

## Chapter 12 Outline

What Is Accounting?  
Who Manages the Accounting System?  
Who Uses Financial Information?  
Technology

Accounting Principles and Practices  
Generally Accepted Accounting Principles (GAAP)  
Uniform Systems of Accounts

Accounting Tools  
Operating Budgets  
Income Statements  
Balance Sheets  
Ratio Analysis Techniques

Managerial Accounting  
Internal Controls  
Other Managerial Accounting Techniques

Routine Activities of the Accounting Division  
Revenue Accounting  
Expense Accounting  
Salary and Wage Accounting

Purchasing  
Objectives of Effective Purchasing  
Purchasing Food, Equipment, Supplies, and Services  
E-Commerce and Central Purchasing  
Ethics and Supplier Relationships

## Competencies

1. Define accounting, identify who manages the accounting system, distinguish internal users from external users of information provided by the accounting division, and describe automated accounting systems. (pp. 285–287)
2. Apply generally accepted accounting principles to hospitality situations and distinguish between cash basis accounting and accrual basis accounting. (pp. 287–289)
3. Explain the advantages of adhering to a uniform system of accounts. (pp. 290–291)
4. Explain the purpose of the following accounting tools: operating budgets, income statements, balance sheets, and ratio analysis techniques. (pp. 291–305)
5. Identify managerial accounting techniques useful in making planning and control decisions. (pp. 305–308)
6. Describe the routine activities of the accounting division. (pp. 308–311)
7. Identify the nature and typical responsibilities of a purchasing department. (pp. 311–317)