Lesson
22

WORDS TO LEARN

accounting
accumulate
asset
audit
budget
build up
client
debt
outstanding
profitably
reconcile
turnover

Accounting

Study the following definitions and examples.

1. **accounting** n., the recording and gathering of financial information for a company
   a. Good accounting is needed in all businesses.
   b. Accounting for expenses is time-consuming.
2. **accumulate** v., to gather; to collect
   a. They have accumulated more than enough information.
   b. The bills started to accumulate after the secretary quit.
3. **asset** n., something of value
   a. The company's assets are worth millions of dollars.
   b. A sophisticated accounting system is an asset to a company.
4. **audit** n., a formal examination of financial records; v., to examine the financial records of a company
   a. No one looks forward to an audit by the government.
   b. The independent accountants audited the company's books.
5. **budget** n., a list of probable expenses and income for a given period; v., to plan for expenses
   a. The department head was pleased that she received a 10 percent increase in her budget.
   b. The company will have to budget more money for this department next year.
6. **build up** v., to increase over time
   a. The firm has built up a solid reputation for itself.
   b. Be careful, your inventory of parts is building up.
7. **client** n., a customer
   a. We must provide excellent services for our clients, otherwise we will lose them to our competition.
   b. Maintaining close contact with clients keeps the account managers aware of changing needs.
8. **debt** n., something owed, as in money or goods
   a. The company has been very careful and is slowly digging itself out of debt.
   b. The banks are worried about your increasing debt.
9. **outstanding** adj., still due; not paid or settled
   a. That client still has several outstanding bills.
   b. Clients with outstanding bills will not receive further service until the bills are paid.
10. **profitably** adv., advantageously
    a. The company used its accountant's advice profitably.
    b. We invested in the stock market profitably.
11. **reconcile** v., to make consistent
    a. The client uses his bank statements to reconcile his accounts.
    b. The accountant found the error when she reconciled the account.
12. **turnover** n., the number of times a product is sold and replaced or an employee leaves and another employee is hired
    a. We have to add another production shift to keep up with the high turnover rate.
    b. The overseas branch has much lower employee turnover than does domestic operations.

LIVEWORKSHEETS

WORDS IN CONTEXT

Read the following passage and write the words in the blanks below.

accounting	audited	clients	profitable
accumulated	budget	debt	reconcile
assets	building up	outstanding	turnover

Accounting information is pulled together or (1) _____ to help someone make decisions. A manager must come up with a (2) _____ to help control expenses. A retail store owner realizes that her (3) _____ have (4) _____ bills. A restaurant owner wants to know if it is (5) _____ to serve lunch. A nonprofit organization is being (6) _____ by the government. All of these people and organizations could use the services of an accountant.

Accountants and (7) _____ systems help a company stay on track. They raise flags when expenses are (8) _____ and keep an eye on the (9) _____ of inventory. They (10) _____ their clients' accounts to ensure that their clients' records are correct. Good accounting systems allow managers to come up with ways to improve their business.

The accountant prepares information for both internal and external use. Financial statements provide a quick look into the life of a business. They show how much (11) _____ the company is carrying and how much its (12) _____ are worth. The outside world uses this information to judge the health of the company.

LIVEWORKSHEETS

WORD FAMILIES

noun	accountant	The accountant was precise and hardworking.
noun	accounting	Accounting is a popular field of study.
noun	account	The client closed his bank account and withdrew all of his money.

verb	accumulate	The owner's goal was to accumulate as much wealth as possible.
noun	accumulation	The accumulation of goods may lead to an inventory problem.
adjective	accumulated	The sum of all the accumulated resources equals your total assets.

verb	audit	Some bookkeeping inconsistencies showed up when our records were audited.
noun	audit	If you keep your financial records carefully, you will always be ready for audit.
noun	auditor	The tax auditor will ask to see records from the past several years.

verb	budget	There was no travel expense budgeted for the editorial department.
noun	budget	The boss asked for input on next year's budget.
adjective	budgetary	Due to budgetary constraints, we cannot hire additional staff at this time.

verb	build up	Over the years, our office has built up a solid list of clients.
noun	buildup	A buildup of debt will weaken the company's finances.

verb	profit	The engineer will profit from the successful introduction of the new product.
noun	profit	The profits exceeded all expectations.
adjective	profitable	Marketing is the most profitable department this year.

LIVEWORKSHEETS

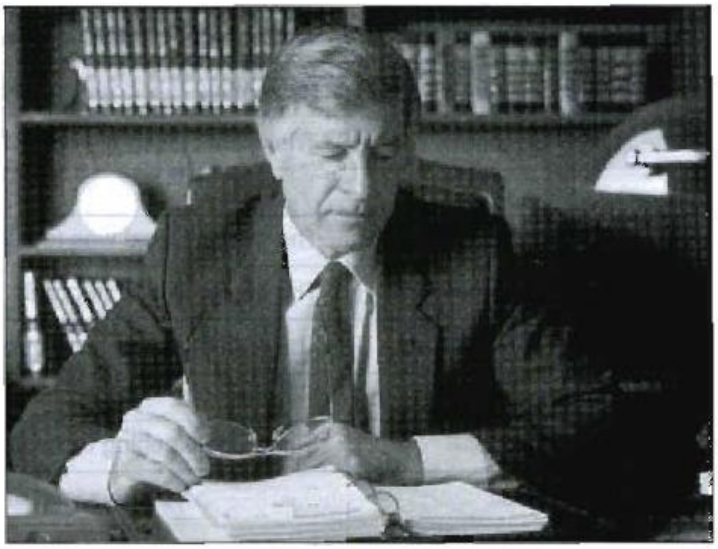
WORD PRACTICE

LISTENING COMPREHENSION

CD1
Track 22

Part 1 Photo

Look at the picture and listen to the sentences. Choose the sentence that best describes the picture.



1. Ⓐ Ⓑ Ⓒ Ⓓ

Part 2 Question–Response

Listen to the question and the three responses. Choose the response that best answers the question.

2. Ⓐ Ⓑ Ⓒ

3. Ⓐ Ⓑ Ⓒ

Part 3 Conversations

Listen to the dialogue. Then read each question and choose the best answer.

4. What time does the woman expect to return to the office?
   (A) By 1:00.
   (B) By 2:00.
   (C) By 4:00.
   (D) By 5:00.

5. What is the client's problem?
   (A) He doesn't understand his accountant.
   (B) He won't be in his office today.
   (C) He has a lot of debt.
   (D) He doesn't have a savings account.

6. What does the woman plan to do with the client today?
   (A) Show him a new budget.
   (B) Give him a present.
   (C) Ask him for more work.
   (D) Make a business deal with him.

Part 4 Talk

Listen to the talk. Then read each question and choose the best answer.

7. What is the topic of this talk?
   (A) How to start an accounting firm.
   (B) How to avoid client turnover.
   (C) How to have a profitable accounting firm.
   (D) How to get clients.

8. How can an accounting firm make more money?
   (A) By charging higher fees.
   (B) By getting recommendations from their clients.
   (C) By hiring new accountants.
   (D) By making a new list of clients.

9. According to the speaker, what is a firm's most valuable asset?
   (A) The staff.
   (B) Money.
   (C) Office space.
   (D) Equipment.

LIVEWORKSHEETS

READING

Part 5 Incomplete Sentences

Choose the word that best completes the sentence.

10. The firm's _____ studied finance and business administration.
    (A) account (C) accounted
    (B) accounting (D) accountant

11. The account manager has _____ a tremendous amount of wealth in a very short time.
    (A) accumulated (C) accumulating
    (B) accumulation (D) accumulates

12. We went over our records carefully in order to prepare for the meeting with the _____.
    (A) audit (C) auditing
    (B) auditor (D) audited

13. At the end of next week, all the division heads will meet to present one consolidated _____.
    (A) budgeting (C) budgeted
    (B) budget (D) budgets

14. I _____ some savings in my bank account before I made any investments in business.
    (A) building up (C) built up
    (B) buildup (D) build

15. All the employees will benefit if the company's _____ continue to increase.
    (A) profited (C) profits
    (B) profitable (D) profitably

Part 6 Text Completion

Wilson and Jones, Ltd.

Accountants

We specialize in small businesses.

Are you having trouble reconciling your accounts?

Do you need to improve your tax situation?

Do you want to get out of debt and make your business __16__?

Wilson & Jones, Ltd., is a full-service accounting firm that can help small business owners like you with all aspects of your accounts. Our budget planning service will help you pay off __17__ debts so that you can start accumulating savings. Our tax service provides tax planning assistance, tax return preparation, and preparation for audits. Our bookkeeping service guarantees that your accounts are always up to date. Call us today for an appointment. You'll be out of the red and free of __18__ tomorrow.

16. (A) profiting
    (B) profitable
    (C) profitably
    (D) profiteer

17. (A) client
    (B) budget
    (C) turnover
    (D) outstanding

18. (A) debate
    (B) doubt
    (C) debit
    (D) debt

LIVEWORKSHEETS

Part 7 Reading Comprehension

Questions 19–23 refer to the following letter.

January 17, 20—

Buzzi Accountants
128 Waterford Drive
New Hanover, VA

Dear Ms. Buzzi,

I have just found out that my tax records will be audited by the government. I would like to hire someone from your firm to help me prepare for this. I run a small editing business which I started five years ago. I initially took out a loan from the bank to get my business started. My business has always been profitable, and I was able to repay the loan quickly. As of now, my business has no outstanding debts. My staff is quite small. I started out with one assistant, who is still with me. As I built up my client list, I hired a second assistant, who is also still working for me. Thus, I have not had a problem with staff turnover. In short, you can see that my business and financial situation are quite stable.

I have always prepared my taxes carefully, and I keep thorough records. I imagine that this audit will be fairly routine. However, I want to be sure that I am correctly prepared for it, and I feel that hiring an accountant is the best route to take. Please call me so that we can discuss the matter. I can be reached at my office Mondays, Wednesdays, and Fridays. One of my assistants is also usually in the office on Tuesdays and Thursdays and the occasional Saturday and will take messages for me.

I look forward to speaking with you.

Sincerely,

Jonathan Stein

19. Why does Mr. Stein want to hire an accountant?
    (A) To prepare his taxes.
    (B) To help with an audit.
    (C) To get him out of debt.
    (D) To help him stabilize his finances.

20. How many people work for Mr. Stein?
    (A) One.
    (B) Two.
    (C) Three.
    (D) Four.

21. When is Mr. Stein in his office?
    (A) Monday through Friday.
    (B) Tuesday and Thursday.
    (C) Monday, Wednesday, and Friday.
    (D) On occasional Saturdays.

22. The word *profitable* in the first paragraph, line 3 is closest in meaning to
    (A) large
    (B) in debt
    (C) interesting
    (D) earning money

23. The words *built up* in the first paragraph, line 5 are closest in meaning to
    (A) constructed
    (B) increased
    (C) employed
    (D) served

LIVEWORKSHEETS