

Fundamentals of Business English.  
Introduction to the specialty.

Prepared: Kalenskaya A.E

# VOCABULARY

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1. *book-keeping*
  2. *double-entry book-keeping system*
  3. *entry*
  4. *transaction*
  5. *account*
  6. *a debit*
  7. *credit*
  8. *Luca Pacioli*
  9. *an individual person*
  10. *a legal entity*
  11. *assets*
  12. *capital assets -*
  13. *liabilities*
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## *MAIN RESPONSIBILITIES:*

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- Following up accounts of companies that Supply Department works with,
- Control of all orders and invoices, making objections if required, processing them into accounting software system,
- Following up payments, notification of payments to related companies,
- Supply Department budget preparation




# WHAT IS ACCOUNTING?

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- Accounting shows a financial picture of the firm. Accounting creates accurate financial reports that are useful to managers, regulators, and other stakeholders such as shareholders, creditors or owners, independent financial analysts, banks and government.
- An Accounting Department records and measures the activity of a business. It reports on the effects of the transactions on the firm's financial condition.
- Auditing is the process by which an independent auditor examines organization's financial statements and expresses an opinion about observance of accounting principles and figures accuracy.



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- The day-to-day record-keeping involved in this process is known as **book-keeping**<sup>1</sup>. At the heart of modern financial accounting is the **double-entry book-keeping system**<sup>2</sup>. This system involves making at least two **entries**<sup>3</sup> for every **transaction**<sup>4</sup>: in one **account**<sup>5</sup> - a **debit**<sup>6</sup> and in a corresponding account – a **credit**<sup>7</sup>. The sum of all debits should always equal the sum of all credits. This provides an easy way to check for errors. This system was first used in medieval Europe, although some believe that the system dates back to Ancient Greece.
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# Text 1. Part B. BASIC CONCEPTS OF ACCOUNTING

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- The basic concepts of accounting as we understand them today were first published in Italy in 1494 by Luca Pacioli<sup>1</sup> (1445 - 1517). He described them in a section of his book on applied mathematics. Pacioli was a Franciscan monk whose life and work was dedicated to the glory of God.
  - Accounting is the process of measuring and recording the financial value of the assets and liabilities of a business and monitoring these values as they change with the passage of time. Accounting records are kept for **individual persons**<sup>2</sup> or **legal entities**<sup>3</sup> - a company or a non-profit organization (for example, a church, a club, etc.).
  - The **assets**<sup>4</sup> of a business are those things that belong to the business and can be sold in exchange for money. Assets may include land, buildings, vehicles, stock, equipment, precious metals, bank accounts with positive balances and money owed to the business by its debtors. Accounting was always an attempt to record a relevant **capital assets**<sup>5</sup> or production capacity.
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- The **liabilities**<sup>6</sup> of a business are things that will require payment of money in the future: unpaid bills, unpaid taxes, unpaid wages, overdrawn bank accounts and money due to creditors.
- The **equity**<sup>7</sup> is defined as the own capital of a business: the assets minus the liabilities. The equity is the amount of money that would be released if the business was wound up.
- Assets, liabilities and equity are financial indicators to describe financial condition of a company. They are included in the **balance sheet**<sup>8</sup>. The balance sheet is a financial statement of the assets, liabilities and equity of a business as they exist at a particular point in time.
- The **income**<sup>9</sup> of a business is the sum of those things that increase the value of the assets. Examples include revenue from the sale of goods, supplied equipment or rendered services, rent or investment by the owners.
- The **expenses**<sup>10</sup> of a business are those things that reduce the value of the assets: cost of raw materials, paid rent or interest, electricity and telephone bills, wages, taxes, dividends, depreciation and donations to charity. The financial statement that is used to present this information is known as the **Profit and Loss Statement (or income statement)**<sup>11</sup>.

## **Задание 1.** *Ответьте на вопросы по тексту.*

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- 1. Who invented the basic concepts of modern accounting?
  - 2. Whom are accounting records kept for?
  - 3. What does the assets mean?
  - 4. What are the liabilities of a business?
  - 5. What is the equity?
  - 6. What is a balance sheet?
  - 7. What is the income of a business?
  - 8. What are the expenses of a business?
  - 9. What is the income statement?
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*профессий специалистов-бухгалтеров. Заполните пропуски словами из рамки ниже и диаграмму ниже.*

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1. specializing
2. studying
3. for inspecting its accounts
4. processing the records
5. giving administrative support
6. to inspect its accounts
7. supervises work
8. acts as



**Trainee accountant** (бухгалтер-стажер)

Accountants who are \_\_\_\_\_<sup>1</sup> for professional examinations

**Book-keeper (accountant)** (бухгалтер)

Mid-level administrative staff responsible for \_\_\_\_\_<sup>2</sup> of a business's financial activities.

**Chief Accountant** (главный бухгалтер)

Chief Accountant \_\_\_\_\_<sup>3</sup> of the Accounting Department, checks and approves financial documents, balance sheets and Profit and Loss Statements.

**Deputy Chief Accountant** (заместитель главного бухгалтера)

Deputy Chief Accountant \_\_\_\_\_<sup>4</sup> the Chief Accountant in his/her absence.

**Tax accountant** (бухгалтер по налогообложению)

A tax accountant \_\_\_\_\_<sup>5</sup> in a company's tax affairs.

**Back-office manager** (менеджер операционного отдела)

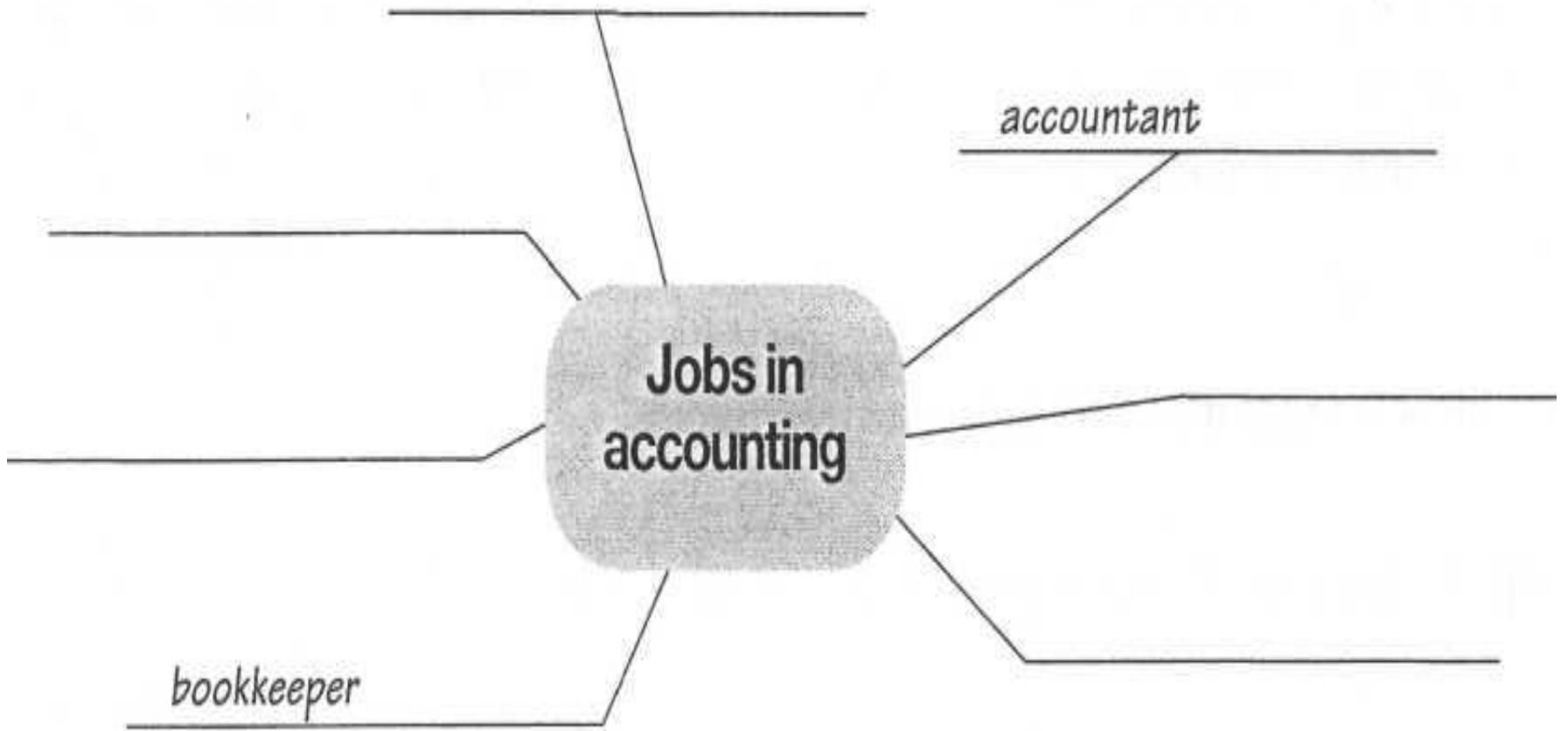
Person in charge of the staff responsible for \_\_\_\_\_<sup>6</sup> to the Finance department.

**Internal auditors/ controllers** (внутренние аудиторы/ревизоры)

Employees of a company who are responsible \_\_\_\_\_<sup>7</sup>.

**External auditors/ controllers** (внешние аудиторы/ревизоры)

People employed by an outside firm of accountants and hired by a company.



# Home work

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- To learn the topic: “My future profession”



## Unit 23 My future profession

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- accounting – бухгалтерский учет
- auditing - аудит
- to consider – рассматривать
- ownership – собственность
- demand – спрос
- fixed assets – основные средства
- suppliers – поставщики
- tax – налоги
- attentiveness - внимательность





# Accountancy бухг.дело

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- My future profession is accounting and auditing. Accountancy profession is one of the most ancient in the world. It appeared 6000 years ago, when primitive people began to control and register their economic activity. The ancient Egypt is considered to be a motherland of accounting. And Ancient Greece is well-known as a birthplace of accounting tools as abacus, just there the first money and coins were created.
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- In the early 90, when the privatization and various types of ownership forms widely spread, accounting became the most popular specialty, and now it is in high demand. Neither huge company and factory nor shops and banks can't work without accountant. The accountant does the work of the various types of accounting: accounting of fixed assets, the cost of production, payment to suppliers and customers, payroll and taxes. Accountant can work in enterprises of different ownership forms: public, shareholder, cooperative, private, carries out work on various types of accounting. The accountant conducts economic analysis of production processes, as a result he identifies reserves, losses and eliminates non-productive expenses. While the state exists with tax system and financial reporting, accountants will be needed.
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- During the last 5 - 7 years the demand in accountants is fairly stable. No doubts, its character, scope, requirements for specialists are changing but demand naturally remains. I think that the best candidate for this profession is a person who has such skills as responsibility, attentiveness, also he needs not to forget about good memory and logical thinking, he should be good at math and of course to be keen on accounting.
  - From childhood I was very keen on math and like to work with numbers, economy was always interesting sphere for me so I attended economical classes at high school. When the time came I easily chose the major at university. So I haven't complain about my choice yet.
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## Отвeтьте на вопросы, используя текст

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- 1. What is the future profession of the main character?
- 2. What is the history of this profession?
- 3. Is the work of accountant important or not?
- 4. What work does the accountant?



# UNIT 26.

## Accountant's resume. Business visits

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- **Trainee accountant** (бухгалтер-стажер)
- **Book-keeper (accountant)** (бухгалтер)
- **Chief Accountant** (главный бухгалтер)
- **Deputy Chief Accountant** (заместитель главного бухгалтера)
- **Tax accountant** (бухгалтер по налогообложению)
- **Back-office manager** (менеджер операционного отдела)
- **Internal auditors/  
controllers** (внутренние аудиторы/ревизоры)
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