

**Book Review*****Financial Management for Hospitality Decision Makers***


---

**Guiliding, C. (2002)**  
**Butterworth Heinemann: Oxford.**  
**ISBN: 075065659X**

---

**Reviewed By: John Ortner**  
**Secretary, Institute of Certified**  
**Management Accountants, and**  
**Managing Director**  
**Spectrum International**  
**Level 7, 414 Lonsdale Street**  
**Melbourne VIC 3000 AUSTRALIA**  
**Email:**  
[jortner@spectruminternational.com.au](mailto:jortner@spectruminternational.com.au)

---

A competent review of standard financial accounting for hospitality students, this text distinguishes itself from other notable hospitality books (Coltman et al, 1991; 1997; 2003) by illustrating what key financial issues need to be considered for the decision making process in the hospitality industry. As an introductory book, it is well organised, detailed, lucid, and explains adequately the relevant financial issues facing hospitality managers today. Of particular note was chapter 8, where the case study on yield management and maximising RevPAR was highly beneficial as well as the methodology of preparing an organisation-wide budgetary process rather insightful to the business student and/or manager.

This book provides a reasoned and efficient introduction of the field of financial accounting. The chapters cohere well, but can stand alone: an important point for an instructor who needs to pick and choose in order to fit the whole book into a course. This book provides a reasonably even and well-balanced coverage of the "essentials" while retaining a relatively user-friendly size.

The flow of the text is excellent and breath of the topics is commendable. This book presents in a clear and practical language, how one could optimise the decision

making process through financial analysis and thinking. The case studies integrate well within the individual themes and certainly represent some current issues of concern within the industry, such as market pricing policies or flexible budgeting. Furthermore, it aims to induct the reader in the fundamental tenets of financing accounting and achieves this quite well. At the same time, mindful of the targeted reader, the author avoids the complex technical elaborations and compliance issues, which certainly would not strike the right accord.

While it would be considered contemptuous to criticise any introductory text for what it has left out (Non-financial indicators, strategic costing systems, performance measurement, etc), this book, as most hospitality texts, would have benefited from the inclusive of a critical perspective. By way of encompassing a discussion evaluating alternative methods and techniques, this may have in turned offered a somewhat more balanced view for the reader. One such example is the introduction to residual income as a performance measure, without illuminating the notion that this metric is inherently a short-term measure and based on historical costs. Furthermore, the impact of non-financial factors such as staff retention ratios or the marketing/accounting interface, which continues to be a critically important issue in hospitality, may have offered the reader greater insights to contemporary accounting issues.

