Eastern Illinois University
Revised Course Proposal
FCS 3786, Hospitality Operations and Cost Control

1. Catalog Description
a. Course number: FCS 3786
b. Title: Hospitality Operations and Cost Control (new course title)
c. Credit: 3-0-3
d. Terms to be offered: S
e. Short title: Hospitality Cost (revised)
f. Course description: Integration of hospitality industry operations with emphasis on concepts and application of hospitality managerial accounting to hospitality operations, evaluations and decision making.
g. Prerequisites: FCS 2700 (The Hospitality Industry) and BUS 2101 (Financial Accounting)
h. Initial term: Spring 2006

2. Student Learning Objectives and Evaluation
a. Objective. Course objectives are listed below with corresponding examples of assessment methods.
Upon completion of the course the student will be able to:
- Identify the types of operations and integrated reporting processes in the hospitality industry; (exams, homework)
- Determine operating budgets, internal controls, and appropriate accounting procedures and resources; (exams, homework)
- Demonstrate decision-making processes as related to inventory; (food cost project, exams, homework)
- Identify costs and determine cost effectiveness procedures as related to hospitality operations; (homework problems, company analysis)
- Evaluate hospitality operations through examination of statistical data. (homework, company analysis, menu engineering)

b. Assessment. Student achievement of the stated objectives will be assessed on the following activities:
   - Exams 40%
   - Homework problems 20%
   - Company Analysis 20%
   - Food Cost Project 10%
   - Menu Engineering 10%

c. This course is not technology delivered.

d. This course is not offered for graduate credit.

e. This course is writing active.

3. Outline of Course
I. Hospitality industry operations, functions and systems integration 2 weeks
   A. Review hospitality operations and functions
   B. Common elements of hospitality industry operations
   C. Reporting procedures in hospitality operations
   D. Major operational characteristics of the hospitality industry
      1. Seasonal business cycles
      2. Short distribution chain and time span
      3. Labor-intensiveness of the industry
4. Major investment in fixed assets

II. Applying managerial accounting to hospitality operations 3 weeks
   A. Uniform system of accounts for the hospitality industry
   B. Description and analysis of hospitality income statements
      1. Types of income statements
      2. Hospitality industry operating statistics
      3. Analysis of income statements
   C. Use of cash flow statements in hospitality operations
   D. Application of ratio analysis in hospitality operations

III. Application of cost concepts to lodging and food and beverage operations 3 weeks
   A. Calculating and interpreting food cost
   B. Basic cost concepts used in hospitality operations
   C. Cost approaches to pricing rooms, food and beverage
   D. Cost-volume profit analysis for rooms, food and beverage
   E. Menu engineering

IV. Forecasting methods applied in hospitality operations 2 weeks
   A. The nature of forecasting
   B. Underlying pattern of the data
   C. Overview of forecasting methods
   D. Selection of a forecasting method

V. Cash management for hotels and restaurants 2 weeks
   A. Cash control and its importance
   B. Distinction between income and cash flows
   C. Cash budgeting
   D. Management of working capital
   E. Accounts receivable
   F. Inventory

VI. Internal control for hotels and restaurants 2 weeks
   A. Definition and objectives of internal control
   B. Internal auditing
   C. Implementation and review of internal controls
   D. Internal control in small operations

VII. Company analysis: student presentations 1 week
b. Not applicable, this course is not technology delivered.

4. Rationale

a. Purpose and need: The focus on managerial accounting with applications to hospitality businesses is necessary to provide the knowledge and skills needed to equip students for managerial positions in the hospitality industry. ACPHA, the accrediting body for hospitality programs, lists course work in accounting principles and procedures as a curriculum standard. This proposal requests a change of name, to more accurately reflect the content of the course, without major changes to content, assessment, course description and number, or objectives, and a change in course number.

b. Justification for course level and prerequisites: This course builds upon basic accounting principles and applies them to hospitality management situations and decisions. BUS 2101 (Financial Accounting) and FCS 2700 (The Hospitality Industry) are prerequisites. BUS 2101 provides accounting principles necessary for more advanced topics covered in this proposed course; FCS 2700 provides an introduction to the hospitality industry and serves as a prerequisite to all hospitality courses.
c. Similarity to existing courses. BUS 2102 (Managerial Accounting) provides some similar content. This course provides a direct application of basic principles to the hospitality industry, and covers topics important to the hospitality industry and not covered in BUS 2102, such as food and beverage cost, table and seat turnover, average daily rate, revenue per available room, and inventory turnover.

d. Impact on programs. This course continues to be requirement for the Hospitality Management Concentration in the FCS in Business Option program. This proposed revision changes the name to more accurately reflect the course content and number to avoid using course numbers designated for honors courses.

5. Implementation

a. Faculty member to whom this course may be assigned: Dr. Richard Wilkinson

b. No additional costs are associated with this course.

c. Text and supplementary materials:


6. Community College Transfer: A community college course may not be judged equivalent to this course.

7. Date approved by the SFCS Curriculum Committee: November 8, 2004

8. Date approved by the LCBAS Curriculum Committee: December 15, 2004

9. Date approved by Council of Academic Affairs: ________________________________