

BMIH5013 Financial Management

Module Summary

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

St BRIDES
spa hotel

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Where Are We Now?

Module:	Contemporary Themes for the Hotel and Hospitality Sector
Week	Lecture Topic
1	Induction
2	Introduction to the Module, Financial Terminology, and assessment overview
3	Introduction to Supply, Demand & Price Setting Market Position
4	Key Characteristics of the Hospitality Industry and Financial Management Implications Role of Finance Manager and Finance Team
5	Cost structure Assessment one (1) support
W/C 28th Oct	READING WEEK-NO CLASSES / MID-SEMESTER BREAK
6	Introduction to budgeting and Working Capital Management
7	Risk Management and Financial Strategies
8	Revenue Management
9	Balance Sheet and Income Statement
10	Break even analysis
11	Module summary and case studies
12	Module Feedback

Module Summary

Summarise and provide a brief overview of the topics we have explored throughout this semester.

In Summary

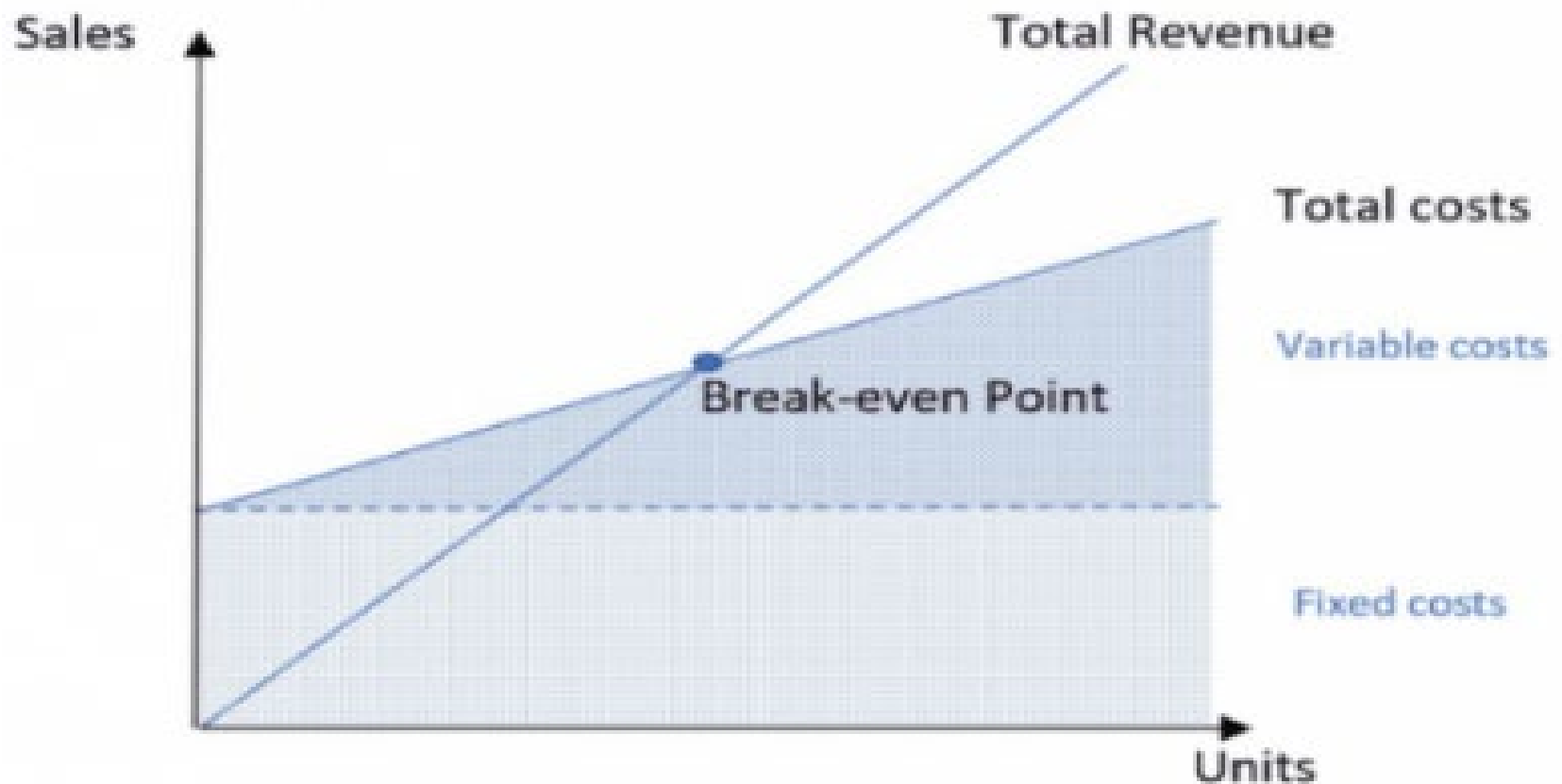
Our accomplishments this semester include:

See next slide

The Topics We Have Explored This Semester

Module:	Financial Management for the Hotel Industry
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Hotel break-even analysis



Individual activity

Based on our previous discussion of cost structure and break-even analysis in the hotel firm, outline a business plan by quantitatively analysing the following key financial components: total revenue, fixed costs, variable costs, and the break-even point. Evaluate the results to determine the business's operational viability. Include calculations and an explanation to support your conclusion.

Work Activity-Balance Sheet

The balance sheet is a schedule summarising what is owned and what is owed by a company withing a period of time. Its three main sections, include assets, liabilities and owner's equity.

Work Activity-Balance Sheet

- Assets are things that are owned by the company.
- Liabilities may be described as the opposite of assets-financial obligations of the company etc.
- Owner's equity reflects the financial investment of the owners in the company. For example, the owner's original investment plus all profits not paid out to the owners (profits retained in the business).

Work Activity-Balance Sheet

Balance sheet can be presented in one of the following two formats:

Assets – Liabilities = Owners' equity

or

Assets = Liabilities + Owners' equity

Work Activity-Balance Sheet

Q1.

Transactions undertaken in the first 10 days of trading for Wave hotel offering conference facilities, spa and weekend staycation, are summarised. Following this, use the information provided to show the transactions in the account columns appearing under the main balance sheet headings: assets, liabilities and owners' equity.

Work Activity-Balance Sheet

Q1.

Information

November

1. Owner contributes £30,000 cash to commence business.
2. Purchased a van for £12,000, paying £3,000 in cash and obtaining a loan for the balance.
3. Purchased non-perishable food stock including a large maple syrup shipment on credit for £800.

Work Activity-Balance Sheet 1hr 45mins

Q1.

Information

November

4. Billed clients £19,000 for use of conference facilities.
5. Received £6,000 from customers billed in (4) above
6. Paid £500 to trade creditors to reduce amount owing for inventory stock purchased.

Work Activity-Balance Sheet

Q1.

Information

November

- 7. Owners withdrew £1,500 from the business
- 8. The accountant has determined that £600 of inventory stock has been used.
- 9. Paid £250 for miscellaneous expense (telephone, electricity etc.).
- 10. Repaid £5,000 of the loan taken out for the van.

Work Activity-Balance Sheet

Q2.

Following through the balance sheet, describe how each transaction results in a double impact.

Work Activity-Balance Sheet

A1

Balance sheet equation

Assets = Liabilities + Owners' equity

Any questions.....?

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Best of luck finishing the assignment

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

e.wavei@uwtsd.ac.uk

See you next week
Module feedback