



高职高专
会计与电算化会计类课程规划教材

新世纪

(根据财政部最新《企业会计准则》编写)

实用会计英语

新世纪高职高专教材编审委员会组编

李海红 编著



Accountant

大连理工大学出版社

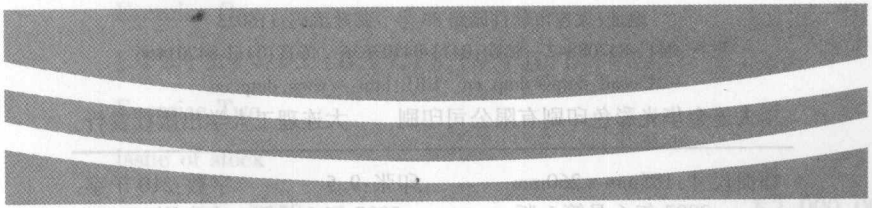


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前 言

随着中国加入 WTO,英语在中国的发展规模空前壮大,英语学习人数在中国也大大增加。各个行业对于本行业的专业英语水平的要求也越来越高。作为应用英语课程之一的会计英语的重要性也越发凸显。随着跨国公司、中外合资企业、外商独资企业在中国的迅猛发展,企业对懂会计专业英语的人才的需求也越来越大。针对这一需要,并且根据作者多年的会计英语教学经验及对社会需求的调查,本书尽力突出以下特点:

本书自始至终使用同一案例来解释会计循环的具体操作,充分体现了会计知识的系统性和连续性,并且增强了学生对会计知识的感性认识。书后列举了大量的实践习题,增加了学生实际操作的机会,培养了学生用英语思维方式来研究专业知识的能力。此外本书注重培养学生对会计英语的兴趣,并尽量扩展学生的会计英语背景知识。每一章节后配有词汇表、注释和各类习题,以便读者在学习时参考使用。

本书可作为普通高等院校和高职院校的会计、财务等专业的专业英语用书及商务英语专业课用书。

本书在编写过程中,沈阳师范大学职业技术学院曲洪山通审了全部书稿同时也得到了大连理工大学出版社有关人员的大力支持和帮助。在此,一并表示真挚的谢意。

由于作者水平有限,书中错误之处在所难免,欢迎广大读者指正。

编者
2007年4月

CONTENTS

Chapter 1	General View of Accounting	1
Chapter 2	Forms of Business Organization	9
Chapter 3	Accounting Equation and Illustration	17
Chapter 4	Accounts	24
Chapter 5	Double – Entry System	32
Chapter 6	Journalizing	39
Chapter 7	Posting and Trial Balance	46
Chapter 8	Adjustments	55
Chapter 9	Financial Statements	63
Chapter 10	Closing Entries	69
Chapter 11	Sales and Purchases	81
Chapter 12	Cash and Marketable Securities	87
Chapter 13	Accounts Receivable	92
Chapter 14	Notes Receivable	97
Chapter 15	Inventories	103
Chapter 16	Plant Assets	109
Chapter 17	Bonds Payable	117
Chapter 18	Capital Stocks	122
Reference Answer	127

Chapter

1

General View of Accounting

As one of the oldest professions, accounting is as old as the civilization of human. It is essential to the phases of history. Accountants participated in the development of nations, trade, finance, money and banking, and they invented double-entry bookkeeping that fueled the Renaissance. They made many Industrial Revolution investors and businessmen survive the bankruptcy. They play an important role in the information revolution that is improving the global economy.

Definition of Accounting



Some people often misunderstand accounting as bookkeeping, which is a process of accounting, the means of recording transactions and keeping records. Bookkeeping is the day-to-day record-keeping involved in the process of accounting. Bookkeeping is a small, simple but important part of accounting. Accounting allows the creation of accurate financial reports that are useful to managers, regulators, shareholders, creditors and owners. The major goal of accounting is the analysis, interpretation, and use of information.

Early definitions of accounting generally focused on the traditional record-keeping functions of the accountant. The American Institute of Certified Public Accountants (AICPA) defined accounting as “the art of recording, classifying, and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of a financial character, and interpreting the results thereof.” The modern definition of accounting, however, is much broader. It is defined as “an information system that measures, processes, and communicates financial information about an identifiable economic entity”. Encyclopedia defines accounting as “the process of maintaining, auditing, and processing financial information for business purposes”.

The modern accountant, therefore, is concerned not only with record-keeping but also with a whole range of activities involving planning, problem solving, evaluation, review, and auditing. Today’s accountant focuses on the ultimate needs of those who use accounting informa-

tion, whether these users are inside or outside the business itself. In modern business society, accounting is considered as a service activity. It is a link between business activities and decision makers. Accounting measures business activities by recording data about them for future use. Then, through data processing, the data are stored and processed to become useful information. Last, the information is communicated, through reports, to those who can use it in making decisions.

The Users of Accounting Information



Accounting and accounting information are used dramatically commonly. The users of accounting information can be divided roughly into two groups: 1. those who have a direct interest in the business including management; 2. those who have indirect interest in the business.

1. Users with Direct Financial Interest

Present and Potential Investors They are interested in the past success of the business and its potential earnings in the future. They are concerned about operating results of business and profit sharing policy in order to make decisions whether to increase, or decrease the investments.

Present and Potential Creditors Most companies must borrow money for operating needs. The creditors, who lend money or deliver goods and services before being paid to the company, are interested in whether the company will have the cash to pay the interest and repay the debt at fixed time. Banks, finance companies, mortgage companies, securities firms, insurance firms, suppliers, and individuals who lend money expect to analyze a company's financial position before making a loan to the company.

Management Management is the group in a business who has overall responsibility for operating the business and for achieving the business goals. In a small business, management may include the owners of the business. In a large business, management often consists of hired managers. Managers must make the right decisions on the basis of timely and correct information. A major function of accounting is to provide management with relevant and useful information, such as: what was the company's net income during the past year? What products are most profitable? What is the cost of manufacturing each product? At this point, management is one of the most important users of accounting information.

2. Users with Indirect Financial Interest

Tax Authorities Governments are financed through the collection of taxes, such as income taxes, social security and payroll taxes, and sales taxes. Each tax requires special tax returns and often a complex set of records as well. Tax authorities don't have direct financial interest in the company, but they usually analyze the tax status undertaken by a business to establish

tax policy.

Other Groups Those who advise investors and creditors have an indirect interest in the financial performance of a business. Included are financial analysts and advisers, brokers, lawyers, economists, and the financial press. Customers and the general public are also concerned about the operating results, the effects that corporations have on inflation, environment, social problems, and the quality of life.



Accounting Profession

Accountants design and maintain accounting systems and prepare financial statements and reports for individuals, departments and organizations. They develop internal control systems for businesses and prepare income tax return. They analyze financial data. They assist in the management of financial records and financial planning. Currently, more accountants work for companies in a variety of industries than for accounting firms specially.

Accountants really know how business works because they spend a lot of time to study the business. Most Chief Financial Officers of large corporations have a background in accounting and they probably have the best understanding of what drives business and profits in a company.

Accounting profession is sorted into public accounting, government accounting, management accounting and internal auditing.

Public accounting

Public accountants who usually are Certified Public Accountants work in their own businesses or work for accounting firms that provide accounting services to individuals, businesses, and governments. Those services contain accounting, auditing, tax, and consulting services. For example, they analyze accounting and financial records to ensure that they are accurate and comply with accounting procedures and relevant legislation. They set up accounting systems for clients. They examine a company's books certifying that the accounts are true and fair. They provide financial services and advice to businesses and individuals to help in areas, such as taxation, computerization, marketing, and business strategy.

Some public accountants concentrate on tax matters, such as providing advice on tax advantages and disadvantages of certain decisions and preparing individual income tax returns. Some public accountants advise the companies of the compensation or employee healthcare benefits. Others audit clients, financial statements, and report to ensure those financial statements and report are prepared and reported correctly.

Some public accountants specialize in forensic accounting, for example, investigating and interpreting securities fraud and embezzlement, contract dispute, bankruptcy and money laun-

dering by organized criminals. In order to finish their work successfully, forensic accountants must combine their knowledge of accounting and finance with law and investigative techniques. They often appear in the court as expert witnesses during trials.

The profession flourishes in China. China needs about 350 thousand of CPAs. In the future 10 years, CPAs will be on the top of the list of the first 15 kinds of persons with ability that are most needed in China.

»» Government accounting

Government accountants may work for the local or state level. They keep and examine the records of government units. Their main tasks are to administer and formulate budgets, to track costs and to analyze programs. They must follow special procedures and regulations and reports for government officials. Government accountants have good opportunity to be controller or to be put in higher administrative positions.

»» Management accounting

Management accountants work in companies and help the management make decisions. They provide the management advice about capital budgeting and business analysis. Their work involves analyzing new contracts and expenses efficiently. It also includes the analysis of the organizations. In addition, management accountants create budgets and manage costs and assets. They record and analyze the financial accounting information, market share, competition, and expansion opportunities of the company. Management accountants must take a strategic view of organizations. Now, management accountants often work side by side with marketing and finance to develop new business.

Unlike financial accounting information, which, in most cases, is made publicly available, management accounting information is only used within an organization and is usually confidential.

»» Internal auditing

Internal auditors check accounting ledgers and financial statements within companies. They also check whether the company's financial records are correct. They may check waster or fraud and find ways to prevent financial loss. They also make sure the company's operations are efficient.

The main tasks that auditors go in for are as the follows:

Take training to keep skills up to date.

Create and develop auditing systems for companies or agencies.

Conduct research to learn auditing needs for companies or individuals.

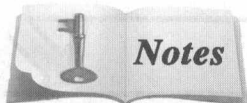
Determine and record the value of real property.

Analyze the financial data and records to ensure that they comply with legal and financial standards.

Words and Terms ● ● ● ● ●



accounting n.	[ə'kauntɪŋ]	会计行业
finance n.	[faɪ'næns, fi-]	财政, 金融
banking n.	['bæŋkɪŋ]	银行业
double-entry bookkeeping		复式记账
industrial revolution		工业革命, 产业革命
bankruptcy n.	['bæŋkrəp(t)si]	无偿债能力; 破产, 倒闭
economic entity		经济实体
encyclopedia n.	[en'saɪkləu'pi:diə]	百科全书, [某一学科的] 专科全书
auditing n.	['ɔ:dɪtɪŋ]	审计, 稽查; 审计学
shareholder n.	['ʃeəhəʊldə]	股东
investment n.	[ɪn'vestmənt]	投资
creditor n.	['kredɪtə]	债权人; 债主
mortgage n.	['mɔ:ɡɪdʒ]	抵押借款, 按揭
income tax		[个人] 所得税
social security		社会保障
payroll tax		工薪税
tax return		纳税申报表
consolidated accounts		合并报表的综合账目
financial statements		财务报表
internal control system		内部控制系统
income tax return		所得税申报表
financial data		财务信息
Chief Financial Officer		首席财务官
auditor n.	['ɔ:dɪtə]	审计员
contract v.	[kən'trækt]	承包, 订约
legislation n.	[ˌledʒɪs'leɪʃən]	法律、立法
taxation n.	[tæk'seɪʃən]	征税、税收
forensic accounting		司法会计
fraud n.	[frɔ:d]	诈骗
contract dispute		合同质疑
controller n.	[kən'trəʊlə]	审计官、审计员
ledger n.	['ledʒə]	分类账



Notes

1. Renaissance 文艺复兴。是 14 世纪至 16 世纪在欧洲兴起的一个思想文化运动,带来一段科学与艺术革命时期,揭开了现代欧洲历史的序幕,被认为是中古时代和近代的分界。西方史学界曾认为它是古希腊、罗马帝国文化艺术的复兴。

2. Accounting is defined as “the art of recording, classifying, and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of a financial character, and interpreting the results thereof”. 会计是对具有财务特征的交易和事件以货币形式进行记录、分类和汇总并对结果进行解释的一种艺术。

3. It is defined as “an information system that measures, processes, and communicates financial information about an identifiable economic entity”. 会计被定义为是对某一经济实体的财务信息进行测量、处理和传达的信息系统。

4. Encyclopedia defines accounting as “the process of maintaining, auditing, and processing financial information for business purposes”. 百科全书将会计定义为由于经济目的而对财务信息进行维持、审计和处理的过程。

5. Bookkeeping is the day-to-day record-keeping involved in the process of accounting. 簿记是对会计信息以时间为顺序的记录。

Exercise One

The users of accounting information can be divided roughly into two groups: those who have a direct interest in the business (D); those who have indirect interest in the business (I). Write the correct letter D or I in the brackets.

- () management
- () creditors
- () investors
- () lawyers
- () brokers
- () tax authorities
- () financial press

Exercise Two

Write the missing words in the blanks. Choose words from the text.

1. Accounting is as old as the of human.
2. Accountants invented bookkeeping system that fueled the Renaissance.

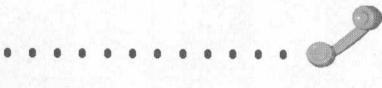
3. Accountants play an important role in the information revolution that is improving the economy.

4. AICPA defined accounting as “the art of , and in a manner and in terms of , transactions and events of a financial character, and interpreting the results thereof.”

5. The modern definition of accounting is an information system that , , and financial information about an identifiable .

6. Encyclopedia defines accounting as the process of , and processing financial information for business purposes.

7. In modern business society, accounting is seen as a activity. It is a link between business activities and decision makers.

Exercise Three 

Match the professions in column A with the jobs in column B and write the numbers on the line.

Column A

Column B

Public Accountants

Government Accountants

Management Accountants

Internal Auditor

1. They work for local or state government.
2. They check accounting ledgers and financial statements within companies.
3. They work in companies and help the management make decisions.
4. They check whether the company's financial records are correct.
5. They provide the management advice about capital budgeting and business analysis.
6. They may check waster or fraud and find ways to prevent financial loss.
7. They analyze the expansion opportunities of the company.
8. They are usually Certified Public Accountants.
9. Their main tasks are to administer and formulate budgets, to track cost and to analyze programs.
10. They provide services to individuals, businesses, and governments.
11. They must follow special regulations to report for government officials.

Exercise Four

Discuss the following questions with your partners.

1. What are the differences between accounting and bookkeeping?
2. Why are investors and creditors interested in accounting information?

Exercise Three

Match the professions in column A with the jobs in column B and write the number on the line.

Column A	Column B
1. They work for local or state government.	Public Accountants
2. They check accounting ledgers and financial statements within companies.	Accountants
3. They work in companies and help the management make decisions.	Management Accountants
4. They check whether the company's financial records are correct.	Internal Auditor
5. They provide the management advice about capital budgeting and business matters.	Cost Accountants
6. They may check, witness or fund and find ways to prevent fraud.	Government Accountants
7. They check to the expansion opportunities of the company.	Financial Auditor
8. They are usually certified Public Accountants.	Government Auditors
9. Their main tasks are to administer and formulate budgets, to track cost and to analyze programs.	Internal Auditor
10. They provide services to individuals, businesses, and government.	Government Accountants
11. They must follow special regulations to report for government officials.	Government Auditors

Forms of Business Organization

Accountants need to understand the three basic forms of business organization; sole proprietorships, partnerships, and corporations. Accountants should recognize each form as an economic unit separate from its owners, although legally only the corporation is considered separate from its owners.



Sole Proprietorship

A business owned by one person is called a sole proprietorship or a single proprietorship. The sole proprietorship is a popular and frequently used form of business organization. The sole proprietorship is prevalent in the retail industry, handicrafts, agriculture, forestry, fishery, and other service and family workshops. When your business is organized as a single proprietorship, the business entity and your personal and business affairs are merged together. From the viewpoint of all legal rights and responsibilities, your sole proprietorship business and you are considered to be one and the same.

The owner of a sole proprietorship directs business activities and may supply all management and labor used by the business. Employees can supply management and labor without changing the nature of the sole proprietorship. The proprietor owns all the profits and is responsible for losses. Therefore, the proprietor should pay all the debts that the business owes.

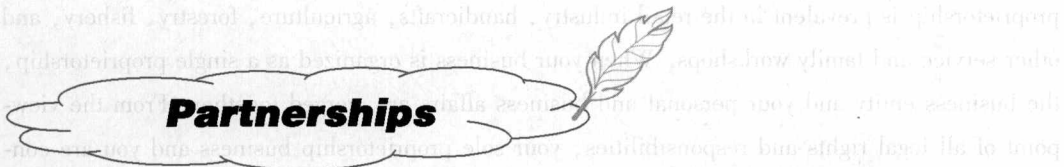
For business and financial management purposes, it is best to maintain completely separate records for the business unit and the family or household. To ensure you have documentation needed for income tax reporting purposes, it's best to use separate bank accounts and separate credit arrangements for your business and your family affairs. When business and household expenditures are incurred jointly, it is necessary to allocate the respective portions to the business and the household. Pay the business and personal amounts from the respective bank accounts.

»» Advantages of Sole Proprietorship

The simplicity and flexibility make the sole proprietorship popular in most cases. A sole proprietorship can be set up, modified, bought, sold or terminated very quickly. The proprietor can change the size and management of the business unit, as he or she desires at any time. Children can be involved in both business and family activities as determined by their age, interests, abilities and parents' wishes. The involvement of family members in the business is relatively unrestricted.

»» Limitations of Sole Proprietorship

Everything the proprietor and family own is always at risk in both personal and business activities. If the business becomes insolvent, creditors have rights to force the owner to sell his or her own properties to pay the debts. On the other hand, the owner can withdraw money from the business account to pay for personal living expenses. In a sole proprietorship business, the credit availability and business opportunities are severely restricted. Since a sole proprietorship may end with the death of the proprietor, if business activities are to continue, a new business must be established by the survivors. In a sole proprietorship, it is difficult to measure financial performance and profitability because the business and household finances are often mixed. It may lead to loss of equity that is not recognized until the business is in serious financial difficulty.



Partnerships are set up by the owners who wish to combine capital or managerial talents for some common business purpose. In accounting, partnerships are considered as separate entities from the owners. They are different in many ways from other forms of business. A partner will be responsible for his or her partners' business actions because a partnership is a voluntary organization of two or more owners. When owners invest property into the business, they give up the claim on their separate use of the property. Because the property is owned jointly by all the owners, each partner has the right to share the company's profits and also have the liability to share the losses.

Partnerships are classified into two types: general partnership and limited partnership. Most partnerships are organized as general partnerships. In most cases, the partners have blood relation or marital relation. All partnerships should be based on a written partnership agreement. The lack of a written agreement can result in the internal conflicts between partners when

a disagreement arises. In a general partnership, public notice of the partnership agreement is not required. The partnership agreements in a limited partnership must be registered with the government.

»» Advantages of Partnerships

Partnerships are an easy way of assembling enough financial and physical resources to make it possible to set up or continue a business. If the partnership agreement doesn't contain restrictive provisions that prevent to do so, partners in a general partnership can specialize in management and operations according to their skills and interests. In a limited partnership, the limited partners have limited liability except the general partner. The borrowing capacity of a partnership may be greater than the total borrowing capacity of the partners as individuals. Opportunities for family members to work together in starting or operating a business are relatively unlimited. The last advantage is that record-keeping and income tax filing requirements are simple.

»» Limitations of Partnerships

The partnership agreement should contain the method of how to distribute profits and losses to each owner. If the agreement describes the method of distributing the profits but does not mention the losses, the losses are distributed in the same way as profits. If the agreement doesn't describe the method of distributing the profits and losses, the profits and losses must be shared equally. Just like a sole proprietorship, the partners have unlimited liability for the debts of the business. Each partner is responsible for all the debts of the business. All assets of each partner are at risk in a general partnership, while in a limited partnership, all assets of the general partner are at risk. If the assets of the business are not enough to pay all debts, the creditors have the rights to sell the personal properties of each partner for payment. All partners in a general partnership and the general partner in a limited partnership can enter into contracts and incur obligations that all partners must obey. Management responsibility is divided among the partners, so no one has an overall understanding of the financial position of the partnership.

Because a partnership is formed by a partnership agreement between partners, it has limited life. A partnership is ended when a partner withdraws, goes bankrupt, dies or retires. The admission of a new partner may bring an end to the partnership. Each partner is an agent of the business within the scope of the business. Any partner can stand for the company to sign a contract as long as he or she acts within the scope of normal operations of the business. In a partnership business, partners holding a minority interest can be alienated and the interests of minority partners may be ignored.



Corporations

A corporation is a big company, or a group of companies acting as a single organization. A corporation, chartered by the state in which it is headquartered, is considered by law to be a unique entity, separate and apart from those who own it. A corporation is formed by the investment of the stockholders. Stockholders refer to those who own the shares of stock that the corporation issues. The stockholders transfer cash or other resources to the corporation to own the share. Stockholders do not usually take part in the day-to-day management of a corporation directly. They elect the board of directors who decides on the major business policies, authorizes contracts, determines on executive salaries and arranges major loans with banks. Another important function of the board of directors is the declaration of dividends. Dividends are generally cash. Usually, the board of directors contains several officers of the corporation and several outsiders. The board of directors appoints the managers of a corporation to execute the company's policies and carry out day-to-day operations. The management must report the financial results to the board of directors and to the stockholders periodically. In most cases, the management consists of the president, vice presidents, controller, treasurer, and secretary. The corporation has a life of its own and does not dissolve when ownership changes.

»» Advantages

The independent life of the corporation makes its continuation possible. The incapacity or death of one or more stockholders can't disturb the continued operation of the corporation. The purchase, sale, and gifting of stock make it easy to transfer ownership without changing the corporation's ability to conduct business. Keeping separate finances and records from the stockholders make corporations reduce the risk of unrecognized equity liquidations.

Separate legal entity, limited liability, ease of capital generation, lack of mutual agency, centralized authority and responsibility, and professional management are other typical advantages over the sole proprietorship and the partnership.

»» Limitations

The corporation has its own disadvantages. The process of incorporation spends more time and money than other forms of organization; the requisition of personal guarantees from corporate officers as a condition of supplying credit has negative influence on the limitation of liability; the conflicts and disagreements among the stockholders may obstruct decision making. Restrictions on the sale of stock make it difficult for minority stockholders to *recover the value of*