

**Corso di studi in Economia, Finanza e Politiche Pubbliche – Università
di Cagliari**

LINGUA INGLESE

WEEK 1

WEEK 1

Main topic:

ACCOUNTING and ACCOUNTANCY

WEEK 1

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 which operate their own training and examination systems, and make technical and ethical rules: these relate to accepted ways of doing things.

WEEK 1

BOOKKEEPING

is the day-to-day recording of transactions.

MacKenzie, I. (2006) *Professional English in Use – Finance*. OUP

WEEK 1

FINANCIAL ACCOUNTING

includes bookkeeping, and **preparing** financial statements for **shareholders** and **creditors** (people or organizations who have lent money to a company).

WEEK 1

TAX ACCOUNTING

preparing a person's or company's financial information in order to calculate the proportion of their profit which they must pay to their government

WEEK 1

MANAGEMENT ACCOUNTING

involves the use of accounting data by managers, for making plans and decisions.

WEEK 1

FORENSIC ACCOUNTING

When a company's financial records are officially checked because illegal activity is suspected

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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.

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AUDITING

- 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.

WEEK 1

LAW, 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 Standard 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.

WEEK 1

LAW, RULES AND STANDARDS

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.

WEEK 1

LAW, RULES AND STANDARDS

...what about Italy?

<https://www.ifac.org/about-ifac/membership/country/italy>

<https://www.icaew.com/technical/by-country/europe/italy/accounting-in-italy>

WEEK 1

GRAMMAR & LANGUAGE CONTENTS

- present simple and present continuous (unit 1 New Total English Intermediate)
- past simple and present perfect (unit 1 New Total English Intermediate)
- Narrative tenses (past simple, past continuous, past perfect: unit 2 and unit 6 New Total English Intermediate)

WEEK 1

GRAMMAR & LANGUAGE CONTENTS

specific vocabulary related to
accounting (*insolvency, regulators,
chamber of auditors... : unit 1 and 2*
Market Leader Accounting and
Finance)

WEEK 1

DISCUSSION

What benefits can a strong accounting profession bring to developing countries? Think about international trade and stock markets, local economies, companies and employees. Write a short report to explain your ideas. (100 WORDS)