

## Accountancy

Accountancy is the process of communicating financial information about a business entity to users such as shareholders and managers. The communication is generally in the form of financial statements that show in many terms the economic resources under the control of management; the art lies in selecting the information that is relevant to the user and is reliable.

The **principles** of accountancy are applied to business entities in **three divisions** of practical art, named **accounting**, **bookkeeping**, and **auditing**.

**Accounting** is an information science used to collect, to classify, and to manipulate financial data for organizations and individuals. Accounting allows a company to analyze the financial performance of the business, and look at statistics such as net profit.

**Book keeping** in the context of business is simply the recording of financial transactions. Transactions include purchases, sales, receipts and payments by an individual or organization.

**Auditing** is the process of reviewing and investigating any aspect of a business, whether financial or nonfinancial.

Accountancy is very important to business because it is the base that offers great support to management for planning, controlling as well as decision making process. It is with the aid of accounting information that the performance of a unit can be evaluated, at the same time as, its logical records make possible to get rid of the frauds and the thefts.

### Exercise one: match the job with its definition.

Bookkeepers	administrative staff responsible for processing the records of a business' financial activities.
Auditors	a person whose job is to check financial accounts
Accountants	a person who examines the business and the records of a company.

### Exercise two: find in the text words that mean:

1. A voluntary association formed and organized to carry on a business: [redacted]
2. The practice of collecting and analyzing numerical data: [redacted]
3. A thing constituting a piece of evidence about the past, especially an account kept in writing or some other permanent form: [redacted]
4. The owner of shares in a company: [redacted]
5. An adjective that means the management of large amounts of money, especially by governments or large companies .. [redacted]
6. the process of dealing with or controlling things or people. [redacted]
7. handle or control (a tool, mechanism, information, etc.) in a skilful manner. [redacted]

8. Examine (something) methodically and in detail, typically in order to explain and interpret it
9. The profession or duties of an accountant.....
10. consistently good in quality or performance; able to be trusted.....

**Exercise three: read the text about Fiona and fill in the blanks with the right words**

*Bookkeepers, an accountant, records, financial, accounts, auditors, accountancy.*

Hi! I am Fiona and I am ..... I work in Edinburg for one of the big  
 ... firms. We look at the ..... or ..... of a lot of  
 companies. We work with the accountants of those companies, and the people who work  
 under them: ..... I like my profession: accountancy. Sometimes we work as: ...  
 ..... specialists outside accountants who audit a company's accounts. That is, we check  
 at the end of a particular period to see if they give a true and a fair view. An audit can take  
 several days, even for a fairly small company.

**Exercise four: find the words**

1 P	R	I	2 C	E		3 P	4 M
R			R		5 S		A
6 I	N	V	E	S	T	O	R
N			D		O		K
7 T	A	X	I		R		E
E			8 T	R	E	9 A	T
10 R	11 E	12 D				I	
	13 C	O	N	S	U	M	E

**Across**

1. The amount paid for something
3. Opposite of "a.m."
6. One who puts money into financial schemes. shares, property, etc.
7. A car for hire
8. A business must \_\_\_\_\_ its customers well.
10. A company that owes money is "in the \_\_\_\_\_"
13. To buy and use goods or services

**Down**

1. Most offices have this machine
2. "Are you paying with cash or a \_\_\_\_\_ card?"
4. A place where goods are bought and sold
5. Another word for "shop"
9. Target or objective
11. Short for "executive committee"
12. "What do you \_\_\_\_\_ for a living?"