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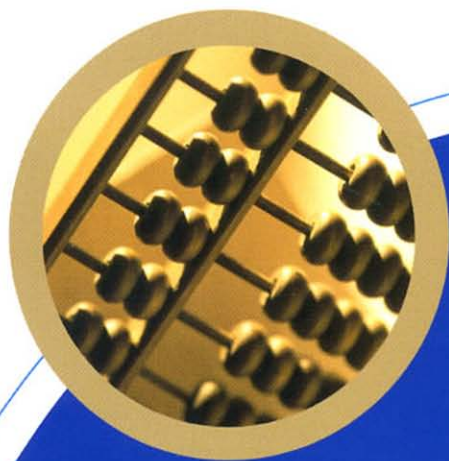


会计英语

Accounting English

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内 容 简 介

作为会计英语教材,本书编写过程中尝试将会计专业知识同英语知识学习结合起来,在帮助读者对会计专业理论有一个相对系统了解的同时,能让读者掌握基础的会计词汇及表达。本书总共 10 个单元,每个单元有两篇文章,其中 Text 1 为主干,以知识为导向,文章后有生词词注释、常用词组解释及难句分析。Text 2 为辅助,以任务为导向,在文章后会相应地要求学生进行讨论或做些练习以巩固对本单元所学知识的理解。本书内容包括会计的定义、会计假设及原则、簿记、资产、负债、所有者权益、财务报表及财务报表分析、成本会计介绍及审计等。

前 言

随着中国经济的进一步发展,会计这门通用商业语言越来越成为商业人士需要掌握的一项技能。而对外交流的日益频繁及深入,要求商业人士不仅能读懂中文的会计报表及相关财务信息,也要能看懂英文的报表及相关财务信息。反过来,会计人员如果能够了解并掌握规范的中英文报表及相关财务信息,他们将会有更多的发展机会,所以会计英语已成为专业人士提升自身竞争力的一项有力武器。

本书在选材时,在保证英文表达地道的同时,也注重易懂性,通过一些简单的例子,加深读者对知识的了解。书中每单元的开始都有内容介绍,便于读者轻松了解本单元的主要内容。每单元都有两篇文章,各有不同的侧重。第一篇文章侧重于语言知识点的讲解,除了专业词汇配有中英文注释之外,还有常用表达的例句和文中难句的分析,旨在帮助读者学习会计专业词汇及语言表达;第二篇做为辅助,一方面扩充会计知识,另一方面在相应的课后练习中也要求读者学以致用,根据所学知识进行讨论或组织活动强化自己的语言表达能力及对会计知识的理解。

在各单元的安排上,本书采用逐渐深入的方式,从最基本的会计的定义着手,到介绍会计假设及原则。之后又介绍了会计恒等式的左右两边,即资产、负债及所有者权益。在了解了基本的会计要素之后,书中又分别介绍了资产负债表、损益表及现金流量表等三大财务报表,以及如果解读财务表。在书的最后两单元,分别介绍了成本会计和审计,以期使本书的内容更加全面。

虽然在编书的过程中力求使本书编得完善些,但由于才疏学浅,时间有限,难免有许多不尽如人意之处,一些差错也在所难免,有待进一步改善,恳请读者多批评指正。感谢给予本书编写、出版大力支持的各位!

编 者

2010 年 9 月

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Unit 1

Introduction to Accounting



Lead-in Questions

What is accounting?

Who uses the accounting information?

How accounting develops into current form?



Summary of the Unit

In this unit, the term “accounting” is explained first, then followed up with the history of accounting as well as main categories of accounting. In the second part of the unit, a case study on Enron scandal is presented and causes and effects of the scandal are also discussed.

Text 1 Introduction to Accounting

Definition of Accounting

It is not easy to provide a concise definition of accounting since the word has a broad application within businesses and applications. The American Accounting Association^① defines accounting as “the process of identifying, measuring and communicating economic information to permit informed judgments and decisions by users of the information”.

This definition is a good place to start. Let's look at the key words in the above definition:

- It suggests that accounting is about providing information to others. Accounting information is economic information — it relates to the financial or economic activities of the business or organization.
- Accounting information needs to be identified and measured. This is done by way of a “set of accounts”, based on a system of accounting known as double-entry bookkeeping. The accounting system identifies and records “accounting transactions”.
- The “measurement” of accounting information is not a straight-forward process. It involves making judgments about the value of assets owned by a business or liabilities owed by a business. It is about accurately measuring how much profit or loss has been made by a business in a particular period. As we will see, the measurement of accounting information often requires subjective judgment to come to a conclusion.
- The definition identifies the need for accounting information to be communicated. The way in which this communication is achieved may vary.

① 美国会计学会：是美国最大的会计学术组织，学会的主要宗旨是促进会计理论研究和改进会计教育工作，提高会计教育、研究及实务方面的水平。

There are several forms of accounting communication (*e. g.* annual report and accounts, management accounting reports), each of which serves a slightly different purpose. The communication need is about understanding who needs the accounting information, and what they need to know!

History of Accounting

Accounting began thousands of years ago; the earliest accounting records, which date back more than 7,000 years, were found in the Middle East. The people of that time relied on primitive accounting methods to record the growth of crops and herds. Later, as man began to trade, we established the concept of value and developed a monetary system. Evidence of accounting records can be found in the Babylonian Empire^①(4,500 B. C.), in Pharaohs' Egypt and in the Code of Hammurabi^②(2,250 B. C.). Eventually, with the advent of taxation, record keeping became a necessity for governments to sustain social orders.

The Italian Renaissance brought the artistic accomplishments of man to new heights. At this time, Venice was the business cradle of Europe, and it was here among merchants that double-entry accounting was invented and practiced. During this period, Fra Luca Pacioli wrote his *Summa* dealing with record keeping and double-entry accounting, one of the very first published books of the time that became the accounting “textbook” for the next 500 years. The *Summa* made Pacioli a celebrity and insured him a place in history, as “the Father of Accounting”.

Fra Luca Pacioli did not invent double-entry accounting; instead, he superbly described a method used by merchants in Venice during the Italian Renaissance. His system included most of today's accounting routines such as the use of memorandums, journals and ledgers. His ledger included assets — receivables and inventories — liabilities, capital, income, and expense accounts. He described the year-end closing entries and proposed that a trial balance be used to prove a balanced ledger. In addition, his *Summa* made

① 巴比伦王国。

② 汉谟拉比法典。

reference to the certification of books, ethics and cost accounting.

However, any view of accounting history that begins with Fra Luca Pacioli's contributions will overlook a long evolution of accounting systems in ancient and medieval times. In attempting to explain why double-entry bookkeeping developed in the 14th century Italy instead of ancient Greece or Rome, accounting scholar A. C. Littleton described seven "key ingredients" which led to its creation:

- Private property: The power to change ownership, because bookkeeping is concerned with recording the facts about property and property rights.
- Capital: Wealth productively employed, because otherwise commerce would be trivial and credit would not exist.
- Commerce: The interchange of goods on a widespread level, because purely local trading in small volume would not create the sort of press of business needed to spur the creation of an organized system to replace the existing hodgepodge of record-keeping.
- Credit: The present use of future goods, because there would have been little impetus to record transactions completed on the spot.
- Writing: A mechanism for making a permanent record in a common language, given the limits of human memory.
- Money: The "common denominator" for exchanges, since there is no need for bookkeeping except as it reduces transactions to a set of monetary values.
- Arithmetic: A method of computing the monetary details of the deal.

The following 500 years see little modification to Pacioli's system. The present day trial balance sheet did not get its form until 1868 and the income statement was developed before World War II. In the 1980s, statements of financial position were developed with the purpose to provide relevant information about the operating, financing, and investing activities of an enterprise and the effects of those activities on cash resources.

Users of Accounting Information

Today, accounting is called "the language of business" because it is the

vehicle for reporting financial information about a business entity to many different groups of people.

- It can be used by the organization's managers to help them plan and control the organization's operations;
- It is used by owners and legislative or regulatory bodies to help them appraise the organization's performance and make decisions as to its future;
- The information can be used by owners, lenders, suppliers, employees, and others to help decide how much time or money to devote to the organization; by governmental bodies to determine how much tax the organization must pay; and,
- On occasion, customers can use this information in order to determine the price to be paid when contracts call for cost-based payments.

Categories of Accounting

Accounting that provides information to people outside the business entity is called financial accounting and provides information to present and potential shareholders, creditors such as banks or vendors, financial analysts, economists, and government agencies. Because these users have different needs, the presentation of financial accounts is very structured and subject to many more rules than management accounting. The body of rules that governs financial accounting is called Generally Accepted Accounting Principles^①, or GAAP.

Accounting that concentrates on reporting to people inside the business entity is called management accounting. It is used to provide information to employees, managers, owner-managers and auditors. Management accounting is concerned primarily with providing a basis for making management or

① 公认会计准则,是指美国的现行会计准则。它是由前会计原则委员会(APB)和财务会计准则委员会(FASB)在《意见书》和《公报》中所规定的会计准则、方法和程序所组成的。它既包括指导性原则,也包括具体的方法和程序。例如,哪些经济资源和经济债务应以资产和负债入账,入账的资产和负债及其变动应如何计量等。公认会计原则不仅是企业会计人员记录、汇总会计数据和编制会计报表所必须遵循,也是审计人员审核企业会计报表的依据。

operating decisions.

In contrast to financial accounting information, management accounting information is:

- designed and intended for use by managers within the organization, whereas financial accounting information is designed for use by shareholders and creditors;
- usually confidential and used by management, instead of publicly reported;
- forward-looking, instead of historical;
- computed by reference to the needs of managers, often using management information systems, instead of by reference to financial accounting standards.



New Words

primitive /'prɪmɪtɪv/ *adj.* very simple and old-fashioned, especially when something is also not convenient and comfortable 发展水平低的;落后的

Pharaoh /'feərəʊ/ *n.* a king of ancient Egypt 法老(古埃及国王)

advent /'ædvənt/ *n.* the coming (of an important event, person, invention, *etc.*) (重要事件、人物、发明等的)出现,到来

renaissance /rə'neɪsəns/ *n.* the period in Europe, especially Italy, in the 14th, 15th, and 16th centuries, when there was a new interest in art, literature, science, and learning 文艺复兴

summa /'sʊmə/ *n.* mainly used in English and other modern languages, for texts that “sum up” knowledge in a field 总结性论文

receivable /rɪ'sɪvəbl/ *n.* bills, accounts, *etc.* for which money has not yet been received 应收款项

trivial /'trɪvɪəl/ *adj.* not important or serious; not worth considering 不重要的; 琐碎的; 微不足道的

hodgepodge /'hɒdʒpɒdʒ/ *n.* untidy mixture of different types of things 大杂烩

arithmetic /ə'rɪθmətɪk/ *n.* the type of mathematics that deals with the adding, multiplying, *etc.* of numbers 算术

Useful Expressions

closing entry 结账记录

e. g. *Closing entries* are journal entries made at the end of an accounting period to transfer temporary accounts to permanent accounts.

cost accounting 成本会计

e. g. *Cost accounting* is the process of identifying and evaluating production costs.

property right 财产权

e. g. We shall protect the *property rights* of farmers.

common denominator 共同点

e. g. It's all mixed up, and I don't know that anyone can find a *common denominator*.

financial accounting 财务会计

e. g. *Financial accounting* course is a popular selective course in the university.

management accounting 管理会计

e. g. *Management accounting* seeks to create value for the organization by managing resources, activities and people to achieve the organization's goals.

regulatory bodies 监管当局

e. g. The complaint is referred to several *regulatory bodies*.

Notes to the Text

1. The Italian Renaissance brought the artistic accomplishments of man to new

heights.

意大利文艺复兴使人类的艺术成就达到了新的高度。

man 在这里指的是“全人类”，而不是指“男性”。人类的表达除了有常见的 human、human being，还有 man、humankind、people、mortal 等。

2. However, any view of accounting history that begins with Fra Luca Pacioli's contributions will overlook a long evolution of accounting systems in ancient and medieval times.

但是，任何认为会计的历史起于弗拉·卢卡·帕乔利的贡献的观点都会忽略会计体系在古代及中世纪时期长期的演变过程。

这句话首先要找准主语：any view ... contributions，找准这是长主语后，理解这个句子就不难了，碰到长语的时候，分析主谓宾对于正确理解句子意思是很有帮助的。

Text 2 Accounting Scandal—Case Study

Enron Corporation (former NYSE, ticker symbol ENE) was an American energy company based in Houston, Texas. Before its bankruptcy (破产) in late 2001, Enron employed approximately 22,000 staff and was one of the world's leading electricity, natural gas, communications and pulp (纸浆) and paper companies, with claimed revenues of nearly \$101 billion in 2000. *Fortune* named Enron as "America's Most Innovative Company" for six consecutive years.

At the end of 2001, it was revealed that its reported financial condition was sustained substantially by institutionalized (制度化的), systematic, and creatively planned accounting fraud (欺诈), known as the "Enron scandal".

As the scandal unraveled (揭开), Enron shares dropped from over U.S. \$90.00 to just pennies. Enron had been considered a blue chip stock (蓝筹股), so this was an unprecedented and disastrous event in the financial world. Enron's plunge (猛跌) occurred after it was revealed that much of its profits and revenue were the result of deals with special purpose entities (特殊

目的机构) (limited partnerships which it controlled). The result was that many of Enron's debts and the losses that it suffered were not reported in its financial statements.

Enron filed for bankruptcy protection in the Southern District of New York in late 2001 and selected Weil, Gotshal & Manges as its bankruptcy counsel (法律顾问). It emerged from bankruptcy in November 2004 after one of the biggest and most complex bankruptcy cases in U. S. history. On September 7, 2006, Enron sold Prisma Energy International Inc., its last remaining business, to Ashmore Energy International Ltd. Following the scandal, lawsuits against Enron's directors were notable because the directors settled the suits by paying very significant sums of money personally.

In addition, the scandal caused the dissolution of Arthur Andersen^①, which at the time was one of the world's top accounting firms. The firm was found guilty of obstruction of justice in 2002 for destroying documents related to the Enron audit and was forced to stop auditing public companies. Although the conviction (判罪) was thrown out (推翻) in 2005 by the Supreme Court, the damage to the Andersen name has prevented it from returning as a viable business.

Actually the year 2001 witnessed a series of financial information frauds involving the above-mentioned Enron Corporation and auditing firm Arthur Andersen as well as the telecommunications company WorldCom, Qwest and Sunbeam, among other well-known corporations. These problems highlighted the need to review the effectiveness of accounting standards, auditing regulations and corporate governance principles. In some cases, management manipulated (篡改) the figures shown in financial reports to indicate a better economic performance. In others, tax and regulatory incentives encouraged over-leveraging of companies and decisions to bear extraordinary and unjustified risk.

A variety of complex factors created the conditions and culture in which a series of large corporate frauds occurred between 2000 - 2002. The spectacular,

① 安达信会计师事务所 (Arthur Andersen), 成立于 1913 年, 曾经是全球最大的会计师事务所, 2002 年因安然事件被迫退出审计业务。

highly-publicized frauds at Enron, WorldCom, and Tyco exposed significant problems with conflicts of interest and incentive compensation practices. The analysis of their complex and contentious root causes contributed to the passage of Sarbanes-Oxley Act (SOX)^① in 2002, which significantly raises criminal penalties for securities fraud, for destroying, altering or fabricating (编造) records in federal investigations or any scheme or attempt to defraud shareholders.

- **Auditor conflicts of interest:** Prior to SOX, auditing firms, the primary financial “watchdogs(监督部门)” for investors, were self-regulated. They also performed significant non-audit or consulting work for the companies they audited. Many of these consulting agreements were far more lucrative than the auditing engagement. This presented at least the appearance of a conflict of interest. For example, challenging the company’s accounting approach might damage a client relationship, conceivably placing a significant consulting arrangement at risk, damaging the auditing firm’s bottom line(损益表底线).
- **Boardroom failures:** Boards of directors, specifically audit committees, are charged with establishing oversight mechanisms for financial reporting in U.S. corporations on the behalf of investors. These scandals identified board members who either did not exercise their responsibilities or did not have the expertise to understand the complexities of the businesses. In many cases, Audit committee members were not truly independent of management.
- **Securities analysts’ conflicts of interest:** The roles of securities analysts, who make buy and sell recommendations on company stocks and bonds, and investment bankers, who help provide companies loans or handle mergers and acquisitions, provide opportunities for conflicts. Similar to the auditor conflict, issuing a buy or sell recommendation on a stock while providing

^① 2002年7月,美国国会正式通过了 Sarbanes-Oxley 法案(简称 SOX 法案),明确要求管理层对公司财务信息披露和内部控制效力负有直接责任,公司的内控措施应由管理层声明有效并由独立审计机构出具内控审计意见提交给美国证监会(SEC)。

lucrative investment banking services creates at least the appearance of a conflict of interest.

- **Inadequate funding of the SEC:** The SEC budget has steadily increased to nearly double the pre-SOX level. In the interview cited above, Sarbanes indicated that enforcement and rule-making are more effective post-SOX.
- **Banking practices:** Lending to a firm sends signals to investors regarding the firm's risk. In the case of Enron, several major banks provided large loans to the company without understanding, or while ignoring, the risks of the company. Investors of these banks and their clients were hurt by such bad loans, resulting in large settlement payments by the banks. Others interpreted the willingness of banks to lend money to the company as an indication of its health and integrity, and were led to invest in Enron as a result. These investors were hurt as well.
- **Executive compensation:** Stock option (职工优先认股权) and bonus practices, combined with volatility in stock prices for even small earnings "misses", resulted in pressures to manage earnings. Stock options were not treated as compensation expense by companies, encouraging this form of compensation. With a large stock-based bonus at risk, managers were pressured to meet their targets.

The Enron scandal deeply influenced the development of new regulations to improve the reliability of financial reporting, and increased public awareness about the importance of having accounting standards that show the financial reality of companies and the objectivity and independence of auditing firms.

Tasks

Form a team with 3 members to give a presentation about the following contents :

1. Brief introduction to Enron;
2. When was the Enron scandal unveiled?
What were the consequences?