Optional Test</p> <p><b>Further reading for this lesson:</b> NIL</p>	
<p><b>Week 10</b></p>	<p><b>Topic:</b> <b>Chapter 7 – HOTEL INCOME STATEMENT</b></p> <p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to:</p> <ul style="list-style-type: none"> <li>• The two groups using income statement</li> <li>• Formats available for presenting data</li> <li>• Elements and conventions used in preparing income statement</li> <li>• Purpose &amp; preparation of common size income statement and comparative income statement</li> <li>• Analysis and interpretation of above income statements</li> <li>• Purpose and contents of statement of retained earnings</li> </ul> <p><b>Activity:</b> Optional Test</p> <p><b>Further reading for this lesson:</b> NIL</p>	<p>4</p>
<p><b>Week 11</b></p>	<p><b>Topic:</b> <b>Chapter 8 – RATIO ANALYSIS OF THE INCOME STATEMENT</b></p>	<p>4</p>



	<p><b>Further reading for this lesson:</b> NIL</p>	
<b>Week 13</b>	<p><b>Topic:</b> <b>Chapter 10 – RATIO ANALYSIS OF THE BALANCE SHEET</b></p> <p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to :</p> <ul style="list-style-type: none"> <li>• Describe the use of ratios in the analysis of a hospitality business balance sheet.</li> <li>• Explain the purpose and use of the current ratio, and describe its formula and interpretation</li> <li>• Identify the formulas for food and beverage inventory turnover.</li> <li>• Explain the purpose and use of the assets turnover ratio, and describe its formula and interpretation.</li> </ul> <p><b>Activity:</b> Optional Tests</p> <p><b>Further reading for this lesson:</b> NIL</p>	4
<b>Week 14</b>	<p><b>Topic:</b> <b>Chapter 10 – RATIO ANALYSIS OF THE BALANCE SHEET</b></p> <p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to :</p> <ul style="list-style-type: none"> <li>• Purpose, Use, Formulas and Interpretation.</li> <li>• Food and beverage inventory turnover ratio, fixed assets turnover ratio, debt-to-equity ratio, assets-to-liabilities ratio.</li> <li>• Computation, composition and importance of working capital</li> </ul> <p><b>Activity:</b> Optional Test</p> <p><b>Further reading for this lesson:</b> NIL</p>	4
<b>Week 15</b>	<p><b>Topic:</b> <b>Chapter 11 – STATEMENT OF CASH FLOW</b></p>	4

	<p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to :</p> <ul style="list-style-type: none"> <li>• Purpose and use of statement of cash flows</li> <li>• How and why items may be treated as cash</li> <li>• Identify the general format for the statement cash flows</li> <li>• Differentiate between income and cash flow from operating activities</li> <li>• Preparation of operating activities section</li> <li>• Preparation of investing activities section</li> <li>• Preparation of financing activities section</li> <li>• Use of foot notes and disclosures</li> </ul> <p><b>Activity:</b> Optional Test</p> <p><b>Further reading for this lesson:</b> NIL</p>	
<p><b>Week 16</b></p>	<p><b>Topic:</b> <b>Chapter 12 – INTERIM AND ANNUAL REPORTS</b></p> <p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to :</p> <ul style="list-style-type: none"> <li>• Role of and criteria for an independent certified public accountant</li> <li>• Purpose, scope and description of audit and auditors report review and review report compilation and compilation report purpose and preparation of consolidated financial statements and purpose and content of an annual report.</li> <li>• Explain the purpose and content of an annual report, and describe how a reader can find and interpret information in the report.</li> </ul> <p><b>Activity:</b> Optional Test</p> <p><b>Further reading for this lesson:</b> NIL</p>	<p>4</p>
<p><b>Week 17</b></p>	<p><b>Topic:</b> <b>Chapter 13 – BUDGETING EXPENSES</b></p>	<p>4</p>

	<p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to :</p> <ul style="list-style-type: none"> <li>• Responsibility accounting and how it affects managers' roles and duties.</li> <li>• Prepare budgets for variable, fixed and semi-variable expenses</li> <li>• Determination of break even points contribution margins and profit target</li> <li>• Effects of price increase on costs</li> </ul> <p><b>Activity:</b> Review Questions</p> <p><b>Further reading for this lesson:</b> NIL</p>	
<p><b>Week 18</b></p>	<p><b>Topic:</b> <b>Chapter 14 – FORECASTING SALES</b></p> <p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to :</p> <ul style="list-style-type: none"> <li>• Apply the concept of price elasticity of demand</li> <li>• Identify elements of revenue and explain how change in element affects revenue</li> <li>• Moving average method and percentage method of revenue forecasting</li> <li>• Application of several statistical models for forecasting rooms, food and beverage sales</li> <li>• Use CVP analysis to forecast both revenue and unit sales</li> </ul> <p><b>Activity:</b> Review Questions</p> <p><b>Further reading for this lesson:</b> NIL</p>	<p>4</p>
<p><b>Week 19</b></p>	<p><b>Topic:</b> <b>Chapter 15 – BUDGETARY REPORTING &amp; ANALYSIS</b></p>	<p>4</p>

	<p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to :</p> <ul style="list-style-type: none"> <li>• Various kinds of budgets and the role of them in planning and operating</li> <li>• Kinds of information used in preparing budget</li> <li>• How this information varies depending whether revenues, expense of fixed costs are being budgeted.</li> <li>• Budget reports and budget variances</li> <li>• Master budgets, flexible budgets and their appropriate use</li> <li>• Analysis of sales and expense variances by reasons</li> </ul> <p><b>Activity:</b> Optional Test</p> <p><b>Further reading for this lesson:</b> NIL</p>	
<b>Week 20</b>	<p><b>Topic:</b> <b>Chapter 16 – FINANCIAL DECISION-MAKING</b></p> <p><b>Learning Outcomes:</b></p> <p>After completing this unit, students should be able to :</p> <ul style="list-style-type: none"> <li>• Determine whether a seasonal business should remain open during the off-season</li> <li>• Factors and elements to be examined in deciding to acquire a business</li> <li>• Advantages and disadvantages in buying a franchise</li> <li>• Terms of realty leases and how to choose between variable and fixed leases</li> <li>• Automobile leases and appropriate timing</li> <li>• Capital budgeting and two simple methods of capital budgeting</li> </ul> <p><b>Activity:</b> Final Exam</p> <p><b>Further reading for the lesson:</b> NIL</p>	4
	<b>Total</b>	80

<b>12. Text</b>	<b>Compulsory</b>	Raymond Cote, <i>Accounting for Hospitality Managers</i> , Fourth Edition, Education Institute of American Hotel and Lodging Association.
	<b>Reference</b>	NIL

