

Chapter 1 Outline

Overview of the Club Industry
 Ownership of Clubs
 The Origins of Private Clubs
 Club Operating Statistics
 Short Distribution Chain and Time Span
 A Labor-Intensive Industry
 Major Investment in Property and Equipment
The Accounting Function in the Club Industry
Principles of Accounting
 Cost
 Business Entity
 Continuity of the Business Unit
 Unit of Measurement
 Objective Evidence
 Full Disclosure
 Consistency
 Matching
 Conservatism
 Materiality
 Cash Versus Accrual Accounting
Branches of Accounting
Review of Accounting Mechanics
 Debit and Credit
The Accounting Cycle
Ethics and Club Accounting

Competencies

1. Describe the characteristics of the club industry and identify the major function of club accounting. (pp. 3–15)
2. Apply generally accepted accounting principles to club situations. (pp. 15–19)
3. Distinguish between cash basis and accrual basis accounting. (pp. 19–20)
4. Describe the six branches of accounting. (pp. 20–21)
5. Explain the fundamental accounting equation and identify normal account balances for various types of accounts. (pp. 21–22)
6. Demonstrate the nine steps of the accounting cycle. (pp. 23–27)