



工业和信息化普通高等教育“十三五”规划教材立项项目
21 世纪高等学校**会计学**系列教材

A CCOUNTING
ENGLISH

会计专业英语

附听力音频

◆ 耿云江 编著



中国工信出版集团



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内 容 提 要

本书以提高英语的应用能力为导向，对财务会计的基本知识做了详细介绍，同时涉及成本会计、管理会计、审计等内容。全书共10章，主要内容包括会计概述、会计循环、财务报表、流动资产、非流动资产、负债、所有者权益、收入、费用、成本会计等。同时，每章还配有学习目标、听力音频、知识拓展、关键术语、复习讨论题、练习题、参考译文等。

本书不仅可以作为高等院校会计学、财务管理、审计等专业的教材，也可以作为财务会计人员、管理人员的自学用书。

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前 言

随着“一带一路”倡议的深入实施，我国会计准则与国际会计准则趋同的趋势日益增强，要想“走出去”，加强与其他国家或地区的经济与贸易合作，就需要制定并实施与国际会计准则趋同的会计准则。这也对我国的会计专业人员提出了更高的要求：不仅要“懂会计”，而且要“懂英语”，要能够将“会计”和“英语”结合起来，并灵活、熟练地加以运用。一本好的会计英语教材通过对会计知识的英文表达，能够帮助读者迅速掌握对会计及其相关学科专业词汇的英文表达，增强其用英语表述会计及其相关问题的能力，并使其更加符合外资、外贸企业对国际化会计人才的需求。

本书以提高英语的应用能力为导向，对财务会计的基本知识做了详细介绍，同时涉及成本会计、管理会计、审计等内容。本书具有以下特点：

（1）体系完整，结构合理。全书详细介绍了财务会计的基本假设、会计原则、财务报表、会计循环、会计要素，同时涉及成本会计、管理会计、审计等基础知识，帮助读者在夯实财务会计专业词汇的同时，全面提升会计及其相关学科英语的实践应用能力。

（2）行文简练，难易适中。本书参考国际上受欢迎度较高的英文原版教材，使用准确、地道的英语进行编写，并尽量使用简洁、易懂的英语进行诠释，以使内容易于理解、便于掌握。

（3）形式新颖。本书不仅在每章正文前概括了学习目标、正文后附有关键术语、复习讨论题、练习题与参考译文，而且在正文中适当穿插图表和知识拓展，以在讲解会计及其相关学科英语词汇与基础知识的同时，拓展读者视野，同时增强教材的趣味性和可读性。

本书由东北财经大学耿云江编著，常金晓、耿珺男、王晓磊、何姜慧、马启凤、周娇、吴娇等参与相关资料整理，并为本书编写工作的顺利完成做出了贡献。

本书在编写过程中参考了国内外许多学者的最新研究成果与资料，在此表示衷心的感谢。由于编者水平有限，书中难免有疏漏和不足之处，欢迎广大读者提出宝贵意见。

作 者

2018年3月

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Chapter 1

Overview of Accounting

Listening Online

China's 'Belt and Road' Meeting Sets Goals for Huge Development Plan.



Learning Objectives

In this chapter, we will explain the basic concepts of accounting. Students are expected to know the connotation of accounting and accounting profession, to grasp the assumptions and principles of accounting, and to define the quality characteristics of accounting information.

1.1 Accounting and Accounting Profession

Accounting is an **information system** designed to identify, record, and reflect **economic activities and events** about an enterprise with **monetary unit** as its main criterion.

accounting
[ə'kaʊntɪŋ]
会计, 会计学

Identifying means to distinguish which activities are related to a firm's objectives. Only those relevant economic activities need to be recorded, classified, and summarized by the **accountant**. Recording means to keep a systematic, chronological dairy of economic activities, and events measured in dollars. Reflecting means to provide timely and accurate information about a firm's **financial condition** and **operating performance** to its external and internal users by means of **financial reports**. A vital element in reflection is the accountant's ability to analyze and interpret the reported information, and it involves the application of ratios, percentages, graphs, and charts to emphasize significant trends of economic activities and their relationships.

accountant
[ə'kaʊnt(ə)nt]
会计人员, 会计师

It is important to note that accounting involves **bookkeeping function**, while the bookkeeping only involves the recording of economic activities and events as it is just one part of the whole accounting process. Accounting is also an information

system which provides necessary information to the management, shareholders, creditors, and other **stakeholders** of the enterprise. The primary objective of accounting is to provide useful information to decision makers.

stakeholder

[ˈsteɪkəhəʊldə(r)]

利益相关者

1.1.1 Ethics

The goal of accounting is to provide useful information for decision making. Information to be useful should be worthy of trust. So, the effectiveness of financial reporting depends on sound **ethical behavior**. **Ethic** is an ideological standard by which one's conducts are judged as right or wrong, honest or dishonest, and fair or not fair.

ethic ['eθɪk]

道德

When analyzing economic activities involving ethics, it is helpful for accountants to follow the following three steps. First, accountants should recognize the ethical situation and the involved ethical issues. That means to use the accountants' personal ethics to identify ethical situation and its related ethical issues. Some professional organizations also provide written codes of ethics for guidance in this kind of business situations. Both *Accounting Law of the People's Republic of China* and the *Accounting standards* specify the contents and requirements of accounting professional ethics. Second, accountants need to identify and analyze the principal elements in the ethical situation in order to figure out who or which group may be harmed by or benefited from this situation, and which party should take the responsibility and obligation. Third and the last, accountants need to identify the alternatives, and to assess the impact of each alternative to its stakeholders. This step requires accountants to select the most ethical alternative after considering all the possible consequences. Sometimes there will be only one solution, but sometimes there will be more than one solution. Under this circumstance, there will be a need of evaluation and selection of the best one.

1.1.2 Accounting Function

The **accounting function** refers to the objective functions of the accounting during operation and management. To correctly understand the accounting function is of great significance to the putting forward tasks of accounting work, to the determination of accounting personnel's responsibility and authorities, and to the full exertion of accounting roles.

Calculation function, which is one of the basic functions of accounting, runs through the whole process of economic activities. Under this function, by using the monetary form and certain methods or procedures, accounting records the economic activities, and then makes the necessary calculation, sorting, processing, and summarizing so as to put data into a series of information that could reflect accounting objects, and summarize producing and operating activities and their

results.

Supervision function is also known as control function. It means to examine the authenticity, legality, and rationality of economic businesses of a specific accounting subject when the accounting personnel carry out the calculation function. Just as calculation function, it is one of the basic functions of accounting, and is also an important component of Chinese economic supervision system.

In addition, accounting functions also include prediction, decision making, analysis, and so on.

1.1.3 Accounting Information Users

What kind of information should accounting provide? It depends on who will use accounting information. There are two broad types of financial information users: **internal users** and **external users**.

Internal users of accounting information are the users who are inside an enterprise and plan, organize, manage its business, such as **board of directors**, **Chief Executive Officer (CEO)**, **Chief Financial Officer (CFO)**, and so on. By reading and analyzing the detailed information about the company's financial position and financial performance, these internal users could make their own decisions about **operating**, **financing**, and **investing**.

External users of accounting information are the users who are outside the enterprise, such as **shareholders (investors)**, **creditors (lenders)**, **tax offices**, **external (independent) auditors**, **labor unions**, and so on. Among them, the first two are the most common types of external users. Shareholders (investors) refer to those who engage in investment activities in the capital market. As the owner of one corporation, shareholders rely on accounting information to decide whether to buy in, hold on, or sell out shares or stocks. Creditors (lenders) are individuals or organizations that the enterprise owes money or other resources to. Creditors need to use accounting information to evaluate risks of granting **business credit** or lending money to the enterprise and to decide whether to provide **purchase on credit** or lend money to it.

Different external users need different kinds of information. For example, tax authorities which have the right to levy need accounting information about whether the company paid taxes according to the law and how much taxes it should pay, while potential investors follow accounting information of a company's **profitability** and **sustainability**.

1.1.4 Accounting Profession

The accounting profession can be divided into three broad categories: **public accounting**, **private accounting**, and **accounting for government and nonprofit organizations**.

shareholders
(investors)
['ʃeəhəʊldə]
([ɪn'vestə])
股东（投资者）
creditors (lenders)
['kredɪtə]
(['lendə])
债权人（借款人）

profitability
[ˌprɒfɪtə'bɪləti]
获利能力

substantiality
[səbˌstæntʃɪ'æləti]
可持续发展能力

Public accounting provides accounting services to the public on a compensable foundation base. In field of public accounting, the accountant can provide service either as an individual or as a member of accounting firms. Most of the accountants working in **public accounting firms** are qualified as a **Certified Public Accountant (CPA)**. Thus, public accounting firms are also called CPA firms, and they could provide services like auditing, tax agency, management advisory and authentication.

Private accounting is one of the core functions of business. According to the subject and purpose of service, modern accounting can be divided into two main branches: **financial accounting** and **management accounting**. Financial accounting is concerned with providing accounting information to shareholders, creditors, and other information users. Based on **generally accepted accounting principles (GAAP)**, it measures and records business transactions and prepares financial statements to convey information. By measuring, analyzing, and reporting financial and non-financial information, management accounting could help managers to choose, communicate, and implement appropriate strategies, and then help the company fulfill its development targets.

Accounting for government and nonprofit organizations mainly provides accounting service to government and nonprofit organizations. It has two major activities. One is to check and supervise the implementation of budget for each level of the government and all the non-profit organizations. Another is to identify, measure and report all the financial incomes and expenditures of government and nonprofit organizations as well as the corresponding result. Accordingly, accounting for government and nonprofit organizations is usually engaged in activities like budget management, administration management, social service, and etc.

1.2 Accounting Assumptions

Accounting assumption is a reasonable setting for the scope, contents, basic procedures, and methods of accounting. It's also the basic premise of accounting calculation which could guarantee the quality of normal accounting work and accounting information. There are four major accounting assumptions, the **business entity**, the **going-concern**, the **monetary unit**, and the **time period**.

1.2.1 Business Entity

The business entity assumption means a business entity should be accounted separately from other business entities, including its owner. The business entity here is a unit which has independence or relative independence in management or economy. It's also an economic unit stands on its own interest.

For example, David owns a shoe shop, a farm, and other personal assets. When we try to measure the performance of the shoe shop in making profit, the shoe shop should be measured as an independent economic entity and accounted separately from the farm and David's other personal assets.

As the basic premise of accounting, it's of great significance to identify the business entity. Firstly, business entity assumption helps to define the spacial scale of accounting. It requires that the accounting records and financial statements involve only the economic activities of the enterprise itself, but not the economic activities of its owner or creditor, or that of other enterprises or business entities. Secondly, this assumption defines the scope of economic business activities and events that need to be treated by the accounting. Only those activities or events that influence the economic interest of the business entity should be reflected and recorded. And only by this way, could the financial position, operating results, and cash flows of the enterprise be correctly reflected, and could the useful accounting information be obtained by the owners, creditors, and other stakeholders of the enterprise.

It should be pointed out that business entity is different from **legal entity**. The latter refers to the legal subject that has registered in relevant government offices, owns independent properties and could undertake civil responsibilities. Generally speaking, a legal entity must be a business entity, but a business entity is not always a legal entity. A business entity could be a legal entity and it also could be a non-legal entity. It can be the whole enterprise; can also be an internal unit of the enterprise, such as a branch. It can be a single company; can also be a group company or an affiliated enterprise which is organized by the holding relationship.

1.2.2 Going-concern

The going-concern assumption means the business activities of an accounting entity will continue indefinitely, and will not disappear for bankruptcy, liquidation, and dissolution in the foreseeable future. Meanwhile, if a specific entity is actually threatened by bankruptcy or liquidation, the going-concern assumption should be abandoned. Under this situation, what we are interested in is the liquidation value, but not the value assuming that the business will continue. If the going-concern assumption is not applicable because of threatens from liquidation or bankruptcy, the financial statements must clearly disclose this situation.

Only on the premise of normal operation of an enterprise, the acquisition of fixed assets can be priced on the historical cost, the debt can be repaid according to the original provisions, the accounting treatment methods can be remain unchanged, and the information contained in the accounting records and financial statements can be true and reliable. For example, a company purchases a production line, which is expected to last 10 years. Under the going-concern

assumption, since the enterprise will stay in business indefinitely, we could assume that this production line will keep bringing benefits to the enterprise and serving its production until the life of this line is over. Therefore, the original value of this production line can be determined by historical cost and then be depreciated with certain depreciation method to allocate the historical cost to related products that are produced by this production line. Moreover, the going-concern assumption also influences the identification and classification of assets and liabilities. The audit opinion could show the attitude of an auditor to the going-concern status of an enterprise.

1.2.3 Monetary Unit

The monetary unit assumption means that the accounting is based on the measurement of currency with currency stability. Because only in the situation of currency is stable or relatively stable, the asset value at different points of time can be comparable, the income and expense during the same period can be compared, operating results can be calculated and determined, and the accounting information provided by the financial statements can truly reflect the operating condition of an enterprise.

Money is the common ground of business. For example, countries with the monetary unit of dollar are the United States and Canada, and those of peso are Mexico, Philippines, Chile, etc. Which money to be chosen as the monetary unit of an enterprise depends on the country in which it operates. However, many companies are preparing *financial reports* with more than one monetary unit. The monetary unit assumption requires that an enterprise only record those transactions that could be reflected by money. This assumption also enables the economic events to be accountable.

In various countries, the stability of monetary unit has always been a big problem. The loss in value of money is called inflation. In some countries, the inflation rate of each year has been more than 300%. In those countries where inflation has been so significant, the *financial statements* need to be adjusted by an inflation factor so as to realize the significance of money as a unit of measurement.

This assumption fails to include some of the relevant information in the accounting records, such as the health of a company's owner, the quality of service, the morale of employee and etc. The reason is that although this kind of information is very important, enterprises cannot quantify them into monetary terms. The accounting just records transactions and events that can be measured in money.

知识拓展 1-1 美国会计对通货膨胀确认的发展历程

在 20 世纪 70 年代之前, 美国公布的通货膨胀率相对较低。因此, 有人

认为，以调整的货币价值进行计量是不恰当的，因为增加的费用和扣除通货膨胀因素的误差均大于收益。然而，在 20 世纪 70 年代，美国经历了两位数的通货膨胀率，这使得人们越来越需要对通货膨胀做一些正式的确认。

1979 年 9 月，财务会计准则委员会（FASB）发布了财务会计准则公告（Statement of Financial Accounting Standards）第 33 号，“财务报告和物价变动”，要求某些大型上市公司披露有关价格变动对其当年财务报告影响的补充信息。1986 年，这一要求变成了可披露也可不披露。目前，美国企业不需要提供这一补充信息。

1.2.4 Time Period

The time period assumption presumes that the life of a going-concern company can be divided into periods, such as months, quarters, years, so that financial reports can be prepared separately by those periods.

According to the going-concern assumption, a business will continue to operate by the current size and status. In order to ultimately determine the enterprise's production and operating results, it seems to have no other choice but to wait until the enterprise is out of business. However, the typical business has a relatively long duration, and what the managers, investors, creditors, and other decision makers need is timely information. So it is not feasible to wait until the business liquidated before accounting for its success or failure. It's necessary for enterprises to divide its whole life into continuous period of equal duration, and then to recognize, measure, and report its financial condition, operating results, and cash flows in each period. Just because of the time period assumption, there are differences between current period and the period before or after, the differences between accrual basis accounting and cash basis accounting. The time period assumption also makes different types of accounting entities have an accounting benchmark, and then exerts receivables, payables, depreciation, amortization, and other accounting treatment methods.

In order to facilitate a better measurement of income and financial position, some businesses select a natural business year as accounting year which ends when operation is at low ebb. Some businesses use the calendar year which end on December 31 as their accounting year. However, because the natural business year of some businesses, such as insurances, is also ends on December 31, sometimes it's hard to determine whether this December 31 represents a natural business year or a calendar year. Moreover, some businesses select a fiscal year as their accounting year, which includes 12 consecutive months and closes at the end of a month other than December. In addition, the accounting period could also be shorter than a year, such as a month, a quarter, and etc. Usually, the shorter the period of the time, the more accuracy is expected in financial reporting.

In summary, these four fundamental accounting assumptions depend on each

other and complement each other. The accounting entity assumption establishes the scope of accounting. The time range of accounting is established by the going-concern assumption and time period assumption. Monetary unit assumption provides the necessary means for accounting. Without the accounting entity assumption, the going-concern assumption would lose its meaning. There would be no time period without going-concern assumption. Without monetary unit assumption, there would be no *modern accounting*.

1.3 Accounting Principles

There are five basic accounting principles that are used to record economic transactions: (1) *Accrual basis*; (2) *Historical cost*; (3) *Realization*; (4) *Matching*; and (5) *Full disclosure*.

1.3.1 Accrual Basis

The accrual basis of accounting recognizes revenue when realized and expenses when incurred. It refers to all revenues and costs which incurred in the current period, whether or not the payment is received or paid, treated as the income and expenses of the current period. On the contrary, those who do not belong to this period of income and expenses, even if the amount is received or paid in this period, shouldn't be treated as income or expenses of the current period.

Under the accrual basis, the criteria for the recognition of *revenues* are as follows: the process to earn revenue is completed and the authority to receive payment is obtained, but not the money has been collected. Similarly, under the accrual basis, the criteria for the recognition of *expenses* are the related benefits have been enjoyed and the obligation of payment has been assumed, and rather not the payments have been paid. For example, employees' wages should be recognized as expenses in the period when employees provide service to the company, but not to recognize until the wages are paid. Therefore, accrual basis is a standard taking whether have obtained the authority of receiving payment or assumed the payment obligation as the criterion to recognize revenues and expenses. It could reflect the operating performance of enterprises in different periods more reasonably.

revenues

['revənju:z]

收入

expenses

[ɪk'spensɪs]

费用

The accrual basis requires numerous adjustments at the end of an accounting period. For example, if revenue has been collected in advance, such as rent received in advance, at the end of the accounting period, the accountant should judge which part can be recorded as revenue, which part relates to the future periods and must, therefore, be deferred to those period and be considered a

liability.

Above all, we can dig out that the use of the accrual basis complicates the accounting process. Then why do we use it? That's because the measurement result of an entity's financial condition and operating performance based on accrual basis is more representative than that based on *cash basis*. Meanwhile, if without accrual basis, it would be unnecessary to make the time period assumption.

Cash basis accounting is to deal with economic transactions, to recognize revenues and expenses according to whether actually receipt and payment of money has incurred. Based on cash basis, if payment is actually paid during one period, regardless of whether it bring benefits to the company in the current period, it should be recognized as a cost or expense; If cash is actually received during one period, regardless whether it's earned during this period, it should be treated as revenue.

In practice, immaterial items are frequently handled on cash basis, and some specific standards also allow the application of cash basis. In China, accrual basis is required to use.

知识拓展 1-2 权责发生制与收付实现制的区别举例

假设零售企业 M 公司在去年发生了以下业务。

- (1) 购买了 20 万元的商品, 款项暂时未付。
- (2) 支付供应商 18 万元的货款。
- (3) 赊销卖出商品 30 万元。这些商品于去年购买, 购买成本为 10 万元。
- (4) 收到去年赊销给客户的商品款 16 万元。
- (5) 应支付销售部门的员工工资 5 万元, 但尚未实际付款。

上述业务经处理后的结果如下:

权责发生制		收付实现制	
销售收入	300 000 元	收益	160 000 元
销售成本	100 000 元	支出	180 000 元
营业费用	50 000 元	损失	20 000 元
利润	150 000 元		

不难看出, 在权责发生制下, M 公司是盈利的, 但在收付实现制下, 这家公司是亏损的。因此, 收付实现制不能真实地反映企业的经营活动, 并会误导财务信息的使用者。

The accrual basis indicates a profitable business by \$150 000, whereas the cash basis indicates a loss of \$20 000. Accordingly, the cash basis fails to truly reflect the business activities and would mislead financial information users.

1.3.2 Historical Cost

Measurement attribute is the basis of determining the amount of *accounting elements*. According to the *Accounting Standards for Business Enterprises* in