

BMIH5013

Financial Management

Module Introduction & Overview

HOSPITALITY
AND
TOURISM
MANAGEMENT

*Man Geni Addysg Uwch yng Nghymru
Where Higher Education Began in Wales*



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Register



HOSPITALITY
AND
TOURISM
MANAGEMENT



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Note

This is a Full Time University course and as such the University definitions of engagement and decorum apply.

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1822 - 2022

Before we start

As there are quite a few of us here, please ensure that your microphone is muted during all teaching until you are asked a question or there is a group discussion to prevent background noise.

You should attend every class and have a private space to work so that you can concentrate fully on the lesson.

You should not be at work, shopping, driving or caring for children.

Your camera must be always on during lectures please. -Use the Teams university background to protect your privacy.

YOU must join via a laptop or PC/MAC –No attendance permitted on phones or tablets

You will be removed from the session and logged as absent if you fail to adhere to these criteria.

This and all sessions will be recorded so that you can watch it again

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Why is this important?

- This is a Full Time University course and as such the University definitions of engagement and decorum apply as they would in a physical classroom.
- Your Cameras must remain 'On' for the duration of the session in order to ensure equal engagement and for your lecturers to observe your full attendance of the session which is a condition for student loans/maintenance to be authorised.
- You should be using a **desktop or laptop device** with a camera, speakers and a microphone so that you will be able to engage in the session on equal footing with your classmates.
- You will be asked to share your screen and “present” your work, access documents, engage in writing activities use websites and create presentations which are either difficult or impossible on a phone.

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Welcome

This term:

- **12 Weeks of lectures**
- **Lectures – 9:00am-1:00pm**
- **Two assignment for this module**
- **Module handbook available on Moodle**

Where Are We Now?

Module:	Financial Management for the Hotel Industry
Week	Lecture Topic
1	Introduction to the Module, Financial Terminology, and assessment overview
2	Introduction to Supply and Demand
3	Key Characteristics of the Hospitality Industry and Financial Management Implications Role of Finance Manager and Finance Team
4	Market Position Cost structure
W/C 27th Oct	READING WEEK-NO CLASSES / MID-SEMESTER BREAK
5	Introduction to budgeting and Working Capital Management
6	Risk Management and Financial Strategies
7	Revenue Management
8	Balance Sheet and Income Statement
9	P&L and Financial Stability
10	Break even analysis
11 and 12	Assignment Workshop and Module Feedback

Objectives for Today

- Introduction
- Overview of the module
- Discuss Assignment
- Introduction to hospitality and Industry

Introduction

- Which one is a lie? Why?
- A) Worked in the hospitality and tourism industry for appropriately 4 years
- B) Taught in three continents
- C) Visited and attended a conference in Germany
- D) None



About your Lecturer...

Dr. Ernest Balutie Wavei

Email: e.wavei@uwtsd.ac.uk

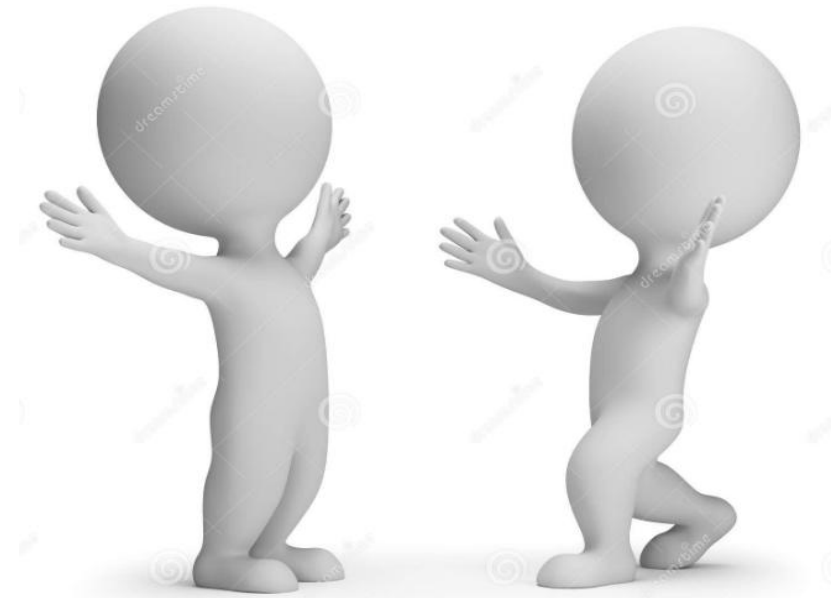


Your turn:

- Meet each other (breakout conversation)

Introduce yourself. Answer the following:

- Your First name
- Where are you based in the UK?
- Current job
- How many countries have you travelled to?
- Why did you choose to study Hospitality and Hotel Management?
- Anxious about this course?
- What are your plans for the future, upon finishing university?



Announcements- *Classroom Etiquette*

- Greetings and good manners
- Keep the Classroom premises clean and tidy
- Please do not engage in private conversation during class hours
- Use English only in classroom situations
- Be respectful to your fellow classmates, your lecturers or visiting guests
- Do not leave the room during class, except for emergencies
- Join the classroom at least 5 minutes earlier than the scheduled time
- Food and drink are discouraged during class
- **What other rules can we set?**

Today's Objectives

1. Provide an overview to the module.
2. Introduce the concept of financial management.
3. Introduce Financial Terminology used within Hospitality.
4. Review the two assignments and provide you with submission dates.

Module overview

AIM(S)

- To develop a critical understanding of the terms and principles used within Financial Management
- To encourage and develop the student's ability to interpret key financial information for budgeting, performance measurement and evaluation techniques

LEARNING OUTCOMES

Upon the successful completion of this module, the student should be able to:

- critically analyse and evaluate the informational requirements of management, particularly in relation to decisions involving revenues, costs and other financial criteria using appropriate methods and techniques;
- demonstrate a critical understanding of how to monitor and evaluate financial performance within the Hotel Industry.

Moodle and Module handbook

Welcome to the Financial Management for the Hotel Industry module.

This module explores the terms and principles within financial management, and how to interpret key financial information for budgeting, performance measurement and evaluation techniques.

By the end of the module you should have gained critical skills essential to monitor and evaluate financial performance within the Hotel Industry, and how best to analyse and evaluate the informational requirements in relation to decisions involving revenues, costs and other financial criteria using appropriate methods and techniques.

Module Lead:

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Working hours

Monday – Friday 8:30am – 5:00pm

Communication will be responded to within 48 hours*

*of the working week

Dr Ernest Balutie Wavei

BA (Hons), MSc, PhD, AFHEA, CHE, CHIA

Module Lead – Financial Management for the Hotel Industry

Athrofa
**RHEOLAETH
ac IECHYD**
Rheolaeth Gwestai
Rhyngwladol

Institute of
**MANAGEMENT
& HEALTH**
International Hotel
Management

Lletygarwch a
Rheolaeth Twristiaeth
Hospitality &
Tourism Management



Assessments
ASSESSMENTS

Week 2
WEEK 2

Week 5
WEEK 5

Week 8
WEEK 8

Week 11

Resits & Reworks
**RESIT &
REWORKS**

Week 3
WEEK 3

Week 6
WEEK 6

Week 9
WEEK 9

Week 12

Week 1
WEEK 1

Week 4
WEEK 4

Week 7
WEEK 7

Week 10
WEEK 10

Last Term

HOSPITALITY
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Group discussion

10 minutes

Why would hotel management students need to know about finance?

Defining Financial Management

In your own words, how would you define financial management? (10 minutes)

What is Financial Management?

- Financial management refers to applying management concepts to budgeting, forecasting, managing, and controlling a company's financial resources to achieve its objective.
- Financial management aims at maximize investors profit by optimizing the firm's money usage. It deals with all the areas connected to profitability, expenses, cash, and credit.

Areas Pertaining to Finance

Which areas of financial management do you think are most critical for the success of a hospitality or tourism business, and why? (10 minutes)

Areas Pertaining to Finance

Corporate finance/Business Finance

Is concerned with short and long term operations, utilising capital to increase wealth of shareholders and ensure the continuation of the business while minimizing risks. This will include the generating and maintaining of financial statements.

Investments

Allocation of assets, risk vs return.

Financial institutions

Insurance companies, Brokerage firms, Banks – commercial and investment, credit unions, savings and loans etc

International finance

Finance areas in hospitality

- Budgeting
- Cost Control
- Investment Decisions
- Revenue Management

In the coming weeks we will be discussing these and other areas.

For example, Why is budgeting important for hospitality and tourism businesses, and what can go wrong without it? What are some common costs in hospitality operations, and how can managers effectively control them? How can businesses in this sector maximise revenue through pricing strategies and demand forecasting?

Financial Jargons

Individual Exercise

List any financial jargon you have come across - whether you have heard it, read it or seen it.

*Welcome
to
Finance*

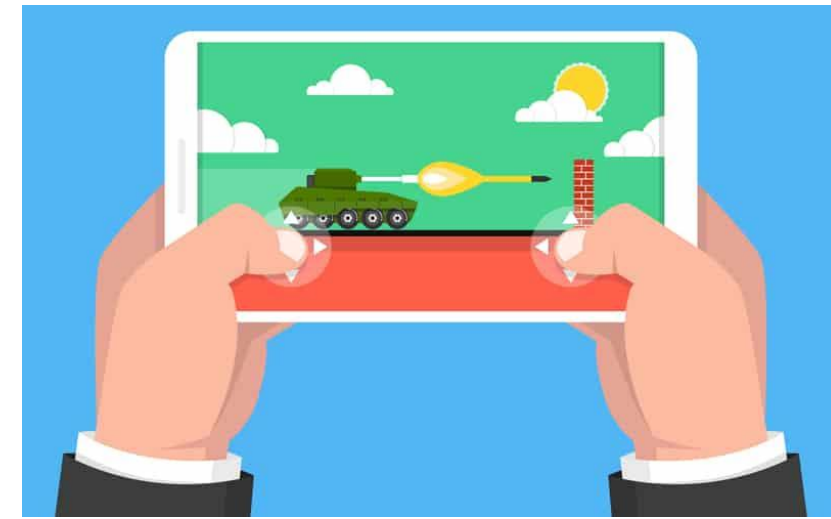
*Where everybody
counts!*

© CelebrityYOU

ers

Let's play a game-

An **asset** is something owned by the business and available for use within the business



A **liability** is something owed by the business
i.e. an obligation to pay money at some future date

Equity represents the amount of money that would be returned to a company's owner's if all of the assets were sold and all of the company's debt was paid off.

- [Assets versus Liabilities versus Equity - Group sort \(wordwall.net\)](https://www.wordwall.net)



SUBDIVISION OF ASSETS

FIXED ASSETS

These are those assets purchased for continuing use in the business.

Land, buildings, equipment etc

CURRENT ASSETS

These are short term assets which will be expected to be turned into cash within 1 year.

INTAGIBLE ASSETS

Assets which have no physical dimension of value to an organisation, such as Trademark, patents and brands.

SUB DIVISION OF LIABILITIES

CURRENT LIABILITIES

These are liabilities which are due within 1 year

LONG TERM LIABILITIES

Amounts due after more than 1 year e.g. bank loans and long-term leases.





30 minutes

Some terms are more easily
identifiable than others - lets
explore some more

Some simple terms

CAPITAL

The amount invested
in the business by
the owner

i.e. The amount owed
by the business to
the owner

Cash

Cash is legal
tender/currency that
can be used to
exchange for goods,
debt, or services.

Drawings

The withdrawal of
cash / goods from
the business by the
owner for his own
personal use are
classed as drawings

Liquidity

The value and ease
of assets that can
be easily converted
into cash readily

Income Statement/ Profit & Loss account

An analysis of income and expenditure which includes:

- Turnover (All income)
- Staff expenditure (salary payments)
- Non-pay costs (any expenditure other than pay e.g. printing, stationery, telephone bills etc..)
- Gross profit - profit after cost of goods sold
- Net profit – Profit after all deductions and costs



Income Statement

[ˈɪnˌkəm ˈstāt-mənt]

One of the three important financial statements used for reporting a company's financial performance over a specific accounting period, with the other two key statements being the balance sheet and the statement of cash flows.

Total Revenue

Total revenue, also known as gross revenue, is the amount of money your business generates from selling your products or services during a fixed period.

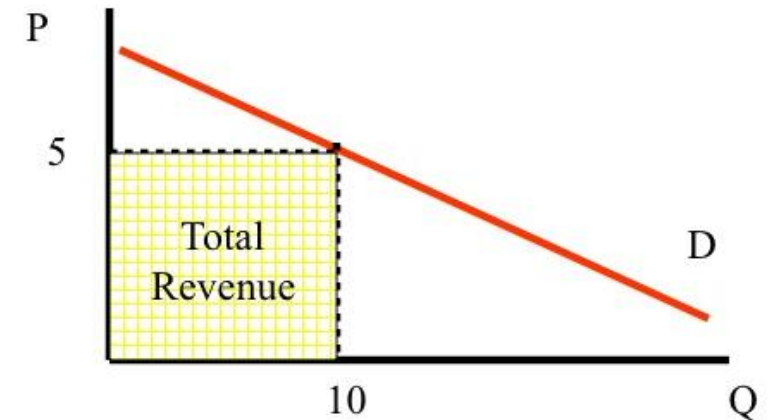
You can find total revenue on the top line of your income statement. It shows your business's total revenue during a specific accounting period — this can be a month, quarter, or even a year. When a company has "top-line growth," it's seeing an uptick in sales or revenues.



Total Revenue

- The higher your total revenue, the more revenue your business is generating from its core operation and, ultimately, the more your business is growing.
- If you see a decline in this number, it could be a signal to re-evaluate your sales strategy, pricing model or marketing efforts.

$$\text{Price} \times \text{Quantity} = \text{Total Revenue}$$
$$5 \times 10 = 50$$



Some basic finance and accounting terms - 1

Term	Brief explanation
Asset	A physical or intangible thing that an organisation uses to generate future revenues. Assets are either current or non-current
Budget	A financial plan or forecast
Capital	Assets less liabilities / funds a company uses for its operations
Cash	The most liquid form of asset
Cost of sales	Opening stock plus stock purchases less closing stock
Creditors	Organisations or individuals who are owed money or goods to
Current	Under 12 months
Debtors	Organisations or individuals who owe money or goods
Depreciation	Reducing the accounting (not market) value of an asset over time
Expenses	Direct costs of running a business, such as labour or stock / costs incurred in the process of generating revenue

Some basic finance and accounting terms - 2

Term	Brief explanation
Finance charge	Interest charged
Inventory	Stocks of goods and materials / goods held for sale
Liability	An amount owing, either current or non-current
Liquidity	The ease with which an asset can be turned into cash
Money	A medium of exchange
Non-current	Over 12 months (Long-term in accounting terms)
Overheads	Indirect costs of running a business (not tied to a specific product or service), such as rent or telephone
Profit	Excess of income over expenditure (that is, financial gain after all expenses are deducted from revenue). There are many types of profit
Loss	When expenses exceed revenue
Revenue	Money amount of sales /income a business ears from its operation
Turnover	Money amount of sales
Working capital	Current assets less current liabilities, indicating the business short-term financial health

Case study

Group work **20 minutes**

Marriot International reported its assets and liabilities for the Fiscal Years-Ended 2023 and 2022 as follows:

Accrued expenses, Prepaid expenses, Goodwill, Cash and equivalents, Accounts and notes receivable, Accounts payable, Brands, Contract acquisition costs, Current portion of long-term debt etc.

Task: Group the above items into: (a) Current assets, (b) Intangible assets, and (c) Current liabilities.

Case study 2

10 minutes

Now, research Travelodge and identify its total revenue for the Fiscal Years-Ended 2022, 2021 and 2019.

Financial Management discussion

What should be the goal of an organisation?

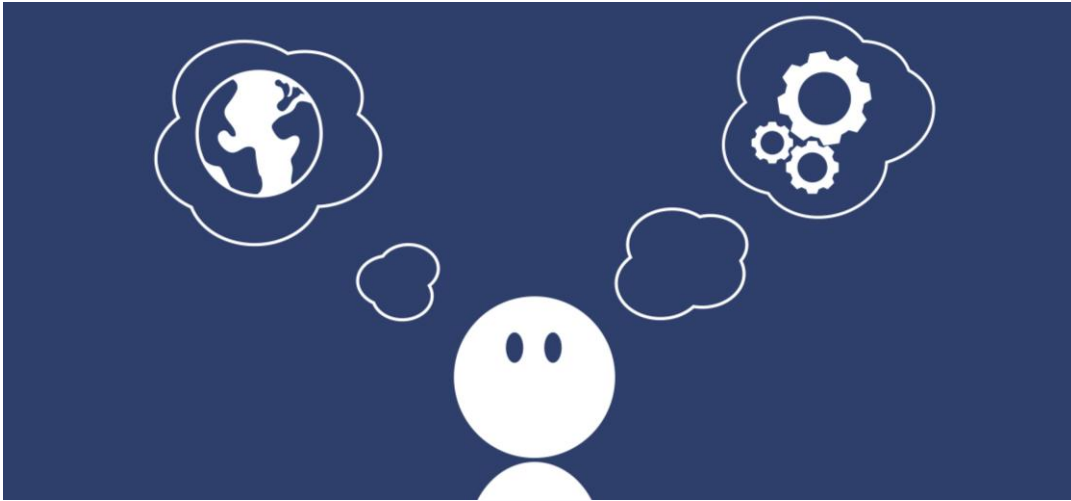


What should be the goal of an organisation?

- Maximize profit?
- Minimize costs?
- Maximize market share?
- Maximize the current value per share of the company's existing stock
- *Maximize the market value of the existing owners' equity*

Should organisations be responsible for:

- **Green issues?** -
Reducing pollution below legal standards if competitors aren't?
Energy conservation?
- **Products?**
Danger arising from the careless use of product by consumers?
McDonalds coffee case?
Alcohol consumption?
- **Markets and Marketing?**
Deciding not to sell in some markets?
Exaggerated/false claims use of misleading information, Targeting



Corporate Social Responsibility (CSR)

- **CSR** is a broad business concept. It usually describes a company's commitment to carry out their business in an ethical way.
- This means managing their business processes while taking account of their social, economic and environmental impact, and considering human rights.

Modern Business Sustainability

- John Elkington (1994)- is a seminal author on corporate responsibility and sustainable capitalism and development and entrepreneur.

Coined the term “Triple bottom line” to highlight the understanding of the impact that stakeholders profit and environment have upon an organisations long term business viability.

People – Stakeholders, Human capital, working environment.

Planet – Environmental, Eco capitalism, Footprint,

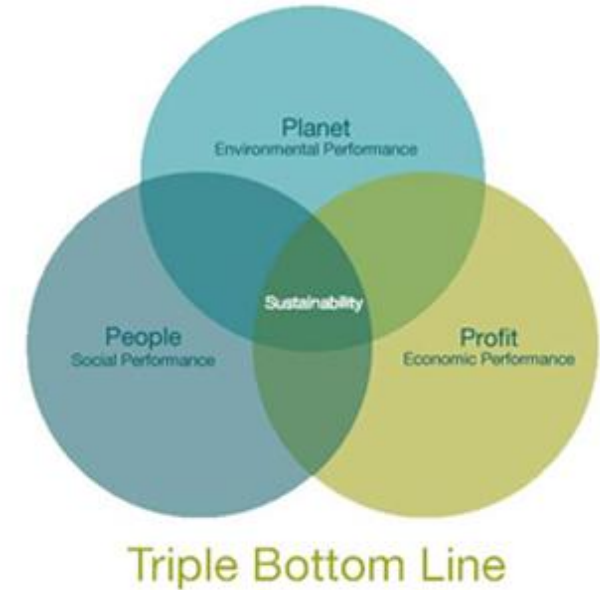
Profit – Economic value, Competitive advantage (Social benefit?)

Criticisms.... Difficult to apply practically

Metrics (Greenwashing/Whitewashing)



Towards the Sustainable Corporation (1994)



Assessment

Assessment 1

Due **Wednesday 19th November 2025 (23.59pm)**

Analysis of Financial Reports to Assess Business Performance

A comprehensive report that critically appraises Marriott International financial performance over the last three years, the report will examine financial factors such as total revenue, market position, and growth potential with reference to evidence and contemporary examples.

Make recommendations based upon your findings for Marriot International expansion into mature markets in 2026.

Assessment

Assessment 2

Due **Friday 16th January 2026 (23.59pm)**

Written Business Report: Coastal Horizon Hotel

Scope and Objectives: The primary objectives of this assessment are to:

- Analyse the hotels financial performance over the past three years.
- Identify the key reasons behind the decline in profitability.
- Develop a comprehensive turnaround strategy to revitalize the resort's financial health and restore its reputation as a premier vacation destination or most viable financial outcomes.

Use of Generative AI in Assessment

Acknowledgement:

At the start of your work, you should specify which version of AI you used and the purpose for which it was utilised.

Any questions?

I look forward to seeing you next week.

If you have any questions in the meantime,
please send an email from your student
account

e.wavei@uwtsd.ac.uk

Next week.....

Supply and Demand.

Please have a look at the material on
Moodle, which will be made available
this Friday.

Inspiration for the Week



Jerry Inzerillo-Corporate Hotelier of the Year
2021

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Thank You For Joining

See you next week!

Dr Ernest Balutie Wavei

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