

الجمهورية الجزائرية الديمقراطية الشعبية  
REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE  
وزارة التعليم العالي والبحث العلمي

MINISTERE DE L'ENSEIGNEMENT SUPERIEUR ET DE LA RECHERCHE SCIENTIFIQUE

UNIVERSITE MOHAMED BOUDIAF - M'SILA  
Faculty of Economics, Commercial &  
Management Sciences  
Department of Finance & Accounting



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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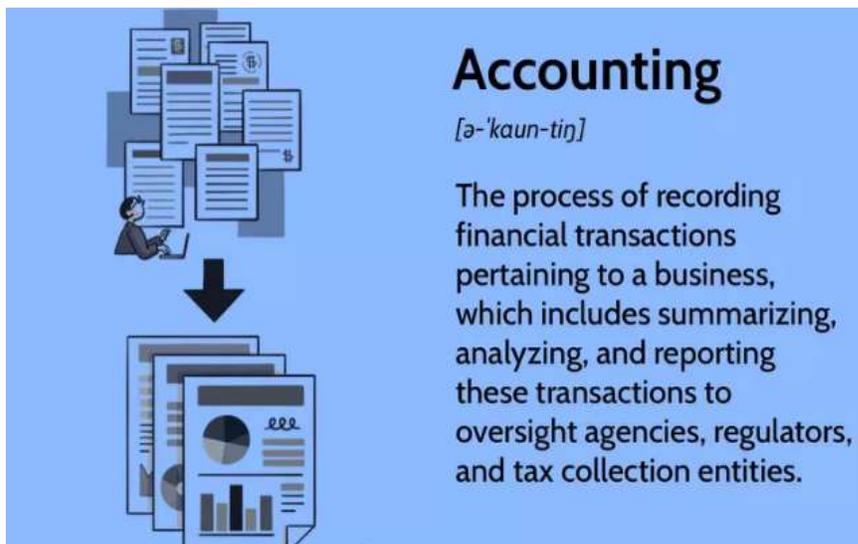
## Chapter 3

# 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.

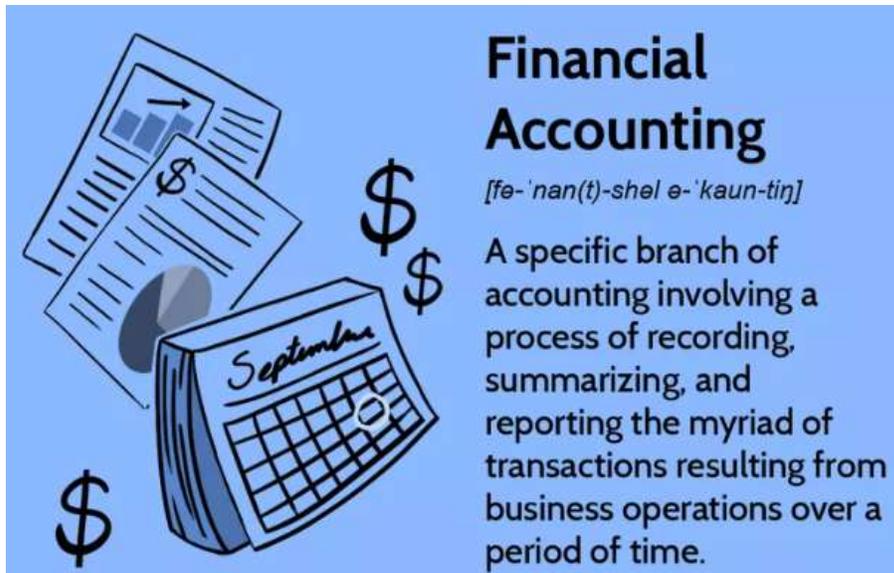


### ➤ Categories of Accounting

- 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.

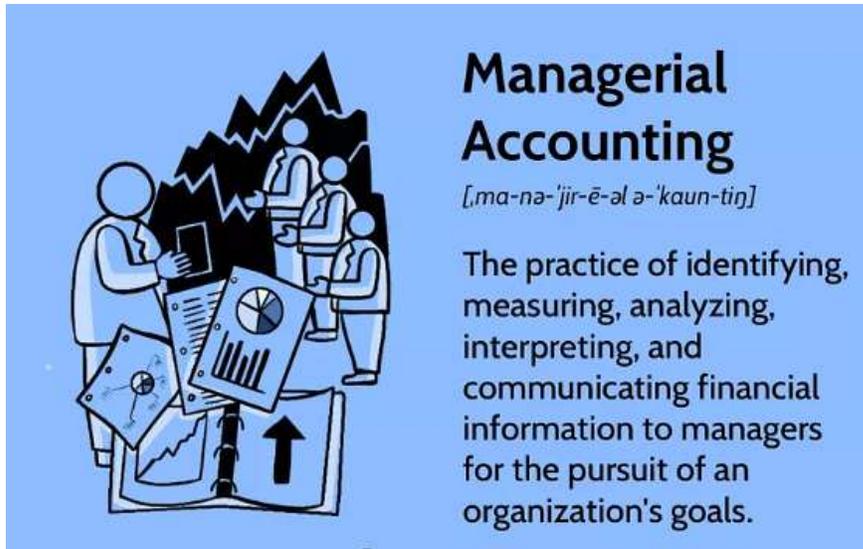
These transactions are summarized in the preparation of financial statements (including: the balance sheet, income statement, and cash flow statement) that record a company's operating performance over a specified period. In financial accounting, money is considered to be a measure of a company's economic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



## Managerial Accounting

[ma-nə-'jir-ē-əl ə-'kaun-tiŋ]

The practice of identifying, measuring, analyzing, interpreting, and communicating financial information to managers for the pursuit of an organization's goals.

- **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.