

**San José State University**  
**Department of Hospitality, Recreation & Tourism Management**  
**HSPM 105 – Finance in Hospitality, Spring 2020**  
**Section 1--29115**

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<b>Office Hours:</b>	8:30 – 9:30AM Friday
<b>Class Days/Time:</b>	Friday 9:30AM - 12:15PM
<b>Classroom:</b>	Sweeney Hall 230
<b>Prerequisites:</b>	HSPM 012, BUS 20N

### **Course Description**

This course provides an introduction to the fundamentals of hotel and restaurant finance and develops an understanding of the strategic roles that financial analysis and finance play in internal management decision-making.

### **Course Goals and Student Learning Objectives**

Upon successful completion of this course the student should be able to:

- SLO 1--identify the goal of financial management and explain why it is important for hospitality managers;
- SLO 2--read, analyze and interpret financial statements;
- SLO 3--analyze advantages and disadvantages of various financing methods;
- SLO 4--explain the concepts of risk, return and time value of money, including the application of these concepts in hospitality industry;
- SLO 5--describe, calculate and interpret the rate of return on different types of investment opportunities;

SLO 6--evaluate and negotiate a new hospitality venture.

These learning outcomes require quantitative analysis, problem solving, critical thinking, and computer skills.

## Required Texts/Readings

### Textbook

DeFranco, A. & Lattin, T. (2007). Hospitality Financial Management. Hoboken, NJ: John Wiley & Sons. ISBN: 0-471-69216-6.

### Other technology requirements / equipment / material

Students should bring their laptop computers to the classes. The students who want to loan laptops or i-pad should refer to the following website:

<https://library.sjsu.edu/policies-procedures/computers-sjsu-laptop-and-ipad-loan-program-policy>

### Library Liaison

Carli Lowe, University Archivist, Liaison for Hospitality, Tourism and Event Management, Dr. Martin Luther King Jr. Library, San Jose State University, Phone: 408-808-2046, E-mail: [carli.lowe@sjsu.edu](mailto:carli.lowe@sjsu.edu). Helpful electronic resource: URL: <http://libguides.sjsu.edu/hospitality>.

## Course Requirements and Assignments

Success in this course is based on the expectation that students will spend, for each unit of credit, a minimum of 45 hours over the length of the course (normally three hours per unit per week) for instruction, preparation/studying, or course related activities, including but not limited to internships, labs, and clinical practica. Other course structures will have equivalent workload expectations as described in the syllabus.

## Final Examination or Evaluation

Faculty members are required to have a culminating activity for their courses, which can include a final examination, a final research paper or project, a final creative work or performance, a final portfolio of work, or other appropriate assignment.

## Grading Information

Assignments.	Points.	Point earned.
A. Participation.	15%.	
B. Quizzes.	20%.	
C. Homework.	20%.	
D. Mid-term Examination.	20%.	
E. Final examination.	25%.	
Total.	100%.	

Road to “A”--Rules for Success:

- Rule 1: Pay attention to every detail.
- Rule 2: Attend every class.
- Rule 3: Do every problem in the book.
- Rule 4: Don't postpone studying, and then cram the night before a test.
- Rule 5: Read and review lectures, readings and homework more than once.
- Rule 6: Learn how to use course materials.

### Determination of Grades

Final total percentage range and letter grade:

Percentage.	Grade.
96 to 100.	A plus.
93 to 95.	A.
90 to 92.	A minus.
86 to 89.	B plus.
83 to 85.	B.
80 to 82.	B minus.
76 to 79.	C plus.
73 to 75.	C.
70 to 72.	C minus.
66 to 69.	D plus.
63 to 65.	D.
60 to 62.	D minus.
59 and below.	F.

### Classroom Protocol

#### University Policies

Per University Policy S16-9 (<http://www.sjsu.edu/senate/docs/S16-9.pdf>), relevant information to all courses, such as academic integrity, accommodations, dropping and adding, consent for recording of class, etc. is available on Office of Graduate and Undergraduate Programs' [Syllabus Information web page](http://www.sjsu.edu/gup/syllabusinfo/) at <http://www.sjsu.edu/gup/syllabusinfo/>". Make sure to visit this page, review and be familiar with these university policies and resources.

### COURSE POLICIES

Policies outlined in the University Catalog shall be enforced as defined. Further, instructor policies identified in this syllabus shall be the governing structure for this course and shall be enforced as defined. Plagiarism and cheating on examinations will be penalized to the fullest extent of University

regulations. Students are encouraged to take the plagiarism tutorial offered by the King Library, found at the website <http://tutorials.sjlibrary.org/plagiarism/index.htm>. Please read the SJSU Academic Integrity Policy S04-12 at the website <http://www2.sjsu.edu/senate/S04-12.pdf>.

### **E-mail Announcements:**

The instructor will use e-mail to make course-related announcements. It is the student's responsibility to provide the instructor with correct e-mail address and to read e-mail regularly. Please send an e-mail to [jeng-dau.wu02@sjsu.edu](mailto:jeng-dau.wu02@sjsu.edu). Due to the current computer virus threats, when sending an e-mail to the instructor, please type your name and course number in the **SUBJECT** field. The instructor will not read any unidentifiable e-mail.

## HSPM 105 – Finance in Hospitality, Spring 2020 Course Schedule

The instructor reserves the right to revise this tentative schedule in order to enhance the achievement of learning objectives. Any revision will be announced in class and through e-mail. It is the student's responsibility to be aware of all classroom discussions, assignments, and changes in course requirements.

HSPM 105, Section 1, 9:30AM - 12:15PM Friday

Wk	Date	Day	Topics, Readings, Assignments, Deadlines	SLOs
1.	Jan. 24	Fri.	Course Introduction. Chapter 1: Finance and the Hospitality Industry. Four Business Organization Form	SLO 1, 2
2.	Jan. 31	Fri.	Introduction to Excel. How to Use Excel Corporate Governance	SLO 1, 2
3.	Feb. 7	Fri.	Financial Management Conceptual Framework (HW#1) Review of Accounting Basics Accounting and the Business Environment	SLO 1, 2
4.	Feb. 14	Fri.	Chapter 2: Financial Reporting. Four Financial Statements in Hospitality Industry Excel Practice for Accounting	SLO 1, 2
5.	Feb. 21	Fri.	Restaurant Balance Sheet and Income Statement (HW#2) Relationship among the Financial Statements Generally Accepted Accounting Principles and FASB	SLO 1, 2, 3
6.	Feb. 28	Fri.	Financial Accounting and Managerial Accounting Ratio Analysis Conceptual Framework (HW#3) Excel Practice for Financial Analysis	SLO 1, 2, 3
7.	Mar. 6	Fri.	Hospitality Risk Analysis Review of Accounting Concepts <b>Mid-Term Exam</b>	SLO 4, 5
8.	Mar. 13	Fri.	Time Value of Money Concept Present Value, Future Value, Annuity. Excel Practice for Present Value (HW#4)	SLO 4, 5
9.	Mar. 20	Fri.	Financial Markets in the US Mortgage and Lending in Hospitality Industry Financial Analysis by Using Excel (HW#5)	SLO 4, 5
10.	Mar. 27	Fri.	Long Term Financing in Hospitality Corporate Bond Valuation Excel Practice for Bond Valuation (HW#6)	SLO 1, 2, 3

<b>Wk</b>	<b>Date</b>	<b>Day</b>	<b>Topics, Readings, Assignments, Deadlines</b>	<b>SLOs</b>
11.			Spring Break: March 29 –April 4, 2020	
12.	Apr. 10	Fri.	Equity Issues in Hospitality Stock Markets in the US Excel Practice for Stock Valuation (HW#7)	SLO 1, 2, 3
13.	Apr. 17	Fri.	Capital Budgeting in Hospitality Industry Net Present Value and Internal Rate of Return Excel Practice for Capital Budgeting (HW#8)	SLO 4, 5
14.	Apr. 24	Fri.	Chapter 5 Growing the Business How much does it cost to build a hotel? Hotel investment and revenue model	SLO 3, 5, 6
15.	May 1	Fri.	Hotel Valuation: Net Operating Income and Cap Rate Hotel Valuation: Market Comparison Excel Practice for Hotel Valuation (HW#9)	SLO 4, 5, 6
16.	May 8	Fri.	Hotel room revenue forecast Final Review of Finance in Hospitality Last Day of Instruction	SLO 2, 5, 6
17.	May 15	Fri.	<b>Final Exam (To Be Announced)</b>	