

会计英语

(修订本)

ACCOUNTING ENGLISH (REVISED EDITION)

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(修 订 本)

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前 言

随着我国改革开放的深入，会计国际化的进程也在不断加快。为使大专院校的学生、广大会计人员和企业管理人员学习、掌握西方财务会计的专业知识，解决实际工作中遇到的问题，我们在认真总结多年西方财务会计教学经验的基础上，参考了美国大学最新版本的会计教科书，跟踪会计发展的前沿和热点，对1995年中国财政经济出版社出版的《会计英语》，进行了全面的修订和补充。

本书共14章，包括英文课文、专业词汇及专业术语注释和参考译文。着重介绍会计专业词汇及西方财务会计的基本理论、方法和概念。本书中英文对照，语言简练，内容翔实，系统性和专业性较强，可作为大专院校的会计英语教材，也可作为广大会计工作者和企业管理人员自学参考书。

本书第一章、第二章由张岚编写，第三章由罗乐编写，第四章至第六章由孟沁编写，第七章、第十二章、第十三章由齐硕编写，第八章、第九章、第十章、第十一章和第十四章由

白蔚秋编写。全书由李爽和白蔚秋负责总纂。

由于水平有限，书中错误疏漏之处，恳请广大读者批评指正。

编者

2001 年 3 月

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CHAPTER 1

AN OVERVIEW OF ACCOUNTING

1 – 1 What is accounting

Accounting is the process of identifying, measuring and communicating economic information which permit the users to make informed judgments and decisions. This information is primarily financial, stated in monetary terms.

Every profit seeking business organization that has economic resources, such as money, machinery and buildings, uses accounting information. For this reason, accounting is regarded to the language of business. Accounting also serves as the language providing financial information about not for profit organizations, such as governments, churches, charities and hospitals. However, this text concentrates on accounting for business firms.

1. The purpose of accounting

The primary purpose of accounting is to provide information to help people make decisions about economic activities. Accounting is not an end, but a means to an end. The financial product of accounting information is the decision that is ultimately enhanced by

the use of accounting knowledge. To some extent, accounting has something in common with map. It helps decision makers determine where they have been, where they are and where they will go.

2. Accounting from a user's perspective

Many people think of accounting as simply a highly technical field practiced only by professional accountants. In reality, nearly everyone uses accounting information daily. Accounting information is simply the means by which we measure and communicate economic events. Whether you manage a business, make investments or monitor how you receive and use your money, you are working with accounting concepts and accounting information.

Because of the significance of accounting in our daily life, through this text we try to develop your ability to understand and use accounting information in making economic decisions. To do this, you will develop an understanding of the following:

- (1) the nature of economic activities that accounting information describes;
- (2) the assumptions and measurement techniques involved in developing accounting information;
- (3) the information that is most relevant for making various types of decisions. \ ;

3. Types of accounting information

The terms financial accounting, management accounting and tax accounting are often used in describing three types of accounting

information that are widely used in the business community.

(1) Financial accounting

Financial accounting refers to information describing the financial resources, obligations and activities of an economic entity, either an organization or an individual. Accountants use the term financial position to describe an entity's financial resources and obligations at one point in time and the term results of operations to describe its financial activities during the year. Financial accounting information appears in financial statements that are intended primarily for external use, although management also uses them for certain internal decisions. In fact, financial accounting information is used for so many different purposes that it is often called "general purpose" accounting information.

(2) Management accounting

Management accounting involves the development and interpretation of accounting information which is for internal use and provides special information for the managers of a company. The information managers use may range from broad, long-range planning data to detailed explanations of why actual costs varied from cost estimates. Much management accounting information is financial in nature, but often includes evaluations of "nonfinancial" factors, such as political and environmental considerations, product quality, customer satisfaction and worker productivity.

(3) Tax accounting

Tax accounting is a specialized field which involves the preparation of income tax returns. To a great extent, tax returns are based on financial accounting information. However, the information of-

ten is adjusted or reorganized to conform to income tax reporting requirements. The most challenging aspect of tax accounting is not the preparation of an income tax return, but tax planning. Tax planning means anticipating the tax effects of business transactions and structuring these transactions in a manner that will minimize the income tax burden.

4. The differences between accounting and bookkeeping

Accounting is often confused with bookkeeping. Bookkeeping is a mechanical process that records the routine economic activities of a business. Accounting includes bookkeeping but goes beyond it in scope. Accountants analyze and interpret financial information, prepare financial statements, conduct audits, design accounting systems, make forecasts and budgets and provide tax services.

1 – 2 The environment of financial accounting

The environment of financial accounting consists of financial accounting information, provider of capital, managers, independent auditors and ethics and professional reputation.

1. Financial accounting information

Financial accounting information helps investors and creditors evaluate and predict the ability of managers to generate investment returns. It also provides numbers that are used in the debt and compensation contracts, which serve to protect the providers of capital

by enabling them to exert control over the manager's activities.

Financial accounting information is broader than financial statements. Stated in another way, financial statements are a subset of the total information encompassed by financial reporting. Investors, creditors and other users of financial information learn about an enterprise in a variety of ways in addition to its formal financial statements (for example, press releases sent directly to investors and creditors, articles in *The Wall Street Journal* and more recently open communications via the Internet). Serious investors, creditors and other users of financial information take advantage of many sources of information that will support their economic decisions about an enterprise.

2. Provider of capital

The providers of capital, in the form of debt and equity investors, invest in companies operated by managers and expect to receive interest, principal or dividend payments. Investors are individuals and other enterprises that own the reporting enterprise. Creditors, on the other hand, are individuals and other enterprises that have provided credit to the reporting enterprise. For example, a commercial bank may have loaned money to the reporting enterprise, or a supplier may have permitted the reporting enterprise to purchase goods and to pay for those goods later.

When we are talking about the providers of capital, we should keep in mind that this group includes not only current investors and creditors but also those individuals and other enterprises that may become investors and creditors in the future.