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Faculty of Economics, Business, and Management

Department of Finance and Accounting

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ENGLISH FOR THE FINANCIAL SECTOR

Courses for Master students in Finance and Accounting

The academic year 2020/2021

UNIT 2 ACCOUNTING

Accounting is a field of specialization critical to the functioning of all types of organizations. Accounting often is referred to as “the language of business” because of its role in maintaining and processing all relevant financial information that an entity requires for its managing and reporting purposes. Accountants often have a specific sub-specialization and function at one of several levels. Preparation for the field is provided by secondary schools, postsecondary business schools, community colleges, and four-year colleges and universities.

What is Accounting?

Accounting is a body of principles and conventions as well as an established general process for capturing financial information related to an entity’s resources and their use in meeting the entity’s goals. Accounting is a service function that provides information of value to all operating units and to other service functions, such as the headquarters offices of a large corporation.

Origin of Accounting.

Modern accounting is traced to the work of an Italian monk, Luca Pacioli, whose publication in 1494 C.E. described the double-entry system, which continues to be the fundamental structure for contemporary accounting systems in all types of entities. When double-entry accounting is used, the balance sheet identifies both the resources controlled by the entity and those parties who have claims to those assets.

Early histories of business identify the bookkeeper as a valuable staff member. As businesses became more complex, the need for more astute review and interpretation of financial information was met with the development of a new profession—public accounting. In the United States, public accounting began in the latter part of the nineteenth century. The first organization was established in 1887; the first professional examination was administered in December 1896. In the early

days of the twentieth century, numerous states established licensing requirements and began to administer examinations. During the first century of public accounting in the United States, the American Institute of Certified Public Accountants (and its predecessor organizations) provided strong leadership to meet the changing needs of business, not-for-profit, and governmental entities.

1- Comprehension:

- What is accounting?
- Why it is necessary for companies and organizations and even governments?
- What are the benefits of becoming an accountant?

2- Listening :

You will hear Sarah Brandston, an accountant in New York, talking about bookkeeping and tax accounting. Try to listen to the interview to get accustomed to hearing the native English language.

BIBLIOGRAPHY:

- 1- Burton S. Kaliski - Encyclopedia of Business and Finance-Macmillan Library Reference, Year: 2006.
- 2- Ian Mackenzie, English for Business Studies, Publisher: Cambridge University Press, Year: 2002. CD.