

**ГУМАНІТАРНИЙ ФАКУЛЬТЕТ**

**Кафедра «Іноземні мови»**

**МЕТОДИЧНІ ВКАЗІВКИ**

**з розвитку фахових навичок за темою**

***“БУХГАЛТЕРСЬКИЙ ОБЛІК”***

**для студентів 2 курсу**

**факультету економіки транспорту**

**(англійська мова)**

**Харків 2009**

Методичні вказівки розглянуто та рекомендовано до друку на засіданні кафедри «Іноземні мови» 25 січня 2008 р., протокол № 6.

Видання підготовлено відповідно до програми навчальної дисципліни і є складовою навчально-методичного комплексу дисципліни „Іноземна мова”.

Методичні вказівки складаються з трьох розділів (*Units*): *Accounting* (Бухгалтерський облік), *The Elements of Financial Statements* (Елементи фінансових звітів) та *The Balance Sheet* (Балансовий звіт). До кожної теми розроблено словник активної лексики, лексичні та граматичні вправи. Дані методичні вказівки призначені для студентів 2 курсу факультету економіки транспорту.

Укладач

старш. викл. О.В. Коростильова,  
викл. О.В. Гаврилова

Рецензент

доц. С.М. Донець

## МЕТОДИЧНІ ВКАЗІВКИ

з розвитку фахових навичок за темою

“БУХГАЛТЕРСЬКИЙ ОБЛІК”

для студентів 2 курсу

факультету економіки транспорту

(англійська мова)

Відповідальний за випуск Коростильова О.В.

Редактор Ібрагімова Н.В.

---

Підписано до друку 31.03.08 р.

Формат паперу 60x84 1/16 . Папір писальний.

Умовн.-друк.арк. 2,0. Обл.-вид.арк. 2,25.

Замовлення № Тираж 150. Ціна

---

Видавництво УкрДАЗТу, свідоцтво ДК № 2874 від. 12.06.2007 р.

Друкарня УкрДАЗТу,  
61050, Харків - 50, пл. Фейєрбаха, 7

# УКРАЇНСЬКА ДЕРЖАВНА АКАДЕМІЯ ЗАЛІЗНИЧНОГО ТРАНСПОРТУ

Гуманітарний факультет

Кафедра “Іноземні мови”

Методичні вказівки  
з розвитку фахових навичок за темою:  
“Бухгалтерський облік ”  
для студентів 2 курсу  
факультету економіки транспорту

(англійська мова)

Харків, 2008

Методичні вказівки з розвитку фахових навичок за темою “Бухгалтерський облік” для студентів факультету економіки транспорту.-Х.: УкрДАЗТ, 2008

Видання підготовлено у відповідності до програми навчальної дисципліни і є складовою навчально-методичного комплексу дисципліни „Іноземна мова”.

Методичні вказівки складаються з трьох розділів (*Units*): *Accounting* (Бухгалтерський облік), *The Elements of Financial Statements* (Елементи фінансових звітів) та *The Balance Sheet* (Балансовий звіт). До кожної теми розроблено словник активної лексики, лексичні та граматичні вправи. Дані методичні вказівки призначені для студентів 2 курсу факультету економіки транспорту.

Методичні вказівки розглянуто та рекомендовано до друку на засіданні кафедри “Іноземні мови” 25.01.2008, протокол №6

Укладачі: ст.викл. О.В. Коростильова, викл. О.В. Гаврилова

Рецензент: доц., к.ф.н. С.М. Донець

# UNIT 1

## ACCOUNTING SYSTEM

### Active Vocabulary

**owner** – *n* власник

**tax** – *n* податок

**fetch** – *v* одержувати, приносити

**trace** – *v* відслідковувати, відстежувати

**assets** – *n, pl* активи; **current assets** – поточні активи; **non-current**

**assets** – необоротні активи

**liabilities** – *n, pl* пасиви

**net income** – чистий прибуток

**cash flow** – грошовий потік

**earnings** – *n, pl* заробіток, прибуток

**share** – *n* доля; акція; *syn* **stock**

**obligation** – *n* обов'язок; *syn* **duty, responsibility**

**entity** – *n* економічна одиниця

**scarce** – *adj* недостатній, дефіцитний

**employer** – *n* роботодавець

**account** – *n* рахунок

**merchandise** – *n* партія (товару), вантаж

**warehouse** – *n* склад

**income tax return** – декларація про прибутковий податок

**overall goal** – загальна мета

**evaluate** – *v* оцінювати; **evaluation** – *n* оцінка

**virtually** – *adv* практично, фактично; *syn* **actually**

**environment** – *n* навколишнє середовище

**public image** – статус у суспільстві

**to a great extent** – значною мірою

**adjust** – *v* налаштовувати, підганяти

**conform** – *v* відповідати, прилаштовуватися; *syn* **adapt**

**challenging** – *adj* складний, важкий

**effect** – *n* вплив, результат, дія

**transaction** – *n* операція

**tax burden** – податковий тягар

**maintenance of files** – ведення документації

**summarize** – *v* підводити підсумок

**forecast** – *n* прогнозування

**current period** – поточний період

### Exercise 1

**Translate the following sentences with verbs from the active vocabulary.**

1 The wanted man was *traced* to an address in Amsterdam. 2 Shall I *fetch* your coat for you? 3 We *evaluated* the situation very carefully before we made our decision. 4 The seat can be *adjusted* to different positions. 5 This building does not *conform* to fire regulations. 6 Could you *summarize* the story so far? 7 The Chancellor didn't *forecast* the sudden rise in inflation.

### Exercise 2

**Find synonyms among the following words.**

Obligation, actually, warehouse, owner, adapt, current, entity, storehouse, conform, proprietor, universal, transaction, estimate, net income, challenging, overall, employer, responsibility, evaluate, virtually, net profit (*Am*), economic unit, boss, difficult, deal, running.

### Exercise 3

**Completer the sentences with the words from the active vocabulary: *liability, earnings, shares, merchandise, conform, forecast, adjust, evaluation, tax.***

1 According to the weather ..., it's going to stay hot for the rest of the week. 2 It took a few seconds for her eyes to ... to the darkness. 3 We need to carry out a proper ... of the new system. 4 Students can be expelled for refusing to ... to school rules. 5 Tenants have legal ... for any damage they cause. 6 They inspected the ... carefully. 7 He claimed compensation for loss of ... . 8 They were able to sell their ... at a higher price. 9 He already pays 40% ... on his income.

## Text

‘Accounting is the language of business’... Indeed, like no man without ability to express his thoughts clearly and understandably can achieve very much in life, no firm can succeed without a good accounting system. Accounting is a necessary tool which not only provides information to the owners about how its money is working, and to the state about how big the taxes are to be fetched, but, the most important, enables the company to control, plan and trace all the actions, processes and projects. Such terms as assets, liabilities, net income, cash flow and earnings per share are but a few examples of technical accounting terms widely used throughout the business world. Every investor, manager, and business decision maker needs a clear understanding of accounting terms and concepts to participate and communicate effectively in the business community.

There are many types of accounting information: financial accounting, management accounting, and tax accounting.

*Financial Accounting* is general purpose information. It refers to information describing the financial resources, obligations, and activities of an economic entity. Financial accounting information is designed primarily to assist investors and creditors in deciding where to place their scarce investment resources. Such decisions are important to society, as they determine which companies and industries will receive the financial resources necessary for growth , and which will not.

However, many other decision makers also make use of financial accounting information. A company’s managers and employers constantly need such information in order to run and control daily business operations. For example, they need to know the amount of money in the company’s bank accounts, the types and quantities of merchandise in the company’s warehouse, and the amount owed to specific creditors. Financial accounting information also is used in income tax returns.

*Management (managerial) accounting* involves the development and interpretation of accounting information intended specifically to aid management in running the business. Managers use this information in setting the company's overall goals, evaluating the performance of departments and individuals, deciding whether to introduce a new line of products, and in making virtually all types of managerial decisions. Management accounting information often includes evaluations of 'non-financial' factors, such as political considerations\*, the possible effects of various actions upon the environment, the company's public image, and worker productivity.

The preparation of *income tax returns* is a specialized field within accounting. To a great extent, tax returns are based upon financial accounting information. However, the information often is adjusted or reorganized to conform with income tax reporting requirements. The most challenging aspect of tax accounting is tax planning which means anticipating the 'tax effects' of business transactions and structuring these transaction in a manner that will minimize the income tax burden.

Accounting provides information for all these purposes through the maintenance of files of data, analysis and interpretation of these data, and the preparation of various kinds of reports. Most accounting information is historical – that is, the accountant observes the things that the organization does, records their effects, and prepares reports summarizing what has been recorded; the rest consists of forecasts and plans for current and future periods.

\* *political considerations* – ПОЛІТИЧНІ МОТИВИ

#### **Exercise 4**

#### **Answer the questions.**

1 Does accounting measure and interpret the results of economic activities? 2 Why is accounting often called 'the language of business'? 3 Is accounting information limited to the business world? 4 Name some of the accounting terms mentioned in the text. 5 What types of accounting information do you know? 6 What are the main users of



financial accounting information? 7 Why do the managers and employers of a company need the financial accounting information? 8 In which way do managers use management information? 9 What is the special feature of tax accounting information? 10 What does it mean that accounting information is historical?

### **Exercise 5**

**Translate the word combinations using the active vocabulary for italicized words.**

*Активи та пасиви підприємства; одержати чистий прибуток; грошовий потік від інвестиційної діяльності; доля відповідальності; купувати та продавати товари; відкривати рахунок у банку; заповнювати декларацію про прибутковий податок; оцінювати дані виборчої комісії; захищати навколишнє середовище; улаштувати суперечки; складні проблеми; підводити підсумки спортивних змагань.*

### **Exercise 6**

**Translate the sentences using the active vocabulary.**

1 Я зустрів власника міського готелю та ми обговорили діючу систему оподаткування. 2 Чи можеш ти відстежити для мене деякі деталі у фінансовій декларації нашої фірми? 3 Зараз у цій країні не існує поділу звітності на фінансову та керівницьку. 4 Прибуток на одну акцію є одним з основних показників, що характеризує фінансовий стан компанії. 5 Облік є мистецтвом запису, класифікації та узагальнення рахунків, а також інтерпретації одержаних результатів. 6 Облікова звітність є важливим джерелом інформації як для зовнішніх, так і для внутрішніх споживачів. 7 Реформування бухгалтерського обліку в умовах ринкової економіки, адаптація його до міжнародних стандартів є основою поділу його на фінансовий та керівницький.

## Exercise 7

**Complete the definitions with the following words:** *bookkeeping, profit, shares, interest, current, debtor, creditor, capital, dividend, company, net, statement. **Consult the dictionary for the terms.***

1 Recording financial transaction is ... . 2 A legal organization, formally registered, and having a life independent of its members, is a ... . 3 A person or organization that owes money is a ... . 4 A person or organization to whom money is owed is a ... . 5 The assets, including cash, debtors and stocks used in a company's trading, available at the present moment, are its ... assets. 6 The equal parts into which the ownership of a company is divided are its ... . 7 The money paid to shareholders out of a company's profits is the ... . 8 A company's turnover, less its cost of sales, is its gross ... . 9 A company's turnover after the cost of sales, tax, rent and other liabilities are deducted is its ... profit. 10 The sum of money paid by a borrower to a lender for the use of the lender's money is the ... on the loan. 11 The document sent to the debtor by the creditor, showing how much is owed and for what, is the ... of account. 12 The shareholders' investment in a company is the share ... .

## Exercise 8

**Put the verbs in brackets into the appropriate tense.**

Communism is a political and economic doctrine which (*say*) that everything must belong to the state and the government is to organize all the production. Karl Marx (*formulate*) his idea of communism as 'from each according to his ability, to each according to his needs'. Command economy where strategic decisions (*make*) by government and (*not/regulate*) by the price system (*rely*) on the communist doctrine. China still (*organize*) its economy along communist lines but Russia and other former Soviet Union's countries and East-European countries recently (*move away*) to more market-based economies.

## Exercise 9

Choose the appropriate words in brackets.

1 (*A command economy / A free market economy*) is society where the government makes all decisions about production and consumption. 2 (*Economics / Economy*) studies how markets and prices allow society to solve the problems of what, how, and for whom to produce. 3 Every economist sees (*the restriction / the importance*) of the question of what, how, and for whom to produce. 4 Nations have different (*consumption / levels*) of farm production. 5 When (*the price / the importance*) of some goods grows, people will try to use less of them but producers will want to produce more of them. 6 In (*mixed / both*) countries, Canada and the USA, structural changes in the agricultural sector of economy have become of interest to economists and general public in the 80s and 90s of the 20<sup>th</sup> century. 7 After years of competition between command and market economies, (*the former / the latter*) gave way in many countries of the world to (*the former / the latter*).

## Exercise 10

a) Read the words paying attention to the stress:  
*on the second syllable    on the third syllable*

economy	economics
economist	economic
to economize	economical

b) Change the phrases using *economic* or *economical*.

1 A practical woman. 2 Problems of economics. 3 A crisis in the field of economy. 4 To be careful in the spending of money. 5 Reforms in the field of economy. 6 A law regulating the sphere of economics. 7 A plan of the industrial development of the country. 8 A small car that doesn't use too much fuel. 9 Geography that studies the location of industries, markets, transport.

**c) Put in the words:** *economy, economics, economist, economic, economize (v), economical.*

1 An early definition of ... was ‘an inquiry into the nature and causes of the wealth of nations’. 2 The national ... is the system of the management and use of resources of a country. 3 You can ... if you compare the prices of goods before buying them. 4 J. M. Keynes was a famous .... 5 Inflation may cause a bad ... state in a country. 6 If you’ve got a large family, it’s more ... to travel by car than by train.

### **Exercise 11**

**Open brackets using the appropriate voice and tense. Translate the sentences.**

1 Our economists (*choose*) another level of output for the next year as the situation at the market already (*change*). 2 The demand for a commodity (*affect*) by a change in price and this relationship (*call*) elasticity of demand. 3 Some African countries already (*buy*) large quantities of food from the European countries and the USA as they (*lose*) most of their crops because of the drought. 4 The present director of the company (*know*) the way how to run a business efficiently as he (*teach*) the theory of economics at London School of Business. 5 Recently the increase in consumers’ income (*follow*) by the increased demand for normal goods. 6 This American company (*sell*) its computers very successfully at the market now by maintaining low prices. 7 The balance sheet (*show*) to the company’s manager last Monday and he (*can*) make proper managerial decisions just in time. 8 New economical methods of transporting fruit and vegetables (*develop*) in the future and they (*help*) to deliver fresh products to the consumers more quickly.

### **Exercise 12**

**Put in prepositions of (9), on (2), in (7), by (1) and below (2), where necessary.**

The simplest set ... double entry books consists ... a journal and a ledger. When a transaction occurs, it is not entered directly ... the

account, but it is first recorded ... a book ... original entries known as a journal. Several kinds ... journals are used ... a bookkeeper, the general journal being the most common type. To list some recurring transactions special journals such as sales, purchases, cash-receipts and cash-disbursements journals are widely used ... bookkeeping. Transactions that cannot be registered ... a special journal and all entries that cannot affect ... cash are recorded ... a general journal.

In a general journal the title ... the account to be debited is placed ... the top line, with its amount shown ... the debit column. The title ... the account that is to be credited is shown ... it, with its amount placed ... the credit column. ... this may be a written explanation ... the transaction. The total ... the debits column should always equal the total ... the credits column ... each general journal page.

### Exercise 13

#### Open brackets using verbs in brackets in the appropriate form.

At the end of the month or more frequently all journal entries (*post*) into the book of accounts (*know*) as a general ledger (*consist*) of separate pages for each account. The page for each account (*show*) its debits and its credits, so that the balance of each account (*can*) (*determine*). As each journal entry (*record*) on the (*plan*) side of its account, a mark (*place*) in the post column of the journal in order (*show*) that it already (*record*) in the ledger. The date (*use*) in the ledger (*be*) the date on which the entry first (*record*) in the journal. The post column in the account (*use*) (*show*) which page this entry (*post*) to in the ledger.

In addition to the general ledger, a subsidiary ledger (*use*) in order (*provide*) information in greater detail about the accounts in the general ledger. For example, the subsidiary ledger (*may*) (*keep*) for the amount of money (*owe*) to the company by all its customers, for the wages (*pay*) to each employee, for each building or machine (*own*) by the company and for amounts (*owe*) to each of the company's creditors.

## UNIT 2

### ELEMENTS OF FINANCIAL STATEMENTS

#### Active Vocabulary

- ultimate objective** – найвища (кінцева) мета  
**profit** – *n* прибуток; *v* приносити прибуток  
**accomplish** – *v* виконувати, досягати  
**constitute** – *v* встановлювати, становити  
**external user** – зовнішній користувач  
**internal user** – внутрішній користувач  
**statement** – *n* заява, баланс, звіт  
**income statement** – стаття доходу  
**statement of changes in equity** – звіт про зміни акціонерного  
(власного) капіталу  
**statement of cash flows** – звіт про пересування грошових коштів  
**perspective** – *n* точка зору, погляд  
**performance** – *n* виконання, робота, виступ  
**designate** – *v* назначати, позначати  
**balance sheet** – балансовий звіт  
**operating activity** – поточна діяльність  
**label** – *v* називати, помічати  
**revenue** – *n* прибуток  
**exceed** – *v* перебільшувати, перевершувати; *syn* **surpass**  
**net loss** – загальні втрати  
**decline** – *n* зменшення  
**customary** – *adj* звичайний  
**appropriate** – *adj* відповідний  
**contributed capital** – вкладені кошти  
**net earnings** – чистий прибуток  
**retain** – *v* утримувати, зберігати  
**total claims** – загальна сума вимог  
**equity** – *n* власний (акціонерний) капітал компанії  
**cash receipts** – грошові (касові) надходження  
**cash inflow** – приток грошових коштів  
**cash outflow** – відтік грошових коштів

## Exercise 1

**Translate the following sentences with verbs from the active vocabulary.**

1 Did you make a *profit* on your house when you sold it? 2 Who will *profit* most from the tax reforms? 3 I managed to *accomplish* my *goal* of writing twenty emails in an evening. 4 Women *constitute* a high proportion of part-time workers. 5 The Prime Minister will make a *statement* about the defence cuts today. 6 Try and look at this from my *perspective*. 7 These arrows *designate* the emergency exits. 8 These dangerous tins should be *labelled* with a warning. 9 *Revenue* from income tax rose last year. 10 He was stopped by the police for *exceeding* the speed limit. 11 As an industrial power, the country is in *decline*. 12 Is it *customary* to send cards at Christmas in your country? 13 The matter will be dealt with by the *appropriate* authorities. 14 Despite all her problems she has managed to retain a sense of humour.

## Exercise 2

**Find synonyms among the following words.**

Ultimate, decline, benefit, sticker, constitute, exceed, usual, final, profit, point of view, appoint, accomplish, hold, label (*n*), action, reach, designate, perspective, customary, performance, establish, surpass, decrease, retain.

## Exercise 3

**Completer the sentences with the words from the active vocabulary:** *a balance sheet, profits, equity, performance, revenue, perspective, statement, declines, customary, accomplish, appropriate.*

1 For the first time, the company's annual ... were over \$1 million. 2 What exactly do you hope to ... this year? 3 According to its financial ..., the company made a profit of \$15 million last year. 4 A prisoner has a different ... on prison life than a guard. 5 It is the first ... of Berlioz's Requiem in this city in over 20 years. 6 Each produces an operating account and ... . 7 Nintendo's estimated ... totals \$9 billion worldwide.

8 Stock markets in Europe showed similar .... 9 The man at the hotel welcomed us with the ... greeting. 10 Considering what he did, I think the punishment was .... 11 Florian's relatives will retain rights to the property. 12 San Francisco-based Schwab returned 30 percent on shareholders' ..., up from 29 percent a year ago.

## **Text**

The ultimate objective of a profit-oriented enterprise is to increase the wealth of its owners. The economic resources employed by a business to accomplish this objective are called *assets*. To increase the wealth of its owners, an enterprise must transform its existing assets into greater quantities of other assets. The existing resources (i.e., assets) are exchanged, used or otherwise invested by an enterprise in its efforts to provide goods and services to the members of society.

The elements of financial statements constitute building blocks of information that are useful in the evaluation of the economic status of a business enterprise. These blocks of information are presented to external users in four general financial statements. The *income statement*, *statement of changes in equity*, and *statement of cash flows* provide unique perspectives on the performance of the enterprise during some designated period of time. The fourth statement, *the balance sheet*, provides information regarding the financial condition of the enterprise at some designated point in time.

### **1 The income statement**

The income statement measures the difference between the asset increases and the asset decreases that were associated with running the business. The asset increase resulting from the operating activities was labelled revenue. The asset decrease was called an expense. If revenues are greater than expenses, the difference between these two elements is called net income. If the expenses exceed the revenues the difference is referred to as a net loss. Accordingly, net income indicates that the company's net assets increased as a result of operating activities while a net loss would show that net income declined.



<b>The New Company Income Statement For the Period Ended 20xx</b>	
Revenue (i.e., asset increase)	\$7,000
Expense (i.e., asset decrease)	<u>(4,500)</u>
Net Income (i.e., change in net assets)	<u>\$2,500</u>

Income is measured over some period of time. The customary length of the accounting period is one year. It can also be measured weekly, monthly, quarterly, semi-annually, or any other time period that the users deem appropriate in relation to their needs for information.

## 2 Statement of Changes in Equity

The statement of changes in equity is used to explain the effects of transactions on equity during the accounting period. It includes the beginning and ending of balances for the amount of contributed capital and reflects any new investments in the business. It also shows the portion of the net earnings that were retained in the business. The equity is increased by the amount of net income and decreased by the amount of distributions.

<b>The New Company Statement of Changes in Equity For the Period Ended 20xx</b>		
Beginning Contributed Capital	\$ -0-	
Plus: Investments	<u>10,000</u>	
Ending Contributed Capital		\$ 10,000
Beginning Retained Earnings	\$ -0-	
Plus: Net Income	2,500	
Less: Distributions	<u>(1,500)</u>	
Ending Retained Earnings		<u>1,000</u>
Total Equity		<u>\$ 11,000</u>

## 3 The Balance Sheet

The statement that lists the assets and the corresponding claims on those assets is called the balance sheet. The total claims (i.e., liabilities plus equity) are equal to the total assets. At any given point in time, a

company has a specific amount of assets and claims on those assets. The balance sheet describes the financial condition of the company at a specific point in time (i.e., normally the end of the accounting period).

<b>The New Company</b>		
<b>Balance Sheet</b>		
<b>As of the End of the Period, 20xx</b>		
Assets		<u>\$ 15,000</u>
Liabilities		\$ 4,000
Equity:		
Contributed Capital	\$10,000	
Retained Earnings	<u>1,000</u>	
Total Equity		<u>11,000</u>
Total Liabilities and Equity		<u>\$15,000</u>

#### **4 The Statement of Cash Flows**

The statement of cash flows explains how a company obtained and used cash during the accounting period. The sources of cash are called cash inflows; and the uses are known as cash outflows. The statement classifies cash receipts (i.e., inflows) and payments (i.e., outflows) into three categories including operating activities, investing activities, and financing activities.

<b>The New Company</b>		
<b>Statement of Cash Flows</b>		
<b>For the Period Ended 20xx</b>		
<b>Cash Flows from Operating Activities:</b>		
Cash Receipts from Revenue	\$ 7,000	
Cash Payments for Expenses	<u>(4,500)</u>	
Net Cash Flow from Operating Activities		\$ 2,500
<b>Cash Flows from Investing Activities:</b>		
		-0-
<b>Cash Flow from Financing Activities:</b>		
Cash Receipts from Borrowed Funds	\$ 4,000	
Cash Receipts from Owner Investments	10,000	
Cash Payments for Distributions	<u>(1,500)</u>	
Net Cash Flow from Financing Activities		<u>12,500</u>

Net Increase in Cash
----------------------

\$ 15,000
-----------

The purpose of the statement of cash flows is to throw light on management's use of the financial resources available to it and to help the users of the statements to evaluate the company's liquidity, its ability to pay its bills when they come due.

#### **Exercise 4**

**Answer the questions.**

1 What is the major goal of any business enterprise? 2 What are the main blocks of information for external users? 3 What does the income statement measure? 4 When the revenues of an enterprise is called a net income? a net loss? 5 What does the statement of changes in equity show? 6 What does the balance sheet represent? 7 What is a fundamental characteristic of every balance sheet? 8 Give explanations for inflows and outflows. 9 What does the statement of cash flows focus on?

#### **Exercise 5**

**Translate the word combinations using the active vocabulary.**

Досягати найвищої мети; приносити дохід; виконувати обіцянки; засновувати нову державну установу; побачити ситуацію з іншої точки зору; приклеювати ярлики; одержати великі прибутки; перевищувати всі норми; незначне зменшення цін; належні міри покарання; утримувати контроль над діяльністю цієї фірми.

#### **Exercise 6**

**Translate the sentences using the active vocabulary.**

1 Баланс є однією з важливих форм звітності підприємства, що складається на певну дату. 2 Об'єктами бухгалтерського обліку є активи, пасиви, а також господарські процеси. 3 Власний капітал формується за рахунок власних ресурсів підприємства. 4 Балансове рівняння є одним з основних елементів методу бухгалтерського

обліку. 5 Вкладений капітал підприємства (активи) складається з власного та позикового капіталу. (borrowed capital) 6 Директор відповідає за організацію бухгалтерського обліку на підприємстві.

#### **Числівники**

1/4 – *one-fourth*

2/3 – *two-thirds*

1.54 – *one point fifty-three*

збільшився на 3 % – *grew by 3 percent*

зменшився в два рази – *decreased two times*

збільшився (зменшився) з ... до –

*increased (decreased) from ... to ...*

### **Exercise 7**

#### **Say in English.**

3/4; 1/6; 3/8; 1/5; 3.71; 83.12; 17.4; 20.5; 11.33; збільшився на 1,7%; зменшився на 8%; збільшився на 1/3; зменшився на 2/5; збільшився на 25%; зменшився на 30.1%; зменшився у три рази; збільшився в чотири рази; зменшився в декілька разів; збільшився в п'ять разів; зменшився з 92% у 2000 році до 80% у 2006 році; зріс з 40 тисяч тон в 1991 році до 43 тисяч тон в 1998 році; збільшився з \$24 500 в 1996 році до \$24 650 в 1997 році.

### **Exercise 8**

**Complete the definitions with the following words: *net, sales, market, overheads, loss, expenditure, cash-flow, gross, capital, profit*. Translate the names of forecasts.**

1 The forecast which predicts how much money will be gained by a business is called the ... forecast. 2 The forecast which predicts how much money will be lost by a business is called the ... forecast. 3 The forecast which predicts how much money will be received or spent by a business is the ... forecast. 4 The forecast which predicts where most sales will be made, and what their value will be, is the ... forecast. 5 The forecast which predicts how much the company will sell is the ...

forecast. 6 The forecast which predicts how much money will be spent by the company is the forecast of ... . 7 The forecast which predicts how much money is needed to start up a business or to increase its wealth is the ... forecast. 8 The forecast which predicts how much money the company will earn before tax is paid is the ... profit forecast. 9 The forecast which predicts how much money the company will earn after tax is paid is the ... profit forecast. 10 The forecast which predicts how much money the company will have to spend on salaries, heating and lighting, rent, etc., is the forecast of ... .

### Exercise 9

**Put in the following words:** *thus, although, because of, because, so, but, if, while, however, since.*

1 ... rising prices the company stock-in-trade has increased in value. 2 Capital borrowing has become easier ... the government wants to stimulate the economy. 3 Bond & Co. doesn't seem to be doing very well, ... its goodwill is falling. 4 They are said to have employed a new Marketing Manager, ... they don't expect an immediate improvement in sales. 5 The company's balance sheet appeared to be satisfactory, ... within six months it went bankrupt. 6 ... bank loans are a common source of long-term credit, short-term investment is usually financed in other ways. 7 Often the two sides of a balance sheet may not be in balance, ... additional information should be taken into account, such as sale of assets, repayment of loans, payments of dividends and taxation.

### Exercise 10

**Choose the appropriate words in brackets. Learn the following words:** *tangible assets* – матеріальні активи; *intangible assets* – нематеріальні активи; *stock-in-trade* – запас товарів; *real estate* – нерухомість; *accounts receivable* – дебіторська заборгованість; *accounts payable* – кредиторська заборгованість; *survey* – опитування.

1 Knowing the company's (*stocks / goodwill*) value, creditors are ready to invest more money as they expect high (*investment interest / salaries*) at the end of the year. 2 Both farm equipment and farm

buildings make up (*short-term / long-term*) (*intangible / tangible*) assets in agrobusiness. 3 (*Accountants / Stockholders*) prepare reports in financial (*items / terms*) describing the results of past resources allocation decisions. 4 Any company is responsible for paying salaries of (*employers / employees*) and (*wages / salaries*) of workers belonging to company current (*liabilities / assets*) regularly, usually monthly or weekly. 5 The amount of goods and services known as company (*stock-in-trade / real estate*) is available for sale at a given time and it is shown as an asset on the (*accounts receivable / balance sheet*). 6 (*To calculate / To operate*) properly the company's manager should rely on information obtained from public survey.

**Дієслова, після яких вживається герундій:**

<p><i>agree to</i> – погоджуватися на  <i>approve of</i> – схвалювати  <i>be due to</i> – пояснюватися  <i>be interested in</i> – цікавитися  <i>benefit from</i> – одержувати вигоду від  <i>compensate for</i> – компенсувати  <i>concentrate on</i> – зосереджуватися на  <i>depend on</i> – залежати від  <i>insist on</i> – наполягати на  <i>involve in</i> – залучати до  <i>object to</i> – заперечувати</p>	<p><i>participate</i> – брати участь у  <i>prevent from</i> – запобігати  <i>protect from</i> – захищати від  <i>protect against</i> – протестувати проти  <i>rely on</i> – покладатися на  <i>speak of</i> – говорити про  <i>specialize in</i> – спеціалізуватися у  <i>suspect of</i> – підозрювати у  <i>tell of</i> – розповідати про  <i>thank for</i> – дякувати за  <i>think of</i> – думати про</p>
--	--

**Exercise 11**

**Translate the expressions in brackets using gerund according to the model.**

*Model:* Some Members of the Parliament insist on (встановленні контролю за кредитно-грошовою політикою Центрального банку). – Some Members of the Parliament insist on *imposing control over the Central Bank's monetary policy*.

1 The chief accountant objected to (*готувати фінансовий звіт*).  
 2 The stockholders suspect the company of (*має борг*). 3 The employee thanked the manager for (*підвищення зарплати*). 4 The partners are still

insisting on (*доповідати на загальних зборах акціонерів*). 5 The employees were told of (*президент компанії приїде завтра*). 6 Taking into account the company's high reputation among businessmen, the creditors have agreed to (*вона виплатить борги через місяць*). 7 It is known that the author's copyright prevents publishers from (*публікування його книги*) without (*одержання дозволу*). 8 In the 1970s the Rover Group, the major UK car producer, approved of (*обмеження імпорту машин до Великої Британії*), as it could lead to job losses in the country's car industry. 9 Both nations participating in trading automobiles can benefit from (*застосування принципу порівняльної переваги*). 10 Being limited by resources, the company should concentrate on (*вирішенні найважливіших завдань*). 11 Many countries of the former Soviet block think of (*приєднання до Євросоюзу*). 12 A common agricultural policy of the EC members is to protect domestic producers against (*імпорту дешевих сільськогосподарських продуктів*) from non-member countries. 13 When a country entirely relies on (*одержанні іноземної фінансової допомоги*), it can lose its independence.

## Exercise 12

**Open brackets using the appropriate gerund and preposition if necessary according to the model.**

*Model:* The manager insisted (the accountant) (to hand in the balance sheet) in due time. – *The manager insisted on the accountant handing in the balance sheet in due time.*

1 The tenant asked if the landowner objected (*he*) (*to build an extension to the barn*). 2 The fiscal police suspected (*the company*) (*not to declare all its profits*). 3 The Minister thanked citizens and firms (*to allocate means*) for coping with the earthquake aftermath. 4 The company must compensate stockholders (*not to pay dividends in time*), as these troubles were due (*to run the company properly*). 5 The Mayor spoke (*to raise tax rates on non-residents' property*). 6 The customers were told (*the company*) (*to open a new modern department store*) in their district. 7 By 1994 more than 100 nations agreed (*to ratify the*

*General Agreement on Tariffs and Trade*) removing many trade restrictions. 8 The principle of comparative advantage explains why different countries tend to specialize (*to produce particular commodities*). 9 Economists argue that minimum wage prevents (*businessmen*) (*to employ young workers with little human capital*). 10 Both British car buyers and producers of foreign cars have benefited (*to increase the UK imports of cheaper foreign cars*). 11 The rate of inflation in some LDCs involved (*to export natural resources*) such as gas or oil often greatly depends on price changes in the world market. 12 Nowadays many nations and governments are interested (*to develop international division of labour*) through specialization. 13 Employees and workers in European countries sometimes protest (*companies*) (*to close enterprises and to decrease wages*), (*governments*) (*to increase taxes*) by organizing demonstrations or strikes.

### Exercise 13

**Compose sentences according to the sense.**

1 To be clear of debt	<i>a</i> is usually calculated at the end of a fiscal year.
2 If current assets are less than current liabilities,	<i>b</i> such as assets, liabilities and equity are likely to be arranged vertically.
3 The money obtained from selling a company's current tangible assets	<i>c</i> a stock, a plot of land, a building or a machine.
4 Although accounting is one of the oldest professions in the world,	<i>d</i> created the legal foundation protecting the work of many industries, for example music recording.
5 Both a person and a company can own such items of value as	<i>e</i> the company should sell off part of its receivable accounts.
6 In England the three major sections of the balance sheet,	<i>f</i> the management of financial resources and the representation of other aspects of the business in financial terms.
7 In order to operate the business properly one should take into account	
8 Accountants are supposed to	



<p>deal with</p> <p>9 The amount of the owner's investment interest</p> <p>10 The Copyright Act adopted by the US Congress in 1976</p>	<p>g it took much time to find satisfactory general methods of keeping finance records.</p> <p>h that the accounting system is just one of means of processing information in an organization.</p> <p>i is unlikely to cover the company's debts.</p> <p>j the stockholders can't expect any dividends</p>
--	--

*Costs, expenditures, expenses* часто перекладаються як синоніми – витрати. Напр.: *additional costs / expenditures / expenses* – додаткові витрати; *advertising costs / expenditures / expenses* – витрати на рекламу. Але треба відрізнити значення цих термінів в економічних текстах. Іменник *costs* зазвичай означає грошові витрати на виробництво визначених товарів, будівництво заводів. *Expenditures* – сума, що витрачена на оплату товарів та послуг. *Expenses* – сума, що витрачена на оплату товарів та послуг, що вже не є активом компанії, яка купує.

## Exercise 14

### a) Find definitions for: *expenditures, expenses, costs.*

1 the amount of money spent on running a business or part of it.  
 2 an amount of money spent. 3 sums of money spent by a company on goods and services that do not become part of a company's assets such as rent, wages, insurance, etc.

### b) Find English equivalents for:

Граничні витрати; альтернативні витрати; бюджетні витрати; капіталовкладення/інвестиції; грошові витрати; споживчі витрати; повні /загальні/сукупні витрати; річні витрати; передбачені витрати; середні витрати; банківські витрати; витрати з фінансування; фінансові витрати; перемінні витрати; управлінські витрати;

витрати на організацію збуту; витрати на душу населення; попередні витрати; витрати на зберігання; постійні витрати; порівняльні витрати; знижуючі витрати; витрати на моральний знос; накладні витрати; витрати нематеріального характеру.

Budget expenditures; cash expenses; comparative costs; total expenditures/expenses/costs; opportunity costs; average expenses/costs; marginal costs; annual expenses/costs; banking expenses; financing expenses/costs; anticipated expenses; obsolescence costs; financial expenses/costs; variable costs; management expenses; fixed expenses/costs; intangible costs; consumption expenditures/expenses; marketing expenses/costs; decreasing costs; preliminary expenses; per capita expenses; storage expenses/costs; capital/investment expenditures; overhead expenses/costs.

## Exercise 15

Replace the *italicized* words with their English equivalents.

1 The company has earned enough to cover its (*річні витрати*).  
2 A great amount of (*капіталовкладення*) will be required before any profit is earned.  
3 Technological innovations are sure to require higher (*витрати*).  
4 (*Витрати*) of \$10,000 on new computer equipment have been planned by the accountant.  
5 The producer had to increase the price in line with increasing (*витрати виробництва*).  
6 (*Поточні витрати*) are known to include (*витрати*) on running a business, for example rent, salaries, heat, light, etc.  
7 (*Накладні витрати*) are usually grouped into (*постійні витрати*) and (*перемінні витрати*), rent belonging to the former type.  
8 The company's bookkeeper evaluated (*альтернативні витрати*) at \$5,000.  
9 The (*планові витрати*) are likely to be exceeded due to (*непередбачених витрат*) on building a new storage.  
10 The government spokesman argues the Prime Minister's decisions to dramatically cut (*витрати керівництва*).  
11 (*Постійні/Фіксовані витрати*) do not vary according to the changes in production.

## UNIT 3

### THE BALANCE SHEET

#### Active Vocabulary

**lender** – *n* кредитор, людина, яка позичає  
**exchange** – *n* обмін  
**on behalf of** – від імені  
**lodge** – *v* поміщати, класти  
**relationship** – *n* відносини  
**identity** – *n* визначальна риса, особливість  
**express** – *v* виражати(ся)  
**equation** – *n* рівняння  
**emphasize** – *v* підкреслювати, акцентувати  
**net assets** – чисті активи (нетто-активи); **current assets** – оборотні (поточні) активи; **non-current assets** – необоротні активи; **fixed assets** – основні фонди; **net current assets** – чисті оборотні активи  
**receivable** – *n* дебіторська заборгованість  
**inventory** – *n* товарно-матеріальні запаси  
**payable** – *adj* той, що підлягає оплаті  
**bond** – *n* акція, облігація  
**paid-in capital** – оплачений (внесений, акціонерний) капітал  
**retained earnings** – нерозподілений прибуток  
**preferred stock** – привілейовані акції; **common stock** – звичайні (непривілейовані) акції  
**shareholder** – *n* акціонер, власник акції  
**par value** – номінальна вартість  
**excess** – *n* надлишок, перебільшення  
**distribute** – *v* розподіляти  
**breakdown** – *n* спад, криза, поділ  
**distinguish** – *v* відмічати(ся), відрізняти(ся)  
**reserves** – економічні запаси  
**restrict** – *v* обмежувати

### Exercise 1

**Translate the following sentences with words from the active vocabulary.**

1 Milk is *distributed* to the local shops by Herald's Dairies. 2 *Relationships* between people of different cultures are often extremely difficult. 3 Emma couldn't be present so her husband accepted the prize *on her behalf*. 4 Even an expert would find it hard to *distinguish* between the original painting and the copy. 5 She made an *inventory* of everything in the apartment. 6 Many teenagers play sports to gain a sense of *identity*. 7 *Shareholders* have been told to expect an even lower result next year. 8 In the *equation*  $2x + 1 = 7$ , what is x? 9 During angry *exchanges* in Parliament the Prime Minister said he would not change existing policies. 10 Can the school board *restrict* teachers' rights to express their views?

### Exercise 2

**Find synonyms among the following words.**

Restrict, shareholder, lender, recognize, barter, distribute, creditor, exchange, divide, exuberance, identity, excess, depict, reserves, limit, stockowner, authenticity, express, distinguish, stock.

### Exercise 3

**Complete the sentences with the words from the active vocabulary:** *par value, lodged, excess, express, payable, lenders, distinguish, emphasized, relationship.*

1 Several ... are offering very attractive rates of interest at the moment. 2 Cut any ... fat off the meat. 3 I found it very hard to ... what I felt about her. 4 They ... a compensation claim against the factory. 5 They ... the importance of healthy eating. 6 Please make the cheque ... to Helena Braun. 7 He doesn't seem able to ... between what's important and what isn't. 8 The ... between the parents and the school has improved greatly. 9 The current price is \$1,000 ....

## Text

A balance sheet describes the resources that are under the company's control on a specified date and indicates where these resources have come from. It consists of three major sections: the assets (valuable rights owned by the company); the liabilities (the funds provided by outside lenders and other creditors in exchange for the company's promise to make payments or to provide services in the future); and the owners' equity (the funds provided by the company's owners or on their behalf).

The list of assets shows the forms in which the company's resources are lodged; the lists of liabilities and the owners' equity indicate where these same resources have come from. The balance sheet, in other words, shows the company's resources from two points of view, and the following relationship must always exist: total assets equals total liabilities plus total owners' equity.

This same identity is also expressed in another way: total assets minus total liabilities equals total owners' equity. In this form, the equation emphasizes that the owners' equity in the company is always equal to the net assets (assets minus liabilities). Any increase in one will inevitably be accompanied by an increase in the other, and the only way to increase the owners' equity is to increase the net assets.

Assets are ordinarily subdivided into current assets and non-current assets. The former include cash, amounts receivable from customers, inventories, and other assets that are expected to be consumed or can be readily converted into cash during the next operating cycle (production, sale, and collection). Non-current assets may include non-current receivables, fixed assets (such as land and buildings), and long-term investments.

The liabilities are similarly divided into current liabilities and non-current liabilities. Most amounts payable to the company's suppliers (accounts payable), to employees (wages payable), or to governments

(taxes payable) are included among the current liabilities. Non-current liabilities consist mainly of amounts payable to holders of the company's long-term bonds and such items as obligations to employees under company pension plans. The difference between total current assets and total current liabilities is known as net current assets, or working capital.

The owners' equity of an American company is divided between paid-in capital and retained earnings. Paid-in capital represents the amounts paid to the corporation in exchange for shares of the company's preferred and common stock. The major part of this, the capital paid in by the common shareholders, is usually divided into two parts, one representing the par value, or stated value, of the shares, the other representing the excess over this amount. The amount of retained earnings is the difference between the amounts earned by the company in the past and the dividends that have been distributed to the owners.

A slightly different breakdown of the owners' equity is used in most of continental Europe and in other parts of the world. The classification distinguishes between those amounts that cannot be distributed except as part of a formal liquidation of all or part of the company (capital and legal reserves) and those amounts that are not restricted in this way (free reserves and undistributed profits).

#### **Exercise 4**

**Answer the following questions.**

1 What is a balance sheet? 2 What main sections does it consist of? 3 Give definitions for assets, liabilities, and owners' equity? 4 What is the main equation of a balance sheet? 5 What do non-current and current assets include? 6 What are liabilities divided into? Characterize them. 7 What is working capital in terms of current assets and current liabilities? 8 Give a definition of paid-in capital.

## Exercise 5

**Look up the following abbreviations.**

R.S.V.P., qty, thx, E.T.A., pls cfm, @, a/c, A.G.M., A.O.B., attn, I.P.O., ASAP, re, C.O.D., approx, E.G.M., G.D.P., G.N.P., pls, no., lb, C.E.O., I.O.U., Jr., mo., mth, Inc., H.P., VAT, N/A, p.w., Nb, plc, PA, p.a., Ltd., pd., PR, cc, PTO.

## Exercise 6

**Choose the correct alternative to complete the sentence. All the sentences are about the protection of intellectual ownership.**

1 The protection of something so that it can be made or sold by one person only is by means of a (*patent, right, rule*). 2 The protection of books, plays, films, records etc is by means of a (*patent, microfiche, copyright*). 3 Most countries have laws to prevent the breaking of patent protection. Breaking these laws is (*piracy, burglary, felony*). 4 This protection, by patent or copyright, is the protection of the rights of (*property, ownership, justice*). 5 If employees discover or create something in the courses of their work, the patent or copyright belongs to the (*employees, State, company*). 6 The right to manufacture copies of a protected work is given by a (*grant, licence, permit*). 7 Under some conditions, the protection of work can be (*waived, withdrawn, conceded*). 8 The period for which protection exists is the (*term, length, date*) of the copyright or patent. 9 The laws which prevent copying of protected material are the (*licensing, conspiracy, antipiracy*).

## Exercise 7

**Translate the following combinations according to the model:**

*Model:* проведення політики – *the implementing of a policy, implementing a policy.*

Розрахунок податку на додану вартість; встановлення податків; розвиток торговельних відносин; урегулювання боргів; оренда землі; оподаткування; повернення позики; купівля обладнання; керівництво підприємством; експорт товарів.

## Exercise 8

### Translate the following combinations.

*Model:* приймаючи рішення – *making a decision, when making a decision*; прийняв рішення – *having made a decision, on making a decision*.

Випускаючи акції; випустив акції; поширюючи роздрібну торгівлю; збільшив роздрібну торгівлю; впроваджуючи нововведення; впровадив нововведення; підтримуючи слабкі галузі; підтримав слабкі галузі; регулюючи обмінний курс національної валюти; відрегулював обмінний курс національної валюти; обчислюючи ВВП на душу населення; обчислив ВВП на душу населення; встановлюючи тарифи на імпорт; встановив тарифи на імпорт; знижуючи собівартість; знизив собівартість; оцінюючи матеріальні активи; оцінив матеріальні активи.

## Exercise 9

### Put the verbs in brackets into the appropriate form.

A nation (*have*) its own set of assets and liabilities, a national balance sheet (*be*) not simply the sum of the balance sheets of individuals and firms. A nation's assets also (*consist*) of national capital. Such public buildings as public libraries, royal palaces and government offices (*know*) (*belong*) to the national capital. Publicly (*own*) parts of the transportation infrastructure or certain natural assets, such as raw material deposits or natural forests (*consider*) (*be*) national capital as well. These items (*may not*) (*include*) in the balance sheet of any other entity. Economists also (*argue*) that since the most important asset of a nation (*be*) its labour force, it (*should*) (*include*) in the balance sheet in some way. Both obligations and liabilities between firms and individuals in the same country (*cancel out*) each other, as one person's liability to pay (*be*) another person's asset. It is known that practically every nation (*own*) either physical or financial assets abroad, foreigners (*own*) physical or financial capital within a nation. The accounting of a nation's wealth, therefore, (*should*) (*take*) into account net liabilities to the citizens, firms and governments of other countries.



## Exercise 10

**Translate the sentences paying attention to *-ing*.**

1 Proper organization of a company's accounting system plays an important role in maintaining the fundamental accounting equation in balance. 2 Taking into account the high rate of inflation in the country, potential investors are interested in putting their money in more dynamically developing companies. 3 The increase of the company's net worth can be achieved either by raising the total profit or by reducing the losses by means of rationalizing production planning. 4 At the general meeting of the bank directors, everybody spoke of the company having the highest goodwill in the computer industry. 5 The converting of current tangible assets into cash is known to be done within one year according to accounting principles. 6 Recognizing the importance of goodwill as a company intangible asset, businessmen know that its value can change over time. 7 Registering copyright according to the existing laws guarantees the author the exclusive privilege to distribute, reproduce, perform or display his creative work. 8 Studying the relationships between assets, liabilities and equity is one of the methods for better understanding main accounting principles in business. 9 This company is said to specialize in producing small-size farm machines and it is successfully competing with other leading producers in the world market. 10 The designing of the original trademark can be helpful in promoting products, thus increasing the company's net worth.

## Exercise 11

**Replace the underlined parts of the sentences with gerunds and prepositions given in brackets. Make necessary changes.**

1 According to the special Copyright Act nobody is allowed to reproduce and make copies of any book if he doesn't receive the owner's permission. (without) 2 When the owner signed a number of documents, his real estate was transferred to this educational centre. (after) 3 When the accountant was preparing a balance sheet, he made a few serious mistakes. (in) 4 The company is able to increase its profits only if it

*introduces proper technologies. (by) 5 If the Sales Manager decides to sell company stock-in-trade, he has to consult the company's president. (before) 6 The company can attract additional capital investments either issuing extra stocks or borrowing a loan from a bank. (by) 7 Even having sold a great share of its stock-in-trade, the company is reported to be bankrupt. (in spite of) 8 When the accountant subtracted current liabilities from current assets, he found out that the company was clear of debt and there was the net worth of \$ 50,000. (on) 9 If the company does not enjoy a good reputation, it is not expected to be attractive to potential stockholders. (without) 10 If the Personnel Manager is going to hire a new employee, he always invites the latter to an interview. (before)*

## **Exercise 12**

**a) Choose the definitions for:** *wage, salary, pay, fee.*

1 This general term means money given to an employee by an employer in return for work. 2 An amount paid for a professional service or advice (as of a doctor, lawyer, etc.). 3 A regular fixed payment for work or services, especially when clerical or professional, which is paid at longer intervals, often monthly. 4 Money paid to an employee, especially for manual or physical labour done at relatively short intervals, often hourly, daily, weekly.

**b) Fill in the gaps using** *wage, salary, pay, fee.*

1 For packing products the worker earns a weekly ... of \$50.  
2 The company offers excellent rates of ... . 3 How much is the ... for your advice, Doctor Smith? 4 ... at this plant are paid on Fridays.  
5 All company employees receive an annual... rise of six percent.  
6 The starting ... for an engineer at this company is \$15,000 per year.  
7 The ... for these services will be about 30 percent of the total cost.  
8 A manager's ... depends on how well the business operates.

### Exercise 13

**a) Find definitions for the words:** *a stock (a share), stock-in-trade, a bond, goodwill, a trademark, a copyright, a loan, a patent.*

1 A document showing a fixed unit of a company's share capital that provides a profit (dividend) related to the total profits of the company. Owners of this document also have voting rights. 2 An exclusive legal right, for a certain number of years, to print, publish, record, perform, sell an original text, work of art or design or part of it. 3 This term means such items as knowledge, contracts or reputation that can have a financial effect on a business and are measured in financial terms. 4 A document from a government or a company that states that money borrowed from an investor will be repaid. 5 A name or symbol that is used on the products of a particular company. 6 The goods or services that a business has for sale at a given time. 7 An official document that gives the holder the sole right to make, use or sell an invention and prevents others from copying it, usually for a fixed period. 8 Something lent, usually money, on condition it will be paid back after a definite period with interest.

**b) Fill in the gaps with words from the a) section.**

1 The author of the original work may keep the ... or sell it to someone else. 2 Government ... are usually considered to be a safe investment. 3 The total dividend per ... was 10 pounds. 4 To protect his invention such as a new machine, a medicine or a process a scientist must obtain a ... . 5 This company is very proud of its reputation among the partners and cannot afford to lose its ... . 6 For the company to expand, its owners often ask banks for a ... and agree to pay interest after a definite period of time. 7 ... of the leading car producers such as Mercedes, Lincoln, BMW, Toyota, etc. are known all over the world. 8 The ... is shown as an asset on the balance sheet.

*Supplementary Text 1*  
**Accounting Steps**

Each time an item is purchased or sold, a bookkeeper performs the first three steps of the cycle and passes on the information to the accountant who carries out the last four steps such as: calculate adjustments; prepare adjusted trial balance; prepare financial statements; close entries. The most common reasons the accountant should consider preparing adjustments are the following: increased revenue (for example, interest earned but not yet received); any government taxes or employee salaries that have not yet been paid; the value of the office supplies that have been used (electricity, water, etc); depreciation of the assets; changes in the inventory, etc. As to inventory, it involves the physical measurement, counting and evaluation of items for sale. Inventory evaluation is subject to a variety of accounting methods, since many inventory items cannot be specifically calculated. The grain in a grain elevator, for example, comes from different sources and may have been bought at several prices. An accountant must choose between one of several methods for valuing the grain; each will provide a slightly different value figure. On the fifth step when the adjustments are calculated, the accountant prepares an adjusted trial balance that combines the original trial balance with the effects of the adjustments. The balances in the accounts are the data that make up the organization's financial statements as a balance sheet and an income statement. The preparation of these statements is considered to be the main purpose of the sixth step. The final step comprises a series of bookkeeping debits and credits to transfer sums from income statement accounts into owners' equity accounts, and thus into capital. Such transfers reduce to zero the balances of all accounts, therefore the accounting books will be ready for the next accounting period.

**Answer the questions:**

1 Why is it necessary to make adjustments in a balance sheet?  
2 What does the term 'inventory' mean for an accountant? 3 Is the balance sheet considered to be the final important financial document of the company? 4 What account do closing entries affect?

*Supplementary Text 2*  
**Accounting Industry in the USA**

Accountants and bookkeepers work for business firms, government agencies, and many other organizations. In the USA public accountants are those who are available to the public for such accounting functions as monthly bookkeeping and tax preparation. Most states do not regulate the qualifications or performance of public accountants.

The only accountants permitted to offer opinions about financial statements should be Certified Public Accountants (CPAs), who have passed difficult national examinations. Accountants must also fulfill the requirements of the state in which they practice including several years of varied experience within the profession. Provided a person is a certified accountant, he will be licensed by the state to perform accounting services to clients for a fee.

Business companies, banks and large corporations employ their own accountants to examine their accounts and prepare financial statements or maintain their own internal accounting departments. If a small company or business required to prepare some financial statements, it would hire the services of an outside accountant.

Most US CPA firms are relatively small and represent individuals and privately held businesses for whom they prepare financial statements and act as advisors on tax matters. The largest accounting firms in the United States are known as The Big Five and a large number of their offices are spread throughout the world and the nation's largest companies are their clients.

Of the various specialized areas of accounting that exist, the three most important are: auditing, income taxation, and non-business organizations.

Auditors are accountants who estimate the accuracy of a company's financial statements, and if they find any disagreements in the documents with generally accepted accounting principles, they will be responsible to inform about them in their report.

Income taxation as the second area of accounting specialization includes determination of a company's taxes according to the existing laws. The tax accountant sometimes may be a lawyer, because if there had been any changes in tax law, he would have informed the company about it. The methods chosen to report assets and liabilities will influence the amount of tax to be paid, at least within the fiscal year.

A third area of specialization is accounting for non-business organizations, such as universities, hospitals, churches, trade and professional associations, and government agencies. These organizations differ from business companies in many items: they receive resources without paying for them, they do not have profit orientation, they have no defined ownership interests as such. As a result, these organizations have a number of differences in record keeping, in accounting measurements, and in the form of their financial statements.

**Answer the questions:**

1 What is the difference between a public accountant and a certified public accountant? 2 What are the main requirements to a CPA in the USA? 3 How does the work of an accountant in a big and in a small company differ? 4 What are the main branches of specialized accounting? What are their tasks?

*Supplementary Text 3*

**Auditing**

The profession of the auditor is considered to be one of the most prestigious and well-paid ones. Auditors are accountants who analyze financial statements of the company and their responsibility is to express an opinion as to whether the accuracy of the company's financial reporting meets the requirements imposed by the government. In general, auditors deal more with operating efficiency and managerial effectiveness than with the accuracy of the accounting data.

Internal auditors are known to be hired by the company in order to help to identify accounting weakness and correct them before significant

errors occur. They are often analytically minded people who make flowcharts of accounting systems and evaluate these flowcharts to suggest improvements in division of labour, paper flow, cash control, or other accounting responsibilities.

Independent auditors are employed by a company's board of directors to supply the stockholders with the results of checking the financial statements, in order to prove that annual reports are fair representations of the financial position of the company. Performing his work the auditor should follow several principles and assumptions: the company's accounts must represent a true financial position; generally accepted accounting principles have been used at all accounting steps and accounts can be compared with those of similar companies; the proper amount of information is disclosed in the financial statements. As a result, the auditor's opinion should be based only on facts and it must be objective. Auditors are expected to maintain a relationship of strict independence and professionalism with the companies for whom they work, so they mustn't hold shares in these companies. On the one hand, the auditor should respect the client's confidence, so having the access to some private information, the auditor must not spread it outside. On the other hand, he should think of public interests, that is why he must publish his opinion in a standard form and the information is to be clear to the stockholders. But he must always carry out his duties under the law and inform authorities about fraud.

**Answer the questions:**

- 1 What is the difference between internal and external auditors?
- 2 What main concepts should be considered by the auditor?
- 3 Why is it necessary to receive an independent auditor's opinion?





Методичні вказівки  
з розвитку фахових навичок за темою:  
“Бухгалтерський облік ”  
для студентів 2 курсу  
факультету економіки транспорту

(англійська мова)

Відповідальний за випуск: ст.викл. О.В. Коростильова,  
викл. О.В. Гаврилова  
редактор

---

Підписано до друку  
Формат папіру 60x84 1/16. Папір писальний.  
Умовн.-друк.арк. . Обл.-вид.арк. .  
Замовлення № . Тираж 150 . Ціна

---

Друкарня ХарДАЗТу,  
310050, Харків – 50, пл. Фейєрбаха, 7