

1. Прочитать текст, ответить письменно на вопросы, выполнить упражнение.
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INTRODUCTION TO ACCOUNTING

Text 1. Part A. WHAT IS ACCOUNTING?

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.

The day-to-day record-keeping involved in this process is known as **book-keeping**¹. At the heart of modern financial accounting is the **double-entry book-keeping system**². This system involves making at least two **entries**³ for every **transaction**⁴: in one **account**⁵ - a **debit**⁶ and in a corresponding account – a **credit**⁷. 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.

VOCABULARY

1. *book-keeping* - счетоводство, ведение бухгалтерских книг (стадия учета, которая заключается в регистрации хозяйственных операций в учетном регистре);
2. *double-entry book-keeping system* - система двойной записи (система учета, в соответствии с которой каждая операция отражается одновременно по дебету одного и кредиту другого бухгалтерского счета);
3. *entry*- бухгалтерская запись, проводка (на счете, в учетном журнале, в бухгалтерской книге);
4. *transaction* - сделка, торговая операция;
5. *account* - счет, вклад, депозит);
6. а *debit* - дебет (левая сторона бухгалтерских счетов; в активных счетах — приход (получение денежных средств, материалов, увеличение себестоимости готовой продукции, увеличение задолженности покупателей и т. д.), в пассивных — расход (погашение обязательств, уменьшение капитала или получение убытка); в банковском учете отражает списание средств со счета клиента);
7. *credit* - кредит (правая сторона бухгалтерского счета или учетной книги; в активных счетах — расход (расходование денежных средств, материалов, списание из запасов готовой продукции, списание накопленных затрат со счета незавершенного производства и т. п.), в пассивных — поступление (привлечение дополнительного акционерного капитала или получение новых кредитов, получение прибыли и т. п.); в банковском учете отражает зачисление средств на счет клиента) .

Text 1. Part B. BASIC CONCEPTS OF ACCOUNTING

The basic concepts of accounting as we understand them today were first published in Italy in 1494 by Luca Pacioli¹ (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**² or **legal entities**³ - a company or a non-profit organization (for example, a church, a club, etc.).

The **assets**⁴ 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**⁵ or production capacity.

The **liabilities**⁶ 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**⁷ 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**⁸. 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**⁹ 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**¹⁰ 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)**¹¹.

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VOCABULARY

1. *Luca Pacioli* - Лука Пачоли, итальянский математик, в 1494 г. опубликовал трактат "Сумма арифметики, геометрии, учения о пропорциях и отношениях", считающийся первой книгой, в которой была описана система двойной бухгалтерии;

2. *an individual person* – физическое лицо

3. *a legal entity* – юридическое лицо

4. *assets* - имущество, средства, ресурсы, активы (все материальные и нематериальные объекты собственности, которыми владеет то или иное физическое или юридическое лицо)

5. *capital assets* - основные средства [фонды], материальные внеоборотные [долгосрочные] активы);

6. *liabilities* - долги, денежные обязательства, задолженность;

7. *equity* – собственный капитал, собственные средства (разница между активами и обязательствами, активы минус текущие и долгосрочные долговые обязательства);

8. *balance sheet* - бухгалтерский баланс, балансовый отчет [лист] (финансовый отчет, в котором отражаются активы и пассивы компании по состоянию на определенную дату; обычно представляет собой таблицу, на левой стороне которой указываются активы, на правой — собственный капитал и обязательства);

9. *income* – доходы;

10. *expenses* – расходы;

11. *Profit and Loss Statement, income statement* – отчет о прибылях и убытках.

Задание 1. *Ответьте на вопросы по тексту.*

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?

Задание 2. *Выпишите в тетрадь определения терминов, выделенных жирным шрифтом, и выучите их.*