

Specialist High Skills Major (SHSM)**Contextualized Learning Activity**

This CLA has been created for students in the Hospitality and Tourism SHSM, but can be adapted to suit suited in other SHSM majors.

Contact Information	
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Development date	July 2009
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Specialist High Skills Major	Hospitality and Tourism
Course code and course title	BAF3M Introduction to Financial Accounting, College/University
Name of contextualized learning activity/activities	Accounting For The Creation Of A Service Based Hospitality or Tourism Business
Brief description of contextualized learning activity/activities	Students will create a service business in one of the 5 tourism sectors (Food and Beverage, Accommodation, Travel Services, Recreation and Entertainment, and Transportation). Once students have an idea for the business, they will research that business and create transactions that would be likely to occur. Students then demonstrate their accounting knowledge by analyzing the transactions in a transactional analysis chart, T-accounts, trial balance and a balance sheet.
Duration	6 hours
Overall expectations	FAV.01 • demonstrate an understanding of the basic procedures and principles of the accounting cycle for a service business.

Specialist High Skills Major (SHSM)

Specific expectations	- assess the effects that transactions have on the accounts and financial statements of a service business; - record transactions using the journals and ledgers of a service business; - prepare a trial balance and the financial statements for a service business;
Catholic graduate expectations (if applicable)	-applies effective communication, decision-making, problem-solving, time and resource management skills;
Essential Skills and work habits	<p><u>Essential Skills</u></p> <p><input checked="" type="checkbox"/> Writing</p> <p><input checked="" type="checkbox"/> Computer Use</p> <p><u>Numeracy</u></p> <p><input checked="" type="checkbox"/> Money Math</p> <p><input checked="" type="checkbox"/> Scheduling or Budgeting and Accounting:</p> <p><u>Thinking Skills</u></p> <p><input checked="" type="checkbox"/> Job Task Planning and Organizing</p> <p><input checked="" type="checkbox"/> Decision Making</p> <p><u>Work habits</u></p> <p><input checked="" type="checkbox"/> Organization</p> <p><input checked="" type="checkbox"/> Working Independently</p> <p><input checked="" type="checkbox"/> Initiative</p> <p><input checked="" type="checkbox"/> Self-advocacy</p> <p><input checked="" type="checkbox"/> Entrepreneurship</p>

Instructional/Assessment Strategies**Teacher's notes**

- This activity would be taught after students understand how to analyze transactions for a service business (Chapter 4 of the Accounting I 6th Edition textbook by Syme and Ireland)
- Students will need access to a computer lab and need an understanding of how to use Excel. (Assignment could be modified by instructor to be done by hand if a lab does not exist.)
- Depending on how experienced students are with Excel they can create their own Excel worksheets but one has been provided if students need it.
- It is suggested to sit down and conference with the students at the beginning of the assignment to ensure they are on the right track and assist them with realistic transactions.

- The teacher could consider bringing in a guest speaker to discuss the accounting aspect of opening a new business. Guest speakers can be booked through www.bus-edpartnership.org

Context

All prior learning is not included in the CLA, the summative is attached below as [Appendix A](#).

Background information about the tourism industry is provided in [Appendix C](#) for teacher and/or student reference.

Strategies

Teacher instruction of the content will vary based teacher preference and student learning strategies.

Assessment and Evaluation of Student Achievement

<i>How will we know students are learning?</i>	<i>How will we know students have learned?</i>
1. Interview activity	Formative assessment
2. Student/Teacher Conference	Diagnostic assessment
3. Final Culminating Project	Summative assessment
Assessment tools	
— Rubric	

Resources**Print**

Ireland, Tim and George Syme. Accounting 1, 6th Edition. Pearson Ed. 2002

Websites

www.cthrc.ca

<http://samsa.biz/> provides various business resources – specifically accounting templates.

Accommodations

For students who require accommodations or have an IEP or other identified exceptionalities, it is recommended that the teacher administering this CLA refer to the student's OSR (Ontario Student Record) for recommended accommodations or seek the assistance of the Head of the Special Education department.

List of Attachments

[Appendix A](#): Creating a Hospitality/Tourism Business

Appendix B: Excel templates (attached separately)

[Appendix C](#): Tourism industry

Setting Up Your Own Business

Part 1: Interview Activity

In order to complete the assignment for this chapter, you will need to go out in groups of two and interview someone that works in the tourism industry. Some suggested ideas are listed below:

Accommodation: hotels, bed and breakfast, motels, RV park

Food and Beverage Services: personal chef, catering

Recreation and Entertainment: ski instructor, golf course,

Transportation: taxi driver, a hair/beauty salon on a cruise ship

Travel Services: travel agency, tour operator, event planner

You want to find out the following either by telephone or in person.

- What is needed (in terms of assets) to start up a business
 - Loans, personal investments, physical assets
- Typical transactions that occur in a day
- Any other information that you think will be pertinent for you to complete the assignment

Information gathered should be included with your assignment (typed or original notes are acceptable)

Part 2: Accounting Application

In the same groups you will create a service business in one the sectors of tourism that you researched create/complete your own accounting exercise for your new business.

Steps:

In Microsoft Word:

1. Create a name for your service business.
2. Create a list of accounts that the business would need to use. There must be a minimum of 10 accounts - 6 asset, 3 liability and 1 capital.
3. Create 10 financial transactions that would be likely to occur in your service business.
 - a. Make sure your sentences contain all the necessary information: Dollar values, names, whether cash or credit is used, and so on.
 - b. Your first transaction must describe the owner's initial investment of cash into the business.
 - c. Make some of your transactions more complicated by involving more than two accounts, e.g., performed service and received partial payment, the remainder put on account. Be creative!

In Microsoft Excel:

4. Develop an answer key for the 10 transactions you created in step 3, including a Transaction Analysis Sheet, T-Accounts, Trial Balance and Balance Sheet. Remember to use Excel formulas and functions to do the calculations. Do not use a calculator! When printing out Excel solutions – print out the original (showing #'s) then print a formula sheet (select all cells and press [Ctrl] + ~).

To be submitted to the teacher:

Interview notes

Word document (business name, list of 10 accounts, 10 transactions)

Excel Worksheets (transaction analysis chart, T-accounts, Trial Balance, Balance Sheet)

Appendix A

Rubric:

	4	3	2	1	R	Mark
Knowledge						
<ul style="list-style-type: none"> Creates a service business Creates 6 assets, 3 liabilities, 1 capital 	Meets all requirements and uses additional accounts	Meets all requirements	Meets most requirements	Meets some requirements	Meets few requirements	
Thinking						
Creates 10 transactions	Same as level 3 plus: <ul style="list-style-type: none"> 10 or more transactions some transactions use more than two accounts 	<ul style="list-style-type: none"> 9-10 transactions transactions use all accounts capital increases and decreases initial transaction is balanced both credit and cash transactions are used 	<ul style="list-style-type: none"> Use all types of accounts Some variety in transactions Or <ul style="list-style-type: none"> 6-8 transactions 	<ul style="list-style-type: none"> 5 transactions or transactions of same type or transactions use same accounts 	Less than 5 transactions	
Communication						
<ul style="list-style-type: none"> Transactions are clear and easily understood No spelling mistakes 	All requirements met to a high degree	Most requirements met	Some requirements met	Limited requirements met	Little clarity or legibility or many spelling errors	
Trial balance <ul style="list-style-type: none"> Balanced Correct format (heading, order, columns, lines) 	Trial balance created with high degree of effectiveness	Trial balance created with considerable effectiveness; few formatting errors	Trial balance created with some degree of effectiveness; several formatting errors	Trial balance created with limited effectiveness; many formatting errors	Trial balance does not meet requirements	
Application						
Analysis of transactions <ul style="list-style-type: none"> Debits and credits shown in T-accounts; account balances calculated and displayed correctly 	All transactions analyzed correctly and balances displayed properly	Most transactions and account balances correct	Some transactions and account balances correct	Limited number of transactions and balances correct		
<ul style="list-style-type: none"> Use of Excel for trial balance and balance sheet (appropriate setup, formatting, efficient use of formulas) 	Requirements met to a high degree	Most requirements met	Some requirements met	Limited requirements met	Excel not used	

What is tourism?

Tourism encompasses two areas:

- **Outbound tourism:** the business of people going from your area to other provinces, territories or countries. For example, going to Hawaii in February is considered outbound tourism.
- **Inbound tourism:** Canada competes in a global market to attract tourists from other countries. Each province and territory implements marketing campaigns aimed at attracting travellers from within Canada to these areas. The tourists coming to your area from other countries are called inbound tourists.

Tourism is essentially a people-oriented sector. Whether you work directly with customers or behind the scenes, their satisfaction, safety and enjoyment is the number one concern.

- Tourism in Ontario is a \$22.1 Billion dollar industry.
- Total tax revenues from tourism for all levels of government reached \$10.6 billion.
- About 4.7% of Ontarians are employed in tourism-related industries, which is about 312,000 jobs.
- Tourism will create 84,000 new jobs in the next decade
- The industry is extremely diverse, there are 152,000 businesses – which is about 17% of the total number of business in the province.
- Ontarians like to travel as well spending \$25.2 billion world-wide.

All figures taken from the Government of Ontario – Ontario Tourism Facts & Figures Winter 2008 Vol. 7, No.4 www.Research.tourism.gov.on.ca

THE FIVE SECTORS OF TOURISM

A breakdown of the Tourism industry

Because the industry is so large we divide it up into sectors. These sectors group together the major areas of tourism and make them into a sub-sector. Listed below are the sub-sectors with examples.

ACCOMMODATION

Hotels

- All-suite hotels
- Smaller, privately owned hotels
- Resort hotels and lodges
- Motels, motor hotels and inns

Bed and Breakfasts and Farm/Ranch Vacation Sites

Cabins, Cottages and Houseboats

Campgrounds

Hostels

FOOD AND BEVERAGE SERVICES

The food and beverage industry is a \$32 billion a year industry. Over 700,000 people in Canada are employed in this sector. *The food and beverage sector is also a major youth employer and a major training ground for many employees who are beginning their working careers.*

The food and beverage sector encompasses all types of establishments supplying food and beverages for consumption from fine dining and ethnic restaurants to institutional food outlets and catering firms, from pubs and bars to nightclubs and lounges.

RECREATION AND ENTERTAINMENT

Theme Parks
National Parks
Wildlife Parks
Museum and Galleries
Gardens
Heritage Sites
Sports Activities and Centres

TRANSPORTATION

Tourism was earlier defined as an industry that provides for the movement, comfort and enjoyment of people. The 'movement' in this definition is addressed by the transportation sector. The sector is divided into four categories: Air, Rail, Ground and Water.

Air Transport Air remains the primary mode of domestic travel, after private vehicles. The

Rail Transport Via Rail, Canada's only national passenger rail service carries approximately 3.8 million passengers annually.

Ground Transport The majority of Canadian travellers use private vehicles to travel within the country. There is a whole support industry for people and their cars. There are also other types of ground transportation businesses, including motor coach travel, taxicab operations and vehicle rental companies.

Water Transport Marine-based businesses include ferry companies, marinas, cruise lines, water taxis and other forms of water transportation.

TRAVEL SERVICES

Retail Travel Agents
Tour Operators
Tour Wholesalers
Conference Organizers
Provincial Tourism Offices
Visitor and Convention Bureaus
Tourist Associations