

## Unit11 - Financial Decision Making for Hospitality Professionals (THM2002)

Competences: – at the end of the module/unit the learner will have acquired the responsibility and autonomy to:

- a) Review and evaluate the various financial applications utilized within the hospitality industry.
- b) Explain revenue and expense accounting through analysis of balance sheets.
- c) Identify the financial organizational structure and its role in the planning of hotel business.
- d) Illustrate the need for financial information to control the performance of individual departments.
- e) Recognise the difference between financial accounting and management accounting.
- f) Classify various budget streams and the impact each one has on a finance department.
- g) Establish the purpose of RevPAR (revenue per available room) and the impact it has on yield management and financial strategies.
- h) Perform managerial decisions based on analysis of cost and financial data.

Knowledge – at the end of the module/unit the learner will have been exposed to the following: (This can be a list of knowledge/content items)

- a) An understanding of the techniques required to interpret a company's financial statements for the purpose of making key business decisions.
- b) An understanding of financial statements and a knowledge of how information about company performance can be extracted from such statements.
- c) An understanding of cost accounting concepts and a knowledge of how to apply relevant tools.
- d) An understanding of Target Costing and Budgetary Control.
- e) A knowledge of the tools used to compare and analyse the effectiveness of food and lodging operations
- f) An awareness of the concept of room revenue management

Skills – at the end of the module/unit the learner will have mastered the following skills:

### ***Applying knowledge and understanding***

The learner will be able to:

- a) Prepare, plan, execute and evaluate financial statements for a hospitality department.
- b) Apply uniform system of accounts to an individual enterprise.
- c) Employ costing techniques and break-even analysis to identify contribution and profitability of products and departments.
- d) Prepare budgets and apply budgetary control to an organisation.

***Judgment Skills and Critical Abilities***

(This section has been made sufficiently open to accommodate both vocational and academic orientations. Applicants can refer to Judgement Skills, or Critical Abilities (critical skills, dispositions, values and actions), or both.)

The learner will be able to:

- a) Critically evaluate the roles and responsibilities of all personnel within the hospitality accounting function.
- b) Explore, question, and assess multiple perspectives or alternatives to a professional situation.
- c) Interpret financial statements through the use of ratio analysis.