

黄继英 主编

# 财务会计英语



中国物资出版社

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## 编写说明

经济全球化导致会计由国际协调阶段向会计全球化阶段过渡。我国会计在与国际会计全面接轨的同时,自然保留和创新了适合中国国情的会计特色。在会计国际化和会计国别化并存的情况下,由于跨国经营、国际融资的广泛存在,会计人员不仅要用英语按我国会计制度向境内会计报表使用者编报会计报表,而且要用英语按他国会计准则向境外会计报表使用者编报会计报表。因此,用英语对我国会计制度进行实务操作和了解西方发达国家(特别是美国)的会计实务,就成为我国会计人员的现实需要。这就是本书编写的背景和指导思想。

本书以中国新近颁布的《企业会计制度》为基础,同时在体例、会计科目、会计循环、会计处理的具体方法方面,兼顾或另行介绍西方国家(特别是美国)的习惯做法。这是本书的一大特色。

本书的另一大特色就是突出了财务会计的操作性。全书以英语会计实务为立足点,介绍了会计循环的各项必要程序,资产、负债、所有者权益各项目的具体核算方法,收入、费用、利润等会计要素的确认、计量的具体标准、要求和核算过程,会计报表的编制要求和编制实务。编写重点放在会计核算的具体原则和会计处理方法的详细介绍上。同时全书还特意列示了各凭证、账簿、报表的内容、格式,以充分显示本书的操作性。本书力求给出一个用英语进行会计核算的完整过程。

本书由高级讲师黄继英担任主编,中国注册会计师全科合格者汪正干和讲师薛明担任副主编。全书共分13章,第一、二章由谢建华编写,第三、四、五章由黄继英编写,第六、七、八章由薛明编写,第九、十章由朱红萍编写,第十一(选读课)、十二、十三章由汪正干编写。全书由黄继英总纂,最后由陆一樑审定。

全书各章都根据其内容配有相应习题及词汇表,供读者学习时参考。本书可作为普通高等院校、高等职业技术学院会计、财务、金融、经济等专业英语会计教材,也可供相关专业人员阅读。

编者

2002年2月

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# Chapter 1

## General Introduction

### Part I . Accounting And Its Classification

Accounting emerges with the development of social production and the requirements of economic management and continuously grows with the development of social economy and in turn promotes economic prosperity of our society.

Accounting is a managerial activity designed to record, calculate and supervise the process of economic activities of a business, provide accounting data and participate in the forecasting and decision – making of business management in monetary terms. It is a significant component of economic management of an enterprise.

Accounting can also be defined as an information system established in every enterprise that produces and provides financial information as its main task to improve economic efficiency.

Generally, accounting may be divided into two major classifications: financial accounting and managerial accounting.

### Part II . Accounting Functions

One of the most important functions of the accounting process is to accumulate and report accounting information that shows the financial position and operating results of a business. Financial accounting prepares accounting reports by recording and summarizing a large portion of routine business transactions, and provides accounting information reflecting the financial position and operating results for external users, such as stockholders, creditors, governmental institutions concerned, etc. As its main function is to provide business outsiders with financial statements, financial accounting is also called external accounting. Therefore, it must be restricted by law and Generally Accepted Accounting Principles.

A major function of managerial accounting is to provide information to all levels of the management of a firm, making an operating decision, formulating a plan and directing and controlling business management. Managerial accounting lays emphasis on future – projecting operating activities of a business, such as setting of management objectives, decision – making, budgeting, etc. It should merely coincide in their own directives or regulations. Managerial accounting is also known as internal accounting since its users are basically inside the organization.



## **Part III . Users Of Accounting**

Accounting is a business information system. There are a wide range of users of its information found among all different social strata and in all economic fields. They can be classified into two major users: direct users and indirect users. Direct users refer to those who are directly beneficial from the accounting information received from organizations concerned, such as the management of firms, investors or potential investors, creditors, suppliers and employees. Indirect users refer to those who are concerned about enterprises out of a certain indirect need, such as clients, securities and exchange analysts, trade unions, governmental organizations, press media and the public.

The management of a business, on the basis of accounting information, may comprehend and grasp current financial position and operating results of a business, analyze and judge correctness of its economic decisions, evaluate the quality of its management performance, formulate and perform work plans and make internal control.

Investors and their consultants are concerned about operating results of enterprises and profit sharing policy in order to make decisions about whether to acquire, retain or decrease investments.

Creditors lay stress on the understanding of the asset quality, profitability and solvency so as to determine whether to continue providing loans for enterprises.

Suppliers hope to know credit status of clients to decide whether to grant credit to them.

Taxing agencies, in accordance with accounting reports of a business, may acquaint themselves with tax status undertaken by a business to establish tax policy.

## **Part IV . Accounting Profession**

Accounting profession comprises public accounting, private accounting and governmental accounting in accordance with the type of organizations they serve.

### **I . Public Accounting**

Public accounting is a specialized profession. Public accountants are supposed to possess fine professional ethics, high – standard academic research and professional qualification. Individuals who obtain a series of specialized education and necessitated practical experience and acquire license to practice through a strict and overall national examination may become public accountants. Public accountants provide accounting services for the social public on a fee basis as the third party independent of and not affected by others.

### **II . Private Accounting**

Private accounting refers to a profession exercised by accountants who are employed by private businesses, such as manufacturers, wholesales, retailers and service firms. In the medium – sized or large enterprise, the controller is on the management board and in charge of the entire accounting work

and all accountants. In firms accountants should divide the suitable work in order to satisfy the requirements of work.

### **III . Governmental Accounting**

Accountants engaged in governmental accounting are employed by all levels of government agencies. Governmental accounting isn't aiming at making profits. Its emphasis is on the management of receipts and expenditures of budgetary funds.

## **Part V . Accounting Assumptions And The Major Accounting Principles**

Accounting standards or guides relied on by financial accounting consist of a series of assumptions and principles that serve as basic guidelines in accounting activities. They first emerged in the United States in the 1930's, so as to change the status quo of non - standard of accounting process and nonuniformity of accounting procedures of enterprises in the society at that time. In China, Accounting Standards for Business Enterprises was published in November, 1992 and put into effect in July, 1993, which has laid the foundation for the setup, development and perfection of China's accounting standard system, marked the conjunction between China's accounting system and international accounting conventions and initially realized the internationalization of China's accounting.

### **I . Assumptions**

#### **1. Accounting Entity Assumption**

Accounting entity refers to the specific object that accounting serves while information is processed.

In light of this assumption, an accounting entity must not only be separated from other entities, but be independent of owners of the enterprises, in other words, what accounting reflects is only economic transactions of a special entity, not financial activities of a certain individual owner, nor transactions of other entities. This assumption clearly defines in space the content and scope of accounting calculation.

#### **2. Going - concern Assumption**

The continuous and normal operating activities of an enterprise are the premise for accounting calculation. The going - concern assumption refers to any accounting entity being to go on running permanently unless sufficient and negative proofs are provided.

This assumption stabilizes accounting procedures and methods employed in collecting and processing economic information.

Asset valuation, depreciation calculation and accounting report preparation are on the basis of this assumption.

#### **3. Periodicity Assumption**

Enterprises shall account for their transactions, close accounts and prepare financial statements in distinct accounting periods. In other words, the operating activities of a business should artificially be

divided into equal short periods to calculate profits and reflect financial position and operating results of a business. This division is called an accounting period, typically one year.

Periodicity assumption is a necessary supplement to going – concern assumption. An accounting entity will in logic set a time limit for providing accounting information if it operates continuously and limitlessly.

#### 4. Money – measurement Assumption

Money – measurement assumption requires that accounting information be only measured in terms of money unit. Accounting is an economic information system, what it receives, processes and sends are nothing but the information concerning value activities of an accounting entity. Money is the inevitable manifestation of value.

## II .Principles

### 1. Reliability Principle

This principle refers to the fact that the accounting records and financial reports must be based on financial and economic transactions as they actually take place, in order to objectively reflect the financial position and operating results of an enterprise. Reliability comprises the following three elements: (1) truthfulness (2) verifiability (3) objectivity.

### 2. Relevance Principle

This principle requires that accounting information be designed to meet the requirements of national macro – economic control, and the needs of all concerned external users to understand an enterprise' s financial position and operating results, and the needs of management of enterprises to strengthen their financial management and administration.

### 3. Comparability Principle

This principle requires that accounting records and financial statements be prepared according to stipulated accounting methods, and accounting information of enterprises be comparable and convenient to be analyzed. Different businesses should use the same accounting principles, procedures and methods when preparing financial statements. It is convenient for users to make comparisons among different businesses.

### 4. Consistency Principle

This principle requires that accounting procedures and accounting methods used be consistent from one period to the other and not be arbitrarily changed. Changes and reasons for changes, if necessary, and their impact on an enterprise' s financial position and operating results shall be reported in notes to the financial statements.

### 5. Timeliness Principle

This principle means that accounting and financial reports preparation must be conducted in a timely manner and be efficiency – oriented, to ensure that accounting information will be kept consistent in terms of time with its object reflected so that accounting information could be put into use in time.

### 6. Clarity Principle

This principle requires that accounting records and financial reports be prepared in a clear, concise manner to facilitate understanding, examination and use.

#### 7. Accrual Principle

This principle requires that income earned and expenses incurred during the period be accounted for as income and expenses of the period, regardless of whether the amount has been received or paid during the period.

#### 8. Matching Principle

This refers to the principle that revenue shall be matched with related costs and expenses in accounting, in order to calculate the net income or loss in a certain accounting period or of a certain accounting object.

#### 9. Prudence Principle

Under this doctrine, a method which could not result in illusive profit shall be possible to be chosen when several different methods can be chosen for one accounting item. Principle of prudence should be followed in reasonably determining the possible loss and expenses, and should not predict the income possibly produced.

#### 10. Historical Cost Principle

Under this principle, except for the exceptions generally confirmed and monetary assets such as cash, accounts receivable, etc, the obtained assets, expiration and transfer of the assets shall be accounted for at historical cost. Unless otherwise authorized, enterprises may not adjust the carrying value of their assets at their own discretion. The valuation at historical cost is also applied to liabilities. In accounting practice, liabilities are generally taken into the accounts according to the value of the assets when obtained, that is, the expenses incurred actually.

#### 11. Distinguishing Revenue Expenditure From Capital Expenditure Principle

This principle requires that a clear distinction be drawn between revenue expenditures and capital expenditures. Expenditures shall be regarded as revenue expenditure where the benefit to the enterprise is only related to the current fiscal year; and as capital expenditure where the benefits to the enterprise last for several fiscal years.

#### 12. Materiality Principle

This principle requires that financial reports reflect comprehensively the financial position and operating results of an enterprise. Transactions relating to major economic activities are to be identified, appropriately classified and accounted for, and separately reported in financial statements.

## **Part VI . Accounting Standard Formulating Organizations**

All these assumptions and principles have made up an entire set of the Generally Accepted Accounting Principles, which accountants should follow in accounting practice. This is its general acceptability and authority as well. The United States has been leading the world in developing accounting principles and practices. The following organizations there have made the greatest impact on the Generally Accepted Accounting Principles:

1. American Institute of Certified Public Accountants ( AICPA )
2. American Accounting Association ( AAA )
3. The Financial Accounting Standards Board ( FASB )
4. The Securities and Exchange Commission ( SEC )
5. The Internal Revenue Service ( IRS )

Those organizations are directly concerned with the prescription of accounting standards. They fulfilled the function of formulating accounting principles.

In 1973, in order to suit the needs of the development of international economic integration, sponsored by the professional accounting organizations in the USA, Britain, Canada, France, Germany, Australia, Mexico, Holland and Japan, International Accounting Standards Committee ( IASC ) was founded, coordinating the differences between the accounting standards of various countries and formulating and publishing international accounting standards.

### New Words and Special Terms

1. classification n.	分类;类别
2. emerge v.	出现
3. promote v.	促进
4. prosperity n.	繁荣
5. supervise v.	监督;管理
6. participate v.	参与
7. forecast v.	预测
8. component n.	组成部分
9. enterprise n.	企事业单位
10. define v.	给...下定义
11. efficiency n.	效率
12. economic management	经济管理
13. managerial activity	经营活动
14. accounting data	会计数据
15. information system	信息体系
16. financial information	财务信息
17. economic efficiency	经济效率
18. financial accounting	财务会计
19. managerial accounting	管理会计
20. function n.	职能
21. accumulate v.	积累
22. summarize v.	概括;总结
23. routine a.	例行的;日常的
24. transaction n.	(一笔)交易
25. external a.	外部的
26. stockholder n.	股东

27. creditor n.	债权人
28. institution n.	公共机构
29. restrict v.	限制
30. principle n.	原则
31. formulate v.	系统地提出
32. emphasis n.	重点; 强调
33. objective n.	目标
34. budget n.	预算
35. coincide v.	一致; 相符
36. regulation n.	规章; 法规
37. internal a.	内部的
38. accounting process	· 会计过程
39. financial position	财务状况
40. operating results	经营成果
41. financial statement	财务报表
42. external accounting	外部会计
43. Generally Accepted Accounting Principles	公认会计原则
44. operating decision	经营决策
45. operating objective	经营目标
46. internal accounting	内部会计
47. stratum (pl.) strata n.	阶层
48. beneficial a.	有益的
49. investor n.	投资者
50. potential a.	潜在的
51. employee n.	受雇者
52. client n.	顾客
53. security n.	券
54. analyzer n.	分析家
55. medium (pl.) media n.	媒体
56. evaluate v.	评价
57. consultant n.	顾问
58. investment n.	投资
59. profitability n.	获利能力
60. solvency n.	偿付能力
61. loan n.	贷款
62. status n.	状况
63. acquaint v.	使了解
64. undertake v.	进行; 承担
65. accounting report	会计报告

66. profession n.	职业
67. ethics n.	伦理观;道德观;
68. academic a.	学术的
69. qualification n.	资格;合格性
70. license n.	执照;许可证
71. manufacturer n.	制造商
72. expenditure n.	支出
73. budgetary a.	预算的
74. public accounting	公共会计
75. private accounting	私用会计
76. governmental accounting	政府会计
77. professional ethics	职业道德
78. professional qualification	业务能力
79. budgetary fund	预算基金
80. assumption n.	假设
81. status quo n.	现状
82. non uniformity n.	不统一
83. procedure n.	程序
84. conjunction n.	结合;接轨
85. convention n.	惯例
86. initially adv.	初步地
87. entity n.	主体
88. content n.	内容
89. scope n.	范围
90. premise n.	前提
91. permanently adv.	永久地
92. stabilize v.	稳定;安定
93. distinct a.	独特的
94. artificially adv.	人工地;人为地
95. inevitable a.	不可避免的
96. manifestation n.	表现形式
97. verifiability n.	核实;可验证性
98. stipulate v.	规定
99. consistent a.	一贯的;始终如一的
100. arbitrarily adv.	任意地;专横地
101. impact n.	影响;作用
102. concise a.	简明的
103. facilitate v.	使...便利
104. doctrine n.	教义;学说



105. expiration n.	期满; 告终
106. transfer v.	转让
107. authorize v.	受权; 批准
108. adjust v.	调整
109. discretion n.	处理权限
110. fiscal a.	国库的; 财务的
111. identify v.	识别; 鉴定
112. accounting procedure	会计程序
113. Accounting Standards for Business Enterprises	企业会计准则
114. accounting entity assumption	会计主体假设
115. going - concern assumption	持续经营假设
116. periodicity assumption	会计分期假设
117. accounting period	会计期
118. money - measurement assumption	货币计量假设
119. reliability principle	可靠性原则
120. relevance principle	相关性原则
121. comparability principle	可比性原则
122. consistency principle	一致性原则
123. timeliness principle	及时性原则
124. clarity principle	明晰性原则
125. accrual principle	权责发生制原则
126. matching principle	配比原则
127. prudence principle	谨慎原则
128. historical cost principle	历史成本原则
129. accounts receivable	应收账款
130. distinguishing revenue expenditure	划分收益性支出
131. capital expenditure	资本性支出
132. materiality principle	重要性原则
133. prescription n.	规定
134. sponsor v.	发起; 倡导
135. coordinate v.	(使)协调
136. American Institute of Certified Public Accountants (AICPA)	美国注册会计师协会
137. American Accounting Association (AAA)	美国会计学会
138. The Financial Accounting Standards Board (FASB)	财务会计准则委员会
139. The Securities and Exchange Commission (SEC)	证券交易委员会
140. The Internal Revenue Service (IRS)	内部收入署
141. International Accounting Standards Committee (IASC)	国际会计准则委员会

## Exercises

### I . Fill in the blanks with proper special terms or phrases

1. Accounting can usually be classified into \_\_\_\_\_ and \_\_\_\_\_.
2. One of the most important functions of the accounting process is to accumulate and report accounting information that shows the \_\_\_\_\_ and \_\_\_\_\_ of a firm.
3. Managerial accounting is also termed \_\_\_\_\_ since its users are basically inside the organization.
4. \_\_\_\_\_ must be restricted by law and Generally Accepted Accounting Principles.
5. Direct users mainly include the \_\_\_\_\_ of firms, investors or potential investors, \_\_\_\_\_, \_\_\_\_\_ and employees.
6. Suppliers hope to know \_\_\_\_\_ of clients to decide whether to grant credit to them.
7. Accounting profession comprises \_\_\_\_\_, \_\_\_\_\_ and governmental accounting.
8. Periodicity assumption is a necessary supplement to \_\_\_\_\_, \_\_\_\_\_.
9. \_\_\_\_\_ means the specific object that accounting serves while information is processed.
10. The valuation at historical cost is applied to \_\_\_\_\_ as well as \_\_\_\_\_.

### II . Discussion Questions

1. How do you tell the difference between financial and managerial accounting?
2. Will you please name some of the users of accounting information? And for what purposes do they use accounting information respectively?
3. What's the prerequisite for becoming a public accountant?
4. How many assumptions and principles are mentioned in this chapter? And what are they?
5. What organizations have made the greatest impact on the Generally Accepted Accounting Principles in the United States?