

OXFORD Business English

English for Accounting

Evan Frendo
Sean Mahoney

EXPRESS SERIES



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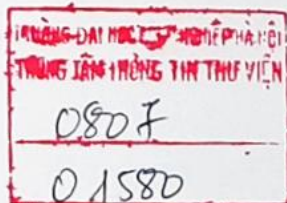


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M-ROM



MultiROM

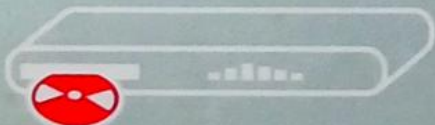
English for Accounting is accompanied by a MultiROM which
has a number of features.

Interactive exercises to practise useful phrases, vocabulary,
and communication through your computer.

Listening extracts. These are in enhanced audio format that
can be played on a conventional CD-player or through the
audio player on your computer.

Useful documents including an A-Z wordlist in PDF format
that you can print out and refer to.

If you have any problems, please check the technical support
section of the readme file on the MultiROM.



Contents

PAGE	UNIT TITLE	TOPICS	USEFUL LANGUAGE AND SKILLS
5	1 Introduction to accounting	Jobs in accounting Accounting principles Creative accounting CPA & Chartered Accountant	Meeting people Offering hospitality Agreeing and disagreeing
14	2 Financial statements and ratios	Profit and Loss Statement Balance Sheet Explaining accounts Ratio analysis	Saying numbers in English Saying formulas/equations Making comparisons
22	3 Tax accounting	Tax systems Methods of depreciation Calculating tax expense Taxation planning	Clarifying information Being polite
29	4 Auditing	Role of auditors Types of audits Auditor-client relationship Describing graphs An auditor's report	Telephone phrases Making appointments Talking about trends Talking about causes and results
35	5 Management accounting	Defining management accounting Statement of Cash Flows Budgets The future of accounting	Meeting phrases
42	6 Investment	Cross-border investments Different accounting practices Intercultural issues Globalization and the role of accountants	Presentation phrases Organizing a presentation

PAGE APPENDIX

48	Test yourself!
50	Partner Files Partner A
52	Partner Files Partner B
54	Answer key
58	Glossary of financial terms
60	Transcripts

About the book

English for Accounting has been specifically developed for people working in accounting and finance who need English to communicate in a variety of situations with colleagues and business partners. In this short course, you will learn the language related to accounting as well as ways to achieve your goals in meetings, in presentations, on the telephone, or when making small talk.

English for Accounting consists of six units, each dealing with a different area of accounting. Every unit begins with a **Starter**, which consists of a short exercise, brainstorming, or a quiz. This is followed by dialogues, texts, and authentic documents along with a variety of exercises that enable you to learn the important vocabulary and expressions in context. There are also cross-references to the **Partner Files** at the back of the book. These provide information gap exercises in the form of role-plays and they give you the opportunity to practise the target language with a partner in realistic situations.

At the end of every unit there is an **Output** activity, which is connected with the topic of the unit and provides opportunities for discussion. Throughout the book there are **Did you know?** boxes that give extra information about accounting and general working life in English-speaking countries. When you have finished this course, you have the opportunity to test your knowledge of the vocabulary from the units with the crossword in **Test yourself!**

At the back of **English for Accounting** you will find the **Answer key**, to which you can refer to check your answers. There is also a **Glossary of financial terms** and **Transcripts** of all the listening extracts.

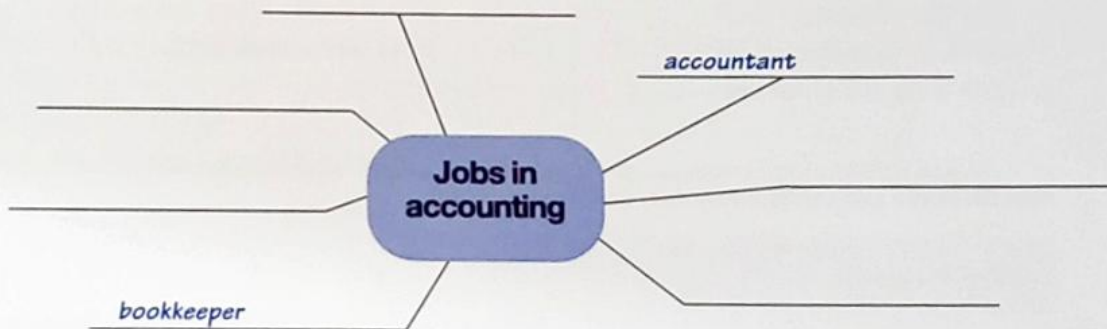
The **MultiROM** contains all the **Listening extracts** from the book. These can be played through the audio player on your computer, or through a conventional CD-player. In order to give yourself extra listening practice, listen to it in your car. The **Interactive exercises** let you review your learning by doing extra activities on your computer; this will be particularly valuable if you are using the book for self-study. As well as a summary of **Useful phrases and vocabulary** there is also an **A-Z wordlist** with all the key words that appear in **English for Accounting**. This includes a column of phonetics and a space for you to write the translations of the words in your own language.

1

Introduction to accounting

STARTER

Make a list of all the different types of job you know about in accounting.



- 1 Here are some jobs and definitions. Fill in the gaps in the definitions with words from the box below.

specializing • studying • for inspecting its accounts • processing the records
• giving administrative support • to inspect its accounts

Trainee accountants

Accountants who are _____¹ for professional examinations

Bookkeepers

Administrative staff responsible for _____² of a business's financial activities

Tax accountant

An accountant _____³ in a company's tax affairs

Back-office manager

Person in charge of the staff responsible for _____⁴ to the Finance department

Internal auditors

Employees of a company who are responsible _____⁵.

External auditors

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

_____⁶.

AUDIO



- 2 Michael Rogers, a CPA (Certified Public Accountant) from the US is meeting Paul Martens, the CFO (Chief Financial Officer) of a company in Belgium. Listen to Michael's conversation with Mr Martens' secretary. Are there any jobs mentioned which are not included in the activities on the previous page?**

AUDIO



- 3 Now listen to the meeting. What is the reason for the meeting?**

- 4 Here are some mixed-up phrases from the conversation. Re-order them so that they make sense.**

- | | |
|--|-------------------------------------|
| 1 in Mr moment Martens you with will be a. | 5 come Please in seat take and a. |
| 2 have Did you a flight nice? | 6 call finishing He's just phone a. |
| 3 coffee Would some you like? | 7 to nice you meet It's. |
| 4 keep Sorry you to waiting. | |

Now fill in the gaps with a suitable word from the box.

bad • absolutely • very • know • start • fill • fairly

- You're _____ right.
- Would you like to _____ by telling me a little about your experience?
- I guess you _____ that I studied economics in New York.
- And then I'll _____ you in on our group.
- Your C.V. is _____ impressive.
- But that's not a _____ thing.
- We're _____ international here now.

Listen again to the meeting and check your answers.

- 5 Make two lists. In the first, write down topics which would be safe to talk about with a foreign business partner. In the second, write down unsafe topics. Compare with a partner.**

Safe topics

Unsafe topics

6 Work with a partner to practise greetings and small talk. Look at the phrases in the box before you go to the Partner Files.

PARTNER FILES

Partner A page 50
Partner B page 52

USEFUL PHRASES

Meeting people

Hello, Mr/Ms ... I'm ...
It's nice to meet you.
– (It's) Nice to meet you, too.
May I introduce you to ...?
I'd like to introduce you to ...
Have you met ...?

Offering hospitality

Can I take your coat?
Please come in and take a seat.
Can I get you a cup of coffee/tea?
Would you like something to drink?
– Yes, please. / Yes, that would be great.
– No, thank you. / No, thanks.

7 What do the following abbreviations mean? Check your answers in the article below.

GAAP • IFRS • IAS • IASC

International accounting

International companies can choose how they present financial information to outside parties. The rules and regulations between countries vary significantly. Accountants worldwide are familiar with the words 'Generally Accepted Accounting Principles (GAAP)'. Some of the basic principles are:

- the going concern principle
- the prudence principle
- the matching principle
- the consistency principle.

The development of these principles has greatly differed between countries. For example, in most English-speaking countries it is often accepted practice to offset unrealized gains

from unrealized losses, or to re-value long term assets upwards, provided sufficient proof of the current value can be shown. This means that accounts can have very different values, depending on whether the company chooses to follow local accounting standards, International Financial Reporting Standards (IFRS) – formerly the International Accounting Standards (IAS) – or U.S. GAAP. Whether the company can choose is governed by the laws of the country where it is registered. For example, the U.S.A. and Japan currently allow publicly-traded companies to prepare their financial statements using the standards of the International Accounting Standards Committee (IASC), but they must also include a reconciliation to domestic GAAP.

8 Use words from each box to make word partnerships. Then match them to the definitions below.

outside • accepted • English-speaking • local accounting • publicly-traded

company • practice • standards • parties • countries

- 1 A firm that sells its shares to anyone who wants to buy them.
- 2 For example, Australia, the U.K., and the U.S.A.
- 3 The way that most people do something.
- 4 The rules and regulations which state how accountants operate in a particular place.
- 5 People or groups who are not involved with the company.

9 The article mentions four basic principles of accounting. Match them to the definitions below. Then check your answers in the glossary (page 58).**1**

This principle is concerned with the timing of the recognition of transactions in the accounts. Items are recorded when the income or expense arises, and are not dependent on the movement of cash.

2

When preparing accounts, one must assume that the enterprise will still be viable in the years to come. Practically all accounting items are affected by this assumption, such as the carrying value of fixed assets and inventories, and the ability to repay debts and other obligations.

3

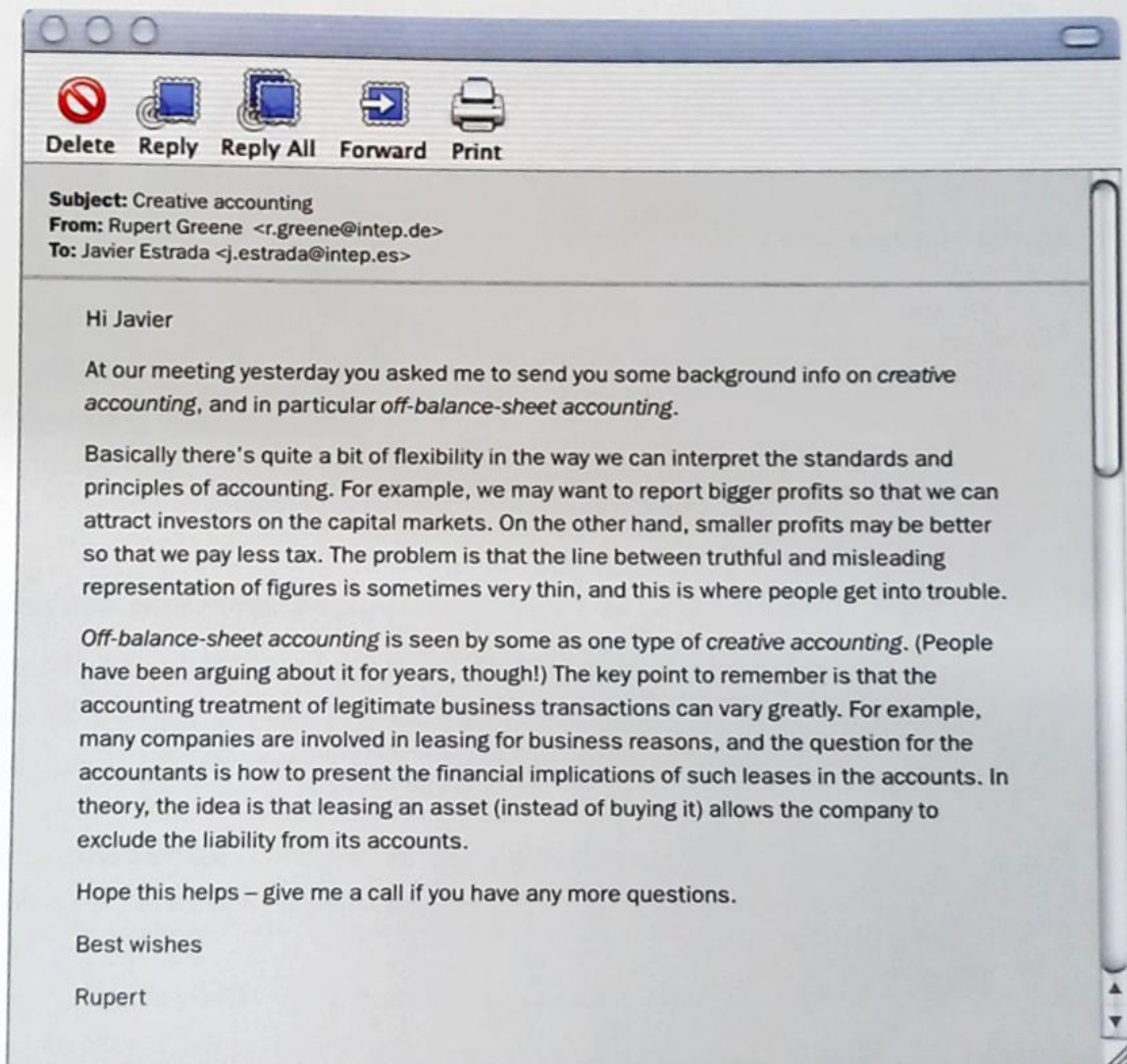
What value should be given to the numbers in the accounts? It is normal to act pessimistically, so that profits and assets are not overstated, and expenses and liabilities realistically valued.

4

Accounts should be produced using the same principles from one year to the next. Deviations from this principle must be noted, and the effects on the accounts shown.

10 Do you know of any differences in the application of these principles between countries? What should a visiting accountant know about the principles in your country? Make notes, and prepare to brief someone else in the class.

- 11** Read this email on creative accounting, and then decide if the statements below are true ☒ or false ☒.



- 1 Accountants agree that *creative accounting* is a good thing. ☐
- 2 *Off-balance-sheet accounting* is one way of *creative accounting* – there are others. ☐
- 3 *Creative accounting* is sometimes used to try and attract more investors. ☐
- 4 Accountants are allowed some flexibility in the way they present accounts. ☐
- 5 Leasing is actually illegal. ☐
- 6 Big profits mean paying less tax. ☐
- 7 When a company leases an asset, the accountant doesn't have to include it in the accounts. ☐



12 Listen to the conversation between the Managing Director (Charles) and the Financial Director (Sally). Answer these questions. Make a note of the words and phrases that helped you to answer.

- 1 Do Charles and Sally agree that their company has a debt problem?
- 2 What are the consequences of the debt problem?
- 3 Why do they need a solution to the problem soon?
- 4 How does Charles suggest they deal with it?
- 5 Has Charles made a final decision about what to do?
- 6 Do we know whether Sally agrees with Charles's suggestion?



13 Fill in the gaps in the extracts from the conversation.

Charles The shareholders are getting nervous, and the markets don't like our level of g _____.¹ We're getting more and more questions about whether we can s _____ our d _____², in the l _____.
t _____³.

It's getting harder to attract new investments. So I wanted to speak to you about what we can do. We're investing a s _____⁴ amount in our new factory in Germany so we need to c _____ u _____ w _____⁵ a solution soon. The new factory is very important, and we're looking at leasing the assets.

Sally You're thinking that if we l _____ the a _____⁶, we can exclude these l _____⁷ from the balance sheet?

Charles Exactly.

Sally You know that the auditors will look very closely at these transactions? The accounting s _____⁸, or principles if you like, mean that finance leases must be d _____⁹. If we are effectively the owner of these assets, then we're not going to have a c _____¹⁰.

Now listen again and check your answers.