

Module: Management Accounting

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Student Name – Daniel Mihai

Student Number – 1917723

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Lecturer Name – Dr. Widin Bongasu Shaven

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Introduction

Discussions:

As per the present provided details in the brief, the case study is indicating the approach in relation to a particular Hotel (**HARRIOT HOTEL**) that fundamentally enacted in the United Kingdom during the period of 1941. Since the period of establishment the organisation has operated in a sustainable order and as per the financial performance it is providing a primary volume of business growth in an efficient order. At the present scenario it is operated in Africa, most of the sites in Europe and Asia positively and some of the parts in America as well. In association to the performance approach a reduction in business revenue and profitability was noticed due to Covid approach that generally creates negative circumstances throughout the business. Simultaneously it is also impacted negatively in related to Business expansion strategy as well in a negative order.

In accordance with the present circumstances the administrators associated to such hotel has decided to provide concentrations over ManagementAccounting Principles along with decision making attributes so that a proper cost cutting or eliminating approach can be initiated.

Apart from that the present management is also intended to expand the business in China conveniently as the overall negative influences of Covid-19 restrictions has been relaxed in China compared to any other countries efficiently. In order to initiate cost elimination or reduction strategy the overall details related to revenue and costing approach has been enumerated underneath;

Employee wages:

Point: Processing of such expenses are mainly initiated to provide labour performances associated with company's primary and operational activities.

Illustrations: As per the present computed results processing of such expenses volume is indicating aggregate 25% charges over the volume of business sales amount during the current period. In the present pandemic position, providing this type of contribution generally creates a level of financial burden for the business efficiently. In associated to business costing behaviour application of this particular cost is basically performed as the semi fixed cost which means related to a specific point such expenses is generally controllable by the evaluators of company. For example in related to part-time workers the overall wages volume can positively decrease in order to provide sufficient guidance to the business management related to financial aspects.

Recommendation: Considering the above mentioned processing, it can be considered that at the present scenario the potential management of such business required to considered significance approach related to reduction of such specific expenses amount efficiently up to an individual point. Including such the management is also able to provide hourly wages rate for some of the employees on a part-time basis. Apart from that, at present the government of the United Kingdom has also revised some liver policies for efficient financial support and motivation purposes. The management should provide equal importance to this approach as well.

Advertising cost

Point: As per the fundamental financial level application of such specific level of expenses is primarily approached in associated to the primary processing of promotional attributes of business.

Illustrations: According to the present computed result around 12% costing charge over the performances of business sales primarily noticed for this specific business contribution. By nature of behaviour such level of specific cost can be approached as fixed expenses that cannot be eliminated without providing any significant managerial changes. Considering the level of business current situation the leaders of such company required to initiate developments including social media engagement with application of which a proper Social awareness can be provided.

Recommendation: Depending on the present situation it can be recognised that management should provide importance to the social media engagement with proper utilisation of which the management can positively make awareness program among the customer positively.

Interest on loans

Point: As per the fundamental financial level application of such specific level of expenses are generally recognised as chargers which are paid by the business on behalf of borrowed business loans.

Illustrations: According to the general presentation, provide significance related to such expenses is considered as a fixed costing related to company's loan amount positively. According to the level of current calculations, applications of these costs are indicating around 17% deduction from the level of business revenue during the present age. Generally the management cannot eliminate this particular expenditure without providing a significant value of charges to the lender as per the agreement basis.

Recommendation: Considering the level of recent circumstances, it is suggested to the leaders of such hotel to structure considerable development strategy including payback

initiative for the business in order to decrease the overall volume of loan amount positively. Through the initiative of such a reduction approach a proper financial growth can be initiated and the stability volume of business financial reduction can also be initiated positively. However, due to the reason of pandemic the Government of UK has initiated reconsidered interest charges level automatically for efficient economic growth of the nation.

Housekeeping and cleaning

Point: As per the fundamental financial level application of such specific level of expenses are generally approached for conducting the overall maintained charges in associated to such company performances efficiently.

Illustrations: In associated to basic operational competency including the level of calculation it is recognisable this particular charge is presenting around 8.33% cost over the volume of business present sales level. Including the same approach this total process is totally considered as variable due to the nature of its dependency. Considering the same, if the present leaders of the business used a low expenditure amount efficiently due to the present customer engagement volume being lower their proper systematic growth can be realised positively. In accordance with the present circumstances the leaders cannot eliminate such specific level of expenses positively however with the initiative of proper reduction attributes a proper financial growth can also be initiated for future development.

Recommendation: In associated to current Circumstances it can be suggested to the administrators or associated leaders of the company that, to provide an efficient development strategy related to production of this particular expenditure for efficient financial growth need to be initiated. Including the same approach it is also recommended that at the present situation leaders should also considered sustainable significance over the cleaning and sanitation processing, so that a proper healthy approach of the business can be initiated.

Customer discounts

Point: Considering the level of approach, particular processes are fundamentally initiated to consider a proper development of business advertising processing so that the overall consumer level can positively increase along with proper attractive support.

Illustrations: For evaluating the performances a basic computed results of the business has been provided and depending on such it is noticeable that this specific amount in associative two business processing is indicating a high volume of charges over the business. High volume is indicating the label of 13.33% at the recent pandemic position as a result financial stability can easily be hampered depending on such. Fundamentally, it is totally depending on the presence of the customer at the moment, depending on which volume is increased or

decreased. As the present position this particular engagement is comparatively lower these costing charges should be eliminated or avoided by the leaders for potential growth related to finance of business.

Recommendation: Depending on such computation it is suggested to the leaders that, in the present situation the authority needs to initiate a proper growth strategy including financial sustainability level. For such purposes the management needs to eliminate this expenditure positively and on the contrary provide importance to sanitization and cleaning approaches positively for an efficient working environment and also increase the volume of customer engagement.

Stationeries

Point: In related to performing structure consider this particular level is mainly an approach for general maintenance performances of the business in a considerable order.

Illustrations: Considering the primary computed result it is also considering a significant volume of pressure over the business revenue due to congestion with significant charges. However this expenditure cannot be eliminated by the business due to the primary reason of business operational activities. Considering the primary requisition, the leaders can reduce these expenses up to a particular volume so that a proper growth as well as development can be maintained related to business income statements.

Recommendation: Depending on the above computation it is basically a recognisable that at the present scenario the management needs to avoid his expenditure positively and also provide efficient importance related to sanitization product in an efficient order, so that if proper healthy working environment can positively initiate.

Conclusions

Depending on such discussions it is approachable that application of Management Accounting is a considerable approach of accounting that can be positively utilised in order to maintain a significant volume of business development. Considering current situation the leaders of this hotel needs to initiate essential and proper cost reduction strategy so that an influential and financial development along with the sustainability level can be structured for future growth and developing order.

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