The Basics of Finance

Certification
Graduates receive DTA Short Course Certificate

Duration
3 days (24 hours)

Course Description

This three-day course assists participants in developing a foundational understanding of financial procedures within the hospitality industry. Emphasis is placed on understanding key financial concepts and processes commonly used in hospitality operations. By the end of the course, participants will have a clearer understanding of how financial systems support business decisions and daily operations, enabling them to make more informed and effective management choices.

Course Outcome

By the end of this course, participants will be able to:

- Explain the basic principles and functions of accounting in the hospitality industry.
- Identify and interpret key financial statements, including the profit and loss statement, balance sheet, and cash flow statement.
- Distinguish between income, expenses, assets, and liabilities.
- Understand different types of profit, including operating, gross, and net profit.
- Recognize the purpose and function of a chart of accounts and the objectives of an accounting system.
- Apply knowledge of accounting records, general journals, and month-end processes.
- Interpret and analyze financial statements to support decision-making.
- Prepare and understand budgets and forecasts, including fixed, variable, and semi-variable expenses, as well as breakeven analysis.
- Understand stock take procedures and the purpose of audits.
- Evaluate usage and consumption patterns and implement strategies to reduce high costs.
- Demonstrate an understanding of credits and debits within financial transactions.

Topics Covered

- Understanding the various expense allocations.
- The function and purpose of accounting.
- The purpose of basic financial statements prepared by hospitality businesses.
- The difference between profit & loss, the balance sheet, and cash flow.
- The difference between income/expenses and assets/liabilities.
- The difference between operating, gross, and net profit.
- A chart of accounts and its function in an accounting system.
- The accounting system and its objectives.
- The purpose of accounting records and general journals.
- Understanding the month-end process.
- Reading and interpreting financial statements.
- Budgeting and forecasting: variable, fixed, and semi-variable expenses; the breakeven point.
- The stock take procedure.
- The purpose of an audit and what auditors look for
- How to analyze usage/consumption.
- Mitigation strategies for high usage/consumption.
- Understanding credit and debit.

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