

ACC108 Hospitality Accounting- Administrative Outline

Course Information

Organization	Mercer County Community College/Business & Technology Division
Credits	3
Contact Hours	3

Catalog Description

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

Revised: Spring 2021

Course Competencies/Goals

- 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

- Goal 1 Communication. Students will communicate effectively in both speech and writing
- Goal 2 Mathematics. Students will use appropriate mathematical and statistical concepts and operations to interpret data and to solve problems.
- Goal 3 Ethical Reasoning and Action. Students will understand ethical issues and situations

MCCC Core Skills

- Goal A: Written and Oral Communication in English. Students will communicate effectively in speech and writing and demonstrate proficiency in reading.
- Goal B: Critical Thinking and Problem-solving. Students will use critical thinking and problem-solving skills in analyzing information.
- Goal C: Ethical Decision-Making. Students will recognize, analyze and assess ethical issues and situations.
- Goal F: Collaboration and Cooperation. Students will develop the interpersonal skills required for effective performance in group situations.

Units of Study in Detail:

Competencies

1. **Explain the accounting function and its function in the hospitality industry**
Learning Objectives
 - a. Define "accounting". (Course Competencies A; General Education 1; MCCC Goals A)
 - b. Cite the advantages and disadvantages of sole proprietorships, partnerships, and corporations. (Course Competencies A; General Education 1; MCCC Goals A)
 - c. Describe the three major financial statements. (Course Competencies A; General Education 1; MCCC Goals A)
 - d. Describe how transactions change the accounting equation, $A + L = OE$. (Course Competencies A, General Education 2; MCCC Goals A)
2. **Account for business transactions**
Learning Objectives
 - a. Explain the rules of debits and credits. (Course Competencies B; General Education 1; MCCC Goals B)
 - b. Journalize transactions in the General Journal. (Course Competencies B; General Education 2, MCCC Goals B)
 - c. Post from the General Journal to the General Ledger. (Course Competencies C; General Education 2; MCCC Goals B)
 - d. Prepare a trial balance from the General Ledger accounts. (Course Competencies C; General Education 2; MCCC Goals B)
3. **Analyze financial data for account adjustments**
Learning Objectives
 - a. Explain the need for adjusting entries. (Course Competencies A; General Education 1; MCCC Goals A, B)
 - b. Identify, define, and describe the major classifications of adjustments--Deferrals and Accruals. (Course Competencies A; General Education 1; MCCC Goals A, B)
4. **Complete the accounting cycle**
Learning Objectives
 - a. Describe the accounting cycle and list its ten steps. (Course Competencies A, C; General Education 1, 2; MCCC Goals A, B)
 - b. Given an adjusted trial balance prepare financial statements-income statement, statement of owner's equity and balance sheet. (Course Competencies A; General Education 1, 2; MCCC Goals A, B)
 - c. Describe the closing process. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
 - d. Explain the purpose of reversing entries and identify the circumstances under which they can be used. (Course Competencies A,B, C; General Education 1, 2; MCCC Goals A, B)
5. **Describe the Income Statement as used in the Hospitality Industry**
Learning Objectives

- a. Identify the purpose of the income statement and its major elements. (Course Competencies A, C, D; General Education 1; MCCC Goals A, B)
- b. Describe uniform systems of accounting and identify the uniform system of accounts relevant to the hospitality industry. (Course Competencies A, B; General Education 1; MCCC Goals A, B)
- c. Explain the purpose of departmental statements. (Course Competencies A, D; General Education 1; MCCC Goals A, B)
- d. Identify the elements of the Statement of Retained Earnings. (Course Competencies A, C, D; General Education 1, 2; MCCC Goals A, B)

6. **Describe the Balance Sheet as used in the Hospitality Industry**

Learning Objectives

- a. Describe and identify the purpose of the balance sheet. (Course Competencies A, C; General Education 1, 2; MCCC Goals A, B)
- b. Explain the two formats used for the balance sheet. (Course Competencies A, C; General Education 1; MCCC Goals A, B)
- c. Prepare a balance sheet using the major classifications from USASH. (Course Competencies A, C; General Education 1; MCCC Goals A, B)
- d. Identify some limitations of the balance sheet. (Course Competencies A, C; General Education 1; MCCC Goals A, B)
- e. Explain the analysis of the balance sheet using the current ratio. (Course Competencies A, C; General Education 1, 2; MCCC Goals A, B)

7. **Explain the accounting for cash in the hospitality industry**

Learning Objectives

- a. List and explain the procedures that help ensure internal control of a firm's cash. (Course Competencies A; General Education 1; MCCC Goals A, B)
- b. Explain the purpose of the voucher system. (Course Competencies A; General Education 1; MCCC Goals A, B)
- c. Describe the use of the petty cash fund and the accounting procedures related to it. (Course Competencies A, B, D; General Education 1, 2; MCCC Goals A, B)
- d. Prepare a bank reconciliation. (Course Competencies A, B; General Education 1, 2; MCCC Goals A, B)
- e. Compare the gross and net method of recording purchases. (Course Competencies A, B, D; General Education 1, 2; MCCC Goals A, B)
- f. Identify the two basic credit card types and outline the accounting procedures associated with sales involving each type. (Course Competencies A, B, D; General Education 1, 2; MCCC Goals A, B)

8. **Describe how a hospitality firm will account for receivables and payables**

Learning Objectives

- a. Define accounts receivable and describe how to account for them. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
- b. Define notes receivable and describe how to account for them. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
- c. Describe the accounting procedures involved in discounting a note receivable. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
- d. Describe the direct write-off method of accounting for bad debt expense and discuss its major flaw. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
- e. Explain the allowance method of accounting for bad debt expense and describe its two approaches: percentage of sales and aging of accounts receivable. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)
- f. Explain how to account for notes payable: interest-bearing and noninterest bearing. (Course Competencies A, B, C; General Education 1, 2; MCCC Goals A, B)

9. **Describe the accounting for inventories in a hospitality firm**

Learning Objectives

- a. Identify broad guidelines for controlling inventory. (Course Competencies A, D; General Education 1; MCCC Goals A, B)
- b. Distinguish the perpetual inventory system from the periodic inventory system. (Course Competencies A, D; General Education 1; MCCC Goals A, B)
- c. Describe the impact of inventory errors on profit. (Course Competencies A, D; General Education 1, 2; MCCC Goals A, B)
- d. Describe the role of transportation costs in recording inventory. (Course Competencies A, D; General Education 1; MCCC Goals A, B)
- e. Identify and compare the four basic methods of valuing ending inventory. (Course Competencies A, C, D; General Education 1, 2; MCCC Goals A, B)
- f. Describe the retail method and the gross profit method of estimating inventory. (Course Competencies A, C, D; General Education 1, 2; MCCC Goals A, B)

10. **Explain how property, equipment, intangible assets and other assets are accounted for in the hospitality industry**

Learning Objectives

- a. Identify assets classified under property and equipment on the balance sheet and discuss their characteristics. (Course Competencies A, D; General Education 1; MCCC Goals A, B)
- b. Distinguish between capital expenditures and revenue expenditures. (Course Competencies A, D; General Education 1; MCCC Goals A, B)
- c. Determine what constitutes the cost of an asset. (Course Competencies A, D; General Education 1; MCCC Goals A, B)
- d. Define a lump sum purchase and describe the valuation procedure used. (Course Competencies A, D; General Education 1, 2; MCCC Goals A, B)
- e. Identify and describe commonly used depreciation methods. (Course Competencies A, B, D; General Education 1; MCCC Goals A, B)
- f. Describe the accounting procedures associated with the disposal or exchange of a depreciable asset. (Course Competencies A, B, D; General Education 1, 2; MCCC Goals A, B)
- g. Identify intangible assets commonly reported by hospitality firms. (Course

Competencies A, B, D; General Education 1, 2; MCCC Goals A, B)

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

Learning Objectives

- a. Define current liabilities and distinguish between contingent liabilities and loss contingencies. (Course Competencies A; General Education 1, 2; MCCC Goals A, B)
- b. Define notes payable and explain how to account for them. (Course Competencies A, B; General Education 1, 2; MCCC Goals A, B)
- c. Calculate regular pay and overtime pay. (Course Competencies A, B, D; General Education 1, 2; MCCC Goals A, B)
- d. Identify items that must be accounted for when the payroll is recorded and explain how to account for them. (Course Competencies A, B, C,D; General Education 1, 2; MCCC Goals A, B)
- e. Identify and explain how to account for three major payroll taxes. (Course Competencies A, D; General Education 1, 2; MCCC Goals A, B)
- f. Define property taxes and explain how to account for them. (Course Competencies A, B, C, D; General Education 1, 2; MCCC Goals A, B)

Grading Information

Grading Scale

Tests 80% (3 to 4) (Chapters 1,2,3,4,5,6,8,9,10,11,12) *

Projects 15% (Course Competencies D; General Education 1, 3; MCCC Goals A, B, C, F)

Class work 5%

*The instructor will announce during the first class meeting the number of tests and the chapters covered in each test.

Reasonable Accommodations for Students with Documented Disabilities

Mercer County Community College is committed to supporting all students in their academic and co-curricular endeavors. Each semester, a significant number of students document disabilities, which may require learning, sight, hearing, manual, speech, or mobility accommodations to ensure access to academic and co-curricular activities. The college provides services and reasonable accommodations to all students who need and have a legal entitlement to such accommodations.

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.

For any single violation of any of the College's policies on Academic Integrity in this course, the student will receive a zero for the assignment AND the final course grade will be lowered by one full letter grade (for example, a B would become a C). For a second violation, the student will fail

the course. In all cases, the Chair of the Academic Integrity Committee will be notified of the violation and the penalty imposed. When two (or more) violations of academic integrity are reported on a student, the Academic Integrity Committee (AIC) may impose disciplinary penalties beyond those imposed in this course. The student shall have the right to a hearing before the AIC or a designated AIC subcommittee.