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会计英语

行业英语系列教材

主编 陈雪翎



高等教育出版社

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主 编 陈雪翎

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前 言

目前,世界已进入信息时代,随着经济的全球化发展和我国加入世界贸易组织及改革开放的深入,国内企业与外资企业的合作交往与日俱增,大量的外商相继在中国投资设立企业,开展业务活动。而会计是国际通用的“商业语言”,自然要快速地向国际化迈进,使人们在会计语言上能够相互沟通。会计的产生与发展是随着生产实践及经济管理的实际需要产生和发展的。会计的目的是通过对经济活动的记录、计量、报告,提供经济管理所需的信息,参与经济决策,提高公司的经济效益。从某种意义上说,财务会的词语已经不是财务会计人员专用的了,应该为所有的企业管理人员和经济工作者所熟悉。鉴于上述情况,包括会计在内的商务交流越来越多地需要用英语进行,会计英语的重要性就显得更加突出,而且会计英语的使用已不仅仅是看英文的会计报表,还需用英语就业务问题进行讨论交流。这就要求学生不但能准确地掌握会计英语词汇的确切含义,还要熟识与会计相关业务的背景知识。

为适应形势的需要,我们编写了这本为会计人员用英语交流为主要内容的教材,供高等院校公共英语学习阶段之后的会计专业英语课程使用。本书编写工作所贯彻的原则为:在加强英语语言基础和提高基本技能的同时,重视培养学生实际使用英语进行交际的能力。教材中既有理论的学习(如会计准则、会计账户、会计簿记、公司概况、投资证券、现金控制等),又有各种会计报表(如分录、试算表、资产负债表、损益表、现金流量表等),情景基本反映公司会计的主要业务,具有较强的实务操作性。本书除阅读文章外,还配备了形式多样的练习,用了大量的篇幅进行会计英语的听力和会话训练,还涉及会计人员求职面试等实际,使学生犹如身临会计英语的使用环境。

本书由上海立信会计学院外语系陈雪翎、刘昕和财务管理系吴向阳编写。陈雪翎为主编,负责全书文稿的整理、统稿及词汇的审定编写,刘昕负责第1、2、3、4、9、10课主要内容的编写,吴向阳负责第5、6、7、8课主要内容的编写。本书的编写工作得到了有关同行专家和高等教育出版社编写人员的指导和帮助,我们谨表示衷心的感谢。

由于编者水平有限,书中难免有差错。我们殷切期望同行和使用教材的师生对本书提出宝贵意见。

编 者

2006年5月

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Chapter 1

Introduction to Accounting Principles

New Words & Expressions

entity	/ˈentəti/	n. 实体
entry	/ˈentri/	n. 记录; 分录
proprietorship	/ˌprəʊˈpraɪətə(r)ʃɪp/	n. 业主权; 所有权
partnership	/ˈpɑːtnəʃɪp/	n. 合伙关系; 合伙企业
liquidate	/ˈlɪkwɪdeɪt/	v. 清算
offset	/ˈɒfset/	v. 抵消, 冲抵
entrepreneur	/ˌɒntreˈprəʊnə(r)/	n. 企业家; 创业者
proceeds	/ˈprəʊsiːdz/	n. 收入, 收益
laurel	/ˈlɔːrəl/	n. 荣誉; 桂冠
royalty	/ˈrɔɪəlti/	n. 使用费; 特许权
delegate	/ˈdelɪɡeɪt/	v. 授权; 委托
performance	/ˌpɜːfɔːməns/	n. 业绩; 绩效
stakeholder	/ˈsteɪkhəʊldə/	n. 有利害关系者(股东、债权人等)
attribute	/ˈætrɪbjʊt/	n. 属性; 标志
appreciation	/əˌpriːʃiˈeɪʃən/	n. 了解; 评价
accountability	/əˌkaʊntəˈbɪləti/	n. 责任(性)
board of directors		董事会
credit rating		信用评级
staying power		持久力
cash flow		现金流量
over-the-counter market		场外交易市场
going concern		持续经营

Act I: Description of the Types of Business Entities



A

Listen to three people talking about their business and do the following exercises.

1. Can you complete the table?

Speaker	Company	Type of Business Entity
Nicholas		
James		
Alan		

2. Listen again and answer the following questions.

- (1) What is also important in Nicholas's work besides his routine work?
- (2) Record the entries when James's company received the capital.
- (3) What is Alan & Rosa's contract mainly about?



B

Read the article and complete the table.

A sole proprietorship is a form of business entity owned by one person. The life of the business ends when the owner is no longer willing or able to keep the firm going. The owner of a sole proprietorship is legally responsible for the debts and taxes of the business. If, for example, the firm is unable to pay its debts, the creditors (those people, companies, or government agencies to whom the firm owes money) can turn to the owner for payment. The owner may then have to pay the debts of the business from personal savings or other personal resources. When the time comes to pay income taxes, the owner's income and the income of the business are combined to compute the total tax responsibility of the owner.

A partnership is a form of business entity owned by two or more people. In a partnership, all the partners act as agents for the business. A partnership can last only as long as the life span of any of its partners. The death or withdrawal of one partner ends the partnership. The partners are individually responsible for the debts and taxes

Chapter 1 Introduction to Accounting Principles

of the partnership. Their personal bank accounts or other personal resources may be used to pay creditors when the partnership is unable to provide payment.

The corporation is owned by several owners (may have many owners, even thousands of owner). It is a legal entity separate from the legal identities of its owners, the shareholders. In the eyes of the law, the corporation becomes for most purposes a "person" with its own federal identification number. Of course, one cannot see, hear, or touch a corporation, so it must interact with the rest of the world through its agents, the corporation's officers and employees. The corporate form of business entity is unique because ownership can change through the sale of shares of stock by one individual to another without the form ending. One of the advantages of a corporation is that it can last forever. The life of a corporation ends only when it can no longer pay its creditors and goes bankrupt or when the stockholders vote to liquidate it. Corporate owners, often called stockholders or shareholders, are not responsible for the debts or taxes of the corporation. The most money that a stockholder can lose if the corporation is unable to pay its bills is his or her initial investment in the firm — the cost of the shares of stock that were purchased by the stockholder.

Discussion:

1. List the major characteristics of different types of business entity.

Characteristic	Type of Business Entity		
	Sole Proprietorship	Partnership	Corporation
Ownership			
Life of the business			
Responsibility for the debts of the business			

Discussion:

2. Can you list the advantage(s) and disadvantage(s) of each form of business entities?

	Advantage(s)	Disadvantage(s)
Sole Proprietorship		
Partnership		
Corporation		



Read the following article and choose a business form.

The Consulting Firm

Betty, Melba, and Rick had earned their graduate business degrees together and had paid their dues in middle management positions in various large corporations. Despite their different employers, the three had maintained their friendship and were now ready to realize their dream of starting a consulting practice. Their projections showed modest consulting revenue in the short-term offset by expenditures for supplies, a secretary, a small library, personal computers, and similar necessities. Although each expected to clear no more than perhaps \$25,000 for his or her efforts in their first year in business, they shared high hopes for future growth and success. Besides, it would be a great pleasure to run their own company and have sole charge of their respective fates.

The Software Entrepreneur

Howard was cashing a seven-figure check for his share of the proceeds from the sale of the computer software firm he had founded seven years ago with four of his friends. Rather than rest on his laurels, however, Howard saw this as an opportunity to capitalize on a complex piece of software he had developed in college. Although Howard was convinced that there would be an extensive market for his software, there was much work to be done before it could be brought to market. The software had to be converted from a mainframe operation system to the various popular microcomputer systems. In addition, there was much marketing to be done prior to its release. Howard anticipated that he would probably spend over \$300,000 on programmers and salespeople before the first dollar of royalties would appear. But he was prepared to make that investment himself, in anticipation of retaining all the eventual profit.

The Hotel Venture

Diane and Gary were not nearly as interested in high technology. Directly following their graduation from business school, they were planning to construct and operate a resort hotel near a popular ski area. They had chosen as their location a beautiful parcel of land in Colorado owned by their third partner, Sharon. Rich in ideas and enthusiasm, the three lacked funds. They were certain, however, that they could attract investors to their enterprise. The location, they were sure, would virtually sell itself.

Discussion:

Which of the various legal business forms can they choose for the operation of their enterprises? Why?

Act II: The Role of Accounting in Business



Barbara Demastes, who is recently promoted to be a sales manager, is talking to Kurt Stancliffe, a financial manager. Study their conversation and answer the questions.

Kurt: Congratulations, Barbara.

Barbara: Thank you, Kurt. I am glad that you are here. Can you do me a favor?

Kurt: Sure. What can I do for you?

Barbara: You know, I have done my job well in the past two seasons. The number of my clients has doubled. The sales have gone up by 40 percent. These are the main reasons why I was chosen to be the sales manager. But my problem is that I haven't background broad enough to understand the complicated international trade and my job requires me to work closely with financial department. I'm not sure whether I'm qualified for the new job. Can you give me some suggestions?

Kurt: I'd be glad to. There are a number of specialized fields of accounting. The most common specialized fields of accounting are financial accounting and managerial accounting. Other fields include cost accounting, environmental accounting, tax accounting, accounting systems, international accounting, not-for-profit accounting, and social accounting. I suggest you take financial accounting courses first. With the basic knowledge of financial accounting, you might explain to your sales staff why they can not get their bonus at the end of this year if the order is placed at the end of this year while shipped early next year.

Barbara: Sounds interesting.

Kurt: You will depend a lot on the financial information for your decision making. For example, you will need cost-benefit data to decide your sales strategies. In order to promote your sales, you need to understand the alternatives of reducing prices, increasing advertising or doing both in attempt to maintain the company's shares.

Barbara: Great. I know where to start. I feel much better now. Thank you, Kurt.
You are always helpful.
Kurt: Don't mention it.

Questions:

1. What suggestion does Kurt give to Barbara?
2. What difficulties do you think Barbara might face in her new job?
3. What are your suggestions for Barbara?



E

Information Users

John Burtis, a journalist who works for the magazine *The Business*, is interviewing Phyllis Carlin, a financial manager in Fitness Co., Ltd. Study the conversation and do the exercises.

John: Good morning, Mr. Carlin. It's my pleasure to interview you.

Phyllis: Pleasure is mine, Mr. Burtis.

John: Mr. Carlin, what do you think is important for a financial manager?

Phyllis: To perform effectively, the financial manager must have a clear understanding of the company's goals.

John: What goals do firms in practice ordinarily pursue?

Phyllis: One of the most important goals of business firms is maximization of the owners' interest in the firm, that is, maximization of value of the corporation's shares.

John: Who determines the company's goals?

Phyllis: Theoretically, they are determined by the owners, I mean the shareholders, as represented by an elected board of directors. In reality, the shareholders delegate to management enormous powers to run the company. This delegation of authority is acceptable to most stockholders, so long as the company's performance is satisfactory in terms of dividend payments and earnings. Most large firms are run by professional managers who, by law, represent the stockholders.

John: As I know, accountants speak a special language that puzzles people outside the circle.

Phyllis: Right. So we must explain the meaning of the information to the information users.

John: Who are the major information users?

Phyllis: There are two main categories: internal and external users.

John: Can you make it more specific?

Chapter 1 Introduction to Accounting Principles

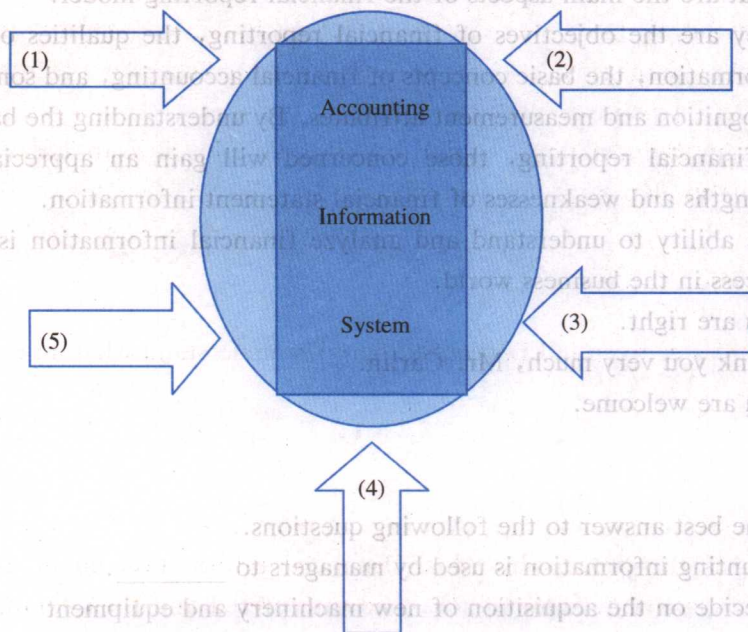
- Phyllis: The internal users include owners, managers, employees, etc. The external users are customers, creditors, government and so on. They use financial information for a large variety of business purposes. For example, managers use it to assess their own performance; investors to monitor their investments and to evaluate their performance of management; rating agencies to assign credit ratings; potential competitors, to assess how profitable it may be to enter an industry; major customers and suppliers, to evaluate the financial strength and staying power of the company as a dependable resource for their business.
- John: What kind of government agencies are interested in the financial information?
- Phyllis: Government agencies that are responsible for taxing, regulating, or investigating the company.
- John: I see. How do you provide the information for the users?
- Phyllis: We will first identify stakeholders and assess their informational needs. Then we will design the accounting information system to meet stakeholders' needs. After that, record economic data about business activities and events. Finally, prepare accounting reports for stakeholders.
- John: But how do decision makers gain sufficient understanding of accounting and the financial reporting model? Should they memorize all of the accounting and reporting procedures?
- Phyllis: No, that would be virtually impossible, and even then, new reporting procedures arise every day. A better and simpler way to understand financial statements is to understand the basic accounting and financial reporting model.
- John: What are the main aspects of the financial reporting model?
- Phyllis: They are the objectives of financial reporting, the qualities of accounting information, the basic concepts of financial accounting, and some important recognition and measurement attributes. By understanding the basic concepts of financial reporting, those concerned will gain an appreciation of the strengths and weaknesses of financial statement information.
- John: The ability to understand and analyze financial information is essential to success in the business world.
- Phyllis: You are right.
- John: Thank you very much, Mr. Carlin.
- Phyllis: You are welcome.

Exercises:

1. Choose the best answer to the following questions.
 - (1) Accounting information is used by managers to _____.
 - A. decide on the acquisition of new machinery and equipment

- B. evaluate the efficiency of operations
- C. calculate year-end bonuses
- D. All of the above.
- (2) Accounting information is used by external decision makers to _____.
- A. decide on the acquisition of new machinery and equipment
- B. estimate the amount of risk associated with investing in a company
- C. estimate future demand for a company's products in new markets
- D. determine the amount of advertising to be undertaken by the company
- (3) Which information is NOT likely to be included in the information provided by management to creditors and investors?
- A. Information on the company's past operating results.
- B. Information on the resources currently held by the company.
- C. Information on the cash flows for the last period.
- D. Information on competitors' projected sales.
2. Put the following statements about accounting information systems and decision making in the right order and complete the chart.
- A. Design the accounting information system to meet stakeholders' needs.
- B. Record economic data about business activities and events.
- C. Identify stakeholders.
- D. Prepare accounting reports for stakeholders.
- E. Assess stakeholders' informational needs.

The Process of Providing Information



ACT III: Accounting Principles



F

Barbara meets Kurt after she has taken the financial accounting course. Read the conversation and answer the questions.

Kurt: Hi, Barbara. How are you getting on with your lessons?

Barbara: I am still struggling with my Accounting Principle course.

Kurt: Oh, don't get discouraged. Not everyone can do as well as you.

Barbara: Thanks. Kurt, can you give me an example of an entity?

Kurt: General Motors Corporation is a good case in point. It is an enormous entity that encompasses many smaller entities such as the Chevrolet Division and the Buick Division. In turn, Chevrolet encompasses many smaller entities such as a Michigan Assembly Plant and an Ohio Assembly Plant.

Barbara: Why is the entity concept important?

Kurt: Because it helps the accountant relate events to a clearly defined area of accountability.

Barbara: Can you make it more specific?

Kurt: For example, the business entity should not be confused with personal entity. A purchase of groceries for merchandise inventory is an accounting transaction of a grocer's store, which is the business entity, but the store owner's purchase of a stereo set with a personal check is a transaction of the owner, which is the personal entity.

Barbara: I begin to understand. I think I need to do a lot of study today.

Kurt: Keep up. Barbara, you will make it.

Questions:

1. What is an entity?
2. What examples can you tell Barbara to help her understand what an entity is?



G

Read the article and do the exercises.

Accounting is the process by which financial information about a business is recorded, classified, summarized, and interpreted and then communicated to

owners, managers, and other interested parties. All types of businesses need and use financial information. Sole proprietorships, partnerships, and corporations have different structures and operate by different rules, but the financial information needed by each is generally the same. Non-profit organizations also need similar types of financial information in order to conduct their operations in an efficient manner.

Those firms that sell stock on stock exchanges or in the over-the-counter markets must publish audited financial reports annually. In the United States, these firms submit these reports to the Securities and Exchange Commission^①(SEC) and make the reports available to stockholders. Thus, stockholders can use this information to measure the firms' management performance and to evaluate their own holdings. The SEC has delegated the authority to develop generally accepted accounting principles to the accounting profession. Currently a group called the Financial Accounting Standards Board^②(FASB) handles this task.

To meet the needs of the external users, a framework of accounting standards, principles and procedures known as "generally accepted accounting principles" (GAAP) have been developed to insure the relevance and reliability of the accounting information contained in these external financial reports.

GAAP refers to some basic concepts of accounting, such as Business Entity, Cost, Going-Concern, Measuring Unit, Accounting Period, and Objectivity.

From an accounting perspective, each business enterprise is considered to be a separate **accounting entity** for which financial statements are prepared. No other interests of the owners are reflected in the financial statements of the entity. The accounting entity is not always the same as the legal entity. Although the corporate form of business organization results in a separate legal entity, unincorporated businesses (proprietorships and partnerships) are not legally separate from their

① Following the 1929 stock market crash and the Great Depression, the American federal government passed the Securities Act of 1933 and the Securities Exchange Act of 1934, which regulate the initial issuance and subsequent trading of securities and provide for continued reporting by companies issuing securities. The legislation also established a Securities and Exchange Commission (SEC). The SEC oversees the issuance and trading of securities of publicly held companies and has been given the authority to establish reporting and disclosure requirements for these companies. The SEC's rules and regulations are designed to ensure that investors have relevant and reliable information for their decisions.

② Although the SEC is charged by law with ensuring full and fair disclosure by publicly held companies, the private sector has been permitted to take the lead in developing acceptable accounting principles, with the SEC acting in an oversight capacity. The private sector body currently playing the most important role in developing accounting and reporting standards is the Financial Accounting Standards Board (FASB). The FASB consists of seven members, all of whom are full-time and paid. It includes representatives from public accounting, industry, the securities field, and academia. The FASB issues pronouncements after a lengthy process of research, examination, public hearings, consultation with the SEC, and exposure drafts. In most cases, auditors are prohibited by their Code of Professional Conduct from issuing an opinion that financial statements are fairly presented of the statements depart from FASB standards.