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جامعة محمد بوضياف – المسيلة
كلية العلوم الاقتصادية والتجارية
وعلوم التسيير
قسم العلوم المالية والمحاسبة

ENGLISH FOR BUSINESS

Licence (1)

Course for the Bachelor students

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Chapter 1

ECONOMICS

➢ Economics

Economics is defined as the best use of resources to achieve the maximum satisfaction of human needs and wants.

Economics is a social science that focuses on the production, distribution, and consumption of goods and services, and analyses the choices that individuals, businesses, governments, and nations make to allocate resources. Economics focuses on efficiency in production and exchange.

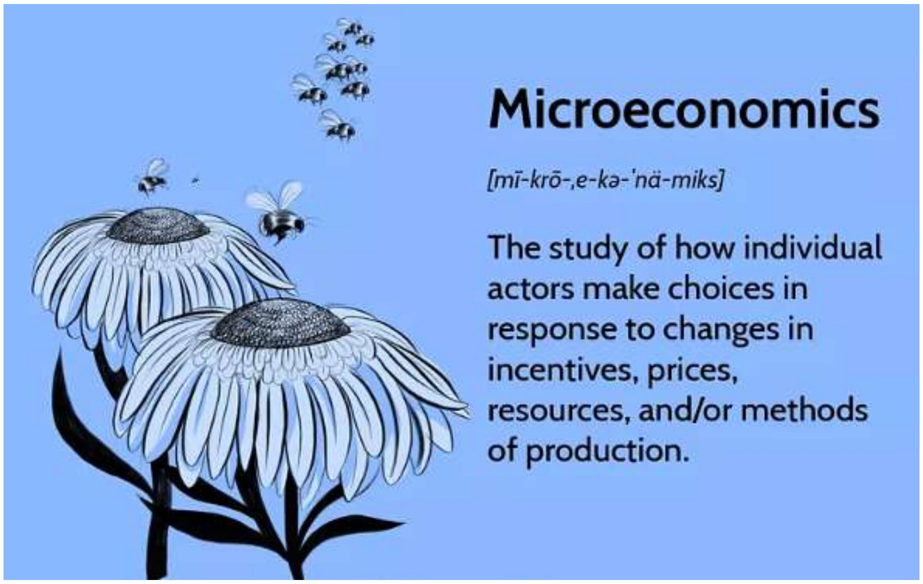
Economics is a social science concerned with the production, distribution, and consumption of goods and services. It's comprised of broader macroeconomics and consumer-centric microeconomics.

Thus, microeconomics and macroeconomics are the two branches of economics; where the study of microeconomics focuses on the choices of individuals and businesses, and macroeconomics concentrates on the behaviour of the economy as a whole, on an aggregate level.

➢ Microeconomics

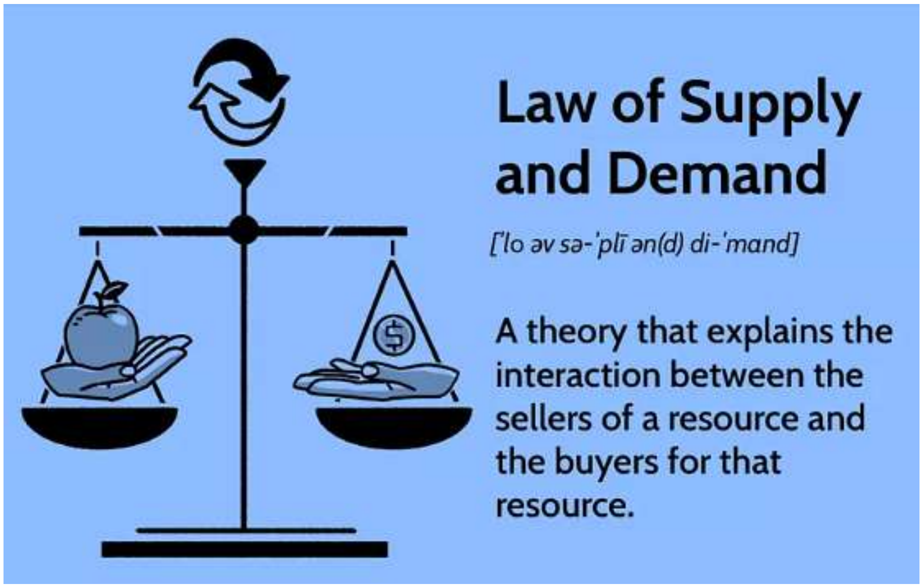
Microeconomics studies the decisions of individuals and firms to allocate resources of production, exchange, and consumption.

Microeconomics deals with prices and production in single markets and the interaction between different markets.



Microeconomics is the social science that studies the implications of incentives and decisions, specifically how those affect the utilization and distribution of resources.

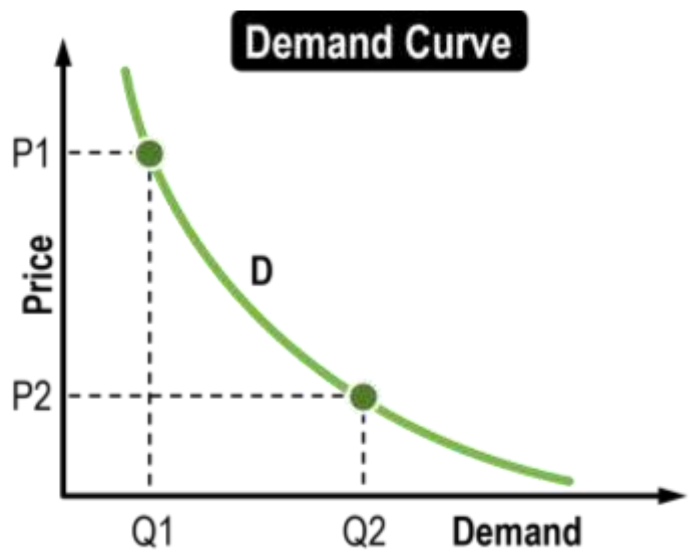
Microeconomic groups create the demand and supply for resources.



- **Demand**

The law of demand holds that demand for a product changes inversely to its price, all else being equal. The higher the price, the lower the level of demand.

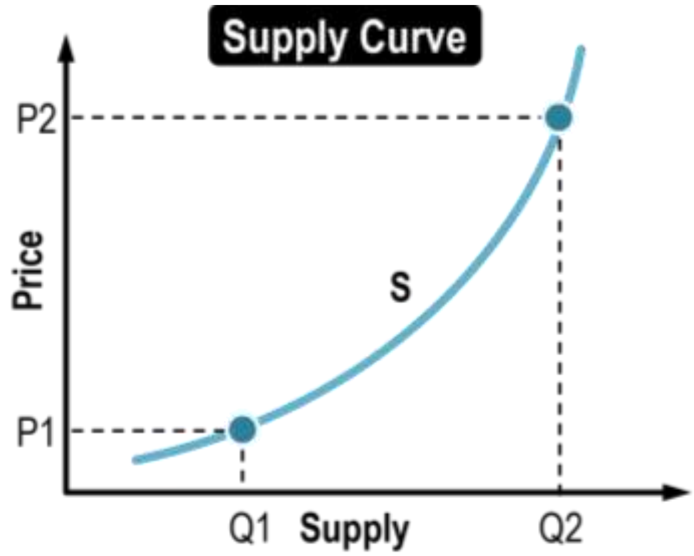
As the price of a commodity increases, its quantity demanded decreases (vice versa).



- **Supply**

The law of supply relates price changes for a product with the quantity supplied. The higher the price, the higher the quantity supplied.

As the price of a commodity increases, its quantity demanded increases (vice versa).



- **Macroeconomics**

Macroeconomics is a branch of economics that studies how the overall economy behaves. The overall economy is the markets, businesses, consumers, and governments).

Macroeconomics examines economy-wide phenomena such as inflation, price levels, rate of economic growth, national income, gross domestic product (GDP), and changes in unemployment.

Macroeconomics is the branch of economics that deals with the structure, performance, behavior, and decision-making of the whole, or aggregate, economy.

The two main areas of macroeconomic research are <u>long-term economic growth</u> and <u>shorter-term business cycles</u>.


Macroeconomics
[ˈma-krō-ˌe-kə-ˈnä-miks]
A branch of economics
that studies how an overall
economy behaves.

Chapter 2

FINANCE

- **Finance**

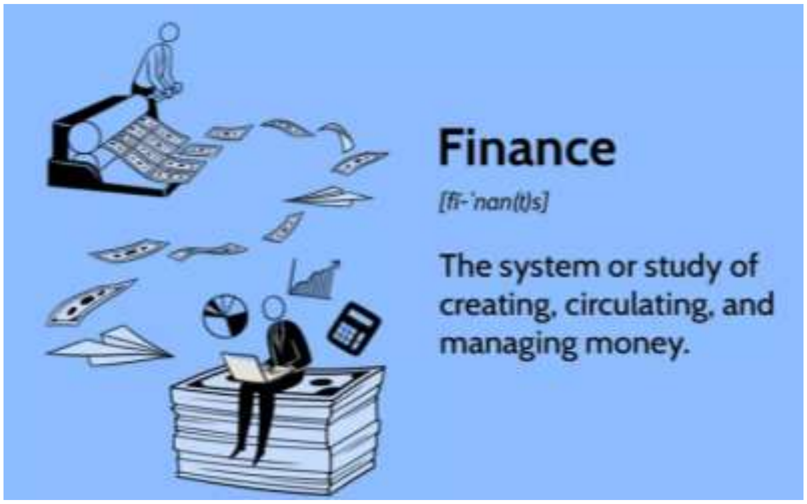
Finance is a term broadly describing the study and system of money, investments, and other financial instruments.

Finance is defined as the system or study of creating, circulating, and managing money.

Many of the basic concepts of finance come from the microeconomic and macroeconomic theories.

Finance is a term for matters regarding the management, creation, and study of money and investments. It involves the use of credit and debt, securities, and investment to finance current projects using future income flows. Because of this temporal aspect, finance is closely linked to the time value of money, interest rates, and other related topics.

The concept of time value of money (TVM) essentially states that a $1 today is worth more than a $1 in the future.



- **The categories of finance**

Finance can be broadly divided into three categories:

- **Public finance**

The public finance sector includes the government taxes, spending, budgeting, and debt issuance policies that all affect how a government pays for the services it provides to the public.

- **Private finance**

Private (personal) finance applies to individual consumers, and the ways they manage their spending, save for the future, and pay for the basic needs.

- **Corporate finance**

Corporate finance refers to the financial activities related to running a corporation.

- These three categories contain main subcategories, including:

- Behavioural finance
- Intangible finance
- Experimental finance
- Financial mathematics

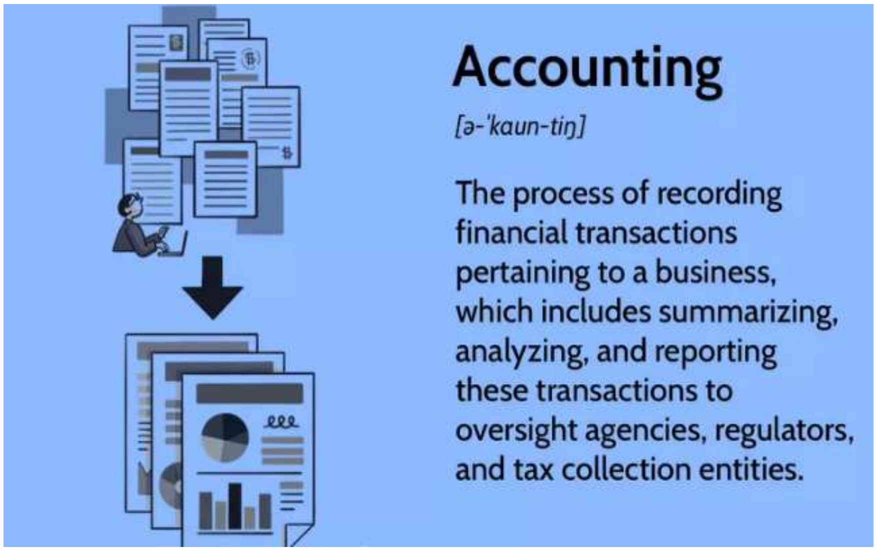
Chapter 3

ACCOUNTING

➢ Accounting

Accounting is the process of recording financial transactions pertaining to a business. The accounting process includes summarizing, analyzing, and reporting these transactions to oversight agencies, regulators, and tax collection entities.

The financial statements used in accounting are a concise summary of financial transactions over an accounting period, summarizing a company's operations, financial position, and cash flows.

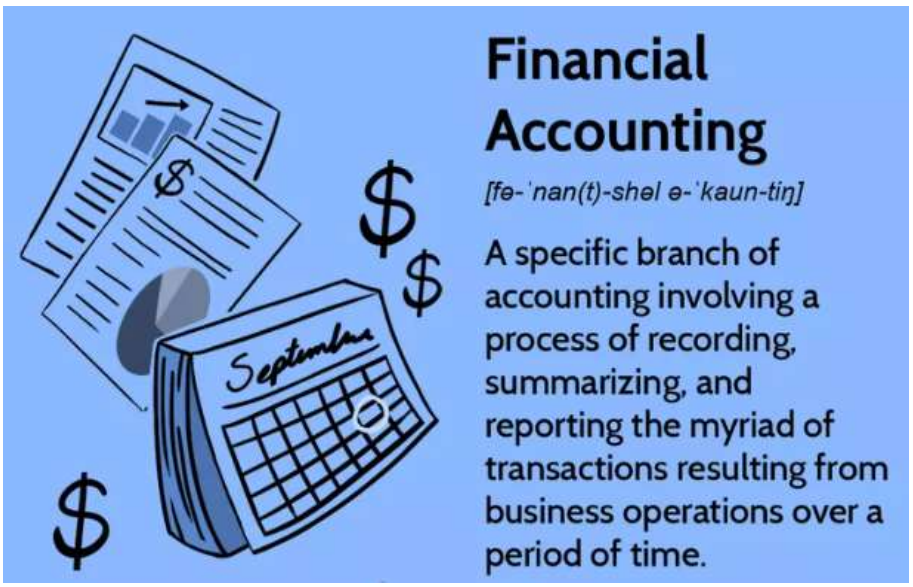


➢ Categories of Accounting

- **Financial accounting**

Financial accounting is a specific branch of accounting involving a process of recording, summarizing, and reporting the myriad of transactions resulting from business operations over a period of time.

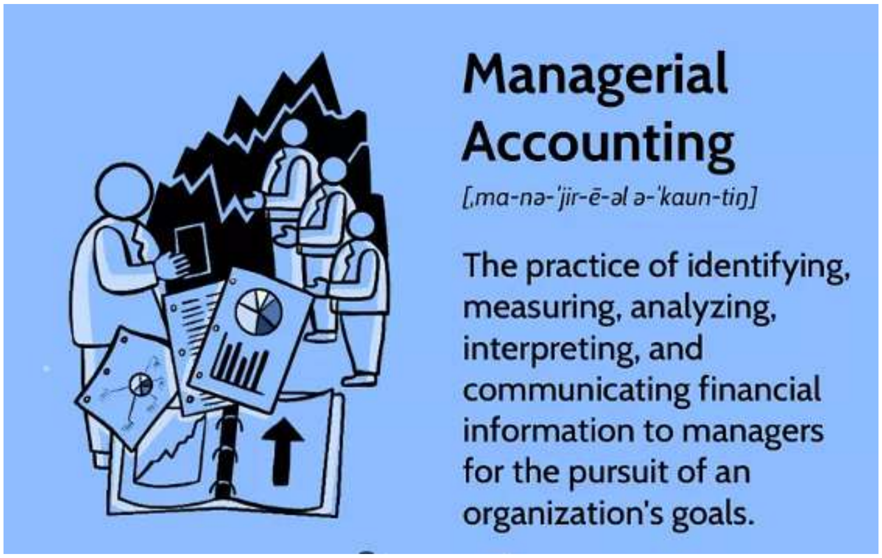
These transactions are summarized in the preparation of financial statements (including: the balance sheet, income statement, and cash flow statement) that record a company’s operating performance over a specified period. In financial accounting, money is considered to be a measure of a company's economic performance.



- **Managerial accounting**

Managerial accounting is the practice of identifying, measuring, analysing, interpreting, and communicating financial information to managers for the pursuit of an organization's goals.

Managerial accounting involves the presentation of financial information for internal purposes to be used by management in making key business decisions. Particularly, managerial accounting helps businesses make decisions about management.



- **Cost accounting**

Cost accounting is a managerial accounting process that involves recording, analysing, and reporting a company's costs. Cost accounting is an internal process used only by a company to identify ways to reduce spending.

Cost accounting is the reporting and analysis of a company's cost structure.

Cost accounting is helpful because it can identify where a company is spending its money, how much it earns, and where money is being wasted or lost.

- **Tax accounting**

Tax accounting is the subsector of accounting that deals with the preparations of tax returns and tax payments.

Tax accounting is used by individuals, businesses, corporations and other entities.

Tax accounting for an individual focuses on income, qualifying deductions, donations, and any investment gains or losses.

For a business, tax accounting is more complex, with greater scrutiny regarding how funds are spent and what is or isn't taxable.

Chapter 4

MANAGEMENT

➢ Management

Management is the coordination and administration of tasks to achieve a goal. It is the science of managing the resources of businesses, governments, and other organizations.

Management is a process of planning, decision making, organizing, leading, motivation, and controlling the human resources, financial, physical, and information resources of an organization to reach its goals efficiently and effectively.

Management is the process of designing and maintaining an environment in which individuals (working together in groups) efficiently accomplish selected goals.

Management is how businesses organize and direct workflow, operations, and employees to meet company goals.

The primary goal of management is to create an environment that lets employees work efficiently and productively. A solid organizational structure serves as a guide for workers and establishes the tone and focus of their work.

As a manager, you may be responsible for doing any of the following tasks:

- ✓ Create goals and objectives
- ✓ Create schedules

- ✓ Develop strategies to increase performance, productivity, and efficiency
- ✓ Ensure compliance with company policies and industry regulations
- ✓ Mentor employees
- ✓ Monitor budgets, productivity levels, and performance
- ✓ Resolve customer problems
- ✓ Train staff

➢ **Levels of Management**

In many organizations, management falls into one of three levels: top, middle, and low.

Managers in smaller companies may fill roles at more than one level, while larger organizations may have several managers within each level.

- **Low management**

This level of management, the lowest in the three layers, is responsible for overseeing the everyday work of individual employees or staff members and providing them with direction on their work.

Low-level management's responsibilities often include ensuring the quality of employees' work, guiding staff in everyday activities and routing employee problems through the appropriate channels.

Low level management often has a supervisory role. These managers have titles like shift supervisor, branch manager, or team leader. They work with individuals and teams to meet goals determined by upper management. They typically have less influence over company policy compared to the other management levels, but the most interaction with workers.

- **Middle management**

Middle management level consists of people with executive roles. They work with both top-level management and supervisors to help workers meet objectives and boost the company's productivity. They may be called regional managers or general managers.

Middle managers spend more of their time on directional and organizational functions. This includes defining and discussing important policies for lower management, providing guidance to lower-level management to achieve better performance and executing organizational plans at the direction of senior management.

- **Top (Senior) management**

Top-level management typically has an administrative role, and their decisions affect the entire organization even though they sometimes aren’t involved in the day-to-day operations. They may have the title of chief executive officer (CEO) or serve on the board of directors.

Senior management needs to set the overall goals and direction of an organization. Senior management develops strategic plans and company-wide policy and makes decisions about the direction of the organization at the highest level.