

HTM 44100: Financial Management for the Hospitality Industry

Course Description

This course deals with subjects and issues facing a hospitality financial manager. The primary purposes of this course are to understand the role of financial management, to learn analytic concepts and managerial tools to make capital investment decision and to become familiar with major financial instruments and concepts such as time value of money, risk-return, bond and stock valuation, capital budgeting, cost of capital, capital structure, and dividend policy. This course also handles hospitality-specific cases and readings for investments, capital structure, and dividends.

Pre-requisite:

College of Health & Human Sciences majors only.

Pre or concurrent requisite

HTM 24100

Course Objectives

Identify financial management roles in the hospitality industry.

Explain financial statements and perform financial statement analysis.

Utilize financial concepts/tools such as the time value of money.

Apply applicable capital budgeting techniques to the hospitality industry. Determine initial investment cash flows.

Explain the concepts of risk/return, and risk preference, investment portfolio, and the Capital Asset Pricing Model (CAPM).

Explain the cost of capital concept, cost of debt and stock, weighted average cost of capital, and marginal cost and investment decisions.

Explain a firm's capital structure and describe how to choose optimal capital structure.

Explain dividend fundamentals and describe factors affecting dividend policy.

Describe interest rates, corporate bonds, and bond valuation.

Compare and contrast different types of stock and describe the concept of stock valuation.