



Broward Community College

Course Outline

STATUS: A

COMMON COURSE NUMBER: HFT 2460

COURSE TITLE: Financial Management

CREDIT HOURS: 3

CONTACT HOURS BREAKDOWN:

Lecture/Discussion 48

Lab

Other

Contact Hours/Week 3

CATALOG COURSE DESCRIPTION:

Prerequisite: ACG 1003 Recommended or Instructor's Approval

Corequisite: None

A study of accounting systems for the hospitality/restaurant/travel industries with emphasis on operating statistics and financial reports. The utilization of financial statements by management is studied.

General Education Requirements - Associate of Arts Degree, meets Area(s):
 General Education Requirements - Associate in Science Degree, meets Area(s):

UNIT TITLES:

1. Uniform System of Accounts
2. Ratio Analysis
3. Nature of Cost
4. Cost-Volume Profit Analysis

I. Course Overview:

Upon successful completion of this course, the students should be able to demonstrate an understanding of the accounting system for Food Service-Lodging Industries, with emphasis on financial and operating statistical reports.

II. Units:

Unit 1. Uniform System of Accounting for the Hospitality Industries

General Outcome:

- 1.0 The students should be able to demonstrate their ability to prepare an Income Statement and Balance Sheet.

Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to:

- 1.1 Prepare an income statement for:
 - 1.1.1 Room Department
 - 1.1.2 Restaurant Department
 - 1.1.3 Bar Department
 - 1.1.4 Telephone Department
 - 1.1.5 Gift Shop
- 1.2 Prepare an income statement comparing changes and percent of changes.
- 1.3 Prepare a balance sheet from a list of:
 - 1.3.1 Current Assets
 - 1.3.2 Fixed Assets
 - 1.3.3 Current Liabilities
 - 1.3.4 Long-term Liabilities
 - 1.3.5 Equity and Capital

Unit 2. Ratio Analysis

General Outcome:

2.0 The students should be able to compare ratios for a company in the Hotel-Restaurant field.

Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to demonstrate their ability to use the following ratios:

2.1 Liquidity Ratio

- 2.1.1 Current Ratio
- 2.1.2 Acid Test Ratio
- 2.1.3 Account Receivable to Total Revenue
- 2.1.4 Account Receivable Turnover
- 2.1.5 Average Collection Period

2.2 Solvency and Leverage

- 2.2.1 Solvency Ratio
- 2.2.2 Debt to Total Asset Ratio
- 2.2.3 Debt to Equity Ratio
- 2.2.4 Number of Times Interest Earned Ratio

2.3 Activity Ratio

- 2.3.1 Food Inventory Turnover
- 2.3.2 Beverage Inventory Turnover
- 2.3.3 Fixed Asset Turnover
- 2.3.4 Occupancy Percentage
- 2.3.5 Average Acceptance Per Room

2.4 Profitability and Rate of Return Ratio

- 2.4.1 Return on Owner's Equity
- 2.4.2 Return on Assets
- 2.4.3 Net Return on Assets
- 2.4.4 Profit Margin
- 2.4.5 Operating Efficiency Ratio

2.5 Operating Ratio

- 2.5.1 Average Room Rate Per Day
- 2.5.2 Average Restaurant Check

2.5.3 Food Cost Percentage

2.5.4 Beverage Cost Percentage

Unit 3. Nature of Cost

General Outcome:

3.0 The students should be able to define the different techniques used in the planning of Cost.

Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to:

3.1 Identify and define the following cost concepts:

- 3.1.1 Fixed Cost
- 3.1.2 Variable Cost
- 3.1.3 Out-of-Pocket Cost
- 3.1.4 Sunk Cost
- 3.1.5 Opportunity Cost

Unit 4. Cost-Volume Profit Analysis

General Outcome:

4.0 The students should be able to determine the break-even point for a hotel or restaurant.

Specific Learning Outcomes:

Upon successful completion of this unit, the students should be able to:

4.1 Solve the following problems:

- 4.1.1 Total Revenue
- 4.1.2 Unit Selling Price
- 4.1.3 Volume in Units
- 4.1.4 Volume at Break-even
- 4.1.5 Total Fixed Cost
- 4.1.6 Unit Variable Cost
- 4.1.7 Total Variable Cost
- 4.1.8 Profit or Income

Special Student Projects:

A report on four hospitality corporations. A six-week graph on these corporation's stock market price and a list of their board of directors.

A ratio analysis for a hospitality company for two years.