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ENGLISH FOR THE FINANCIAL SECTOR

Courses for Master's Degrees in Audit and Control Management

Third Semester 2021/2022

INTRODUCTION

English for the financial sector is reading, speaking, and writing courses for undergraduate students in finance and accounting who need to understand and express the key concepts of finance and accounting and even other related areas of business and economics.

These courses aim to:

* present you with the language and concepts found in books, newspapers, magazine articles, and websites on finance and accounting.

* develop your comprehension of finance and accounting texts.

* provide you with opportunities to express finance and accounting concepts by reformulating them in your own words while summarizing and discussing ideas.

UNIT 3 ACCOUNTING AND ACCOUNTANCY

A- Accounting

- Accounting involves recording and summarizing an organization's transactions or business deals, such as purchases and sales. and reporting them in the form of financial statements. In many countries, the accounting or accountancy profession has professional organizations that operate their own training and examination systems, and make technical and ethical rules: these relate to accepted ways of doing things.
- Bookkeeping is the day-to-day recording of transactions.
- Financial accounting includes bookkeeping and preparing financial statements for shareholders and creditors (people or organizations who have lent money to a company).
- Management accounting involves the use of accounting data by managers, for making plans and decisions.

B- Auditing

- Auditing means examining a company's systems of control and the accuracy or exactness of its records, looking for errors or possible fraud: where the company may have deliberately given false information.
- An internal audit is carried out by a company's own accountants or internal auditors.
- An external audit is done by independent auditors: auditors who are not employees of the company.
- The external audit examines the truth and fairness of financial statements. It tries to prevent what is called 'creative accounting', which means recording transactions and values in a way that produces a false result- usually an artificially high profit.
- There's always more than one way of presenting accounts. The accounts of British companies have to give a true and fair view of their financial situation. This means that the financial statements must give a correct and reasonable picture of the company's current condition.

C- Laws, rules and standards

In most continental European countries, and in Japan, there are laws relating to accounting, established by the government. In the US, companies whose stocks are traded on public stock exchanges have to follow rules set by the Securities and Exchange Commission (SEC), a government agency. In Britain, the rules, which are called standards, have been established by independent organizations such as the Accounting Standards Board (ASB), and by the accountancy profession itself. Companies are expected to apply or use these standards in their annual accounts in order to give a true and fair view.

Companies in most English-speaking countries are largely funded by shareholders, both individuals, and financial institutions. In these countries, the financial statements are prepared for shareholders. However, in many continental European countries, businesses are largely funded by banks, so accounting and financial statements are prepared for creditors and the tax authorities.

Training

Find verbs in A, Band C opposite that can be used to make word combinations with the nouns below:

……………..		……………..	
	an audit	……………...	standards
……………..		……………..	
……………...			
……………...	rules	……………...	transactions
……………...		……………...	
……………...			