

ACC108 Hospitality Accounting FALL 2008

Course Information

Organization	Mercer County Community College
Course Number	ACC108
Credits	3
Contact Hours	3

Description

Introductory accounting course that integrates the special accounting requirements of the hospitality industry with generally accepted accounting principles.

Prerequisites

MAT034 or equivalent proficiency

Textbooks

Schmidgall, R & Damitio, W.. *Basic Financial Accounting for the Hospitality Industry*. Educational Institute, AH&MA.

Core Abilities

- A. Define the basic principles and concepts as they relate to practical accounting problems.
- B. Analyze a business transaction into its debit and credit elements.
- C. Complete the accounting cycle: journalize entries, post to general ledger, adjusting entries, prepare financial statements..
- D. Interpret various accounting data and appropriately apply basic principles of accounting to the problems of operating a business in the hospitality industry.

General Education Outcomes

- A. 1.4 Students will logically and persuasively state and support orally and in writing their points of view or findings.
- B. 3.2 Students will identify a problem and analyze it in terms of its significant parts and the information needed to solve it.
- C. 3.2 Students will use appropriate library tools such as cataloging systems to access information in reference publications, periodicals, bibliographies and databases.
- D. 4.1 Students will identify ethical implications of an issue or situation.
- E. 5.1 Students will translate quantifiable problems into mathematical terms and solve these problems using mathematical or statistical procedures.

Competencies

1. **Explain the accounting function and its function in the hospitality industry - Chapter One**
Learning Objectives
 - a. Define "accounting".
 - b. Cite the advantages and disadvantages of sole proprietorships, partnerships, and corporations.
 - c. Describe the three major financial statements.
 - d. Describe how transactions change the accounting equation, $A + L = OE$.
2. **Account for business transactions - Chapter Two**
Learning Objectives
 - a. Explain the rules of debits and credits.
 - b. Journalize transactions in the General Journal.
 - c. Post from the General Journal to the General Ledger.
 - d. Prepare a trial balance from the General Ledger accounts.
3. **Analyze financial data for account adjustments - Chapter Three**
Learning Objectives
 - a. Explain the need for adjusting entries.
 - b. Identify, define, and describe the major classifications of adjustments--Deferrals and Accruals.
4. **Complete the accounting cycle - Chapter Four**
Learning Objectives
 - a. Describe the accounting cycle and list its ten steps.
 - b. Given an adjusted trial balance prepare financial statements-income statement, statement of owner's equity and balance sheet.
 - c. Describe the closing process.
 - d. Explain the purpose of reversing entries and identify the circumstances under which they can be used.
5. **Describe the Income Statement as used in the Hospitality Industry - Chapter Five**
Learning Objectives
 - a. Identify the purpose of the income statement and its major elements.
 - b. Describe uniform systems of accounting and identify the uniform system of accounts relevant to the hospitality industry.
 - c. Explain the purpose of departmental statements.
 - d. Identify the elements of the Statement of Retained Earnings.
6. **Describe the Balance Sheet as used in the Hospitality Industry - Chapter Six**
Learning Objectives
 - a. Describe and identify the purpose of the balance sheet.
 - b. Explain the two formats used for the balance sheet.
 - c. Prepare a balance sheet using the major classifications from USASH.
 - d. Identify some limitations of the balance sheet.
 - e. Explain the analysis of the balance sheet using the current ratio.

7. **Explain the accounting for cash in the hospitality industry - Chapter Eight**
Learning Objectives
- List and explain the procedures that help ensure internal control of a firm's cash.
 - Explain the purpose of the voucher system.
 - Describe the use of the petty cash fund and the accounting procedures related to it.
 - Prepare a bank reconciliation.
 - Compare the gross and net method of recording purchases.
 - Identify the two basic credit card types and outline the accounting procedures associated with sales involving each type.
8. **Describe how a hospitality firm will account for receivables and payables - Chapter Nine**
Learning Objectives
- Define accounts receivable and describe how to account for them.
 - Define notes receivable and describe how to account for them.
 - Describe the accounting procedures involved in discounting a note receivable.
 - Describe the direct write-off method of accounting for bad debt expense and discuss its major flaw.
 - Explain the allowance method of accounting for bad debt expense and describe its two approaches: percentage of sales and aging of accounts receivable.
 - Explain how to account for notes payable: interest-bearing and noninterest bearing.
9. **Describe the accounting for inventories in a hospitality firm - Chapter Ten**
Learning Objectives
- Identify broad guidelines for controlling inventory.
 - Distinguish the perpetual inventory system from the periodic inventory system.
 - Describe the impact of inventory errors on profit.
 - Describe the role of transportation costs in recording inventory.
 - Identify and compare the four basic methods of valuing ending inventory.
 - Describe the retail method and the gross profit method of estimating inventory.
10. **Explain how property, equipment, intangible assets and other assets are accounted for in the hospitality industry - Chapter Eleven**
Learning Objectives
- Identify assets classified under property and equipment on the balance sheet and discuss their characteristics
 - Distinguish between capital expenditures and revenue expenditures.
 - Determine what constitutes the cost of an asset.
 - Define a lump sum purchase and describe the valuation procedure used.
 - Identify and describe commonly used depreciation methods.
 - Describe the accounting procedures associated with the disposal or exchange of a depreciable asset.
 - Identify intangible assets commonly reported by hospitality firms.

11. **Explain the accounting process used for current liabilities and payroll - Chapter Twelve**

Learning Objectives

- a. Define current liabilities and distinguish between contingent liabilities and loss contingencies.
- b. Define notes payable and explain how to account for them.
- c. Calculate regular pay and overtime pay.
- d. Identify items that must be accounted for when the payroll is recorded and explain how to account for them.
- e. Identify and explain how to account for three major payroll taxes.
- f. Define property taxes and explain how to account for them.

Grading Information

Grading Scale

Tests	80% (Chapters 1,2,3,4,5,6,8,9,10,11,12)
Projects	15%
Class work	5%

Guidelines for Success

Attendance

Students are expected to attend all class meetings, In addition, students may be required to allow additional time to take tests in the Academic Testing Center.

Tests

Students are expected to take all tests at the time tests are scheduled. Unless there are verifiable extenuating circumstances, approved by the instructor, no students will be allowed to make-up any missed test. Any missed test will result in a zero grade.

Quizzes, Homework, Projects

Unannounced quizzes may be given during class time. NO MAKE-UP is allowed on a quiz. Out of class assignments must be completed and turned in on the date designated by the instructor, All projects must be typed. No handwritten assignments will be accepted.

Withdrawals

If a student decides to discontinue attending the course, it is the student's responsibility to follow through and officially withdraw from the course before the withdrawal date. Failure to do this may result in the student receiving an "F" grade for the course. Before withdrawing, discuss your concerns with your instructor.

Classroom Conduct

It is students' responsibility to attend all of their classes. If they miss a class meeting for any reason, students are responsible for all content that is covered, for announcements made in their absence, and for acquiring any materials that may have been distributed in class. It is expected that students be on time for all their classes. If students walk into a class after it has begun, it is expected that they choose a seat close to where they entered the room so that they do not disrupt the class meeting.

Students are expected to follow ordinary rules of courtesy during class sessions. Engaging in private, side conversations during class time is distracting to other students and to the instructor.

It is not appropriate to leave class early without having informed the instructor ahead of time. Unless there is an emergency, leaving class and returning while the class is in session is not acceptable behavior. Please turn off cell phones and pagers while class is in session. Disruptive behavior of any type, including sharpening pencils during class while someone is speaking, is not appropriate.

The college welcomes all students into an environment that creates a sense of community pride and respect; we are all here to work cooperatively and to learn together.

Academic Integrity

ACADEMIC INTEGRITY: Academic integrity refers to the total quality of the search for knowledge which a student undertakes. A student will be guilty of violating academic integrity if he/she:

- A. knowingly represents the work of others as his/her own.
- B. uses or obtains unauthorized assistance in the execution of an academic work
- C. gives fraudulent assistance to another student.