**Hospitality Accounting (One)**

**TS1 (60 Hours)**

**Course Description:**

Principles of Accounting is a course of study that provides an introduction to the principles and techniques that accountants employ in measuring, processing, evaluating and communicating information about the financial performance and position of a business. The course begins with the definition of accounting, types of accounting, and the basic concepts of accounting. Students cover topics such as double-entry bookkeeping, general journal and ledger, and how to make a trial balance. Students also learn about issues such as the preparation and analysis of basic financial statements, accruals and deferrals, and accounting for merchandising.

**Learning Outcomes:**

After the completion of this course, students will be able to:   
1. Apply debit and credit theory.  
2. Effectively utilize T-accounts.  
3. Complete journal entries.  
4. Recognize and apply the basic characteristics of accrual and cash basis accounting.  
5. Complete adjusting entries.  
6. Complete the accounting cycle.  
7. Complete a classified balance sheet.  
8. Complete multiple step income statement.  
9. Calculate the inventory under various cost flow assumptions (FIFO, LIFO, and Average Cost).

**Topics Covered:**

1. Accounting in Action.  
2. The Recording Process.  
3. Adjusting the Accounts.  
4. Completing the Accounting Cycle.  
5. Accounting for Merchandising Operations.  
6. Inventories.

**CHAPTER ONE**

**Accounting in Action**

**Learning Objectives:**

1- Explain what is accounting.

2- Identify the users and uses of accounting.

3- Explain generally accepted accounting principles.

4- State the accounting equation, and define its components.

5-Analyze the effects of business transactions on the accounting equation.

6- Understand the four financial statements and how they are prepared.

**Content:**

1.1.What is Accounting?  
 1.1.1. Three activities.  
 1.1.2. Who uses Accounting data?  
1.2. The building Blocks of Accounting  
 1.2.1. Ethics in financial reporting  
 1.2.2. Generally accepted accounting principles  
 1.2.3. Assumptions  
1.3 The Basic Accounting Equation  
 1.3.1.Assets  
 1.3.2. Liabilities  
 1.3.3. Owner's equity

1.4. Using the Basic Accounting Equation  
 1.4.1 Transaction Analysis  
 1.4.2 Summary of Transactions  
1.5 Financial statements  
 1.5.1 Income statement  
 1.5.2 Owner's equity statement  
 1.5.3 Balance sheet  
 1.5.4 Statement of cash flows (just an overview)

**CHAPTER TWO**

**The Recording Process:**

**Learning Objectives:**

1- Explain what an account is and how it helps in the recording process.

2- Define debits and credits and explain their use in recording business transactions.

3- Identify the basic steps in the recording process.

4- Explain what a journal is and how it helps in the recording process.

5- Explain what a ledger is and how it helps in the recording process.

6- Explain what posting is and how it helps in the recording process.

7- Prepare the trial balance and explain its purposes.

**Content:**

2.1. The Account  
 2.1.1 Debits and credits  
2.2.Steps in the Recording Process  
 2.2.1 The journal  
 2.2.2 The ledger

2.3. The Recording Process Illustrated  
 2.3.1. Summary illustration of journalizing and posting

2.4. The Trial Balance  
 2.4.1.Limitations of a trial balance  
 2.4.2. Locating errors  
 2.4.3.Use of dollar signs

**CHAPTER THREE**

**Adjusting the Accounts:**

**Learning Objectives:**

1- Explain the time period assumption.

2- Explain the accrual basis of accounting.

3- Explain the reasons for adjusting entries.

4- Identify the major types of adjusting entries.

5- Describe the nature and purpose of an adjusted trial balance.

**Content:**

3.1. Timing Issues  
 3.1.1. Fiscal and calendar years  
 3.1.2. Accrual versus cash basis Accounting  
 3.1.3. Recognizing revenues and expenses  
3.2. The basics of Adjusting entries:  
 3.2.1.Types of adjusting entries  
 3.2.2. Adjusting entries for deferrals.  
 3.2.3. Adjusting entries for Accruals  
 3.2.4. Summary of Basic Relationships.  
3.3. The Adjusted Trial Balance and Financial statements  
 3.3.1 Preparing the Adjusted Trial Balance.  
 3.3.2. Preparing Financial Statements.

**CHAPTER FOUR**

**Completing the Accounting Cycle:**

**Learning Objectives:**

1- Prepare the worksheet.

2- Explain the process of closing the books.

3- State the required steps in the accounting cycle.

4- Explain the approaches to preparing correcting entries.

5- Identify the sections of a classified balance sheet.

**Content:**

4.1.Using a Worksheet  
 4.1.1. Steps in preparation.  
 4.1.2 Preparing financial statements   
 4.1.3.Preparing adjusting entries   
4.2.Closing the Books   
 4.2.1. Preparing closing entries  
 4.2.2 Posting closing entries  
 4.2.3 Preparing a post-closing trial balance

4.3.Summary of the Accounting Cycle  
 4.3.1. Correcting Entries  
4.4. The Classified Balance Sheet  
 4.4.1.Current Assets  
 4.4.2.Long-term Investments.  
 4.4.3.Property, Plant, and Equipment.  
 4.4.4.Intangible Assets.  
 4.4.5.Current Liabilities.  
 4.4.6.Long-term Liabilities.  
 4.4.7.Owner's Equity

**CHPATER FIVE**

**Accounting for Merchandising Operations:**

**Learning Objectives:**

1- Identify the differences between service and merchandising companies.

2- Explain the recording of purchases under a perpetual inventory system.

3- Explain the recording of sales revenues under a perpetual inventory system.

4- Explain the steps in the accounting cycle for a merchandising company.

5- Distinguish between a multi-step and a single-step income statement.

**Content:**

5.1.Merchandising Operations  
 5.1.1.Operating Cycles  
 5.1.2.Flow of Costs-Perpetual and Periodic Inventory Systems  
5.2.Recording Purchases of Merchandise  
 5.2.1.Freight Costs  
 5.2.2.Purchases Returns and Allowances  
 5.2.3.Purchase Discounts  
 5.2.4.Summary of Purchasing Transactions  
5.3.Recording Sales of Merchandise  
 5.3.1.Sales Returns and Allowances  
 5.3.2.Sales Discounts

5.4.Completing the Accounting Cycle  
 5.4.1.Adjusting Entries  
 5.4.2.Closing Entries  
 5.4.3.Summary of Merchandising Entries  
5.5.Forms of Financial Statements  
 5.5.1.Multiple-step Income Statement   
 5.5.2.Single-step Income Statement  
 5.5.3.Classified Balance sheet  
5.6.Appendix 5-A: Periodic Inventory System

5.6.1. Determining Cost of Goods Sold Under a Periodic System  
 5.6.2. Recording merchandise transactions  
 5.6.3. Recording purchase of merchandise  
 5.6.4. Recording sales of merchandise

**CHAPTER SIX**

**Inventories:**

**Learning Objectives:**

1- Describe the steps in determining inventory quantities.

2- Explain the accounting for inventories and apply the inventory cost flow methods.

3- Explain the lower-of-cost-or-market basis of accounting for inventories.

4- Indicate the effects of inventory errors on the financial statements.

**Content:**

6.1.Classifying Inventory  
 6.1.1.Finished Goods  
 6.1.2.Work in Process  
 6.1.3.Raw Materials   
6.2.Determining Inventory Quantities  
 6.2.1.Taking a Physical Inventory  
 6.2.2.Determining ownership of Goods  
6.3.Inventory costing  
 6.3.1.Cost Flow Assumptions

6.3.2. Lower-of-cost-or-market   
6.4.Appendix 6A: Inventory cost flow methods in perpetual inventory systems

6.4.1. First-In, First-Out (FIFO)

6.4.2. Last-In, First- Out (LIFO)

6.4.3. Average- Cost

**Text Book:**

Weygandt, Jerry J.; Kieso, Donald E.; and Kimmel, Paul D.; 2012, Accounting Principle,   
 Tenth Edition. New York: John Wiley and Sons, Inc. ISBN: 978-0-470-64646-5