



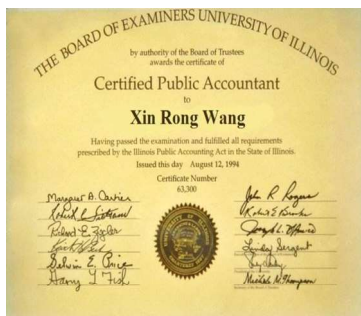
Unit 1 Accounting

Lead-in

Match the following pictures with the words in the box.

accounting	accountant
CPA (Certified Public Accountant)	currency





Section A

Dialogue 1

George is going to be an undergraduate this fall, so he is discussing with his friend Maria about what to major in.

G=George M=Maria

M: Hey George, we are going to enter university pretty soon. I heard you are quite interested in **accounting**, have you made up your mind to take it as your **major**?

G: Yes, since both of my parents are **accountants**, I hope one day I could also become an excellent professional accountant.

M: Sounds good!

G: How about you, Maria?

M: I'll probably study medicine, but we could also be schoolmates if we are lucky enough to be admitted by the same university.

New Words

accounting	[ə'kaʊntɪŋ] <i>n.</i>	Accounting is the activity of keeping detailed records of the amounts of money a business or person receives and spends. 会计
major	['meɪdʒə] <i>n.</i>	At a university or college in the United States, a student's major is the main subject that they are studying. 专业
accountant	[ə'kaʊnt(ə)nt] <i>n.</i>	An accountant is a person whose job is to keep financial accounts. 会计师

Phrases and Expressions

be interested in

对.....感兴趣

make up one's mind to 下定决心要

sound good 听起来不错

Dialogue 2

George is now an accounting major at university. And Maria, his friend, also becomes a medical student in the same university. They always gather together to exchange experiences and feelings about their new life.

G=George M=Maria

G: How are you these days, Maria?

M: Not bad. Only got loads of medical materials to read and remember. They almost drive me crazy.

G: What a busy **fulfilling** life!

M: What about you? What do you learn in accounting classes?

G: We've just started. Accounting has been called the "language of business", measures the results of an organization's economic activities and **conveys** this information to a variety of users including **investors, creditors, management, and regulators**. Accounting is a basic and vital element in every modern business. It records the past growth or decline of the business. Careful analysis of these results and trends may suggest the ways in which the business may grow in future.

M: That's also quite complicated, isn't it?

G: Yeah, hope I can do a good job!

New Words

fulfilling	[fʊl'fɪlɪŋ] <i>adj.</i>	If something fulfils you, or if you fulfil yourself, you feel happy and satisfied with what you are doing or with what you have achieved. 使感到满足
convey	[kən'veɪ] <i>v.</i>	to convey information or feelings means to cause them to be known or understood by someone 传达
investor	[ɪn'vestə] <i>n.</i>	An investor is a person or organization that buys securities or property in order to receive a profit. 投资者

creditor	['kreditə] <i>n.</i>	Your creditors are the people who you owe money to. 债权人
management	['mænidʒm(ə)nt] <i>n.</i>	Management is the control and organizing of a business or other organization. (对企业等组织的) 管理
regulator	['regjələtə] <i>n.</i>	A regulator is a person or organization appointed by a government to regulate an area of activity such as banking or industry. 监管人; 监管机构

Phrases and Expressions

loads of	大量；许多
drive sb. crazy	把某人逼疯
a variety of	各种各样的.....

Exercise 1

Fill in the blanks with corresponding English of the following words and expressions.

会计学_____	会计师_____
货币_____	专业_____
注册会计师_____	投资人_____
监管人_____	债权人_____
下定决心要_____	各种各样的_____

Exercise 2

Suppose you are an accounting major. Give your response to the following situations.

1. What is your major?

2. What is CPA?

3. What is accounting called?

4. What is accounting about?

5. How can accountancy help a company?

Exercise 3

Practical activity: Work with your partner to create a dialogue based on the given situation.

Suppose you are an accounting student at university and your friend wants to get some information about your major. Create a dialogue with your classmates.

Section B

Accounting and Its Environment

Accounting is a process of recording, classifying, summarizing, and interpreting those business activities that can be expressed in monetary terms. A person who specializes in this field is known as an accountant.

As one of the oldest professions, accounting is as old as the civilization of human. It is essential to various phases of history, accountants participated in the development of nations, trade, finance, money and banking. Accounting is one of the fastest growing professions in the modern business world. Every new store, school, restaurant, or filling station – indeed, any new enterprise of any kind – increases the demand for accountants. Consequently, the demand for competent accountants is generally much greater than the supply. Government officials often have a legal background; similarly, the men or women in management often have a background on accounting. They are usually familiar with the methodology of finance and the fundamentals of fiscal and business administration.

1. Nature of Business

1.1 Types of Business Entity

A business can be organized in three different ways: **manufacturing**, **merchandising** and **service business**, as shown in Figure 1-1.

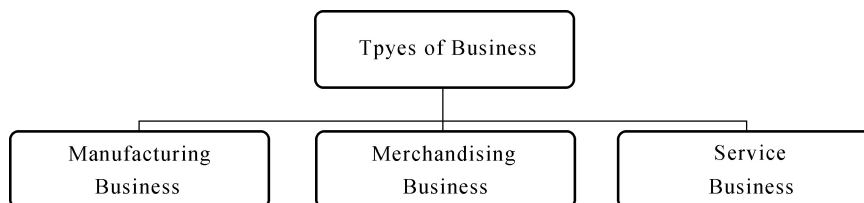


Figure 1-1 Types of Businesses

A manufacturing business converts materials into finished products through the use of machinery and labor.

A merchandising business must first purchase merchandises from other businesses (such as manufacturers or **distributors**) and then sell them to customers.

A service business provides services rather than products to customers.

1.2 Forms of Business

Three different forms of businesses are **proprietorship** (or sole trader), partnership and corporation, as shown in Figure 1-2.

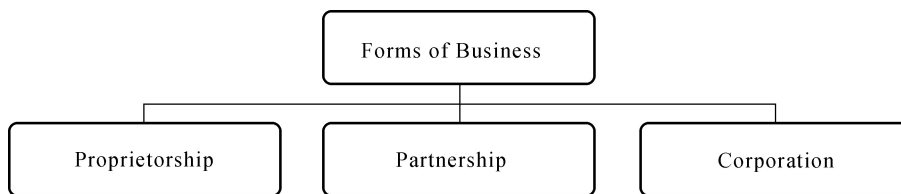


Figure 1-2 Forms of Business

A proprietorship is owned and managed by one person, although there might be any number of employees. A proprietorship is fully and personally **liable** for any losses that the business might make.

A partnership is a business owned jointly by a number of partners. The partners are jointly liable for any losses that the business might make.

A company is owned by **shareholders**. Most companies are limited liability companies. For a limited liability company, the shareholders will not be personally liable for any losses the company incurs. The liability is limited to the nominal value of the shares they own. This limited liability is achieved by treating the company as a completely separate legal entity.

1.3 Types of Business Activities

Three different types of business activities are: financing activities, investing activities and operating activities, as shown in Figure 1-3.

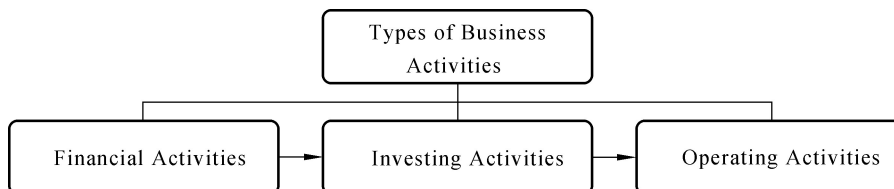


Figure 1-3 Types of Business Activities

Financing activities involve obtaining **funds** to begin and operate a business. After funds are financed, a business must use investing activities to obtain the necessary resources to start and operate the business. Once resources have been acquired, a business uses the resources to **implement** its operating activities.

2. Objectives of Accounting

The objectives of accounting, are shown in Figure 1-4: ① recording the business transactions; ② summarizing the business **transactions** for a period in order to provide information about the company in the forms of financial statements, such as balance sheet, income statement, cash flow statement etc (see Figure 1-5 which briefly shows the information in each of the financial statements); ③ supporting decision making.

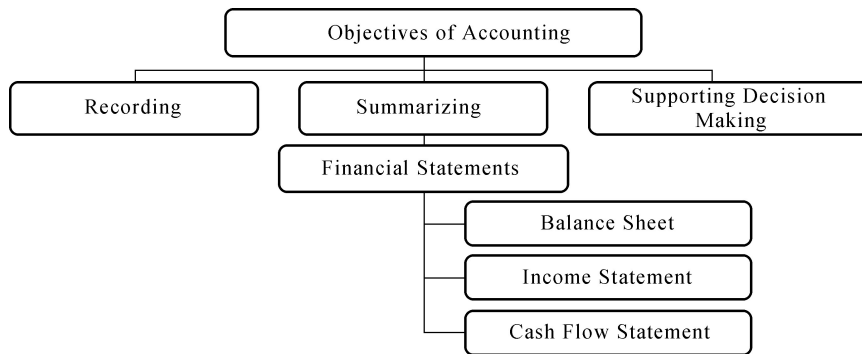


Figure 1-4 Objectives of Accounting

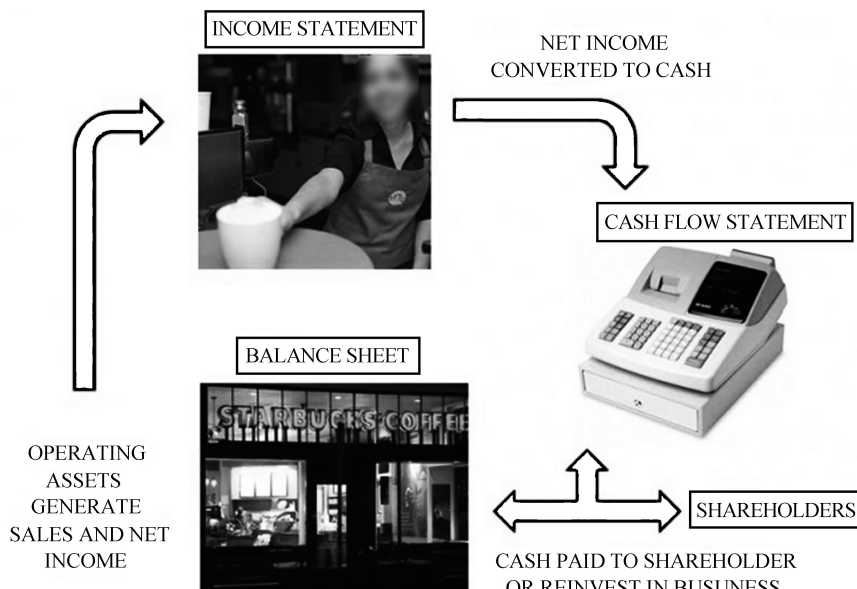


Figure 1-5 Summary of Information in the Financial Statement

3. Users of Accounting Information

In general, users of accounting information are divided into two major categories: internal information users and external information users.

As it is illustrated in Figure 1-6, financial accounting is concerned with the production of financial statements for external users. Management (or managerial) accounting provides much more detailed and up-to dated information for the management.

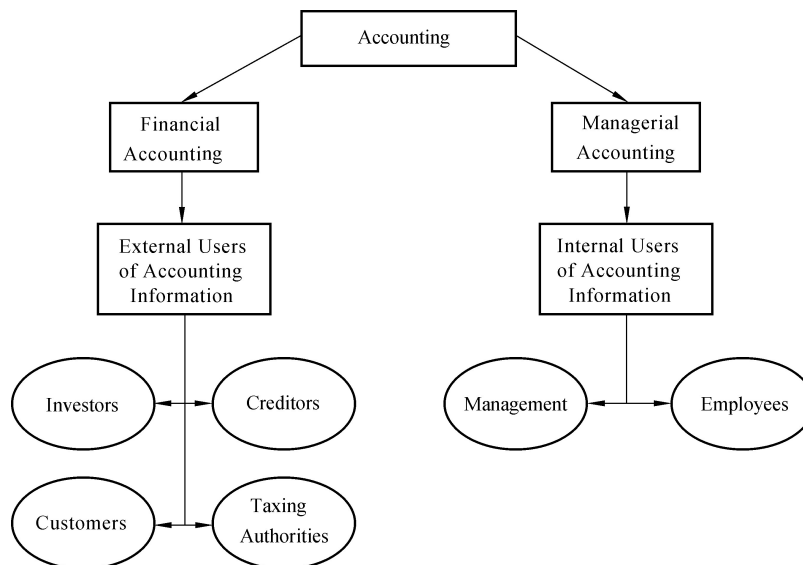


Figure 1-6 Users of Accounting Information

4. Types of Accounting (shown in Figure 1-7)

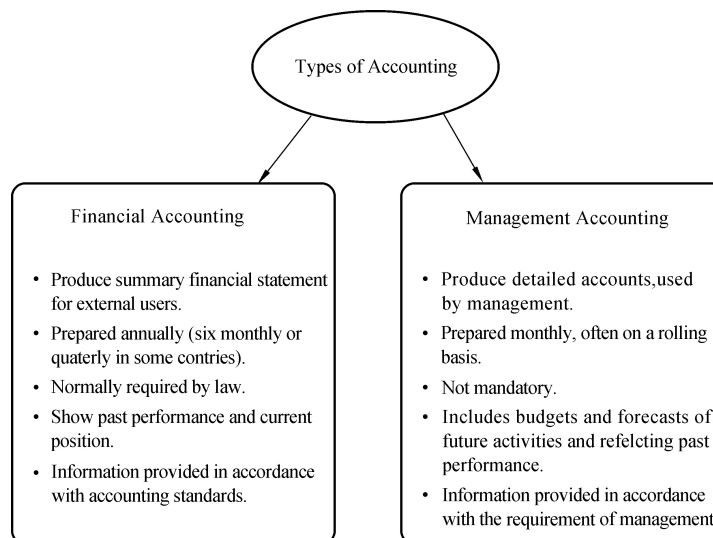


Figure 1-7 Types of Accounting