

Hospitality Industry Accounting 2

Course Outcome Summary

Course Information

Organization	Madison Area Technical College
Developers	Joanne Dischler
Development Date	1/23/2002
Course Number	10-101-117
Instructional Level	Associate Degree
Potential Hours of Instruction	54
Total Credits	3

Description

Procedures of accounting for hotels and restaurants. Additional topics include analysis of hospitality financial statements, property and equipment, inventory accounting, and hospitality payroll accounting.

Target Population

This course is required for the Hospitality majors.

Types of Instruction

Instruction Type	Contact Hours	Credits
Classroom Presentation	54	3

Textbooks

Raymond Cote. *Understanding Hospitality Accounting II*. Educational Institute of the AHMA. 1997. **Edition:** Third.

Learner Supplies

Battery operated calculator. **Manufacturer:** ---.

3 1/2 floppy disk. **Manufacturer:** ---.

Prerequisites

Hospitality Industry Accounting 1 (10-101-116)

Exit Learning Outcomes

Core Abilities

- A. Demonstrate critical thinking
- B. Use mathematics effectively

Competencies

A. Explain hotel revenue accounting

Linked Core Abilities

Demonstrate critical thinking

Competence will be demonstrated:

1. by completing workbook assignment
2. through exam

Criteria - Performance will be satisfactory when:

1. learner selects revenue bookkeeping accounts
2. learner determines categories of revenue centers
3. learner identifies revenue accounts used by a hotel
4. learner calculates gross profit for a hotel department
5. learner distinguishes between a trade discount and a cash discount
6. learner calculates cash discounts
7. learner journalizes cash discounts in general journal
8. learner records transactions using the gross method for cash discounts
9. learner records transactions using the net method for cash discounts
10. learner distinguishes between the city ledger and the guest ledger
11. learner determines the latest date on which a discount is allowed
12. learner identifies the proper department for specific transactions

B. Explain hotel expense accounting

Linked Core Abilities

Demonstrate critical thinking

Use mathematics effectively

Competence will be demonstrated:

1. by completing workbook assignment
2. through exam

Criteria - Performance will be satisfactory when:

1. learner identifies responsibility accounting in hotels
2. learner classifies typical expenses by responsibility area
3. learner summarizes fixed charges
4. learner journalizes employee meals transactions
5. learner journalizes credit card transactions
6. learner distinguishes between the direct method and the allowance method for recording bad debt
7. learner journalizes bad debt transactions
8. learner summarizes how bad debt appears on the financial statements
9. learner calculates amount for bad debt
10. learner distinguishes between direct and indirect expenses

C. Examine the periodic inventory accounting method

Linked Core Abilities

Demonstrate critical thinking

Use mathematics effectively

Competence will be demonstrated:

1. by completing workbook assignment

2. through exam

Criteria - Performance will be satisfactory when:

1. learner records transactions using the periodic inventory accounting method
2. learner records transactions using the perpetual inventory accounting method
3. learner explains the cost of sales procedure
4. learner calculates the cost of sales
5. learner journalizes the adjusting entries for beginning and ending inventories
6. learner journalizes transactions for food provisions
7. learner journalizes transactions for free employee meals
8. learner prepares classified income statement for restaurant

D. Examine computer, accounting, and financial information systems

Linked Core Abilities

Demonstrate critical thinking

Competence will be demonstrated:

1. by completing workbook assignment
2. through exam

Criteria - Performance will be satisfactory when:

1. learner identifies input/output units
2. learner analyzes account numbering systems
3. learner analyzes support centers
4. learner analyzes fixed charges

E. Prepare hotel departmental income statement

Linked Core Abilities

Demonstrate critical thinking

Use mathematics effectively

Competence will be demonstrated:

1. by completing workbook assignment
2. through exam

Criteria - Performance will be satisfactory when:

1. learner uses revenue center vocabulary
2. learner uses support center vocabulary
3. learner identifies operated departments expenses
4. learner calculates net income

F. Explain hospitality payroll accounting

Linked Core Abilities

Demonstrate critical thinking

Use mathematics effectively

Competence will be demonstrated:

1. by completing workbook assignment
2. through exam

Criteria - Performance will be satisfactory when:

1. learner identifies the Fair Labor Standards Act (FLSA) regulations on overtime
2. learner calculates the hours of time worked
3. learner converts time to the continental time system

4. learner converts weekly wages to an hourly rate
5. learner calculates earnings using the overtime pay method
6. learner calculates earnings using the overtime premium method
7. learner calculates the maximum tip credit
8. learner calculates tip regulation
9. learner applies the payroll deduction regulations
10. learner calculates net pay
11. learner calculates the eight percent tip regulation
12. learner allocates tip shortfall using the gross receipts method
13. learner allocates tip shortfall using the hours worked method

G. Examine property and equipment accounting

Linked Core Abilities

Demonstrate critical thinking

Use mathematics effectively

Competence will be demonstrated:

1. by completing workbook assignment
2. through exam

Criteria - Performance will be satisfactory when:

1. learner determines acquisition costs of fixed assets
2. learner distinguishes between a capital lease and an operating lease
3. learner examines depreciation
4. learner journalizes depreciation transactions
5. learner calculates depreciation using the straight-line method
6. learner calculates depreciation using the declining balance method
7. learner calculates depreciation using the sum-of-the-years digits method
8. learner calculates depreciation using the productive-output method
9. learner journalizes depreciation of china, glassware, and silver
10. learner journalizes sale or trade-in of property and equipment

H. Explain intangible assets

Linked Core Abilities

Demonstrate critical thinking

Competence will be demonstrated:

1. by completing workbook assignment
2. through exam

Criteria - Performance will be satisfactory when:

1. learner identifies the right-off period for intangible assets
2. learner journalizes amortization transactions

I. Analyze inventory accounting

Linked Core Abilities

Demonstrate critical thinking

Use mathematics effectively

Competence will be demonstrated:

1. by completing workbook assignment
2. through exam

Criteria - Performance will be satisfactory when:

1. learner explains the importance of inventory valuation
2. learner estimates ending inventory using the gross profit method
3. learner calculates the value of ending inventory using the specific identification approach
4. learner calculates the value of ending inventory using the FIFO approach
5. learner calculates the value of ending inventory using the LIFO approach
6. learner calculates the value of ending inventory using the weighted average approach
7. learner calculates the cost of sales using perpetual method
8. learner calculates the cost of sales using the periodic method

J. Analyze hotel income statements

Linked Core Abilities

Demonstrate critical thinking

Use mathematics effectively

Competence will be demonstrated:

1. by completing workbook assignment
2. through exam

Criteria - Performance will be satisfactory when:

1. learner demonstrates common-size analysis of an income statement
2. learner prepares a common size analysis of the income statement
3. learner prepares a comparative analysis of the income statement

K. Summarize ratio analysis of the income statement

Linked Core Abilities

Demonstrate critical thinking

Use mathematics effectively

Competence will be demonstrated:

1. by completing workbook assignment
2. through exam

Criteria - Performance will be satisfactory when:

1. learner summarizes the ratios typically used to analyze hotel rooms department
2. learner summarizes the ratios typically used to analyze food and beverage department
3. learner calculates average room rate
4. learner calculates average food check
5. learner calculates food inventory turnover ratio
6. learner calculates days' inventory on hand ratio
7. learner calculates food cost percentage
8. learner calculates labor cost percentage
9. learner calculates prime cost percentage
10. learner calculates earnings per share ratio
11. learner calculates price earnings ratio
12. learner calculates profit margin ratio
13. learner calculates return on equity ratio
14. learner calculates occupancy ratio

L. Explain hotel balance sheets

Linked Core Abilities

Demonstrate critical thinking

Use mathematics effectively

Competence will be demonstrated:

1. by completing workbook assignment
2. through exam

Criteria - Performance will be satisfactory when:

1. learner demonstrates common-size analysis of the balance sheet
2. learner prepares a common size analysis of the balance sheet
3. learner prepares a comparative analysis of the balance sheet
4. learner classifies balance sheet items by current and long term

M. Summarize ratio analysis of the balance sheet

Linked Core Abilities

Demonstrate critical thinking

Use mathematics effectively

Competence will be demonstrated:

1. by completing workbook assignment
2. through exam

Criteria - Performance will be satisfactory when:

1. learner calculates accounts receivable turnover ratio
2. learner calculates assets-to-liabilities ratio
3. learner calculates average collection period ratio
4. learner calculates beverage inventory turnover ratio
5. learner calculates current ratio
6. learner calculates debt-to-assets ratio
7. learner calculates debt-to-equity ratio
8. learner calculates fixed asset turnover ratio
9. learner calculates food inventory turnover
10. learner calculates quick ratio