

Chapter 7 Outline

Elements and Conventions
Hotel Income Statement Formats
 Net Income Is Not Cash Flow
The Hotel DORO's Income Statement
 Internal Formats
 External Formats
 Common-Size Income Statement
 Comparative Income Statement
Statement of Retained Earnings
 Statement of Retained Earnings for the
 Hotel DORO
 Statement of Income and Retained
 Earnings for the Hotel DORO
*Uniform Systems of Accounts for the Lodg-
ing Industry, Tenth Edition*

Competencies

1. Describe the two groups who use a hotel income statement and the formats available for presenting data to them, and explain the elements and conventions used in preparing an income statement. (pp. 193–198)
2. Explain the preparation and purposes of common-size and comparative income statements, and describe their analysis and interpretation. (pp. 198–207)
3. Describe the purpose of and information reported on the statement of retained earnings. (pp. 207–208)