

**FCS 3786**  
**Hospitality Operations and Cost Control**  
**Fall 2012**

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Office hours: Monday and Wednesday 2:00-3:30; Thursday 12:30-1:30; or by appointment.

**Text Book:** Jagels, M. (2007). *Hospitality Management Accounting* (9<sup>th</sup> ed). Hoboken, NJ: Wiley.

**Course Description:** Integration of hospitality operations with emphasis on concepts and applications of hospitality managerial accounting to hospitality operations, evaluations, and decision making. Prerequisites: BUS2101 and FCS 2700.

**Course Objectives:** Upon completion of the course the student should be able to

1. Identify the types of operations and integrated report processes in the hospitality industry
2. Determine operating budgets, internal controls, and appropriate accounting procedures and resources
3. Demonstrate decision making processes as related to inventory
4. Identify costs and determine cost effectiveness procedures as related to hospitality operations
5. Evaluate hospitality operations through examination of financial data.

**Course Evaluation**

**Grading Scale**

3 exams @100 points each	300	90%-100%	A
Homework/problems	150*	80%-89%	B
Company analysis	080	70%-79%	C
Food Cost activity	080	60%-69%	D
Menu Engineering	<u>080</u>	< 60%	F

\* Homework points are approximate; actual points may vary slightly from 150. Homework will be assigned throughout the semester; some class time will be provided. These assignments must be turned in on the due date; late assignments will not be accepted without a valid medical excuse or approved university absence. Each homework assignment, unless otherwise noted, is worth 10 points. Homework problems constitute about 20% of the total grade and are an important indicator of mastery of the course content as well as an excellent preparation tool for exams

Exams are designed to cover terms and concepts as well as application problems. Exams in this class are open book and open notes; the emphasis is on application rather than memorization. **You may not use a cell phone as your calculator for the exams.**

### **Course Policies**

1. Be in class and be on time. Attendance is expected, and homework and/or problems can not be turned in if you are not here. In class homework may be assigned at any time and may not be made up. Homework will be collected at the start of the class; homework turned in after the instructor has collected it is considered late. If you are late for an exam, you will not get extra time.
2. **Bring the book and a calculator to class everyday.** In-class problems/homework from the book may be assigned at any time and it will be impossible to complete without a calculator or the book. If you don't have a book you will not be permitted to "share" to complete in class homework.
3. Read the chapters before class; it is difficult to do the problems if you have not read the material.
4. Turn off all cell phones and other electronic devices before coming into class. Use of a phone or texting while in class is a 10 point deduction for each occurrence. If your cell phone rings during an exam you forfeit the opportunity to continue beyond that point.
5. Do not leave class for restroom breaks, we meet for only 75 minutes. If you leave during an exam for any reason, you forfeit the opportunity to continue beyond that point.
6. Do your fair share of the group company analysis. Display professionalism in your oral presentation and written projects (do your share of the work, be on time, speak clearly, provide handouts, use proper grammar, spelling, and formatting, etc.).
7. Try to have fun – managerial accounting is not for everyone, but application of the information will help you be a better manager! Former students report that the information discussed in this class is used on a frequent basis in their job.

### **Academic Honesty**

The integrity of an academic community necessitates the full and correct citation of ideas, methodologies, and research findings to the appropriate source. Academic honesty is essential to ensure the validity of the grading system and to maintain a high standard of academic excellence. The principal violations of academic honesty are cheating and plagiarism. Violation of academic honesty principles will result in an F for the assignment or for the course, and will be reported.

Cheating includes the unauthorized use of certain materials, information, or devices in writing examinations, or in preparing papers or assignments. Any student who aids another student in such dishonesty is also guilty of cheating. Other possible forms of cheating include submitting the same work in more than one class without permission, and fabricating or altering references.

Plagiarism is the presentation of ideas, words, and opinions of someone else as one's own work. Paraphrased material, even if rendered in the student's own words, must be attributed to the original of the thought.

### **Accommodation statement**

If you are a student with a documented disability in need of accommodations to fully participate in this class, please contact the Office of Disability Services (ODS). All accommodations must be approved through ODS. Please stop by Ninth Street Hall, Room 2006, or call 217-581-6583 to make an appointment.

### **Hospitality Industry Company Analysis**

Each student is to perform a financial analysis on assigned hospitality company and summarize the findings in a written report. While there are numerous places to find such data, use the information provided on Yahoo!Finance to calculate the required ratios. For your overview and narrative discussion of the company, use information provided in the company's annual report as your primary source. Print the title page of the annual report and include in your written report. Other sources may also be used, as long as they are referenced correctly.

Using the last full year for which information is provided, calculate all the ratios listed in chapter 4 on pages 178-182. You should be able to find data needed for all calculations except those requiring sales on account and credit card sales.

The written summary should include all ratios and calculations, and a narrative discussion. The narrative discussion is where you provide and explain your interpretation of the results and draw appropriate conclusions. Base your analysis on the entirety of the information, not just one calculation or ratio. You should also include an overview of the company operations (what does it do, where is it located, etc.). The written summary should be between 2 and 4 pages, not counting the annual report title page, the title page or the reference page.

Students will work in groups to present an overview of their assigned company, including a brief financial summary, and including internship and/or career opportunities. The presentation should be a maximum of 15 minutes, and is worth 20 of the 80 points.

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Tentative Calendar Fall 2012

WEEK OF	CHAPTER	TOPICS	MISC
Aug 21, 23	1	Intro Accounting Review	
Aug 28,30	1	Accounting Review	
Sep 4,6		Inventory /Food Cost	
Sep 11, 13	2	Financial Statements	<b>Food Cost due</b> Sep 11
Sep 18, 20	3	Analysis of Financial Statements	
Sep 25, 27	3	Analysis of Financial Statements	<b>Exam 1 Sep 25</b> <b>No class Sep 27</b>
Oct 2, 4	4	Ratio Analysis	
Oct 9, 11	5	Internal Controls	
Oct 16, 18	6	Pricing	<b>Company Analysis</b> Oct 16
Oct 23, 25	6	Pricing Menu Engineering	
Oct 30, Nov 1	7	Cost Management	<b>Menu Engineering</b> due Nov 1
Nov 6, 8	8	CVP Analysis	<b>Exam 2</b> Nov 6
Nov 13, 15	8	CVP Analysis	
Nov 20, 22			
Nov 27, 29	9	Budgeting	
Dec 4, 6	11	Cash Management	
Dec 13		Final Exams Week	<b>Exam 3</b> Thursday Dec 13 @ 12:30 pm