English for Accounting

Self-check 1

Task 1: Choose the best answers (A, B or C) (3 points):

1. .....is the recording of financial transactions as well as storing, sorting, reconstructing, summarizing and presenting the information.

A. Accounting B. Bookkeeping C. Financing D. Managing

2. One part of accounting is .....the information in general-purpose financial statements such as balance sheets, income statements....

A. Storing B. Summarizing C. Presenting D. Retrieving

3. .....provides funds or capital for the organization

A. Management B. Creditors C. Employees D. Owners

4. .....is really interested in the position of the company

A. Creditors B. Management C. Investors D. Accountants

5. Creditors are the ones who.....goods on credit

A. Sell B. Buy C. Supply D. Transfer

6. People can know the soundness of the firm through its.....

A. Profit B. Loss account

C. Balance sheet D. A,B,C are correct

7. The demand for wage rise, bonus, better working conditions depend on the.....of the firm.

A. Profitability B. Profit C. Profitable D. Liquidity

8. .....are persons who want to invest their money in a business.

A. Creditors B. Investors C. Employers D. Owners

9. A.....is considered to handle large volumes of routines financial transactions in areas such as sales, purchases and payroll.

A. Accountant B. Accounting clerk C. bookkeeper D. CPA

10. If a corporation's stock is publicly traded, its .....tend to be widely circulated.

A. Balance sheet B. Income statement

C. Routine transaction D. Financial statement

11. Managerial accounting provides financial information to the company's .....

A. Investors B. Creditors C. Employers D. Management

12. The management accounting information is considered to be.....-looking.

A. Backward B. Forward C. Upward D. Downward

Task 2: Read the following passage and answer the questions given

The computer is an electronic tool that is used to collect, organize, and communicate vast amount of information with great speed. Accountants are among the earliest and most enthusiastic users of computer, and today they use microcomputers in all aspects of their work. It may appear that the computer is doing the accountants' jobs; in fact, it's only a tool that is instructed to do routine bookkeeping and to perform complex calculations. It is important that the user of accounting information and the new accountants understand the processes underlying accounting. For this reason, most of the examples in this book

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describe manual operations. You should remember, however, that most accounting operations are now computerized.

With the widespread use of the computer today, many of these varied information needs are being organized into what is called a management information system (MIS). The management information system consists of the interconnected subsystems that provide the information needed to run a business. The accounting information system is the most important subsystem because it plays the key role of managing the flow of economic data to all parts of a business to interested parties outside the business. Accounting is the financial hub of the management information system. Is gives both management and outsiders a complete view of the business organization.

The management information system also processes a large amount of non-financial information. Marketing departments, for example, are interested in the style or packaging of competitors' products. Personnel departments keep employees' health and employment records. Manufacturing departments must operate in automated environment.

1. What is the computer?

2. What does MIS consist of?

3. Why is accounting information system considered the most important subsystem?

4. What processes a large amount of non-financial information?

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