



牛津英语百科分类词典系列

Oxford

DICTIONARY OF

BUSINESS

牛津商务词典



上海外语教育出版社
SHANGHAI FOREIGN LANGUAGE EDUCATION PRESS

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本社编辑部

Preface

A Dictionary of Business is a revised and expanded edition of *A Concise Dictionary of Business*, first published in 1990. In this new edition the number of entries has increased to over 6,000, compared to the 4,000 in the original edition. Moreover, this edition includes a number of illustrations. The original edition was prepared on the assumption that it would be of use to students of all kinds of business courses, ranging from GCSE Business Studies to degree and postgraduate business subjects, as well as to business people and their professional advisers (lawyers, bankers, accountants, managers, insurers, etc.).

The feedback the publishers have received from this first edition is that the book has largely fulfilled its intended purposes, but that recent developments in industry as well as in university and college business courses needed to be reflected in the new edition.

This new edition, therefore, has paid special attention to the vocabulary used in business strategy, organizational behaviour, marketing, and human resource management. In this context the vocabulary used reflects the organizational and business environmental changes and challenges that have occurred in the 1990s. It is expected that this emphasis in the revision will make it particularly useful for students of business courses at all levels.

At the same time the entries for the terms commonly used in commerce have been updated and often expanded to take account of developments in the last five or six years. In addition, the vocabularies associated with finance and with accounting practices have been expanded and updated. The book also includes many of the terms business people might be expected to know in the fields of the law and computing (especially with reference to the Internet).

The extensive network of cross references in the original dictionary has been retained in this new edition. An asterisk (*) placed before a word in an entry indicates that this word can be looked up in the dictionary and will provide further explanation or clarification of the entry being read. However, not every word that has an entry in the dictionary has an asterisk placed before it when it is referred to in the text. Some entries simply refer the readers to another entry, indicating either that they are synonyms or that they are most conveniently explained in one of the dictionary's longer articles. Synonyms and abbreviations are usually placed within brackets immediately after the headword.

J. P. A. I. 1996

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A

A1 A description of property or a person that is in the best condition. In marine insurance, before a vessel can be insured, it has to be inspected to check its condition. If it is "maintained in good and efficient condition" it will be shown in *Lloyd's Register of Shipping as 'A' and if the anchor moorings are in the same condition the number '1' is added. This description is also used in life assurance, in which premiums are largely based on the person's health. After a medical examination a person in perfect health is described as "an A1 life".

AA Abbreviation for *Advertising Association.

AAP Abbreviation for *affirmative action programme.

abandonment The act of giving up the ownership of something covered by an insurance policy and treating it as if it has been completely lost or destroyed. If the insurers agree to abandonment, they will pay a total-loss claim (see **actual total loss**; **constructive total loss**). This often occurs in marine insurance if a vessel has run aground in hazardous waters and the cost of recovering it would be higher than its total value and the value of its cargo. It also occurs during wartime when a vessel is captured by the enemy. If the owner wishes to declare a vessel and its cargo a total loss, a **notice of abandonment** is given to the insurer; if, subsequently, the vessel or its cargo are recovered, they become the property of the insurer.

ABB Abbreviation for *activity-based budgeting.

abbreviated accounts A company qualifying as a small or medium-sized company under the UK Companies Act (1989) may file abbreviated accounts with the *Registrar of Companies instead of the full report and accounts (see **annual**

accounts). These accounts, previously known as modified accounts, are an additional set of *financial statements drawn from the full financial statements, specifically for the purpose of delivery to the Registrar; they thus become a public document and must be accompanied by a special report of the *auditors.

ABC 1. Abbreviation for *Audit Bureau of Circulation. **2.** Abbreviation for *activity-based costing.

ABC classification (ABC ranking) A method of ranking items held in *inventory enabling particular attention to be given to those that, if incorrectly managed, will be most damaging to the effectiveness or the efficiency of an operation. Items are categorized according to their value of usage, i.e. their individual value multiplied by their usage rate. In most cases *Pareto's Rule then applies, so that approximately 20% of the items accounts for approximately 80% of the value of the stock held; these items are classified as Class A items. Class B covers the 30% of items that represent the next 10% of value. Class C covers the remaining 50%, which accounts for the remaining 10% of value. In *material requirements planning (MRP), ranking is used to categorize inventory by its impact value, i.e. whether or not production will stop if this item is out of stock.

ABI Abbreviation for *Association of British Insurers.

ability-to-pay taxation A form of taxation in which taxes are levied on the basis of the taxpayers' ability to pay. This form of taxation leads to the view that as income or wealth increases, its marginal utility (its value to its owner) decreases so that progressive rates of tax can be levied on the higher slices. Typical taxes of this sort in the UK are *income tax and *inheritance tax. Compare **benefit taxation**.

above par See *par value*.

above-the-line 1. Denoting entries above the horizontal line on a company's *profit and loss account that separates the entries that establish the profit (or loss) from the entries showing how the profit is distributed. Prior to the introduction of Financial Reporting Standard 3, 'Reporting Financial Performance', in October 1992, it was understood that any exceptional items that were within the ordinary activities of the business were shown above the line, while any extraordinary items that were outside the ordinary activities of the business were shown below it. There was, however, criticism that the definitions of extraordinary and exceptional items could be manipulated to improve the *earnings per share figure. For example, if a building was sold for a large profit it could be interpreted as being exceptional and included in the earnings per share, whereas if it was sold at a loss it could be interpreted as being extraordinary and not included in the earnings per share. Since the introduction of FRS 3, both exceptional and extraordinary items are shown above the line and are included in the earnings per share.

2. Denoting advertising expenditure on mass media advertising, including press, television, radio, and posters. It is traditionally regarded as all advertising expenditure on which a commission is payable to an *advertising agency.

3. Denoting transactions concerned with revenue, as opposed to capital, in national accounts. Compare *below-the-line*.

ABP Abbreviation for *Associated British Ports.

absenteeism Absence from work for which there is no legitimate reason; it is often self-certified sick leave lasting for one day at a time. Most prevalent in large organizations, it can be a major problem. In order to combat it some organizations have introduced flexible working hours, increased annual leave, introduced personal days leave in addition to normal holiday entitlement, and

devised incentive schemes for full attendance.

absolute cost advantage The cost advantage enjoyed by a country in producing certain goods, compared to costs in other countries. The costs of producing similar products vary between different countries because certain resources, such as labour, raw materials, and energy, will be cheaper in some countries than in others. Multinational enterprises are able to take advantage of these cost differences by buying components or products from countries that have these advantages. For example, a motor-vehicle manufacturer in an economy with high labour costs may purchase certain components from another country with significantly lower labour costs. Compare *competitive advantage*.

absolute performance standard A standard set at the theoretical limit of performance. For example, in manufacturing, the theoretical quality standard of 'zero defects', which it is impossible to improve on, might be set as the absolute performance standard. Such standards may be achievable in practice or may form an ideal against which an organization may judge its progress.

absorption (cost absorption; overhead absorption) An accounting process used in *absorption costing in which the *overhead of an organization is borne by the production of that organization by the use of *absorption rates.

absorption costing The cost accounting system in which the *overheads of an organization are charged to the production by means of the process of *absorption. Costs are first apportioned to *cost centres, where they are absorbed using *absorption rates. Compare *marginal costing*.

absorption rate (overhead absorption rate; recovery rate) The rate or rates calculated in an *absorption costing system in advance of an accounting period for the purpose of charging the *overheads to the *production of that period. Absorption rates are calculated

Production measure
units, weight, or volume
direct labour hours
machine hours
direct labour cost
direct material cost
prime cost
standard hours

Absorption rate
rate per unit, weight, or volume
rate per direct labour hour
rate per machine hour
% on direct labour cost
% on direct material cost
% on prime cost
rate per standard hour

Absorption rate

for the accounting period in question using the following formula:

budgeted overhead/budgeted production.

In absorption costing production may be expressed in a number of different ways; the way chosen to express production will determine the absorption rate to be used. The seven major methods of measuring production, together with their associated absorption rate, are given in the table. The rate is used during the accounting period to obtain the **absorbed overhead** by multiplying the actual production achieved by the absorption rate.

abstract of title A document used in conveyancing land that is not registered to show how the vendor derived good title. It consists of a summary of certain documents, such as conveyances of the land, and recitals of certain events, such as marriages and deaths of previous owners. The purchaser will check the abstract against title deeds, grants of probate, etc. This document is not needed when registered land is being conveyed, as the land certificate shows good title.

ACA Abbreviation for Associate of the *Institute of Chartered Accountants.

ACAS Abbreviation for *Advisory Conciliation and Arbitration Service.

ACC Abbreviation for *Agricultural Credit Corporation Ltd.

ACCA Abbreviation for Associate of the *Chartered Association of Certified

Accountants. See **certified accountant**; **chartered accountant**.

accelerated depreciation A rate of *depreciation of assets that is faster than the useful-life basis normally used to calculate depreciation. For example, a computer may be expected to have a useful life of four years when it is purchased; however, as a result of new product innovation, it is replaced after two years. If the useful-life basis had been used, the full cost would not have been charged to the accounts until the end of the fourth year; by accelerating the depreciation the full charge would be made earlier, reflecting the short life cycle of high-technology products. In the USA, the accelerated depreciation may be used to gain tax advantages.

acceptable use policy (AUP) The rules of permitted behaviour on a particular portion of the *Internet.

acceptance 1. The signature on a *bill of exchange indicating that the person on whom it is drawn accepts the conditions of the bill. Acceptance is usually written: "Accepted, payable at ...(name and address of bank): (Signature)". See also **non-acceptance**. **2.** A bill of exchange that has been so accepted. **3.** Agreement to accept the terms of an *offer; for example, the agreement of an insurance company to provide a specified insurance cover or of a trader to accept a specified parcel of goods at the offer price.

acceptance credit A means of financing the sale of goods, particularly in international trade. It involves a commercial bank or merchant bank extend-

ing credit to a foreign importer, whom it deems creditworthy. An acceptance credit is opened against which the exporter can draw a *bill of exchange. Once accepted by the bank, the bill can be discounted on the *money market or allowed to run to maturity. In return for this service the exporter pays the bank a fee known as an **acceptance commission**.

acceptance number The number of sample units specified in a sampling plan that must conform to the specifications if the batch is to be accepted. *See acceptance sampling*.

acceptance sampling A statistical quality-control technique that uses inspection of a sample from a batch to decide whether to accept or reject the whole batch. In deciding the level of sampling, a balance has to be struck between achieving the desired quality levels and the cost of undertaking the sampling.

acceptance supra protest (acceptance for honour) The acceptance or payment of a *bill of exchange, after it has been dishonoured, by a person wishing to save the honour of the drawer or an endorser of the bill.

accepting house An institution specializing in accepting or guaranteeing *bills of exchange. A service fee is charged for guaranteeing payment, enabling the bill to be discounted at preferential rates on the *money market. The decline in the use of bills of exchange has forced the accepting houses to widen their financial activities, many of whom have returned to their original role as *merchant banks.

Accepting Houses Committee A committee representing the 16 *accepting houses in the City of London. Members of the committee are eligible for finer discounts on bills bought by the Bank of England, although this privilege has been extended to other banks.

acceptor The drawee of a *bill of exchange after acceptance of the bill, i.e.

the acceptor has accepted liability by signing the face of the bill.

access provider (Internet access provider; IAP) A commercial company that provides access to the *Internet, both to organizations wanting to connect their own networks and to individuals.

access time The time taken to obtain information from a computer *memory, or to write information to the memory. Access times can vary from a thousand millionth of a second (a nanosecond) in a fast electronic memory to a second or longer with magnetic-tape memories.

accident insurance An insurance policy that pays a specified amount of money to the policyholder in the event of the loss of one or more eyes or limbs in any type of accident. It also pays a sum to the dependants of the policyholder in the event of his or her death. These policies first appeared in the early days of railway travel, when passengers felt a train journey was hazardous and they needed some protection for their dependants if they were to be killed or injured.

accident proneness The propensity of an individual to suffer (or cause) more than an average number of accidents. This is of particular interest in *organizational psychology, which is anxious to analyse the causes of accidents in the workplace in order to reduce their occurrence and their inevitable costs. There is, however, some doubt as to whether such a condition does in fact exist, or whether some people are simply the unlucky statistics that go to make up a *normal distribution of accident frequency.

On the other hand, it is not hard to imagine that accidents are more likely to occur at work (or anywhere else) if concentration is distracted by such extraneous factors as fatigue, illness, emotional preoccupation, or stress. Machine operators, for example, have certain skills at processing the information perceived by their senses so that an

appropriate response is initiated. In addition to this skill, the personal qualities of the operator must also be involved in the smooth operation of the machine. If the operator is aware that his or her skill with the machine is less than it should be, this is not necessarily a recipe for accidents to occur; the intelligent operator will, under these circumstances, work more slowly, more cautiously, and with greater concentration. It is often, in fact, the *more highly skilled operator*, many of whose responses are automatic, who is more easily distracted by extraneous factors and thus more accident-prone. Although organizational psychologists have been unable to provide a rigorous treatment of accident proneness, much valuable work has been done in analysing those activities that have high inherent risks and those environmental conditions (e.g. poor lighting, inappropriate room temperature) that increase the chances of accidents happening. *See also achievement motivation theory.*

accommodation bill A *bill of exchange signed by a person (the accommodation party) who acts as a guarantor. The accommodation party is liable for the bill should the *acceptor fail to pay at maturity. Accommodation bills are sometimes known as **windbills** or **windmills**. *See also kite.*

accommodation endorser A person or a bank that endorses a loan to another party; for example, a parent company may endorse a bank loan to a subsidiary. The endorser becomes a guarantor and is secondarily liable in case of default. Banks may endorse other banks' acceptance notes, which can then be traded on the secondary market.

accord and satisfaction A device enabling one party to a contract to avoid an obligation that arises under the contract, provided that the other party agrees. The accord is the agreement by which the contractual obligation is discharged and the satisfaction is the *consideration making the agreement legally operative. Such an agreement only discharges the contractual obligation if it is

accompanied by consideration. For example, under a contract of sale the seller of goods may discharge the contractual obligation by delivering goods of different quality to that specified in the contract, provided there is agreement with the buyer (the accord) and the seller offers a reduction in the contract price (the satisfaction). The seller has therefore 'purchased' the release from the obligation. Accord and satisfaction refer to the discharge of an obligation arising under the law of tort.

account 1. A statement of indebtedness from one person to another; an invoice. A provider of professional services or of goods may render an account to a client or customer, and a solicitor selling a house on a person's behalf will render an account of the sale, which may show that the solicitor owes the seller the proceeds of the sale, less expenses. **2.** A named segment of a ledger recording transactions relevant to the person or the matter named (*see double-entry book-keeping*). Accounts consist of two sides; increases are recorded on one side and decreases on the other. Accounts may be kept in a written form in a ledger, they may be on loose cards, or they may be held in a computer. **3.** An account maintained by a *bank or a *building society in which a depositor's money is kept. *See cheque account; current account; deposit account.* **4.** A period during which dealings on the London Stock Exchange were formerly made without immediate cash settlement. Up to the end of each account, transactions were recorded but no money changed hands. Settlement of all transactions made within an account was made ten days after the account ended. This practice changed in 1996 when the account system was abandoned. **5.** In an advertising, marketing, or public-relations agency, a client of the agency from whom a commission or fee is derived, in return for the services. **6.** *See annual accounts.*

accountability An obligation to give an account. For limited companies, it is assumed that the directors of the com-

pany are accountable to the shareholders and that this responsibility is discharged, in part, by the directors providing an annual report and accounts (see **annual accounts**). In an accountability relationship there will be at least one principal and at least one agent. This forms the basis of an *agency relationship.

accountant A person who has passed the accountancy examinations of one of the recognized accountancy bodies and completed the required work experience. Each of the bodies varies in the way they train their students and the type of work expected to be undertaken. For example, accountants who are members of the Chartered Institute of Public Finance and Accountancy generally work in local authorities, the National Health Service, or other similar public bodies, while members of the Chartered Institute of Management Accountants work in industry (see **chartered accountant**; **management accounting**). Wherever accountants work, their responsibilities centre on the collating, recording, and communicating of financial information and the preparation of analyses for decision-making purposes.

account executive The person in an advertising, marketing, or public-relations agency responsible for implementing a client's business. This involves carrying out the programme agreed between the agency and client, coordinating the activities, and liaising with the client.

accounting code (cost code; expenditure code; income code) In modern accounting systems, a numerical reference given to each account to facilitate the recording of voluminous accounting transactions by computer.

accounting concepts The basic theoretical ideas devised to support the activity of accounting. As accounting developed largely from a practical base, it has been argued that it lacks a theoretical framework. Accountants have therefore tried to develop such a framework; although various concepts have

been suggested, few have found universal agreement. However, four are deemed to be important (see **Statements of Standard Accounting Practice**): the first, the **on-going concern concept**, assumes that the business is a going concern until there is evidence to the contrary, so that assets are not stated at their break-up value; the second, the *accruals concept, involves recording income and expenses as they accrue, as distinct from when they are received or paid; the third, the **consistency concept**, demands that accounts be prepared on a consistent basis from one period to another; and the fourth, the **prudence concept**, calls for accounts to be prepared on a conservative basis, not taking credit for profits or income before they are realized but making provision for losses when they are foreseen. Other accounting concepts might be *depreciation and *deferred taxation, which are concepts relating to accounting, but which are not often considered when reference is made to accounting concepts.

accounting cost See **cost**.

accounting entity A unit for which accounting records are maintained and for which *financial statements are prepared. As an accounting concept, it is assumed that the financial records are prepared for a particular unit or entity. By law, limited companies constitute the accounting entity. For sole traders and partnerships accounts are also prepared to reflect the transactions of the business as an accounting entity, not those of the owner(s) of the business. Changing the boundaries of the accounting entity can have a significant impact on the accounts themselves, as these will reflect the purpose of the accounts and for whom they are prepared.

accounting event A transaction or change (internal or external) recognized by the accounting recording system. Events are recorded as debit and credit entries. For example, when a sale is made for cash the double entry for the sales transaction would be debit bank,

credit sales (see **double-entry book-keeping**).

accounting package See **business software package**.

accounting period 1. The period for which a business prepares its accounts. Internally, *management accounts may be produced monthly or quarterly. Externally, *financial accounts are produced for a period of 12 months, although this may vary when a business is set up or ceases or if it changes its accounting year end. **2. (chargeable account period)** A period in respect of which a *corporation tax assessment is raised. It cannot be more than 12 months in length. An accounting period starts when a company begins to trade or immediately after a previous accounting period ends. An accounting period ends at the earliest of:

- 12 months after the start date,
- at the end of the company's period of account,
- the start of a winding-up,
- on ceasing to be UK resident.

accounting policies The specific accounting bases adopted and consistently followed by an organization in the preparation of its *financial statements. These bases will have been determined by the organization to be the most appropriate for presenting fairly its financial results and operations; they will concentrate on such specific topics as pension schemes, *goodwill, research and development costs, and *foreign exchange. Under Statement of Standard Accounting Practice 2, companies are required to disclose their accounting policies in their *annual accounts.

accounting rate of return (ARR) An accounting ratio that expresses the profit of an organization before interest and taxation, usually for a year, as a percentage of the capital employed at the end of the period. Variants of the measure include using profit after interest and taxation, equity capital employed, and the average of opening and closing capital employed for the period.

accounting records The records kept by a company to comply with the Companies Act (1984), which requires companies to keep accounting records sufficient to show and explain their transactions and to prepare accounts that give a true and fair view of their activities. Accounting records take the form of a manual or computerized ledgers, journals, and the supporting documentation.

accounting reference period The financial year for a company, as notified to the *Registrar of Companies. For companies incorporated after 1 April 1990, it is normally taken as the last day of the month in which the anniversary of incorporation falls.

Accounting Standards Board (ASB) The recognized body for setting accounting standards in the UK. It was established in 1990 to replace the Accounting Standards Committee (ASC) following the recommendations contained in the Dearing Report. Under the Companies Act (1985), companies (except *small companies and *medium-sized companies) must state whether their accounts have been prepared in accordance with the relevant accounting standards and give details and reasons for any material departures from those standards. The ASB issues Financial Reporting Exposure Drafts (FREDs), Financial Reporting Standards (FRS), and through its offshoot, the Urgent Issues Task Force, reports known as Abstracts. The ASB is a subsidiary of the Financial Reporting Council.

accounting technician A person qualified by membership of an appropriate body (such as the *Association of Accounting Technicians) to undertake tasks in the accountancy field without being a fully qualified *accountant.

account management group 1. A group within an advertising, marketing, or public-relations agency responsible for planning, supervising, and coordinating all the work done on behalf of a client. In large agencies handling large

accounts the group might consist of an account director, account manager, account or media planner, and *account executive. **2.** A group in the sales department of an organization that is responsible for managing the relationship with existing clients.

account of profits A legal remedy available as an alternative to *damages in certain circumstances, especially in breach of *copyright cases. The person whose copyright has been breached sues the person who breached it for a sum of money equal to the gain made as a result of the breach.

account payee only Words printed between two vertical lines in the centre of a UK cheque that, in accordance with the Cheque Act (1992), make the cheque non-transferable. This is to avoid cheques being endorsed and paid into an account other than that of the payee, although it should be noted that banks may argue in some circumstances that they acted in good faith and without negligence if an endorsed cheque is honoured by the bank. In spite of this most cheques are now overprinted 'account payee only', and the words 'not negotiable' are sometimes added.

account rendered An unpaid balance appearing in a *statement of account, details of which have been given in a previous statement.

accounts 1. The *profit and loss account and the *balance sheet of a company. **See annual accounts. 2.** *See account; books of account.*

account sale A statement giving details of a sale made on behalf of another person or firm, often as an *agent. The account sale shows the proceeds of the sale less any agreed expenses, commission, etc.

accounts payable (trade creditors) The amounts owed by a business to suppliers (e.g. for raw materials). Accounts payable are classed as current liabilities on the balance sheet (see **circulating capital**), but distinguished from *accruals

and other non-trade creditors (such as the Inland Revenue).

accounts receivable (trade debtors)

The amounts owing to a business from customers for invoiced amounts. Accounts receivable are classed as *current assets on the balance sheet, but distinguished from prepayments and other non-trade debtors. A provision for bad debts is often shown against the accounts receivable balance in line with the *prudence concept. This provision is based on the company's past history of bad debts and its current expectations. A general provision is often based on a percentage of the total credit sales, for example 2% of credit sales made during the period.

accrual (accrued charge; accrued expense; accrued liability) An estimate in the accounts of a business of a liability that is not supported by an invoice or a request for payment at the time the accounts are prepared. An accrual is a *current liability on the *balance sheet and will be charged under expenses in the *profit and loss account. Expenses are accrued as set out in the *accruals concept outlined in Statement of Standard Accounting Practice 2. An example of an accrual would be telephone expenses, which are billed in arrears. At the end of the accounting period, if no bill has been received, an estimate (based on past bills) would be made and credited to an accruals account; the corresponding debit would be made to the telephone expense account. The telephone expense account is then cleared to the profit and loss account.

accrual accounting A system of accounting in which *revenue is recognized when it is earned and expenses are recognized as they are incurred. Accrual accounting is a basic *accounting concept used in the preparation of the *profit and loss account and *balance sheet of a business. It differs from *cash accounting, which recognizes transactions when cash has been received or paid. In preparing *financial statements

for an *accounting period using accrual accounting, there will inevitably be some estimation and uncertainty in respect of transactions. The reader of the financial statements therefore cannot have the same high level of confidence in these statements as in those using cash accounting.

accruals concept One of the four fundamental concepts contained in Statement of Standard Accounting Practice 2, 'Disclosure of Accounting Policies', and one of the principles in the Companies Act (1985). It requires that revenue and costs are recognized as they are earned or incurred, not as money is received or paid. Income and expenses should be matched with one another, as far as their relationship can be established or justifiably assumed, and dealt with in the *profit and loss account of the period to which they relate.

However, if there is a conflict between the accruals concept and the *prudence concept, the latter prevails. *Accruals and prepayments are examples of the application of the accruals concept in practice. For example, if a rates bill for both a current and future period is paid, that part relating to the future period is carried forward as a current asset (a prepayment) until it can be matched to the future periods.

accrued benefits Benefits due under a pension scheme in respect of service up to a given time, irrespective of whether the rights to the benefits are vested or not. Accrued benefits may be calculated in relation to current earnings of protected final earnings. *Statement of Standard Accounting Practice 24, 'Accounting for Pension Costs', contains mandatory regulations on accounting for pension costs in financial accounts.

accrued benefits method An actuarial valuation method in which the actuarial value of liabilities relates at a given date to:

- the benefits, including future increases promised by the rules, for the current and deferred pensioners and their dependants;

- the benefits that the members assumed to be in service on the given date will receive for service up to that date only.

Allowance may be made for expected increases in earnings after the given date, and for additional pension increases not promised by the rules. The given date may be a current or future date. The further into the future the adopted date lies, the closer the results will be to those obtained by a prospective benefits valuation method.

accrued charge See accrual.

accrued income scheme An arrangement that applies in the UK when the owner of interest-bearing securities disposes of them. The interest accrued between the date of the last interest payment and the date of disposal is regarded, for tax purposes, as the income of the transferor. The transferee is able to deduct this sum from taxable income. The scheme does not apply to non-residents or if the transfer is part of a trade. Exemption also applies to individuals (husband and wife being regarded as one) if the total nominal value of the securities held does not exceed £5000.

accumulated depreciation (aggregate depreciation) The total amount of the *depreciation written off the cost price or valuation of a *capital asset since it was brought into the balance sheet of an organization.

accumulated dividend A dividend that has not been paid to a holder of *cumulative preference shares and is carried forward (i.e. accumulated) to the next accounting period. It represents a liability to the company. The Companies Act requires that where any fixed cumulative dividends on a company's shares are in arrears, both the amount of the arrears and the period(s) in arrears must be disclosed for each class of shares.

accumulated profits The amount showing in the *appropriation of profits account that can be carried forward to the next year's accounts, i.e. after paying