

LSC Use Only No: LSC Action-Date: UWUCC USE Only No. 02-112 UWUCC Action-Date: APR 22 2003 Senate Action Date: APR 23 2003

Curriculum Proposal Cover Sheet - University-Wide Undergraduate Curriculum Committee

Contact Person <u>Dr. Thomas Van Dyke</u>	Email Address <u>tvandyke@iup.edu</u>
Proposing Department/Unit <u>Hotel, Restaurant, & Institutional Management</u>	Phone <u>7-4440</u>

Check all appropriate lines and complete information as requested. Use a separate cover sheet for each course proposal and for each program proposal.

1. Course Proposals (check all that apply)

New Course Course Prefix Change Course Deletion

Course Revision Course Number and/or Title Change Catalog Description Change

HRIM 401 Cost Management HMGT 265 Hospitality Cost Management

Current course prefix, number and full title *Proposed course prefix, number and full title, if changing*

2. Additional Course Designations: check if appropriate

This course is also proposed as a Liberal Studies Course. Other: (e.g., Women's Studies, Pan-African)

This course is also proposed as an Honors College Course.

3. Program Proposals

New Degree Program Program Title Change Program Revision

New Minor Program New Track Other

Current program name *Proposed program name, if changing*

4. Approvals

Department Curriculum Committee Chair(s)	Date
<u>[Signature]</u>	<u>1-15-03</u>
Department Chair(s)	<u>1-15-03</u>
College Curriculum Committee Chair	<u>3-10-03</u>
College Dean	<u>28 Apr 03</u>
Director of Liberal Studies *	
Director of Honors College *	
Provost *	
Additional signatures as appropriate: (include title)	
UWUCC Co-Chairs	<u>4/22/03</u>

* where applicable

NEW SYLLABUS OF RECORD

I. Catalog Description

HMGT 265 Hospitality Cost Control

3 class hours
0 lab hours
3 credit hours
(3c-0l-3cr)

Prerequisite: ACCT 201

Course identifies and analyzes the control of hospitality operation costs including those in the areas of food, beverage, labor, material, and to compare those costs to industry norms. Students will analyze income statements and balance sheets.

II. Course Objectives

Upon completion of this course, the student will:

- A. explain the importance of the contribution margin and cost-volume-relationship.
- B. identify and apply factors involved in menu pricing and use several menu pricing models.
- C. describe the relationship between worker productivity and labor cost.
- D. identify the major functions of labor cost analysis and explain why labor cost can be particularly difficult to determine in hospitality operations.
- E. analyze rooms, food and beverage income statements, balance sheets, and calculate financial ratios.
- F. become familiar with concepts of MIS, as applied within the hospitality industry.

III. Course Outline

- A. Function of Cost Control (4 hours)
 - 1. Introduction to cost control.
 - 2. Framework for cost control procedures.

- B. Management Information Systems (3 hours)
1 Introduction to MIS
2 Uses of MIS within hospitality operations.
- C. Forecasting (3 hours)
1 Hospitality forecasting procedures.
2 Casual and temporal forecasting.
- D. Menu Pricing and Control (5 hours)
1 Menu pricing strategies.
2 Menu price control procedures.
- E. Labor Cost and Control (6 hours)
1 General hospitality labor concerns.
2 Controlling and reducing labor costs.
3 Effective employee scheduling strategies.
4 Exam.
- F. Food Cost and Control (5 hours)
1 General hospitality food cost concerns.
2 Controlling and reducing food costs.
3 Effective food purchasing strategies.
4 Portion control.
5 Food preparation controls.
- G. Beverage Cost and Control (5 hours)
1 General hospitality beverage cost concerns.
2 Controlling and reducing beverage costs.
3. Effective beverage purchasing strategies.
4. Beverage portion control systems.
- H. Internal Control (5 hours)
1 Operations security.
2 Theft control.
3 Loss prevention.
- I. Financial Statements Analysis (6 hours)
1 Hospitality financial ratios.
2 Analyzing income statements.
3 Balance sheet analysis.
4 Exam.
- J. Culminating Activity (2 hours)

IV. Evaluation Methods

The final grade for the course will be determined as follows:

Tests: Two Tests and Final consisting of mathematical problems and essay questions. Each exam is graded on a 100 point scale.

Homework : Students are required to complete homework assignments from the textbooks. Homework will be collected randomly throughout the semester.

Test #1	20%
Test #2	20%
Final	20%
Homework	20%
Participation	<u>20%</u>
Total	100 %

V. Example Grading Scale

90 - 100	A
80 - 89	B
70 - 79	C
60 - 69	D
59 and below	F

VI. Attendance Policy

Student learning is enhanced by regular class attendance and participation in class discussions. Attendance and class participation is recorded by the instructor. The instructor recognizes students' needs to miss class because of illness or personal emergency.

VI. Required Textbook

Keiser, J., and DeMicco, F., Controlling and Analyzing Costs in Foodservice Operations, 4th Edition, MacMillan Publishing, New York, New York, 2000.

VII. Special Resource Requirements

You are required to bring with you to class, two transparency sheets and two different colored overhead markers.

VIII. Bibliography

DeFranco, and Noriega, Cost Controls in the Hospitality Industry , Prentice Hall, Upper Saddle River, New Jersey, 2000.

Food Management, Penton Media, Inc., Chicago. Illinois.

Ilvento, C., Profit Planning and Decision Making In The Hospitality Industry .Kendall/Hunt, Dubuque, Iowa, 1998.

Miller, J., Hayes, D., and Dopson, L., Food and Beverage Cost Control, 2nd Edition, John Wiley & Sons, New York, New York, 2002.

Nation's Restaurant News. Lebhar-Friedman, Inc., New York, New York.

Pavesic, D., Restaurant Cost Controls Prentice Hall, Upper Saddle River, New Jersey, 1999

Part II. Description of the Curriculum Change

2. Summary of Proposed Revisions

OLD Course Number and Name:

HRIM 401 Cost Management

NEW Course Number and Name:

HMGT 265 Hospitality Cost Management

- * New Catalog Description
- * New Prerequisite
- * New Objectives

3. Justification / Rationale for Revision:

A reduction in course number from Senior to Sophomore level permits the learning of hospitality cost management knowledge areas prior to enrolling in subsequent operations production courses where such learned competencies are applied.

Course name change reflects the positioning of this course to address a diverse array of hospitality operations costs, as required for program accreditation, not simply food and beverage costs.

Prerequisite change assures that some previous financial management knowledge base is in place prior to the student enrolling in this course.

Catalog description and course objectives reflect current hospitality industry issues, terminology, and required learned competencies.

Course prefix change corresponds to the program's name change.

4. Old Syllabus of Record
Attached.

5. Liberal Studies Course Approval
N/A

Part III. Letters of Support or Acknowledgement

This course revision does not affect other departments.
Accordingly letters of support / acknowledgement are not
necessary.

- S. explain ways to discourage robbery, burglary and embezzling.
- T. explain variance analysis and how variance analysis can be used in food and beverage cost.
- U. analyze rooms, food and beverage income statement and balance sheet and calculate key ratios. Determine which costs are out of line and which variables will produce the highest profitability.
- V. understand how to negotiate a credit card contract.
- W. understand how to develop a personal investment plan

A summary of my philosophy of teaching- an open letter to my students:

I am committed to a quality learning experience for all of us in this class. Let me briefly explain some key components of my classroom philosophy and practices.

To teach is to engage students in learning; thus, teaching consists of getting students involved in the active construction of knowledge. Teaching is not solely lecturing. Teaching is guiding, facilitating, motivating learners, and mentoring the learning process.

A teacher requires not only knowledge of subject matter (although that is very important) but also knowledge of how students learn and how to transform them into active learners. The aim of teaching is not only to transmit information (lecture) but also to transform students from passive recipients of other peoples' knowledge into active constructors of their own and others' knowledge. This transformation cannot occur without the student's active participation. Students are responsible for their own learning, individually and collectively.

Because no single method of teaching can best meet our course objectives, we will use a variety of procedures in this class. Some of these will include readings, lectures, videos, small group work, work sheets (to be completed in class, or as homework) peer updates, and whole class discussion. Even though I will lecture and lead class discussion during at least part of many classes, classroom time will also involve other approaches to teaching and learning. Students will also occasionally be in the leadership role. We are in this teaching/learning process TOGETHER.

I believe that the relationships we foster in this classroom are an important part of the learning experience. Today's (and tomorrow's) employers are looking for employees who are team members; therefore, today's students must be able to work cooperatively together and develop their interpersonal skills. Life in classrooms should closely match the real world of work for which students are preparing. Although we all learn alone, learning with others powerfully enhances learning and is critical for most of us. As we learn together, I believe respect for self and peers will increase, self-esteem will be enhanced, and we will all be motivated to achieve greater academic demands which will result in higher levels of understanding, application, synthesis, and evaluation of academic information. We will encourage and support each other, while acknowledging and embracing the differences among us by respecting the uniqueness of each other in class.

I ENJOY teaching, and I want you to know it! Facilitating your learning is my goal. I don't want to be the "sage on the stage" (lecturer who knows all there is to know about this course), but your "guide on the side". I encourage questions, comments, discussion, creativity, and disagreement in my classes. There is no such thing as a "stupid" question, and I promise not to embarrass you when you ask a question. I promise to be team oriented, respect you as a special human being, and to assess your learning rigorously, authentically and fairly.

III. Course Outline

Part I

Introduction

1. Function of Cost Control
2. Management Information Systems
3. Forecasting
4. Menu Pricing and Control

Part II

Labor, Food and Beverage Control

1. Labor Cost and Control
2. Food Cost and Control
3. Beverage Cost and Control

Part III

Financial Control and Analysis

1. Internal Control
2. Financial Statements and their Analysis

A problem is a chance for you to do your best.

Cost Control Tentative Course Outline

Homework

8-28	Orientation and Introduction	
8-30	The Function of Control and Cost Control Read Chapter 2-Keiser Read Excel pages 1-27	Review Questions-Keiser 2-5, 2-6, 2-12, 2-14
9-4	Cost Controls Read Keiser Chapter 6 Read Excel pages 40-51	Problem-Keiser 2-1
9-6	Management Information Systems	6-5, 6-6, 6-8, 6-9, 6-10, 6-11, 6-13, 6-14, 6-15 Excel-Exercise 2-1A, 2-2A, 2-3A

9-11	Read Ch. 6 Kieser	Review Questions Keiser 6-5, 6-6, 6-8, 6-9, 6-10, 6-11, 6-13, 6-14, 6-15 Excel Exercise 2-4 A
9-13	Forecasting Read Chapter 8-Keiser	Review Questions-Keiser 8-1, 8-2, 8-3, 8-4, 8-5, 8-6 8-7, 8-8
9-18	Forecasting	Problems-Keiser 8-1, 8-2, 8-3
9-20	Menu Pricing and Control Read Chapter 9-Keiser	Review Questions-Keiser 9-1, 9-2, 9-3, 9-8, 9-9, 9-10 (9-1 typo Roost 210 not 120)
9-25	Menu Engineering Read Excel pages 190-221	Problem-Keiser 9-1, 9-2, 9-3
9-27	Problem of Labor Cost Read Chapter 10-Keiser	Exercise-Excel 8-1A, 8-2A 8-1A all menu items only 1 order, 8-2A only Woodpecker enter numbers
10-2	Labor Cost Productivity	Review Questions-Keiser 10-1, 10-2, 10-3, 10-4, 10-5, 10-6, 10-7
10-4	Test on Chapters Keiser-2, 6, 8, 9,10, Excel-2, 8	
10-9	Analyzing Labor Cost Read Chapter 11-Keiser and pages 288-291 Read Excel pages 222-234	Review Questions-Keiser 11-1, 11-2, 11-3, 11-4, 11-7, 11-8
10-11	Labor Cost and Food Cost Control	Exercise-Excel 9 1-A
10-16	Food Storage Management Read Chapter Keiser- pages 355-369 Read Lesson 3-Excel pages 64-84	Exercise-Excel 9 2-A Review Questions 16-4,16-5,16-6 Problems 16-1, 16-2, 16-3
10-18	Read Chapter 17-Keiser Excel pages 86-104	Review Questions-Keiser Read 17-2, 17-3,17-4, 17-5, 17-7
10-23	Beverage Control Read Chapter 18-Keiser	Exercise-Excel 3-1A
10-25	Beverage Control	Exercise-Excel 4-1A Review Questions-Keiser 18-1,18-4, 18-5, 18-7,

10-30	Beverage Control	Problems-Keiser (18-1 revised), 18-2, (18-3 revised) Review Questions 18-10, 18-11, 18-12
11-1	Beverage Control	Problems-Keiser (18-5, 18-6 revised), 18-7
11-6	Food-Cost Accounting Read Chapter 21-Keiser Read Excel pages 162-190	Review Questions-Keiser 21-4, 21-5, 21-6, 21-9, 21-10, 21-11
11-8	Test on Chapters Keiser 10, 11, 16, 17, 18 & pages 288-291, 355-369 Excel 9, 4	
11-13	Food Cost Accounting Read Chapter 20-Keiser	Exercise-Excel Lesson 7 Woodpecker (Pork Chops)
11-15	Financial Statements and Their Analysis Read Excel pages 29-40	Review Questions-Keiser 20-1, 20-2, 20-3, 20-4 20-5, 20-7, 20-9, 20-10, 20-11
11-20	Financial Statement	Exercise-Excel 1-1A
11-27	Analyze (calculate ratios) income statement and balance sheet for Hotel Major. Pick out three areas of the operation where you can increase profitability the most.	Handout
11-29	Analyze income statement and balance sheet for Hotel Tahoe. Pick out three areas where you can increase profitability the most.	Handout
12-4	Internals Controls Read Chapter 22- Keiser	Review Questions-Keiser 22-1, 22-4, 22-5, 22-6, 22-8, 22-9, 22-10, 22-15, 22-16, 22-17, 22-18
12-6	Problems -Keiser 22-1, 22-2	

Final Exam

Section 1

Section 2

On chapters 20, 21, 22, Excel 1, Handouts

It is in the "little things" that we prove ourselves capable of "big things".

IV. Evaluation Methods

GRADING*:

Test #1	%	Grading Scale:
Test #2	%	100% - 90% = A
Final	%	89% - 80% = B
Homework	%	79% - 70% = C
Participation	%	69% - 60% = D
Semantic Network	%	
Quiz	%	
Stock	_____%	
Total	100%	*to be determined by consensus of the class

- A. **Tests and Final:** The students will be required to answer five of six questions. You must cross off the question not answered or question one will be crossed off. The questions are problems and essay. **You must put your name only on the back of last page of test.**

EXAMINATIONS:

You can bring the following items to any examinations:

- Calculator One-page sheet with formulas
All information on help sheet must be handwritten.

No make-up examinations will be given unless approved by the instructor prior to the exam date.

- B. **Homework :** Students are required to complete homework assignments. Homework will be collected randomly throughout the semester. Homework will be graded +✓, ✓, -✓, or no credit. A ✓ is a 100% and plus & minus are 10%. Student must attempt to solve all homework problems. Homework credit will be determined by whether or not student has made an honest attempt to solve the problem, not necessarily whether all questions are correctly answered. No late homework accepted.

There will be two types of homework assignments. The first will be from Controlling and Analyzing Costs in Foodservice Operations. This homework can be handwritten. For the homework from Excel for Windows you need to turn in your **disk**.

- C. **Extra Credit:** Any student may make a 5-10 minute presentation on any current topic on cost control. Presentations will be at the beginning of class and only one presentation per class meeting. Students may make as many presentations as they

wish. The student will receive 1 to 7 additional points on the next examination. The additional points will be awarded on the preparation of the presentation, knowledge of subject matter and delivery.

- D. **Class Participation:** I do take attendance. After the second class I construct a seating chart. On the seating chart I record absences, late arrivals, and leaving class early. I also record participation by putting a plus in the box by your name. I also record minuses if you are rude or disrespectful to me, classmate or guest speakers. My seating chart is open for you to inspect. At the end of the semester I add up all the absences, late arrivals, early departures, pluses and minuses. Using this data, I arrive at a participation grade. Woody Allen once said "90% of success is just showing up". I do expect you to be in class. If a student attends all of the classes and participates consistently in class, I usually give a bonus. If a student misses classes and does not participate in class, he or she usually receives a low participation grade. If a student does not feel comfortable speaking in class, he or she may write questions about class material or make written comment about material covered.

E. **Constructing a Semantic Network:** I would like you to think about how the material in this class interrelates with the objective of this course. I would like you to do this by creating a semantic network. A Semantic networks are composed of nodes (concepts or ideas) and links (statement of relationships) connecting them. Whenever you are studying and analyzing new content in order to make sense out of it, semantic networks provide a rich visual tool for depicting the structure of ideas in that domain, which is essential to depicting it. Because they require learners to analyze the underlying structure of ideas you are studying, semantic networks are tools for intentionally organizing what you know by explicitly describing the concepts and their interrelationships. The semantic network can be a flow chart, a diagram, network or fishbone. It is important you begin thinking about and designing the network at the beginning of the semester. I would like you to compare your ideas with your classmates. I will collect the network periodically. There is no one way to complete this project. I am looking for creativity. Whether your semantic network is on poster board or 8 ½ by 11 paper will not make a difference, I am looking for content.

Learning With Technology D. Jonassen, K. Peck & B. Wilson Prentice Hall

- F. **F. Group Quizzes:** At the beginning of the semester I will divide a class in-groups of four. Quizzes will be given at random intervals. The group will work together on the quiz. The members will receive the same grade. Absent group members will get a zero.. The information the quiz will cover is the information covered in class that day and could be on homework assigned.
- G **Stocks:** I would like you to follow 3 hospitality companies stock prices over the semester analyzing why the stock prices rose or fell. Please include a website analysis of the stocks chosen www.msn.com was a popular website last year. You may want to create a hot mail email address that can be used to logs on to site. When in site click on stock quotes then click on Portfolio to create your own personal portfolio. When you create your portfolio click on watch button. Then click on Find Symbol chooses Industry button. Scroll down to Leisure Industry. A menu will appear with: General

Entertainment, Lodging, Resort & Casino, Restaurant, Specialty Eateries, click on segment of Industry you would like to follow. The companies in that segment will appear. Click on Companies you would like to follow. These companies will be added to your portfolio. After selecting companies click on finish. Next you need to buy a certain number of shares of each company. To do this you click on edit button and then click on "Record a Buy". Enter the number of shares. Additional are web sites to assist you: www.fool.com quote.yahoo.com, w.morningstar.net, www.freedgar.com. There are many other web sites you could use. Please select stocks during September and track stock until end of December. In November research the stocks on the internet to find out why the stock prices rose or fell and what the future projections.

EXPECTATIONS

I EXPECT YOU:

- to attend class and ready to go to work at the assigned time.
- to be curious. Read and study every assignment. I encourage you to ask questions on those issues that you either don't understand or conflict with your experience. Make this the best learning opportunity you have had in college.
- to be dressed professionally when guest speakers are in class.
- to behave in a caring, courteous manner . . . Be an initiator and model of hospitality . . . look at me, smile at me and speak to me before I do it to you.
- to remember and call people by their names.
- 15% of the population are called by names they do not like.
- I want to get to know you by name.
- Seating chart will be prepared the second class period, so please pick a seat and sit in the same seat during each class period.
- Do not:
 - ask me for a career letter of reference unless you have "gone the extra step" and earned it.

What upsets me:

- non-verbal behaviors that reflect apathy
- speaking while someone else is talking
- putting feet up on the seat in front of you
- sleeping
- slobs
- people that agree with everything
- people that agree with nothing

What you can expect of me:

- to do everything possible to create a practical, extensive, and enjoyable learning experience
- to treat you with the same dignity and respect that I expect from you, i.e., listen and respond to all reasonable requests and ideas

**Paraphrased from Don Smith's syllabus, Washington State University

V. Required Textbooks

James Keiser and Frederick DeMicco, Controlling and Analyzing Costs in Foodservice Operations, 4rd Edition, MacMillan, 2000.

Warren Sackler, Foodservice Cost Controls Using Excel for Windows 1st edition, Wiley 1996.

VI. Special Resource Requirements

You are required to bring with you to class, two transparency sheets and two different colored dry erase overhead markers.

VII. Bibliography

ValueLine Investment Survey - annual report

Standard & Poors Industry Surveys - Leisure Time Section - annual report

Coopers & Lybrand Forecast for the Hospitality Industry - Quarterly Research Journal

Hospitality Financial Management Journal

Food, Beverage and Labor Cost Controls by Dittmer & Griffin, VanNostrand Reinhold, N.Y., N.Y. 1989

Abagnale Document Verification and Currency Transactions Manual

Cost Controls for the Hospitality Industry by Michael Coltman, VanNostrand Reinhold, N.Y., N.Y., 1989

Videos You Catch A Thief, Frank Abagnale, 1993

Airforce Quote: Some die by shrapnel, some go down in flames but most die inch by inch playing at little games. There is so much to learn, let's not play little games.