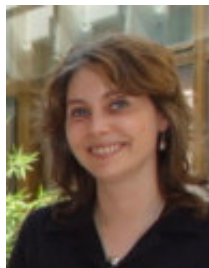


FINANCIAL STATEMENTS & RATIO ANALYSIS



Karen Earl Erpelding

MODULE LEADER

Karen Earl Erpelding is an EHL graduate, and holder of an MBA from the University of Strathclyde, Scotland. Her industry experience ranges from restaurants, hotels and cruise liners to event communication and marketing. Currently Professor, Accounting and Finance, EHL, she has also previously taught business economics, marketing and cost accounting. Karen has also been involved in consulting and training missions for EHL, both in Switzerland and overseas.

RECOMMENDED READING

- Larson, K. and Jensen, T., (2005), *Fundamental Accounting Principles, 11th Ed.*, McGraw-Hill Ryerson, Canada, ISBN 0-07-091649-7
- Popowich, L. et al, (1996), *Uniform System of Accounts for the Lodging Industry, 9th Rev. Ed.*, Educational Institute, American Hotel and Lodging Association, Michigan, ISBN 0-86612-128-5
- Schmidgall, R. S. and Damitio, J. W., (1999), *Hospitality Industry Financial Accounting, 2nd Ed.*, Educational Institute, American Hotel and Lodging Association, Michigan, ISBN 0-86612-189-7

PRICE

CHF1,800 (~€1,100)

Prices in Euros (€), as at September 2007, are only an indication; payment will be in Swiss Francs (CHF)

MODULE DESCRIPTION

In today's highly competitive world, information is a true commodity. However, the information in itself is not enough—analyzing it and making useful sense out of it is where the value of information lies. By learning how to interpret the three key financial statements—the income statement, the balance sheet and the statement of cash flow—hospitality managers and executives will gain a deeper perspective on what the stakeholders of a company are looking at—or better yet, what they are looking for. Financial statements are essential, but they are only the starting point for successful financial management. Managers need to make decisions on a daily basis, many of which will have major impacts on the value-creating ability of their businesses. Therefore, managers need a toolkit that will help them understand and use cost concepts in their decision-making process. Ratio analysis enables us to spot trends in a business and to compare its performance and condition with the average performance of similar businesses in the same industry. Further, it often provides the all-important early warning indications that allow us to solve our business problems before our business is destroyed by them.

LEARNING OBJECTIVES

By the end of the Module, participants will be able to:

Knowledge

- Identify the major implications of financial accounting on financial information
- Explain the contents, sources of data and presentation of the three key financial statements
- Identify the main investor ratios, main types of costs and their implications on investment decisions

Competencies

- Analyze and interpret the three key financial statements
- Analyze the performance of a business at operational and corporate levels
- Perform an investment analysis using cost concepts—breakeven calculations, choice of financing and investment decisions

Mindset

- Explain the role key accounting ratios play for timely and sound decision-making for the hospitality manager
- Improve decision-making capacity through financial tools

METHODOLOGY

- Lecture-discussion and individual and team exercises
- Do come with a **basic calculator**

PARTICIPANTS

Entry-level to middle management executives, in any sector or department of the hospitality industry