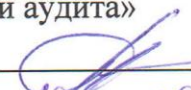


Учреждение образования  
«Брестский государственный технический университет»  
Экономический факультет  
Кафедра бухгалтерского учета, анализа и аудита

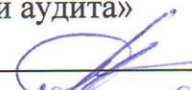
СОГЛАСОВАНО

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 Н.В.Потапова  
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ЭЛЕКТРОННЫЙ УЧЕБНО-МЕТОДИЧЕСКИЙ КОМПЛЕКС  
ПО УЧЕБНОЙ ДИСЦИПЛИНЕ  
«ПРОФЕССИОНАЛЬНАЯ ЛЕКСИКА НА АНГЛИЙСКОМ ЯЗЫКЕ»

для специальности:

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## ПОЯСНИТЕЛЬНАЯ ЗАПИСКА

Место учебной дисциплины. Актуальность изучения дисциплины обусловлена тем, что современный социум выдвигает новые требования к профессиональной подготовке специалистов, усилилось внимание к подготовке профессиональных кадров качественно нового уровня, которые не только обладают комплексом глубоких и прочных знаний в области бухгалтерского учета, анализа и аудита, но и владеют рядом других значимых компетенций, включая владение иностранным языком. Современный специалист в области бухгалтерского учета нуждается не только в знании разговорного иностранного языка, но и свободном владении профессиональной лексикой. В связи с этим объективно существует необходимость изучения учебной дисциплины «Профессиональная лексика на английском языке».

Основные цели преподавания учебной дисциплины «Профессиональная лексика на английском языке»:

- формирование у магистрантов теоретической иноязычной коммуникативной компетенции, позволяющей использовать иностранный язык для осуществления своей профессиональной деятельности;
- приобретение практических навыков речевого общения на английском языке в пределах тематики, предусмотренной программой специализации.

Достижение указанной цели предполагает решение следующих задач:

- коммуникативные задачи, которые включают обучение следующим практическим умениям и навыкам: чтению оригинальной литературы соответствующей отрасли знаний на иностранном языке; оформлению извлеченной из иностранных источников информации в виде перевода, реферата, аннотации; устного общения в монологической и диалогической форме по специальности (доклад, сообщение, презентация и т.п.);
- когнитивные (познавательные) задачи, которые предполагают развитие умения производить различные логические операции (анализ, синтез, установление причинно-следственных связей, аргументирование, обобщение и вывод, комментирование);
- развивающие задачи предусматривают формирование следующих способностей и личностных качеств: способность четко и ясно излагать свою точку зрения по обсуждаемой проблеме на иностранном языке; способность понимать и ценить чужую точку зрения; стремиться к сотрудничеству, достижению согласия, выработке общей позиции в условиях различия взглядов и убеждений; стремление к самообразованию,

самосовершенствованию и самоорганизации; готовность к различным формам и видам международного сотрудничества (совместный проект, грант, конференция, симпозиум, семинар и др.), а также к освоению достижений в профессиональной сфере в странах изучаемого языка.

Магистр, освоивший содержание образовательной программы магистратуры по специальности 7-06-0411-01 Бухгалтерский учет, анализ и аудит, должен обладать универсальными, углубленными профессиональными и специализированными компетенциями, а также:

УПК 3. Выявлять основные противоречия, закономерности и тенденции развития теории бухгалтерского учета, адаптировать и применять инструментарий различных теорий в научных исследованиях и разработках.

Для приобретения профессиональных компетенций в результате изучения учебной дисциплины «Профессиональная лексика на английском языке» магистрант должен:

*знать:*

- ключевые понятия английского языка для профессионального общения;
- основные фонетические, грамматические и лексические правила;
- основные понятия, термины и концепции современной теории перевода;
- факторы, обуславливающие выбор варианта перевода.

*уметь:*

- понимать англоязычную речь;
- осуществлять перевод различных классов слов;
- определять условия актуализации значений многозначных слов.

*владеть:*

- навыками беседы с активным использованием ключевой профессиональной лексики, чтения аутентичных текстов;
- базовыми навыками и умениями оформления письменного высказывания на профессиональную тему.

Связи с другими учебными дисциплинами

Дисциплина «Профессиональная лексика на английском языке» логично связана с другими курсами учебного плана специальности 7-06-0411-01 Бухгалтерский учет, анализ и аудит и базируется на знаниях, полученных магистранты при изучении дисциплин: «Генезис и современные теории и концепции бухгалтерского учета». В свою очередь, знания, полученные при изучении курса «Профессиональная лексика на английском языке» необходимы магистрантам для изучения дисциплин: «Консолидированная финансовая отчетность МСФО».

## ТЕОРЕТИЧЕСКИЙ РАЗДЕЛ

Отсутствует.

## ПРАКТИЧЕСКИЙ РАЗДЕЛ

### ТЕМА 1. INTRODUCTION TO ACCOUNTING

Task1. Read, translate and remember.

International Financial Reporting Standards (IFRSs) Standards and Interpretations issued by the International Accounting Standards Board (IASB). They comprise: (a) International Financial Reporting Standards; (b) International Accounting Standards; (c) IFRIC Interpretations; and (d) SIC Interpretations.	Международные стандарты финансовой отчетности (МСФО)
Fair value Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.	Справедливая стоимость
Inventories are assets: (a) held for sale in the ordinary course of business; (b) in the process of production for such sale; or (c) in the form of materials or supplies to be consumed in the production process or in the rendering of services.	Запасы
Carrying amount is the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses.	Балансовая стоимость
Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.	Амортизируемая величина
Useful life is: (a) the period over which an asset is expected to be available for use by an entity; or (b) the number of production or similar units expected to be obtained from the asset by an entity.	Срок полезного использования
Amortisation	Амортизация (нематериального актива)

is the systematic allocation of the depreciable amount of an intangible asset over its useful life.	
Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction, or, when applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of other IFRSs	Первоначальная стоимость
An intangible asset is an identifiable non-monetary asset without physical substance.	Нематериальный актив

Task 2. Read, translate and remember.

Enhancing qualitative characteristics	Качественные характеристики, повышающие полезность информации
Comparability Users' decisions involve choosing between alternatives, for example, selling or holding an investment, or investing in one reporting entity or another.	Сопоставимость
Verifiability Verifiability means that different knowledgeable and independent observers could reach consensus, although not necessarily complete agreement, that a particular depiction is a faithful representation.	Проверяемость
Timeliness Timeliness means having information available to decision-makers in time to be capable of influencing their decisions.	Своевременность
Understandability Classifying, characterising and presenting information clearly and concisely makes it understandable.	Понятность

Task 3. Read, translate and remember.

The elements of financial statements / Элементы финансовой отчетности

Item	Element	Definition or description
Economic resource	Asset	A present economic resource controlled by the entity as a result of past events. An economic resource is a right that has the potential to

		produce economic benefits.
Claim	Liability	A present obligation of the entity to transfer an economic resource as a result of past events.
	Equity	The residual interest in the assets of the entity after deducting all its liabilities.
Changes in economic resources and claims, reflecting financial performance	Income	Increases in assets, or decreases in liabilities, that result in increases in equity, other than those relating to contributions from holders of equity claims.
	Expenses	Decreases in assets, or increases in liabilities, that result in decreases in equity, other than those relating to distributions to holders of equity claims.
Other changes in economic resources and claims	-	Contributions from holders of equity claims, and distributions to them.
	-	Exchanges of assets or liabilities that do not result in increases or decreases in equity.

Понятия	Элемент	Определение или описание
Экономический ресурс	Актив	
Права требования	Обязательство	
	Собственный капитал	
Изменения в экономических ресурсах и правах требования, отражающие финансовые результаты деятельности	Доходы	
	Расходы	
Прочие изменения в экономических ресурсах и правах требования	—	

## TEMA 2. FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

### Vocabulary

date of transition to IFRSs - дата перехода на МСФО

deemed cost - условная первоначальная стоимость

fair value - справедливая стоимость

depreciated cost – остаточная стоимость

first IFRS financial statements - первая финансовая отчетность по МСФО

first IFRS reporting period - первый отчетный период по МСФО

first-time adopter - организация, впервые применяющая МСФО

International Financial Reporting Standards (IFRSs) - Международные стандарты финансовой отчетности (МСФО)

International Accounting Standards - Международные стандарты финансовой отчетности (IAS)

Opening IFRS statement of financial position - Вступительный отчет о финансовом положении по МСФО

accounting policies – учетная политика

estimates – расчетные оценки

### Task 1. Read and translate the definitions.

1. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
2. Deemed cost is the amount used as a surrogate for cost or depreciated cost at a given date. Subsequent depreciation or amortization assumes that the entity had initially recognized the asset or liability at the given date and that its cost was equal to the deemed cost.
3. Date of transition to IFRSs is the beginning of the earliest period for which an entity presents full comparative information under IFRSs in its first IFRS financial statements.
4. First IFRS reporting period is the latest reporting period covered by an entity's first IFRS financial statements.
5. First-time adopter is the entity that presents its first IFRS financial statements.

### Task 2. Read and translate the objective of IFRS 1

The objective of this IFRS is to ensure that an entity's first IFRS financial statements, and its interim financial reports for part of the period covered by those financial statements, contain high quality information that:

- is transparent for users and comparable over all periods presented;
- provides a suitable starting point for accounting in accordance with International Financial Reporting Standards (IFRSs);
- can be generated at a cost that does not exceed the benefits.

### Task 3. Read and translate

An entity shall use the same accounting policies in its opening IFRS statement of financial position and throughout all periods presented in its first IFRS financial statements. Those accounting policies shall comply with each IFRS effective at the end of its first IFRS reporting period.



Task 4. Read and translate

An entity's estimates in accordance with IFRSs at the date of transition to IFRSs shall be consistent with estimates made for the same date in accordance with previous (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

TEMA 3. FINANCIAL INSTRUMENTS: DISCLOSURES

Task 1. Read, translate and remember.

credit risk The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.	Кредитный риск
credit risk rating grades Rating of credit risk based on the risk of a default occurring on the financial instrument.	Уровни рейтинга кредитного риска
currency risk The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.	Валютный риск
interest rate risk The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	Процентный риск
liquidity risk The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	Риск ликвидности
loans payable Loans payable are financial liabilities, other than short-term trade payables on normal credit terms.	Привлеченные займы
market risk The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk	Рыночный риск
other price risk The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual	Прочий ценовой риск

financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.	
dividends Distributions of profits to holders of equity instruments in proportion to their holdings of a particular class of capital.	Дивиденды
financial risk The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, currency exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.	Финансовый риск
insurance risk Risk, other than financial risk, transferred from the holder of a contract to the issuer.	Страховой риск
insured event An uncertain future event covered by an insurance contract that creates insurance risk.	Страховой случай

#### ТЕМА 4. PROPERTY, PLANT AND EQUIPMENT

Task 1. Read, translate and remember.

МСФО (IAS) 16 Property, Plant and Equipment / Основные средства

Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.	Балансовая стоимость
Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other IFRSs	Первоначальная стоимость
Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.	Амортизируемая величина
Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.	Амортизация (основного средства)
Entity-specific value	Стоимость, специфичная для организации

is the present value of the cash flows an entity expects to arise from the continuing use of an asset and from its disposal at the end of its useful life or expects to incur when settling a liability.	
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.	Справедливая стоимость
An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.	Убыток от обесценения
Property, plant and equipment are tangible items that: <ul style="list-style-type: none"> <li>o (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and</li> <li>o (b) are expected to be used during more than one period.</li> </ul>	Основные средства
Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.	Возмещаемая сумма
The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.	Ликвидационная стоимость актива
Useful life is: <ul style="list-style-type: none"> <li>(a) the period over which an asset is expected to be available for use by an entity; or</li> <li>(b) the number of production or similar units expected to be obtained from the asset by an entity.</li> </ul>	Срок полезного использования

## МСФО (IAS) 36 Impairment of Assets / Обесценение активов

### What is an impairment?

#### Definition of Impairment

The term impairment is associated with an asset currently having a market value that is less than the asset's book value . A test is done to determine whether the asset's book value should be reduced to the current market value and to report the amount of the write-down (reduction) as a loss on its income statement.

#### Examples of Impairment

A meat packing plant in recent years invested large amounts in its plant and equipment. Since then, the company experienced a dramatic decline in the demand for its products and in the value of its plant and equipment. If the required test of impairment indicates that a loss must be recorded on its plant and equipment, its book value must be reduced and the resulting loss reported on its income statement.

A second example is Corporation X that acquired another company. The amount paid for the company resulted in Corporation X reporting a large amount for the intangible asset goodwill. Since the acquisition, the acquired company's value has declined to only a small fraction of the amount currently reported as goodwill. A test must be done and it may require a reduction in the reported amount of goodwill and a resulting impairment loss reported on the company's income statement.

#### Task 2. Read, translate and remember.

Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation (amortisation) and accumulated impairment losses thereon.	Балансовая стоимость
A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.	Единица, генерирующая денежные средства (генерирующая единица)
Corporate assets are assets other than goodwill that contribute to the future cash flows of both the cash-generating unit under review and other cash-generating units.	Корпоративные активы
Costs of disposal are incremental costs directly attributable to the disposal of an asset or cash-generating unit, excluding finance costs and income tax expense.	Затраты на выбытие
Depreciable amount is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.	Амортизируемая величина
Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.	Амортизация
Fair value is the price that would be received to sell an	Справедливая стоимость

asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.	
An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.	Убыток от обесценения
The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use.	Возмещаемая сумма
Useful life is either: (a) the period of time over which an asset is expected to be used by the entity; or (b) the number of production or similar units expected to be obtained from the asset by the entity.	Срок полезного использования
Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.	Ценность использования

## TEMA 5. INVENTORIES

Task 1. Read, translate and remember.

### МСФО (IAS) 2 Inventories / Запасы

Inventories are assets: (a) held for sale in the ordinary course of business; (b) in the process of production for such sale; or (c) in the form of materials or supplies to be consumed in the production process or in the rendering of services.	Запасы
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.	Чистая возможная цена продажи
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.	Справедливая стоимость
Measurement of inventories Inventories shall be measured at the lower of cost and net realisable value.	Оценка запасов
Cost of inventories The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred	Себестоимость запасов

in bringing the inventories to their present location and condition.	
Techniques for the measurement of cost Techniques for the measurement of the cost of inventories, such as the standard cost method or the retail method, may be used for convenience if the results approximate cost. Standard costs take into account normal levels of materials and supplies, labour, efficiency and capacity utilisation. They are regularly reviewed and, if necessary, revised in the light of current conditions.	Методы оценки себестоимости
Costs of conversion The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as depreciation and maintenance of factory buildings, equipment and right-of-use assets used in the production process, and the cost of factory management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour.	Затраты на переработку

## TEMA 6. BORROWING COSTS

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.	Затраты по заимствованиям процентные и другие затраты, которые организация несет в связи с получением заемных средств.
A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.	Квалифицируемый актив актив, подготовка которого к использованию по назначению или для продажи обязательно требует значительного времени.

Task. Read, translate and solve a task.

Rooney has recently finished building a new item of plant for its own use. The item is a press for use in the manufacture of industrial diamonds. Rooney commenced construction of the asset on 1st April 2023 and completed it on 1st April 2025. 1st January 2023, Rooney took out a loan of \$20 million to finance the construction of the asset. Interest is charged on the loan at the rate of 5% per annum. The annual interest must be paid in four equal installments at the end of each quarter. Rooney capitalises interest on manufactured assets in accordance with the rules in IAS 23 Borrowing costs.

Required

State the IAS 23 rules on the capitalisation of borrowing costs; calculate the cost of the asset on initial recognition and explain the amount of borrowing cost capitalised.

## TEMA 7. PRESENTATION OF FINANCIAL STATEMENTS

Task 1. Word scramble.

1. The amounts reported on the balance sheet are as of a \_\_\_\_\_ in time. **NITPO**
2. Resources. **SSSTAE**
3. Obligations. **EITILASIBIL**
4. Sales on account that have not yet been collected are accounts \_\_\_\_\_.  
**LVEIECAERB**
5. Merchandise on hand. **NYTRIEONV**
6. The total depreciation since an asset was acquired is \_\_\_\_\_ depreciation.  
**ELUAUTCCDAM**
7. Amounts owed for goods and services received on account are accounts \_\_\_\_\_.  
**LAABEPY**
8. A corporation's owner's equity is referred to as \_\_\_\_\_' equity.  
**THEROLKODSCS**
9. The cumulative amount of a corporation's earnings less its cumulative dividends is \_\_\_\_\_ earnings. **TDERAIEN**
10. \_\_\_\_\_ stock is a corporation's own stock that it has purchased but has not retired.  
**YARESRTU**
11. The company that has paid insurance premiums in advance should report the unexpired cost in the account \_\_\_\_\_ Insurance. **EAPDRIP**
12. A small amount of cash available to make small outlays is known as the \_\_\_\_\_ cash fund. **TYPET**
13. Inventory is reported as a \_\_\_\_\_ asset. **NTRUCER**
14. One section of stockholders' equity is paid-in or contributed \_\_\_\_\_. **PLATCIA**
15. The declaration of dividends will reduce the balance in \_\_\_\_\_ earnings. **IDEANERT**
16. Inventories are often reported at the lower of cost or \_\_\_\_\_. **KATMER**
17. Cash that is restricted for the construction of a plant asset is reported in the balance sheet section labeled as \_\_\_\_\_. **STEVENMISTN**
18. Sometimes an \_\_\_\_\_ will require that a plant asset be written down to an amount smaller than its carrying value. **TRAMPINIE**
19. Patents, trademarks, and goodwill are examples of \_\_\_\_\_ assets.  
**BALEGITNIN**
20. The accounts Allowance for Doubtful Accounts and Accumulated Depreciation are known as \_\_\_\_\_-asset accounts. **TROCAN**

**Task 2.** Practice Quiz

1. Another name for the balance sheet is Statement Of Operations or Statement Of Financial Position
2. The balance sheet heading will specify a Period Of Time or Point In Time
3. Which of the following is a category or element of the balance sheet?  
Expenses Gains Liabilities Losses
4. Which of the following is an asset account?  
Accounts Payable

Prepaid Insurance

Unearned Revenue

5. Which of the following is a contra account?

Accumulated Depreciation

Mary Smith, Capital

6. What is the normal balance for an asset account? Debit Credit

7. What is the normal balance for liability accounts? Debit Credit

8. What is the normal balance for stockholders' equity and owner's equity accounts?

Debit

Credit

9. What is the normal balance for contra asset accounts?

Debit

Credit

10. Which of the following would **not** be a current asset?

Accounts Receivable

Land

Prepaid Insurance

Supplies

11. Which of the following would normally be a current liability?

Note Payable Due In Two Years

Unearned Revenue

12. Deferred credits (аванс в счет будущих доходов) will appear on the balance sheet with the

Assets

Liabilities

Owner's/Stockholders' Equity

13. Notes Payable could **not** appear as a line on the balance sheet in which classification?

Current Assets

Current Liabilities

Long-term Liabilities

14. The amount reported on the balance sheet for Property, Plant and Equipment is the company's estimate of the fair market value as of the balance sheet date.

True

False

15. The book value of a corporation is the total amount of stockholders' equity reported on the balance sheet.

True

False

## TEMA 8. STATEMENT OF CASH FLOWS

Task 1. Read, translate and remember.

Cash comprises cash on hand and demand deposits.	Денежные средства
Cash equivalents are short-term, highly liquid investments that	Эквиваленты денежных средств



are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.	
Cash flows are inflows and outflows of cash and cash equivalents.	Денежные потоки
Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.	Операционная деятельность
Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.	Инвестиционная деятельность
Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.	Финансовая деятельность

Task 2. Read, translate and remember.

Operating activities / Операционная деятельность	
Cash flows from operating activities are primarily derived from the principal revenue-producing activities of the entity. Therefore, they generally result from the transactions and other events that enter into the determination of profit or loss.	
Examples of cash flows from operating activities are:	
cash receipts from the sale of goods and the rendering of services;	
cash receipts from royalties, fees, commissions and other revenue;	
cash payments to suppliers for goods and services;	
cash payments to and on behalf of employees;	
cash payments or refunds of income taxes unless they can be specifically identified with financing and investing activities;	
cash receipts and payments from contracts held for dealing or trading purposes.	

Investing activities / Инвестиционная деятельность	
<p>The separate disclosure of cash flows arising from investing activities is important because the cash flows represent the extent to which expenditures have been made for resources intended to generate future income and cash flows. Only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities.</p> <p>Examples of cash flows arising from investing activities are:</p>	
cash payments to acquire property, plant and equipment, intangibles and other long-term assets. These payments include those relating to capitalized development costs and self-constructed property, plant and equipment;	
cash receipts from sales of property, plant and equipment, intangibles and other long-term assets;	
cash payments to acquire equity or debt instruments of other entities and interests in joint ventures (other than payments for those instruments considered to be cash equivalents or those held for dealing or trading purposes);	
cash receipts from sales of equity or debt instruments of other entities and interests in joint ventures (other than receipts for those instruments considered to be cash equivalents and those held for dealing or trading purposes);	
cash advances and loans made to other parties (other than advances and loans made by a financial institution);	
cash receipts from the repayment of advances and loans made to other parties (other than advances and loans of a financial institution);	
cash payments for futures contracts, forward contracts, option contracts and swap contracts except when the contracts are held for dealing or trading purposes, or the payments are classified as financing activities;	
cash receipts from futures contracts, forward contracts, option contracts and swap contracts except when the contracts are held for dealing or trading purposes, or the receipts are classified as financing activities.	

Financing activities / Финансовая деятельность	
The separate disclosure of cash flows arising from financing activities is important because it is useful in predicting claims on future cash flows by providers of capital to the entity.	
Examples of cash flows arising from financing activities are:	
cash proceeds from issuing shares or other equity instruments;	
cash payments to owners to acquire or redeem the entity's shares;	
cash proceeds from issuing debentures, loans, notes, bonds, mortgages and other short-term or long-term borrowings;	
cash repayments of amounts borrowed;	
cash payments by a lessee for the reduction of the outstanding liability relating to a lease.	

### Task 3. What is Cash Flow Statement?

A cash flow statement measures how much cash is coming in and how much cash is going out. It is directly connected to the income statement and balance sheet.

Then you might ask, doesn't the income statement tells us how much cash is coming in and going out? Nope, it doesn't. Only the cash flow statement does.

Company XYZ	2015	2016	2017	2018	2019
Revenue	\$30,000	\$40,000	\$44,000	\$48,000	\$50,000
Cost of Goods Sold	\$10,000	\$13,500	\$15,000	\$16,000	\$20,000
<b>Gross Profit</b>	<b>\$20,000</b>	<b>\$26,500</b>	<b>\$29,000</b>	<b>\$32,000</b>	<b>\$30,000</b>
Employee Salary	\$ 8,000	\$ 8,000	\$ 9,000	\$ 9,000	\$10,000
General Administrative & Marketing Costs	\$ 5,000	\$ 7,000	\$ 8,000	\$ 7,500	\$ 9,000
Office Rental	\$ 2,000	\$ 2,000	\$ 2,500	\$ 2,500	\$ 2,500
Research & Development	\$ 500	\$ 500	\$ 1,000	\$ 1,000	\$ 1,000
Depreciation	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Utilities	\$ 300	\$ 300	\$ 450	\$ 450	\$ 450
<b>Operating Income (EBIT)</b>	<b>\$ 3,700</b>	<b>\$ 8,200</b>	<b>\$ 7,550</b>	<b>\$11,050</b>	<b>\$ 6,550</b>
Interest Expenses	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
<b>Earnings Before Taxes (EBT)</b>	<b>\$ 3,200</b>	<b>\$ 7,700</b>	<b>\$ 7,050</b>	<b>\$10,550</b>	<b>\$ 6,050</b>
Income Tax Expenses (17%)	\$ 544	\$ 1,309	\$ 1,198	\$ 1,793	\$ 1,028
<b>Net Income</b>	<b>\$ 2,656</b>	<b>\$ 6,391</b>	<b>\$ 5,851</b>	<b>\$ 8,756</b>	<b>\$ 5,021</b>

### Cash Flow Statement Example

A cash flow statement has 3 main categories:

Operating Activities

Investing Activities

Financing Activities

Operating activities are things that concern the daily business operations of a company. For example, paying suppliers, buying inventories, selling goods and etc.

Investing activities is as the term implies, investing. These are activities that deal with long-term assets such as purchasing land, buying some machinery or selling assets.

Lastly, financing activities are activities like borrowing money from the bank, paying off loans, refinancing and etc.

Company ABC (Cash Flow Statement) 2019		
<b>Cash Flow from Operating Activities</b>		
Net Income		\$35,550
(+) Depreciation Expenses		\$ 2,000
Decrease in Accounts Receivables		\$ 5,000
Increase in Inventories		-\$ 7,000
Increase in Accounts Payable		\$ 2,000
<b>Net Cash Generated from Operating Activities</b>		<b>\$37,550</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of PPE (Machinery)		-\$10,000
<b>Net Cash Generated from Investing Activities</b>		<b>-\$10,000</b>
<b>Cash Flow from Financing Activities</b>		
Payment of Short-term Debt		-\$ 5,000
Borrowing Long-term Debt		\$ 5,000
Dividends Paid to Shareholders		-\$ 5,550
<b>Net Cash Generated from Financing Activities</b>		<b>-\$ 5,550</b>
<b>Net Change in Cash Inflow/(Outflow)</b>		<b>\$22,000</b>
Cash at Beginning of year		\$ 3,000
Cash at End of Year		\$25,000

Operating  
Activities

Investing  
Activities

Financing  
Activities

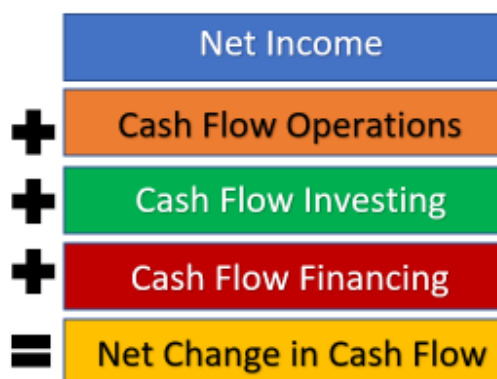
### Matching the Cash Flow Statement & Balance Sheet

Increase in Accounts Payable	\$ 2,000		
<b>Net Cash Generated from Operating Activities</b>	<b>\$37,550</b>		
<b>Cash Flow from Investing Activities</b>			
Purchase of PPE (Machinery)	-\$10,000		
<b>Net Cash Generated from Investing Activities</b>	<b>-\$10,000</b>		
<b>Cash Flow from Financing Activities</b>			
Payment of Short-term Debt	-\$ 5,000		
Borrowing Long-term Debt	\$ 5,000		
Dividends Paid to Shareholders	-\$ 5,550		
<b>Net Cash Generated from Financing Activities</b>	<b>-\$ 5,550</b>		
<b>Net Change in Cash Inflow/(Outflow)</b>	<b>\$22,000</b>		
Cash at Beginning of year	\$ 3,000		
Cash at End of Year	\$25,000		

Company ABC (Balance Sheet)			2018	2019
Cash			\$ 3,000	\$ 25,000
Accounts Receivables			\$ 20,000	\$ 15,000
Inventories			\$ 3,000	\$ 10,000
<b>Total Current Assets</b>			<b>\$ 26,000</b>	<b>\$ 50,000</b>
Property, Plant & Equipment (PPE)			\$ 90,000	\$100,000
Accumulated Depreciation			\$ 25,000	\$ 27,000
Net Property, Plant & Equipment			\$ 65,000	\$ 73,000
<b>Total Non-Current Assets</b>			<b>\$ 65,000</b>	<b>\$ 73,000</b>
<b>Total Assets</b>			<b>\$ 91,000</b>	<b>\$123,000</b>

### Summary on How to Read a Cash Flow Statement



These are the basic building blocks of a cash flow statement. It always starts with the net income that is taken from the income statement.

The cash flow statement is categorised into 3 parts: Operations, Investing and Financing. Summing all of them up would give us the net change in cash flow for the year.

The net change in cash flow for the year, when added with the previous year cash balance, should always be equal to the current year cash balance in the balance sheet.

## TEMA 9. FINANCIAL RATIOS

### Introduction to Financial Ratios

*Financial ratios* relate or connect two amounts from a company's financial statements (balance sheet, income statement, statement of cash flows, etc.). The purpose of financial ratios is to enhance one's understanding of a company's operations, use of debt, etc.

The use of financial ratios is also referred to as *financial ratio analysis* or *ratio analysis*. That along with vertical analysis and horizontal analysis are part of what is known as *financial statement analysis*.

### Benefit of Financial Ratios

A significant benefit of calculating a company's financial ratios is being able to make comparisons with the following:

- The averages for the industry in which the company operates
- The ratios of another company in its industry
- Its own ratios from previous years
- Its planned ratios for the current and future years

The comparisons may direct attention to areas within a company that need improvement or where competitors are more successful.

### Financial Ratios Using Balance Sheet Amounts

We begin our discussion of financial ratios with five financial ratios that are calculated from amounts reported on a company's balance sheet.

The following financial ratios are often labeled as *liquidity ratios* since they provide some indication of a company's ability to pay its obligations when they come due:

- Ratio 1 Working capital
- Ratio 2 Current ratio
- Ratio 3 Quick (acid test) ratio

There are two additional financial ratios based on balance sheet amounts. These ratios provide information on a corporation's use of debt or [financial leverage](#):

- Ratio 4 Debt to equity ratio

- Ratio 5 Debt to total assets

#### Ratio 1 Working Capital

Working capital is defined as the amount remaining after subtracting a corporation's total amount of *current liabilities* from the total amount of its *current assets*. (In most industries, current assets include cash and assets that are expected to turn to cash within one year. Current liabilities are the obligations that will be due within one year.)

The formula for determining the amount of working capital is:

$$\textbf{Working capital} = \textbf{current assets} - \textbf{current liabilities}$$

Generally, the larger the amount of working capital, the more likely a company will be able to pay its suppliers, lenders, employees, etc. when the amounts are due. It also means less stress when an unexpected problem arises.

The amount of working capital that a company needs will vary by industry (and could vary by company within the same industry). Here are some factors that determine the amount needed:

- Type of business (manufacturer, retailer, service provider, etc.)
- Size of the business
- Amount of sales on credit terms such as *net 30 days*
- Competition
- Composition of the current assets (cash is far different from inventory)
- Dates when the current liabilities must be paid (next week or 10 months from now)
- Age/condition of the assets used in the business (older equipment may require more repairs)
- Financing arrangements (such as an approved and unused line of credit)
- Emergencies that arise unexpectedly

Here are two examples that illustrate how to calculate the amount of a company's working capital:

#### **Example 1A**

ABC is a large manufacturing corporation with \$4,200,000 of current assets and \$4,000,000 of current liabilities. Therefore, ABC's working capital is:

$$\text{Working capital} = \text{current assets} - \text{current liabilities}$$

$$\text{Working capital} = \$4,200,000 - \$4,000,000$$

$$\text{Working capital} = \textbf{\$200,000}$$

ABC's working capital of \$200,000 **seems too little** for a large manufacturer having \$4,000,000 of current liabilities coming due within the next year. However, if the company has a standard product that it produces continuously for a customer that **pays upon delivery**, the \$200,000 of working capital **may be adequate**. On the other hand, if this manufacturer must carry a huge amount of inventory of raw materials and finished products and the demand for the products varies from month to month, the \$200,000 **may be far short** of the amount needed.

#### **Example 1B**

Beta Company is an internet business with lots of sales every day to customers who pay with a credit card when ordering. If Beta Company has \$35,000 of current assets and \$20,000 of current liabilities, its working capital is:

$$\text{Working capital} = \text{current assets} - \text{current liabilities}$$

$$\text{Working capital} = \$35,000 - \$20,000$$

$$\text{Working capital} = \textbf{\$15,000}$$

Since Beta Company is a service business, it is unlikely to have a large amount of inventory of goods as part of its current assets. Perhaps most of Beta's current assets are in cash. If these assumptions are correct, Beta might operate comfortably with less than \$15,000 of working capital.

Example 1A and Example 1B bring to light the difficulty in determining the amount of working capital needed by a specific business.

#### Ratio 2 Current Ratio

The current ratio, which is sometimes referred to as the working capital ratio, is defined as a company's total amount of current assets divided by the company's total amount of current liabilities. Expressed as a formula, the current ratio is:

**Current ratio = current assets / current liabilities**

Generally, the larger the ratio of current assets to current liabilities the more likely the company will be able to pay its current liabilities when they come due.

The following factors are relevant for determining the appropriate current ratio for a company as well as working capital (Ratio 1):

- Type of business (manufacturer, retailer, service provider, etc.)
- Size of the business
- Amount of sales on credit terms such as *net 30 days*
- Competition
- Composition of the current assets (cash is far different from inventory)
- Dates when the current liabilities must be paid (next week or 10 months from now)
- Age/condition of the assets used in the business (older equipment may require more repairs)
- Financing arrangements (such as an approved and unused line of credit)
- Emergencies that arise unexpectedly

Since current assets *divided by* current liabilities results in a ratio (unlike the *amount* of working capital), the current ratio can be compared to a smaller company's current ratio or to a larger company's current ratio within the same industry.

#### **Example 2A**

ABC is a large manufacturing corporation with \$4,200,000 of current assets and \$4,000,000 of current liabilities. Therefore, ABC's current ratio is:

Current ratio = current assets / current liabilities

Current ratio = \$4,200,000 / \$4,000,000

Current ratio = **1.05 (or 1.05 to 1 or 1.05:1)**

ABC's current ratio of 1.05 seems small for a large manufacturer with \$4,000,000 of current liabilities. In the past, many people believed that the ideal current ratio was 2 (having twice as many current assets as current liabilities). Today, we should consider many factors when attempting to find the optimum current ratio for a business. The factors for a manufacturer include:

- The consistency of its sales and production
- How fast customers pay
- Levels of inventory required
- Dates when current liabilities must be paid

#### **Example 2B**

Beta Company is an internet business with significant daily sales to customers who must pay with a credit card when ordering. If Beta Company had \$35,000 of current assets and \$20,000 of current liabilities, its current ratio at that moment would be:

Current ratio = current assets / current liabilities

Current ratio = \$35,000 / \$20,000

Current ratio = **1.75 (1.75 to 1 or 1.75:1)**

Since Beta Company is not a manufacturer or retailer, it will have little or no inventory. If its current assets consist mainly of cash and receivables from long-time customers who pay promptly, Beta may operate with a ratio of 1.00 (or even less) if its revenues are consistent.

#### Ratio 3 Quick (Acid Test) Ratio

The quick ratio is commonly known as the *acid test ratio*. The quick ratio is more conservative than the current ratio because the amounts of a company's inventory and prepaid expenses are not included. (It is assumed that inventory and prepaid expenses cannot be turned into cash quickly.)

As a result, only the company's "quick" assets consisting of cash, cash equivalents, temporary investments, and accounts receivable are divided by the total amount of the company's current liabilities. For companies with inventory (manufacturers, retailers, distributors) the quick ratio is viewed as a better indicator (than the current ratio) of those companies' ability to pay their obligations when they come due.

The formula for the quick ratio is:

**Quick ratio = (cash + cash equivalents + temp. investments + accounts receivable) /  
current liabilities**

Whether a company's quick ratio is sufficient will again depend on factors such as:

- The makeup of the quick assets
- How fast customers pay for the goods or services provided by the company
- The dates that the current liabilities must be paid
- Financing arrangements

#### **Example 3A**

To illustrate the quick ratio, assume that on December 31, a large manufacturing corporation has \$4,200,000 of current assets and \$4,000,000 of current liabilities. However, the \$4,200,000 of current assets includes \$2,600,000 of inventory and prepaid expenses. As a result, its "quick" assets (cash + cash equivalents + temporary investments + accounts receivable) amount to \$1,600,000 (\$4,200,000 - \$2,600,000). The corporation's quick ratio as of December 31 is calculated as follows:

Quick ratio = (cash + cash equivalents + temp. investments + accounts receivable) / current liabilities

Quick ratio = \$1,600,000 / \$4,000,000

Quick ratio = **0.40 (0.40 to 1 or 0.40:1)**

Obviously, a manufacturer and retailer will have a quick ratio that is significantly smaller than its current ratio. This corporation's quick ratio of 0.40 will require the business to get its inventory items sold in time to collect the cash needed to pay its current liabilities when they come due. This may or may not be a problem depending on the customers and the demand for the corporation's goods.

#### **Example 3B**



Assume that Beta Company is an internet business with lots of sales every day and customers pay when ordering. Beta's current assets of \$35,000 includes \$9,000 of inventory and \$1,000 of prepaid expenses. Therefore, the amount of Beta's "quick assets" (cash + cash equivalents + temporary investments + accounts receivable) is \$25,000 (\$35,000 - \$9,000 - \$1,000). If Beta Company has \$20,000 of current liabilities, the calculation of its quick ratio is:

Quick ratio = quick assets / current liabilities

Quick ratio = \$25,000 / \$20,000

Quick ratio = **1.25 (1.25 to 1 or 1.25:1)**

If Beta's quick assets are mostly cash and temporary investments, it has a great quick ratio.

These financial ratios give us some insight on a corporation's use of financial leverage:

#### Ratio 4 Debt to Equity Ratio

The *debt to equity ratio* relates a corporation's *total amount of liabilities* to its *total amount of stockholders' equity*.

#### NOTE:

Unless a financial ratio specifies "long-term debt", you should assume that "debt" means the total amount owed to creditors, or the total amount of liabilities. As a formula, debt is:

**Debt = the amount of current liabilities + the amount of noncurrent (long-term) liabilities**

The debt to equity ratio is calculated by dividing a company's total amount of liabilities by its total amount of stockholders' equity:

**Debt to equity ratio = total liabilities / total stockholders' equity**

However, too much debt is risky because the corporation may not be able to obtain additional loans to cover the cost of unexpected problems.

#### Example 4A

Assume that on December 31, ABC Corporation had \$4,200,000 of current assets and \$5,800,000 of noncurrent (long-term) assets resulting in total assets of \$10,000,000. ABC also had current liabilities of \$4,000,000 and \$3,200,000 of noncurrent liabilities resulting in total liabilities of \$7,200,000. Its total stockholders' equity was \$2,800,000. Given this information, ABC Corporation's *debt to equity ratio* on December 31 was:

Debt to equity ratio = total liabilities / total stockholders' equity

Debt to equity ratio = \$7,200,000 / \$2,800,000

Debt to equity ratio = **2.57 (2.57 to 1 or 2.57:1)**

As ABC's debt to equity ratio of 2.57 indicates, the corporation is using a large amount of creditors' money in relation to its stockholders' money. We would say the company is highly leveraged and that could be a factor in whether the corporation can borrow more money if needed for an emergency or economic downturn.

#### Example 4B

Assume that Beta Company has the following: current assets of \$35,000; noncurrent assets of \$65,000; current liabilities of \$20,000; noncurrent liabilities of \$25,000; total stockholders' equity of \$55,000. Beta Company's *debt to equity ratio* is calculated as follows:

Debt to equity ratio = total liabilities / total stockholders' equity

Debt to equity ratio = \$45,000 / \$55,000

Debt to equity ratio = **0.82 (0.82 to 1 or 0.82:1)**

Beta's debt to equity ratio looks good in that it has used less of its creditors' money than the amount of its owner's money.

### Ratio 5 Debt to Total Assets

The debt to total assets ratio is also an indicator of *financial leverage*. This ratio shows the percentage of a business's assets that have been financed by debt/creditors. The remainder comes from the owners of the business. Generally, a lower ratio of debt to total assets is better since it is assumed that relatively less debt has less risk.

Recalling that *debt* means the company's *total amount of liabilities* or the total amount owed to creditors, the debt to total assets ratio is calculated by *dividing* a company's *total amount of liabilities* by its *total amount of assets*.

Here is the formula for the debt to total assets ratio:

$$\text{Debt to total assets} = \text{total liabilities} / \text{total assets}$$

#### **Example 5A**

ABC Corporation's most recent balance sheet reported total assets of \$10,000,000 and total liabilities of \$7,200,000. ABC's *debt to total assets ratio* as of the balance sheet date was:

$$\text{Debt to total assets} = \text{total liabilities} / \text{total assets}$$

$$\text{Debt to total assets} = \$7,200,000 / \$10,000,000$$

$$\text{Debt to total assets} = \mathbf{0.72 \text{ or } 72\% \text{ (or } 0.72 \text{ to } 1 \text{ or } 0.72:1)}$$

This indicates that 72% of the cost of total assets reported on ABC's balance sheet assets were financed by its lenders and other creditors. The remaining 28% were financed by ABC's stockholders.

Whether 72% is a good debt to total assets ratio depends on the assets, the cost of the debt, and lots of unknown factors in the future.

A *debt to total assets ratio* of 72% may be acceptable at a growing company where long-term loans were needed to purchase labor saving equipment and construct more efficient facilities (instead of paying rent for inefficient facilities).

On the other hand, when the debt resulted from operating losses caused by declining demand and poor management, a debt to total assets ratio of 72% may be risky and may prevent the company from obtaining additional loans.

#### **Example 5B**

Beta Company's recent balance sheet reported total assets of \$100,000 and total liabilities of \$45,000. Therefore, Beta Company's *debt to total assets ratio* as of the date of the balance sheet was:

$$\text{Debt to total assets} = \text{total liabilities} / \text{total assets}$$

$$\text{Debt to total assets} = \$45,000 / \$100,000$$

$$\text{Debt to total assets} = \mathbf{0.45 \text{ or } 45\% \text{ (or } 0.45 \text{ to } 1 \text{ or } 0.45:1)}$$

Whether 45% is a good ratio of debt to total assets depends on future conditions. However, as a general rule, a lower ratio of debt to total assets is considered better since there is less risk of loss for a lender and the company may be able to obtain additional loans if needed.

### **VOCABULARY**

**financial ratios** – финансовые коэффициенты

**financial ratio analysis** - анализ финансовых коэффициентов

**ratio analysis** – анализ относительных показателей

**vertical analysis** – A type of financial analysis involving income statements and balance sheets. All income statement amounts are divided by the amount of net sales so that the income

statement figures will become percentages of net sales. All balance sheet amounts are divided by total assets so that the balance sheet figures will become percentages of total assets.

**horizontal analysis** - One component of financial statement analysis. This method involves financial statements reporting amounts for several years. The earliest year presented is designated as the base year and the subsequent years are expressed as a percentage of the base year amounts. This allows the analyst to more easily see the trend as all amounts are now a percentage of the base year amounts.

**financial statement analysis** – анализ финансовой отчетности

**financial leverage ratio** – коэффициент финансового левериджа. Using debt (such as loans and bonds) to acquire more assets than would be possible by using only owners' funds.

**acid test ratio** – коэффициент критической ликвидности

## TEMA 10. FUTURE VALUE OF A SINGLE AMOUNT

Task 1. Read and translate.

If left undisturbed, a single amount deposited today into your savings account will grow to a larger balance. That future balance is referred to as a **future value or FV**. Over a long period of time, the future value of that single deposit can grow to be a significant amount for two reasons:

1. the initial deposit earns interest, and
2. the interest added to your account will also earn interest.

Earning interest on the previously earned interest is known as **compound interest**.

The calculation of future value determines just how much a single deposit, investment, or balance will grow to, assuming it is left untouched and earns compound interest at a specified interest rate. The calculation of the future value of a single amount can also be used to predict what a present cost of an item will grow to at a future date, when the item's cost increases at a constant rate. Additionally, the formula for computing the future value can be used to determine either the *interest rate* or the *length of time* necessary to reach a desired future value.

Our explanation of future value will use timelines for each of the many illustrations in order for you to develop a thorough understanding of the future value of a single amount. Throughout our explanation we will utilize future value tables and future value factors. After mastering these calculations of the future value of a single amount, you are encouraged to use a financial calculator or computer software in order to obtain more precision.

The future value of a single amount involves four variables:

<b>PV</b>	Present value amount. This could be the amount of a single deposit made at the present time, a present account balance, the present cost of an item, etc.
<b>FV</b>	Future value amount. This is the amount that the present value will grow to. It can be the account balance in the future, the future cost of an item, etc.
<b>n</b>	Number of time periods that interest will be added and compounded over the life of the deposit, cost, etc.
<b>i</b>	Interest rate for the time period n. For example, if interest is to be compounded monthly, then a rate of 12% per year will be restated to be 1% per month.

If you know any three of these four variables, you will be able to calculate the unknown amount.

Visualizing Compound Interest

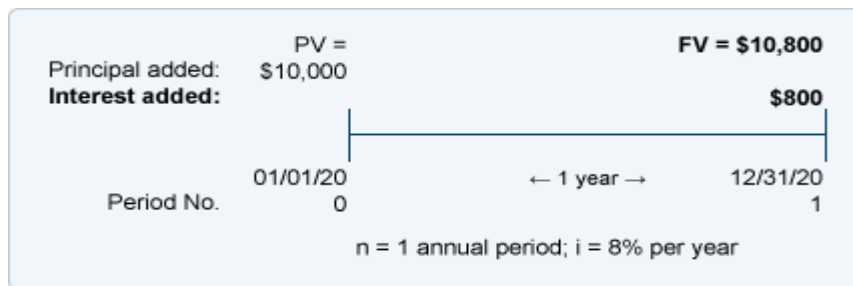
To illustrate the compounding of interest in the calculation of a future value, we will assume that a single amount of \$10,000 will be deposited into an account on January 1, 2020 and will remain on deposit for one year. The depositor may select one of three accounts and each of the accounts pays interest of 8% per year. However, the three accounts will differ in the compounding of interest as noted here:

- **Account #1.** The interest will be added to the account at the end of the year. (Interest is compounded annually on December 31.)
- **Account #2.** The interest will be added to the account at the end of each six-month period. (Interest is compounded semiannually on June 30 and December 31.)
- **Account #3.** The interest will be added to the account at the end of each calendar quarter. (Interest is compounded quarterly on March 31, June 30, September 30, and December 31.)

The following timelines will allow us to visualize the compounding of interest and its effect on each account's ending balance.

#### Account #1.

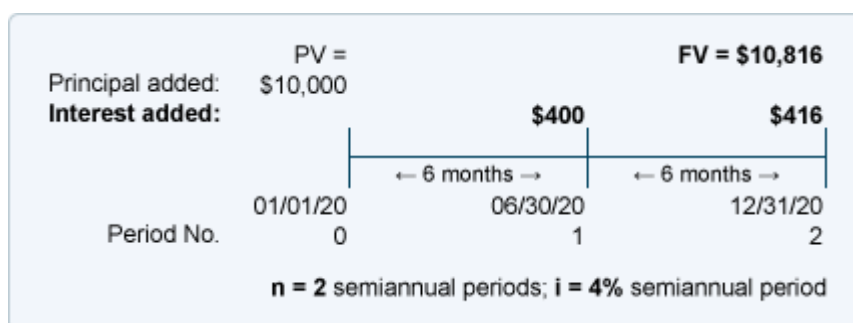
A single amount of \$10,000 is deposited on January 1, 2020 and will remain in the account until December 31, 2020. The account will earn interest of 8% per year compounded annually. The timeline showing this information appears here:



The timeline shows the single deposit of \$10,000 as the present value and occurring at time period 0. (Time period 0 is the present time and it is also the beginning of the first time period.) The timeline also shows that the interest earned during the year 2020 is \$800 (\$10,000 x 8%) and it is added on December 31, 2020. **The result is a future value at December 31, 2020 of \$10,800.**

#### Account #2.

A single amount of \$10,000 is deposited on January 1, 2020 and will remain in the account until December 31, 2020. The account will earn interest at 8% per year but the interest is compounded semiannually. Because interest will be compounded semiannually, the variables **n** and **i** must be stated in six-month or semiannual terms as shown in the following timeline:

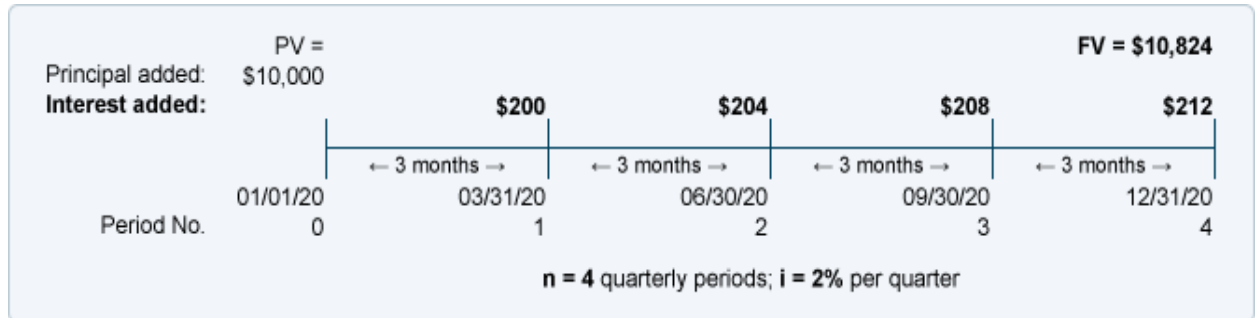


Again, the \$10,000 is the present value shown at time period 0. The timeline also shows that \$400 (\$10,000 x 4%; or \$10,000 x 8% x 0.5 year) of interest is added to the account on June

30, 2020. After the interest is added to the account, the new balance of \$10,400 will earn interest during the second half of the year—resulting in interest of \$416 (\$10,400 x 4% = \$416) added on December 31, 2020. **The result is a future value at December 31, 2020 of \$10,816.**

#### Account #3.

A single amount of \$10,000 is deposited on January 1, 2020 and will remain in the account until December 31, 2020. The account will earn interest at 8% per year but the interest is compounded quarterly. As a result the variables **n** and **i** must be thought of in terms of quarters or three-month periods as shown in the following timeline:



The present value of \$10,000 will be earning compounded interest every three months. During the first quarter, the account will earn \$200 (\$10,000 x 2%; or \$10,000 x 8% x 3/12 of a year.) and will result in a balance of \$10,200 on March 31. During the second quarter of 2020 the account will earn interest of \$204 based on the account balance as of March 31, 2020 (\$10,200 x 2% per quarter). The interest for the third quarter is \$208 (\$10,404 x 2%) and the interest for the fourth quarter is \$212 (\$10,612 x 2%). **The result is a future value of \$10,824 at December 31, 2020.**

#### Mathematics of Future Value

The future value of a present amount can be expressed as:

$$FV = PV \times (1.00 + i)^n$$

We will illustrate how this mathematical expression works by using the amounts from the three accounts in Part 1.

#### Account #1: Annual Compounding

A single deposit of \$10,000 will earn interest at 8% per year and the interest will be deposited at the end of one year. Since the interest is compounded annually, the one-year period can be represented by **n = 1** and the corresponding interest rate will be **i = 8%** per year:

$$\begin{aligned}
 FV &= PV \times (1.00 + i)^n \\
 FV &= \$10,000 \times (1.00 + 0.08)^1 \\
 FV &= \$10,000 \times (1.08)^1 \\
 FV &= \$10,000 \times 1.08 \\
 \mathbf{FV} &= \mathbf{\$10,800}
 \end{aligned}$$

The formula shows that the present value of \$10,000 will grow to the FV of \$10,800 at the end of one year when interest of 8% is earned and the interest is added to the account only at the end of the year.

#### Account #2: Semiannual Compounding

In Account #2 the \$10,000 deposit will earn interest at 8% per year, but the interest will be deposited at the end of each six-month period for one year. With semiannual compounding, the life of the investment is stated as  $n = 2$  six-month periods. The interest rate per six-month period is  $i = 4\%$  (8% annually divided by 2 six-month periods).

$$\begin{aligned} FV &= PV \times (1.00 + i)^n \\ FV &= \$10,000 \times (1.00 + 0.04)^2 \\ FV &= \$10,000 \times (1.04)^2 \\ FV &= \$10,000 \times (1.04 \times 1.04) \\ FV &= \$10,000 \times 1.0816 \\ \mathbf{FV} &= \mathbf{\$10,816} \end{aligned}$$

The present value of \$10,000 will grow to a future value of \$10,816 (rounded) at the end of two semiannual periods when the 8% annual interest rate is compounded semiannually.

### Account #3: Quarterly Compounding

In Account #3 the \$10,000 deposit will earn interest at 8% per year, but the interest earned will be deposited at the end of each three-month period for one year. With quarterly compounding, the life of the investment is stated as  $n = 4$  quarterly periods. The annual interest rate is restated to be the quarterly rate of  $i = 2\%$  (8% per year divided by 4 three-month periods).

$$\begin{aligned} FV &= PV \times (1.00 + i)^n \\ FV &= \$10,000 \times (1.00 + 0.02)^4 \\ FV &= \$10,000 \times (1.02)^4 \\ FV &= \$10,000 \times (1.02 \times 1.02 \times 1.02 \times 1.02) \\ FV &= \$10,000 \times 1.0824 \\ \mathbf{FV} &= \mathbf{\$10,824} \end{aligned}$$

The present value of \$10,000 will grow to a future value of \$10,824 (rounded) at the end of one year when the 8% annual interest rate is compounded quarterly.

### Future Values for Greater Than One Year

To be certain that you understand how the number of periods,  $n$ , and the interest rate,  $i$ , must be aligned with the compounding assumptions, we prepared the following chart. **Note that the chart assumes an interest rate of 12% per year.**

Number of Years an Amount Will Be Invested	Frequency of the Compounding of Interest	n (Number of Periods)	i (Interest Rate per Period)
1	Annually	1	12%
1	Semiannually	2	6%
1	Quarterly	4	3%
1	Monthly	12	1%
2	Annually	2	12%
2	Semiannually	4	6%
2	Quarterly	8	3%
<b>2</b>	<b>Monthly</b>	<b>24</b>	<b>1%</b>
3	Annually	3	12%
3	Semiannually	6	6%
3	Quarterly	12	3%
3	Monthly	36	1%
4	Annually	4	12%
4	Semiannually	8	6%
4	Quarterly	16	3%
4	Monthly	48	1%
5	Annually	5	12%
5	Semiannually	10	6%
<b>5</b>	<b>Quarterly</b>	<b>20</b>	<b>3%</b>
5	Monthly	60	1%

To be certain you understand the information in the chart, let's assume that a single amount of \$10,000 is deposited on January 1, 2020 and will remain in the account until December 31, 2024. This will mean a total of five years: 2020, 2021, 2022, 2023, and 2024. If the account will pay interest of 12% per year **compounded quarterly**, then **n = 20** quarterly periods (5 years x 4 quarters per year), and **i = 3%** per quarter (12% per year divided by 4 quarters per year). The mathematical expression will be:

$$\begin{aligned}
 FV &= PV \times (1.00 + i)^n \\
 FV &= \$10,000 \times (1.00 + 0.03)^{20} \\
 FV &= \$10,000 \times (1.03)^{20} \\
 FV &= \$10,000 \times 1.8061 \\
 \mathbf{FV} &= \mathbf{\$18,061}
 \end{aligned}$$

## TEMA11. ACTIVITY BASED COSTING

Task 1. Read and translate.

Activity based costing (ABC) assigns manufacturing overhead costs to products in a more logical manner than the traditional approach of simply allocating costs on the basis of machine hours. Activity based costing first assigns costs to the activities that are the real cause of the overhead. It then assigns the cost of those activities only to the products that are actually demanding the activities.



Activity based costing has grown in importance in recent decades because (1) manufacturing overhead costs have increased significantly, (2) the manufacturing overhead costs no longer correlate with the productive machine hours or direct labor hours, (3) the diversity of products and the diversity in customers' demands have grown, and (4) some products are produced in large batches, while others are produced in small batches.

## TEMA 12. STANDARD COSTING

### Task 1. Read and translate.

Standard costing is an important subtopic of cost accounting. Historically, standard costs have been associated with a manufacturing company's costs of direct materials, direct labor, and manufacturing overhead.

Rather than assigning the actual costs of direct materials, direct labor, and manufacturing overhead to a product, some manufacturers assign the expected or standard costs. This means that a manufacturer's inventories and cost of goods sold will begin with amounts that reflect the standard costs, not the actual costs, of a product. Since a manufacturer must pay its suppliers and employees the actual costs, there are almost always differences between the actual costs and the standard costs, and the differences are noted as *variances*.

### NOTE:

Standard costs can also be thought of as:

- Planned costs
- Expected costs
- Budgeted costs
- "Should be" costs
- Benchmark costs

Standard costing (and the related variances) is a valuable management tool. If a variance arises, it tells management that the actual manufacturing costs are different from the standard costs. Management can then direct its attention to the cause of the differences from the planned amounts.

If we assume that a company uses the perpetual inventory system and that it carries all of its inventory accounts at standard cost (including Direct Materials Inventory or Stores), then the standard cost of a finished product is the sum of the standard costs of these inputs:

1. Direct materials
2. Direct labor
3. Manufacturing overhead
4. Variable manufacturing overhead
5. Fixed manufacturing overhead

Usually there will be two variances computed for each input:

<u>Input for Product</u>	<u>Variance #1</u>	<u>Variance #2</u>
Direct materials	Price (or cost)	Usage (or quantity)
Direct labor	Rate (or cost)	Efficiency (or quantity)
Manufacturing overhead-variable	Spending	Efficiency
Manufacturing overhead-fixed	Budget	Volume

Sample Standards Table



Let's assume that your Uncle Pete runs a retail outlet that sells denim aprons in two sizes. Pete suggests that you get into the manufacturing side of the business, so on January 1, 2020, you start up an apron production company called DenimWorks. Using the best information at hand, the two of you compile the following information to establish the standard costs for 2020:

**Standards Table for DenimWorks**

		Large Apron	Small Apron
Denim material needed for each apron*		2.0 yd.	1.3 yd.
Time required to cut and sew each apron		0.3 hr.	0.2 hr.
Denim cost per square yard	\$3		
Labor cost per hour (includes payroll taxes)	\$10		
Electricity and supplies used per hour of labor	\$2		
Rent for space per month (includes heat/air)	\$600		
Rent for equipment per month	\$100		
Planned production for the year 2020		5,000 aprons	3,000 aprons
Planned yards of denim needed for 2020	13,900 yd.	10,000 yd.	3,900 yd.
Planned hours to cut and sew in 2020	2,100 hr.	1,500 hr.	600 hr.

\* The denim comes on rolls that are one yard wide, so one yard (yd.) of denim is the same as one square yard of denim

The aprons are easy to produce, and no apron is ever left unfinished at the end of any given day. This means that DenimWorks will never have work-in-process inventory at the end of an accounting period.

When we make the journal entries for completed aprons, we'll use an account called Inventory-FG which means Finished Goods Inventory. We'll also be using the account Direct Materials Inventory or Raw Materials Inventory or Stores. Most manufacturers will also have an account entitled Work-in-Process Inventory, which is commonly referred to as WIP Inventory.

#### Direct Materials Purchased: Standard Cost and Price Variance

*Direct materials* are the raw materials that are directly traceable to a product. In your apron business the main direct material is the denim. (In a food manufacturer's business the direct materials are the ingredients such as flour and sugar; in an automobile assembly plant, the direct materials are the cars' component parts).

DenimWorks purchases its denim from a local supplier with terms of net 30 days, FOB destination. This means that title to the denim passes from the supplier to DenimWorks when DenimWorks receives the material. When the denim arrives, DenimWorks will record the denim received in its Direct Materials Inventory at the standard cost of \$3 per yard (see the standards table above) and will record a liability for the actual cost of the material received. Any difference between the standard cost of the material and the actual cost of the material received is recorded as a *purchase price variance*.

Examples of Standard Cost of Materials and Price Variance

Let's assume that on January 2, 2020, DenimWorks ordered 1,000 yards of denim at \$2.90 per yard. On January 8, DenimWorks receives the 1,000 yards of denim and the supplier's invoice for the actual cost of \$2,900. On January 8, DenimWorks becomes the owner of the material and has a liability to its supplier. On January 8, DenimWorks' Direct Materials Inventory is increased by the standard cost of \$3,000 (1,000 yards of denim at the standard cost of \$3 per yard), Accounts Payable is credited for \$2,900 (the actual amount owed to the supplier), and the difference of \$100 is credited to Direct Materials Price Variance. Putting this information in a general journal entry looks like this:

Date	Account Name	Debit	Credit
Jan. 8, 2020	Direct Materials Inventory	3,000	
	Accounts Payable		2,900
	Direct Materials Price Variance		100

The \$100 credit to the Direct Materials Price Variance account indicates that the company is experiencing actual costs that are more favorable than the planned, standard costs.

In February, DenimWorks orders 3,000 yards of denim at \$3.05 per yard. On March 1, DenimWorks receives the 3,000 yards of denim and the supplier's invoice for \$9,150 due in 30 days. On March 1, the Direct Materials Inventory account is increased by the standard cost of \$9,000 (3,000 yards at the standard cost of \$3 per yard), Accounts Payable is credited for \$9,150 (the actual cost of the denim), and the difference of \$150 is debited to Direct Materials Price Variance as an unfavorable price variance:

Date	Account Name	Debit	Credit
Mar. 1, 2020	Direct Materials Inventory	9,000	
	Direct Materials Price Variance	150	
	Accounts Payable		9,150

After the March 1 transaction is posted, the Direct Materials Price Variance account shows a debit balance of \$50 (the \$100 credit on January 8 combined with the \$150 debit on March 1). A debit balance in any variance account means it is unfavorable. It means that the actual costs are higher than the standard costs and the company's profit will be \$50 less than planned unless some action is taken.

On June 1 your company receives an additional 3,000 yards of denim at an actual cost of \$2.92 per yard for a total of \$8,760 due in 30 days. The entry is:

Date	Account Name	Debit	Credit
June 1, 2020	Direct Materials Inventory	9,000	
	Direct Materials Price Variance		240
	Accounts Payable		8,760

Direct Materials Inventory is debited for the standard cost of \$9,000 (3,000 yards at \$3 per yard), Accounts Payable is credited for the actual amount owed, and the difference of \$240 is

credited to Direct Materials Price Variance. The \$240 variance is favorable since the company paid \$0.08 per yard less than the standard cost per yard x the 3,000 yards of denim.

**NOTE:**

A debit to a variance account indicates *unfavorable*.

A credit to a variance account indicates *favorable*.

After this transaction is recorded, the Direct Materials Price Variance account shows a credit balance of \$190. A credit balance in a variance account is always favorable. In other words, your company's profit will be \$190 greater than planned due to the lower than expected cost of direct materials.

## TEMA 13. WORKING CAPITAL AND LIQUIDITY

### Working capital definition and example

Working capital is defined as current assets minus current liabilities. For example, if a company has current assets of \$90,000 and its current liabilities are \$80,000, the company has working capital of \$10,000.

Note that working capital is an *amount*. Some of the factors that determine the amount of working capital needed include:

- Whether or not a company needs to have an inventory of goods
- How fast customers pay for goods or services
- How fast the company must pay its suppliers
- The company's growth rate
- The company's profitability
- The company's ability to get financing

Working capital can be increased by:

- Profitable business operations
- Sale of long-term assets
- Long-term borrowings
- Investment by owners

Working capital can decrease from:

- Unprofitable business operations
- Purchasing long-term assets (without long-term financing)
- Repaying long-term debt
- Distributing cash to owners

### Liquidity definition

Liquidity is having the money to pay the company's obligations when they are due. In other words, it is the company's ability to convert its current assets to cash so that the current liabilities can be paid when they come due. Liquidity is necessary for a company to continue its business operations.

Liquidity could increase by:

- Increasing working capital (see the above list for *increasing working capital*)
- Increasing the speed at which current assets are converted to cash
- Delaying the payment of current liabilities
- Delaying the payment of long-term liabilities
- Omitting the distribution of cash to owners

Liquidity could decrease from:

- A decrease in working capital (see the above list for *decreasing working capital*)

- Purchasing and/or producing too many items for inventory
- A slowdown in the speed at which current assets are converted to cash
- Paying current liabilities too soon

#### Working capital vs. liquidity

A retailer, distributor or manufacturer may have a large amount of working capital. However, if most of its current assets are in slow-moving inventory, the company may not have the liquidity to pay its obligations on the agreed upon due dates. Similarly, if a company is unable to collect its accounts receivable, it may not have the liquidity to pay its obligations.

In contrast, consider a company that sells popular products online and customers pay with bank credit cards or debit cards when they order. Further, the company's suppliers allow the company to pay 60 days after it purchases the products. This company may have very little in working capital, but it may have the liquidity it needs.

#### Financial ratios and other metrics

There are some financial ratios and metrics that are closely related to working capital and liquidity, such as:

- Amount of working capital
- Current ratio
- Quick ratio
- Accounts receivable turnover ratio
- Average collection period
- Inventory turnover ratio
- Days' sales in inventory
- Cash from operating activities
- Operating cash flow ratio

We will discuss and calculate each of these. We will also point out that if these metrics are calculated by using the amounts from a company's financial statements, the amounts are likely from the prior year. Further, the amounts reported on the financial statements are highly-summarized. Hence, some unusual transactions and amounts will likely be hidden or buried by the enormous number of normal transactions.

People within a company will have access to more current amounts and more detailed information that can be sorted, reviewed and analyzed. Therefore, people within a company will gain more insights from the detailed internal information than someone calculating financial ratios by using the amounts reported on the prior year's published financial statements.

#### Finding the root cause

It is also important to understand the root cause for a change in working capital and/or liquidity. In the case of a liquidity problem, you should "drill down" by asking "**Why** has liquidity decreased?" You may discover a decrease in the company's *accounts receivable turnover rate* and an increase in its *average collection period*. Next ask "**Why** is there a decrease in the turnover rate and the increase in the average collection period?" You may find that two large customers have slowed their remittances of the amounts they owe. That should lead to another question: "**Why** is Customer X not paying according to the agreed-upon terms?" The answers could range from the customer is having financial difficulty to the customer is not pleased with the company's products or service. That should lead to yet another "Why?" question. The goal is to get past the symptoms and get to the root cause.

Similarly, if the decreases in working capital and/or liquidity are due to unprofitable business operations, a person should also begin a series of "Why?" questions. The answers may

lead to an urgent need for an immediate reduction in expenses lest the company is forced to stop operating. Eliminating operating losses is also important for ongoing relationships with lenders, suppliers, customers, employees, owners and more.

#### Cash is king

"Cash is king" is a popular phrase for several reasons. One reason involves liquidity: cash is necessary to meet Friday's payroll, to make a loan payment, to pay suppliers, to remit payroll taxes, etc.

Another reason for "cash is king" pertains to the *accrual method of accounting*. Under this generally required method of accounting, a company's financial statements will report revenues and the related receivables when they are *earned* (not when the customers' cash is received). Further, expenses and liabilities are reported when they are incurred (not when the cash is paid out). Because of the judgements used in determining when the revenues and expenses are reported on the income statement, there is a concern with this perceived "flexibility". With cash there are no judgments or estimates involved. The company either has the cash or it doesn't.

Fortunately, companies are required to include the statement of cash flows (SCF) whenever its financial statements are distributed. The SCF will report the major cash inflows and cash outflows during the same period as the income statement. The SCF also reconciles the change in a company's cash during the past year. Since liquidity involves cash, you will gain valuable insights by understanding the SCF.

#### Components of Working Capital

Working capital (also known as *net working capital*) is defined as current assets minus current liabilities. Therefore, a company with \$120,000 of current assets and \$90,000 of current liabilities will have \$30,000 of working capital. A company with \$100,000 of current assets and \$100,000 of current liabilities has *no* working capital. As you can see, working capital is an *amount* even though it is usually discussed as part of financial ratios.

#### Current assets

A major component of working capital is current assets. A shortened definition of current assets is: a company's cash plus its other resources that are expected to turn to cash within one year.

However, the following is a more complete definition:

Current assets include cash (which is *not* restricted for a long-term purpose) plus the company's other resources that will turn to cash or will be used up within one year (of the date shown in the heading of the balance sheet). However, in the rare situations when a company's normal operating cycle is longer than one year, the length of the operating cycle is used in place of one year for determining a current asset.

Examples of current assets (listed in the order they are expected to turn into cash) include:

- cash and cash equivalents
- temporary investments
- accounts receivable
- inventory
- supplies
- prepaid expenses

#### Current liabilities

The other major component of working capital is current liabilities. A shortened definition of current liabilities is: a company's obligations that will be due within one year.

However, a more complete definition is:

Current liabilities are a company's obligations (that are the result of a past event) that will be due within one year of the balance sheet's date. However, in the rare situations when a company's normal operating cycle is longer than one year, the length of the operating cycle is used in place of one year for determining a current liability.

Examples of current liabilities include:

- loan principal amounts that will be due within one year
- accounts payable
- wages payable
- payroll taxes withheld from employees
- accrued expenses/liabilities (utilities, repairs, interest, etc.)
- customer deposits and deferred revenues

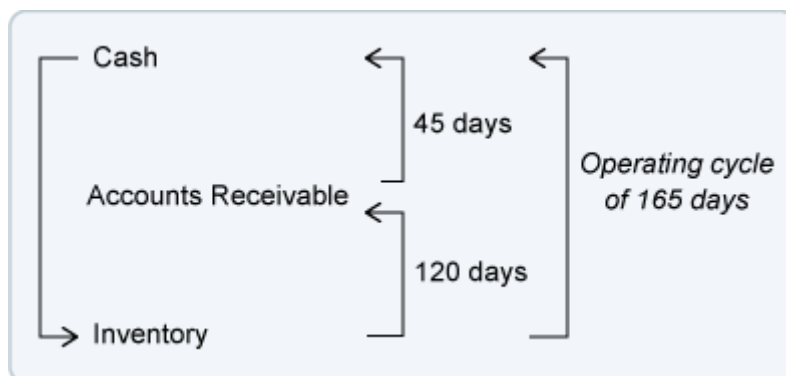
If there is assurance that a current liability will be replaced by a long-term liability, it should be reported as a long-term liability. (The reason is the liability will not be requiring the use of the company's working capital.)

### Operating cycle

For a complete understanding of working capital, current assets, and current liabilities, it is necessary to understand the term *operating cycle*. A company's operating cycle is the average amount of time it takes for the company's cash to be put into the business operations and then make its way back into the company's cash account. To illustrate, let's assume that a distributor of products experiences the following:

1. It uses its cash to purchase inventory items
2. It takes on average 120 days to get the items sold by offering credit terms of 30 days
3. On average, the company receives the money from these customers 45 days after the sales occurred (even though the credit terms were 30 days)

With these conditions, the distributor's operating cycle is on average 165 days, as illustrated here:



Throughout this topic you should assume that the companies we are discussing have:

- operating cycles of less than one year
- insignificant amounts of supplies and prepaid expenses

### Reporting Working Capital, Current Assets, Current Liabilities

#### Working capital

Typically, a company issues a *classified balance sheet*, which means it has several classifications (or categories) of assets and liabilities. The typical *classifications* are shown in this condensed balance sheet:

**Example Corporation  
Balance Sheet  
December 31, 2020**

**Assets**

Current assets	\$170,000
Investments (long-term)	10,000
Property, plant and equipment – net	200,000
Other assets	<u>5,000</u>
Total assets	<u><u>\$385,000</u></u>

**Liabilities & Stockholders' Equity**

Current liabilities	\$100,000
Noncurrent or long-term liabilities	120,000
Stockholders' equity	<u>165,000</u>
Total liabilities & stockholders' equity	<u><u>\$385,000</u></u>

The classified balance sheet allows users to quickly determine the amount of the company's working capital. Using the amounts from the above balance sheet, we have:

**Working capital** = \$170,000 of current assets minus \$100,000 of current liabilities  
= **\$70,000**

A company's working capital must be managed so that cash will be available to pay the company's obligations when they come due. This is important for:

- having a positive relationship with creditors, employees, and others
- complying with the terms and conditions in a loan agreement
- maintaining an excellent credit rating

The amount of working capital that is needed by a company depends on many factors. One factor is the company's size. For example, \$70,000 of working capital could be sufficient for a company with current liabilities of \$100,000; however, a larger company having current liabilities of \$600,000 is likely to need more than \$70,000 of working capital.

A second factor is the speed at which a company's current assets can be converted to cash. For instance, if a company has \$170,000 of current assets but most of the amount is in slow-moving inventory, the company may not be able to convert the inventory to cash in time to pay the current liabilities when they come due. Not paying some obligations on time can have severe consequences.

A third factor influencing the required amount of working capital is the company's ability to borrow money. For example, a company with a preapproved line of credit that can be used when needed allows the company to operate with a smaller amount of working capital.

Other factors include the credit terms that are allowed by the company's suppliers, the company's profitability and growth rate, the time required to complete a customer's order, and more.

#### Current assets

An example of the current asset section of a balance sheet for a company selling goods on credit is shown here:

#### Current assets

Cash	\$ 12,000
Temporary investments	3,000
Accounts receivable - net	50,000
Inventory	99,000
Supplies	4,000
Prepaid expenses	2,000
<b>Total current assets</b>	<b>\$ 170,000</b>

The current assets are listed in the order in which they are expected to be converted to cash. Accountants refer to this as the *order of liquidity*. Since cash is the most liquid asset, it is listed first. (Large companies often expand the description to be *cash and cash equivalents*.)

*Cash* includes a company's currency, coins, petty cash fund, general checking account, payroll checking account, money received from customers but not yet deposited, etc. The \$12,000 shown above as "Cash" is the sum of those items.

*Temporary investments* include short-term certificates of deposits and securities that can be readily converted into cash.

*Accounts receivable – net* is the amount that a company currently expects to receive from customers who purchased goods or services on credit. It consists of the amount the customers owe minus an estimated amount that will not be collected. To illustrate, let's assume that the general ledger account entitled Accounts Receivable has a balance of \$54,000. (This is the company's sales invoices which have not yet been paid by the customers.) If the company estimates that \$4,000 will never be collected, the account Allowance for Doubtful Accounts will report a credit balance of \$4,000. The net of these two account balances is \$50,000 (\$54,000 minus \$4,000) which is listed after cash and temporary investments.

*Inventory* (goods held for sale) is listed after accounts receivable since it usually takes many months for a company to convert its inventory into cash.

*Supplies* is similar to inventory. Supplies could include packaging materials, shipping supplies, etc.

*Prepaid expenses* often include annual memberships, annual service contracts, and insurance premiums that were paid in advance. To avoid paying in advance, a company may be able to arrange for automatic monthly charges.

Having the current assets listed in their order of liquidity gives the readers of the balance sheet some idea of the company's ability to pay its obligations when they come due.

#### Current liabilities

The following is an example of the current liabilities section of a company's balance sheet:

#### Current liabilities

Notes payable (due within one year)	\$ 15,000
Current portion of long-term debt	9,000
Accounts payable	60,000
Accrued expenses/liabilities	8,000
Dividends payable	2,000
Deferred revenues and customer deposits	6,000
<b>Total current liabilities</b>	<b>\$100,000</b>

As is the case with most amounts reported on the financial statements, the current liability amounts are the sum of the balances in many general ledger accounts. For example, the one line



"Accrued expenses/liabilities 8,000" included above may be the sum of the balances in the following general ledger accounts:

- Accrued Wages Payable
- Accrued Payroll Taxes
- Accrued Employee Fringe Benefits
- Accrued Utilities Payable
- Accrued Repairs and Maintenance
- Accrued Advertising Expenses
- Accrued Professional Fees Payable
- Accrued Interest Payable

Interestingly, the current liabilities are *not* reported in the order in which they are due. In our example we listed the *written promises* first, *accounts payable* second, and then the *remaining current liabilities*. Another practice is to list the accounts payable first, the written promises second, and then the remaining current liabilities.

Since the current liabilities are not listed in the order in which they are due, a note payable that will be due in 11 months could appear first and the payroll taxes that are due in two days could be included in the fourth item.

#### Technology and working capital

Technology allows some companies to operate with less working capital than was needed in the past. Take for example a company that sells high demand products on its website with customers paying with credit cards at the time they place an order. The company will receive a bank deposit from the credit card processor within a few days of the sale. It is also possible that the company is allowed to pay its suppliers 30 days after receiving the products that will be sold in a few days.

Some companies use a business credit card to pay for the goods and services it receives. The company then has 27 to 57 days to pay the credit card company, depending on the date of the credit card statement.

These examples show how technology can speed up the conversion of a company's current assets to cash or how the company can delay the payment of cash for some purchases. Both will improve the company's liquidity without increasing the amount of working capital.

#### Accrual Method of Accounting

Under the accrual method (or accrual basis) of accounting the current asset accounts receivable is reported on the balance sheet when an amount has been earned. The amount earned is also reported as revenue on the income statement. When the company receives the money, accounts receivable will decrease and cash will increase.

Under the accrual method the current liability accounts payable (or accrued liabilities/expenses) is reported on the balance sheet when a liability has been incurred. If an expense is involved, the expense is also reported on the income statement. When the company pays the amount owed, accounts payable will decrease and cash will decrease.

Throughout this topic and in nearly all accounting textbooks, it is assumed that the accrual method of accounting is being followed. In short, the accrual method is the standard method to be used when financial statements are distributed to people outside of the company. (Income tax reporting may be different especially for small businesses.)

#### Changes in the Amount of Working Capital

A company's profitability is likely to be the most important influence on the amount of its working capital. A highly profitable company's operations may generate enough working capital that it can avoid the need for loans and/or additional money from investors.

In contrast, a company with significant operating losses may cause the company's working capital to shrink rapidly. A significant loss of working capital could result in violating existing loan agreements, being unable to obtain additional loans or attract investors, perhaps lose the ability to purchase goods with credit terms of 30 days, etc. Unprofitable business operations combined with the loss of working capital could jeopardize the company's ability to continue operating.

Since working capital is defined as current assets minus current liabilities, the increase or decrease in working capital will result from *transactions outside of the current assets and/or current liabilities*. Below are some transactions that often cause a change in the amount of working capital (WC):

Noncurrent (long-term) asset transactions:

- Purchase of property, plant and equipment (causing WC to decrease)
- Sale of property, plant and equipment (causing WC to increase)
- Purchase of a long-term investment (causing WC to decrease)
- Sale of long-term investment (causing WC to increase)

Noncurrent (long-term) liability transactions:

- Proceeds from long-term loans (causing WC to increase)
- Repayment of long-term loans (causing WC to decrease)

Stockholders' equity transactions:

- Profits from its business operations (causing WC to increase)
- Losses from its business operations (causing WC to decrease)
- Proceeds from issuing capital stock (causing WC to increase)
- Distribution of dividends (causing WC to decrease)
- Repurchase of capital stock (causing WC to decrease)

Since working capital is defined as current assets minus current liabilities it will mean that:

• If a company uses \$1,000 of cash to pay \$1,000 of its accounts payable, there is *no change in the total amount of working capital*. (Both the current assets and the current liabilities decreased by the same amount.)

• If a company collects \$2,000 of its receivables, there is *no change in the total amount of working capital*. (The current asset *cash* will increase by \$2,000 and the current asset *accounts receivable* will decrease by \$2,000.)

In other words, transactions which affect only the working capital accounts will not change the company's total amount of working capital.

## TEMA 14. EVALUATING BUSINESS INVESTMENTS

Businesses often face the need to spend large amounts of money on assets that will be functional for many years. Here are a few examples:

Equipment to improve an unsafe work situation or to protect the environment

Equipment to test the consistency of products as required by the customer

Equipment to package, label, and ship products according to the customer's specifications

Equipment to reduce labor costs and improve the quality of products

Purchase of a building instead of leasing space

Expenditures made for long-term assets are referred to as capital expenditures and are recorded as assets on the balance sheet. During the years that these assets (other than land) are used, their costs are systematically moved from the balance sheet to the income statement through Depreciation Expense (The income statement account which contains a portion of the cost of plant and equipment that is being matched to the time interval shown in the heading of the income statement. (There is no depreciation expense for land.)

### Capital Budgeting

Limitations such as time, money, and logistics frequently prevent a company from moving forward with too many major expenditure projects at the same time. Instead, a company will often rank its projects by priority and profitability. By using a process called capital budgeting, the company decides which capital expenditure projects will be undertaken and when.

At the top of the list of capital expenditure projects are those for which no real choice exists (e.g., installing an updated sewer line within the plant to replace one that is leaking, correcting a safety hazard, correcting a code violation, etc). The remaining capital expenditures are usually ranked according to their profitability using a capital budgeting model.

### Capital Budgeting Models

There are a number of capital budgeting models available that assess and rank capital expenditure proposals. Let's take a look at four of the most common models for evaluating business investments:

1. Accounting rate of return
2. Payback
3. Net present value
4. Internal rate of return

While each of these models has its benefits and drawbacks, sophisticated financial managers prefer the net present value and the internal rate of return methods. There are two reasons why these models are favored: (a) all of the cash flows over the entire length of the project are considered, and (b) the future cash flows are discounted to reflect the time value of money.

The following table highlights the differences among the four models:

	METHOD	INFORMATION USED	TIME PERIOD COVERED
1	<b>Accounting Rate of Return</b>	Accrual Accounting Amounts	Average of All Years or a Specific Year
2	<b>Payback</b>	Cash Flows – Not Discounted	Until Cash is Recovered
3	<b>Net Present Value</b>	Discounted Cash Flows	Entire Life of Project
4	<b>Internal Rate of Return</b>	Discounted Cash Flows	Entire Life of Project

## TEMA 15. WRITING ANNOTATIONS

Task 1. Read and translate.

How to Write an Annotation

One of the greatest challenges students face is adjusting to university reading expectations. Students in university are expected to read more “academic” type of materials in less time and usually recall the information as soon as the next class.

The problem is many students spend hours reading and have no idea what they just read. Their eyes are moving across the page, but their mind is somewhere else. The end result is wasted time, energy, and frustration...and having to read the text again.

Although students are taught *how to read* at an early age, many are not taught *how to actively engage* with written text or other media. Annotation is a tool to help you learn how to actively engage with a text or other media.

One of the ways proficient readers read is with **a pen in hand**. They know their purpose is to keep their attention on the material by:

- *Predicting* what the material will be about
- *Questioning* the material to further understanding
- *Determining* what’s important
- *Identifying* key vocabulary
- *Summarizing* the material in their own words, and
- *Monitoring* their comprehension (understanding) during and after engaging with the material.

## Task 2. Read and translate.

### How to Write a Summary

Proficient students understand that *summarizing*, identifying what is most important and restating the text (or other media) in your own words, is an important tool for university success.

After all, if you really know a subject, you will be able to summarize it. If you cannot summarize a subject, even if you have memorized all the facts about it, you can be absolutely sure that you have not learned it. And, if you truly learn the subject, you will still be able to summarize it months or years from now.

Proficient students may monitor their understanding of a text by summarizing as they read. They understand that if they can write a one- or two-sentence summary of each paragraph after reading it, then that is a good sign that they have correctly understood it. If they can not summarize the main idea of the paragraph, they know that comprehension has broken down and they need to use fix-up strategies to repair understanding.

### Summary Writing Format

- When writing a summary, remember that it should be in the form of a paragraph.
- A summary begins with an introductory sentence that states the text’s title, author and main point of the text as you see it.
- A summary is written in your own words.
- A summary contains only the ideas of the original text. Do not insert any of your own opinions, interpretations, deductions or comments into a summary.
- Identify in order the significant sub-claims the author uses to defend the main point.
- Copy word-for-word three separate passages from the essay that you think support and/or defend the main point of the essay as you see it.
- Cite each passage by first signaling the work and the author, put “quotation marks” around the passage you chose, and put the number of the paragraph where the passages can be found immediately after the passage.

- Using source material from the essay is important. Why? Because defending claims with source material is what you will be asked to do when writing papers for your college professors.
- Write a last sentence that “wraps” up your summary; often a simple rephrasing of the main point.

## TEMA 16. CREATING AN ACCOUNTANT CV

### 5 Steps to Make the Perfect Accountant Resume

Follow these simple resume writing tips to ensure you’ve created a resume that reflects why you’re the best possible accounting candidate.

#### 1. Prominently Display Certifications

If you’re looking to boost your accounting career, you need to choose a path. Getting a widely recognized certification in the accounting field will help improve your resume and land you better jobs.

So if you’re an auditor, a controller, a treasurer, or some other type of specialist, **your resume is going to be unique to your experience.**

In addition, if you’re trying to find a job that is outside your current specialty, **you need to target your resume** to prove to the hiring manager that you have the skills to do the job.

#### 2. Show You Have the Necessary Accounting Skills

What kind of skills should you include on your resume? Avoid hobbies and interests — instead, focus on your hard and soft skills and achievements:

- technical: software, ability to perform analysis, expert with Microsoft especially Excel
- achievements.

Include key accounting skills on your resume to show the hiring manager you have what it takes to succeed as an accountant.

The basic accounting skills required for an accountant include more [technical skills](#) than many other professions. For instance, your **math abilities** should be at a high level since errors can end up costing a company or firm a lot of money.

If you specialize in a particular branch of accounting, then you’ll need to **include the relevant technical accounting skills** on your resume, such as in auditing or how to perform a facilitated risk analysis process.

!!!!!!! Sometimes listing a skill isn’t enough — the hiring manager will want to see that you have gained a certification.

You’ll also need strong [computer skills](#) to do the job effectively. You should know how to use spreadsheets and software, as well as be comfortable using different operating systems, and, since your employer will likely have you working with [Windows](#) .

[Organizational skills](#) also fall under the umbrella of skills needed for accounting. Because you’ll have several projects progressing at the same time, you want to schedule them in a way that helps you avoid missing any deadlines, and keeps you motivated so you don’t get sidetracked.

You must also **properly file paperwork** (in both physical and digital forms) like receipts and invoices, since this is a government requirement.

If you plan to work as an accountant for private clients, you should **work on refining your customer service skills** as well. Having the ability to remain patient when your client is being unclear about a problem or when they don’t understand your explanation is an asset to accountants everywhere.

Additionally, good [communication skills](#) can help you progress in your accounting career. **Communicating well is an important account manager skill** at a firm where you don't have to interact with clients often, since you still need to work within a team.

!!!!!! This is by no means a complete accounting skills list. There are even more skills for resume examples that you can include to create a great and eye-catching accounting resume skills section.

### 3. Make a Strong Argument in Your Career Objective

Model your career objective after this example. Include these three important pieces of information (which have been bolded above):

1. How many years of experience you have as an accountant, and the main duties you've performed
2. The highest degree you hold, and your certifications
3. Describe which role you want to fill, and why you'd be a good choice

Short, persuasive, and concise, the career objective is a classic way to start a powerful resume. Make sure you get it right with our helpful [resume objective](#) writing guide.

Here is the career objective from the sample resume above:

*Certified Public Accountant with **5+ years of experience** of ledger processes, reconciliations and streamlining reports. **Possess an MBA**. Seeking to leverage my professional expertise and experience into **a managerial role as a corporate banker**.*

### 4. Quantify your Professional Experience

Accounting is a numbers-based profession, and your resume needs to reflect that. You can use numbers to describe your job duties, and also impress the hiring manager.

**You'll need a Bachelor's degree for an entry-level job.**

Below are some general examples of information you can quantify on an accounting resume:

- **Size of the budgets** you managed
- **Amount of any investments** you've managed, and how profitable they were
- **Net worth of the company** you've worked for, and what your main duties were for it
- **The size of the investments** you've reconciled
- **The number of the contracts** you've negotiated
- The **amount of money you've saved or earned** the company via your knowledge, experience, and efforts

*Above all, your resume should be achievement oriented. Do not repeat bullet points, or list bland and meaningless duties.*

The candidate in the sample above quantified their resume in three places (shown in bold):

- Trained and supervised **2 new employees**, ensuring they maintain fastidious attention to detail
- Create financial reports and supported all areas of responsibility within a **5-person finance team**
- **Manage a \$350,000 budget**, with a reduction of costs totaling 15% over two years

Above all, your resume should showcase your [accomplishments](#). Do not repeat bullet points, or list bland and meaningless duties.

### 5. Use Key Action Verbs

Try using some of the below action verbs to add depth, clarity and specificity to your document. Action verbs make great openers for experience bullet points and can also be utilized on cover letters to target them to specific positions. For more action verbiage, **check out the famous** longest [action verbs](#) list in the universe.

- |                 |                |                |             |
|-----------------|----------------|----------------|-------------|
| • Accelerated   | • Facilitated  | • Maintained   | • Scheduled |
| • Acclimated    | • Familiarized | • Managed      | • Screened  |
| • Balanced      | • Gained       | • Observed     | • Secured   |
| • Bargained     | • Gathered     | • Obtained     | • Tabulated |
| • Calculated    | • Handled      | • Participated | • Tailored  |
| • Canvassed     | • Identified   | • Passed       | • Uncovered |
| • Decided       | • Illustrated  | • Raised       | • Undertook |
| • Decentralized | • Launched     | • Ranked       | • Validated |
| • Earned        | • Lectured     | • Safeguarded  | • Valued    |
| • Eased         | • Lead         | • Salvaged     | • Voiced    |

## РАЗДЕЛ КОНТРОЛЯ ЗНАНИЙ

Для диагностики сформированности компетенций обучающихся в результате освоения дисциплины «Профессиональная лексика на английском языке» могут использоваться следующие основные формы и средства оценки знаний:

1. Устная форма – собеседования; устные выступления и доклады на семинарах; устные доклады на студенческих научно-практических конференциях; оценка по итогам деловых игр; зачет.

2. Письменная форма – тесты; контрольные опросы; контрольные работы; рефераты; индивидуальные задания; письменный зачет.

3. Письменно-устная форма – отчеты по аудиторным или домашним практическим заданиям с их устной защитой; оценка по модульно-рейтинговой системе; оценка на основе результатов деловой игры.

4. Техническая форма – компьютерное тестирование; мультимедийная презентация докладов.

Кроме этого, для диагностики используются консультация, в т.ч. и с использованием электронной почты; собеседование.



## ВСПОМОГАТЕЛЬНЫЙ РАЗДЕЛ

Р-

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Учреждение образования  
«Брестский государственный технический университет»

УТВЕРЖДАЮ

Проректор по учебной работе

М.В. Нерода

28.06

2024г.

Регистрационный № УД-24-1-294/уч.

Профессиональная лексика на английском языке

Учебная программа учреждения высшего образования по учебной дисциплине  
для специальности: 7-06-0411-01 Бухгалтерский учет, анализ и аудит,  
углубленное высшее образование



Учебная программа составлена на основе Образовательного стандарта специальности 7-06-0411-01 Бухгалтерский учет, анализ и аудит (ОСВО 7-06-0411-01-2023), Инструкции БрГТУ по разработке учебных программ № 57 от 01.06.2020 г. и учебного плана специальности 7-06-0411-01 Бухгалтерский учет, анализ и аудит.

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(протокол № 10 от 14.06.2024);

Методической комиссией экономического факультета  
(название факультета)  
(протокол № 5 от 26.06.2024);

Зав. кафедрой Н.В. Потапова  
Председатель Л.А. Захарченко

Научно-методическим советом БрГТУ  
(протокол № 5 от 28.06.2024)  
Методический совет Л.А. Захарченко

## ПОЯСНИТЕЛЬНАЯ ЗАПИСКА

Место учебной дисциплины. Актуальность изучения дисциплины обусловлена тем, что современный социум выдвигает новые требования к профессиональной подготовке специалистов, усилилось внимание к подготовке профессиональных кадров качественно нового уровня, которые не только обладают комплексом глубоких и прочных знаний в области бухгалтерского учета, анализа и аудита, но и владеют рядом других значимых компетенций, включая владение иностранным языком. Современный специалист в области бухгалтерского учета нуждается не только в знании разговорного иностранного языка, но и свободном владении профессиональной лексикой. В связи с этим объективно существует необходимость изучения учебной дисциплины «Профессиональная лексика на английском языке».

Основные цели преподавания учебной дисциплины «Профессиональная лексика на английском языке»:

- формирование у магистрантов теоретической иноязычной коммуникативной компетенции, позволяющей использовать иностранный язык для осуществления своей профессиональной деятельности;
- приобретение практических навыков речевого общения на английском языке в пределах тематики, предусмотренной программой специализации.

Достижение указанной цели предполагает решение следующих задач:

- коммуникативные задачи, которые включают обучение следующим практическим умениям и навыкам: чтению оригинальной литературы соответствующей отрасли знаний на иностранном языке; оформлению извлеченной из иностранных источников информации в виде перевода, реферата, аннотации; устного общения в монологической и диалогической форме по специальности (доклад, сообщение, презентация и т.п.);
- когнитивные (познавательные) задачи, которые предполагают развитие умения производить различные логические операции (анализ, синтез, установление причинно-следственных связей, аргументирование, обобщение и вывод, комментирование);
- развивающие задачи предусматривают формирование следующих способностей и личностных качеств: способность четко и ясно излагать свою точку зрения по обсуждаемой проблеме на иностранном языке; способность понимать и ценить чужую точку зрения; стремиться к сотрудничеству, достижению согласия, выработке общей позиции в условиях различия взглядов и убеждений; стремление к самообразованию, самосовершенствованию и самоорганизации; готовность к различным

формам и видам международного сотрудничества (совместный проект, грант, конференция, симпозиум, семинар и др.), а также к освоению достижений в профессиональной сфере в странах изучаемого языка.

Магистр, освоивший содержание образовательной программы магистратуры по специальности 7-06-0411-01 Бухгалтерский учет, анализ и аудит, должен обладать универсальными, углубленными профессиональными и специализированными компетенциями, а также:

УПК 3. Выявлять основные противоречия, закономерности и тенденции развития теории бухгалтерского учета, адаптировать и применять инструментарий различных теорий в научных исследованиях и разработках.

Для приобретения профессиональных компетенций в результате изучения учебной дисциплины «Профессиональная лексика на английском языке» магистрант должен:

знать:

ключевые понятия английского языка для профессионального общения;  
основные фонетические, грамматические и лексические правила;  
основные понятия, термины и концепции современной теории перевода;  
факторы, обуславливающие выбор варианта перевода.

уметь:

понимать англоязычную речь;  
осуществлять перевод различных классов слов;  
определять условия актуализации значений многозначных слов.

владеть:

навыками беседы с активным использованием ключевой профессиональной лексики, чтения аутентичных текстов;  
базовыми навыками и умениями оформления письменного высказывания на профессиональную тему.

Связи с другими учебными дисциплинами

Дисциплина «Профессиональная лексика на английском языке» логично связана с другими курсами учебного плана специальности 7-06-0411-01 Бухгалтерский учет, анализ и аудит и базируется на знаниях, полученных магистранты при изучении дисциплин: «Генезис и современные теории и концепции бухгалтерского учета». В свою очередь, знания, полученные при изучении курса «Профессиональная лексика на английском языке» необходимы магистрантам для изучения дисциплин: «Консолидированная финансовая отчетность МСФО».

План учебной дисциплины для дневной формы получения углубленного высшего образования.

Код специальности (направления специальности)	Наименование специальности (направления специальности)	Курс	Семестр	Всего учебных часов	Количество зачетных единиц	Аудиторных часов (в соответствии с учебным планом УВО)					Академических часов на курсовой проект (работу)	Форма текущей аттестации
						Всего	Лекции	Лабораторные	Практические занятия	Семинары		
7-06-0411-01	«Бухгалтерский учет, анализ и аудит»	1	1	90	3	32			32			зачет
7-06-0411-01	«Бухгалтерский учет, анализ и аудит»	1	2	108	3	30			30			экзамен

План учебной дисциплины для заочной формы получения углубленного высшего образования.

Код специальности (направления специальности)	Наименование специальности (направления специальности)	Курс	Семестр	Всего учебных часов	Количество зачетных единиц	Аудиторных часов (в соответствии с учебным планом УВО)					Академических часов на курсовой проект (работу)	Форма текущей аттестации
						Всего	Лекции	Лабораторные	Практические занятия	Семинары		
7-06-0411-01	«Бухгалтерский учет, анализ и аудит»		2	90	3	8			8			зачет
7-06-0411-01	«Бухгалтерский учет, анализ и аудит»		3	108	3	8			8			экзамен

## СОДЕРЖАНИЕ УЧЕБНОГО МАТЕРИАЛА

### Тема 1. Introduction to Accounting

Accounting Basics. Accounting Equation. Accounting Principles.

The requirements, responsibilities and compensation for bookkeepers, accounting clerks, accountants, and certified public accountants.

Financial Accounting. Managerial Accounting. Cost Accounting. Budgetary Accounting. Auditing and Assurance Services. Tax Accounting. Government Accounting. Non-Profit Accounting. Forensic Accounting. International Accounting. Accounting Information System. Accounting Education.

T-accounts, Journal Entries. When Cash Is Debited and Credited.

Introduction to Chart of Accounts. Asset Accounts. Liability Accounts. Owner's Equity Accounts. General rules about debiting and crediting the accounts.

Tema 2. First-time Adoption of International Financial Reporting Standards

The objective of this IFRS. The scope of this standard. The main defined terms.

Tema 3. Financial Instruments: Disclosures

Types of risks. The determining classes of financial instrument.

Tema 4. Property, Plant and Equipment

The objective of this Standard. Impairment. Depreciation.

Tema 5. Inventories

Main definitions. Net realizable value. Fair value. Measurement of inventories.

Tema 6. Borrowing Costs

A qualifying asset. Recognition. Commencement of capitalization.

Tema 7. Presentation of Financial Statements

International Financial Reporting Standards (IFRSs). Profit or loss. Purpose of financial statements.

Tema 8. Statement of Cash Flows

Understanding The Changes In Cash. Operating activities. Investing activities. Financing activities.

Tema 9. Financial Ratios

Benefit of Financial Ratios. Limitations of Financial Ratios.

Tema 10. Future Value of a Single Amount

Introduction to the Future Value of a Single Amount (FV), What's Involved in Future Value (FV) Calculations, Visualizing Compound Interest.

Tema 11. Activity Based Costing

Managerial & Cost Accounting Insights.

Tema 12. Standard Costing

Introduction, Sample Standards Table, Direct Materials Purchased: Standard Cost and Price Variance.

Tema 13. Working Capital and Liquidity

Components of Working Capital. Reporting Working Capital, Current Assets, Current Liabilities; Accrual Method of Accounting; Changes in the Amount of Working Capital.

#### Тема 14. Evaluating Business Investments

Introduction to Evaluating Business Investments, Capital Budgeting, Capital Budgeting Models, Evaluating Capital Expenditures, Noncash Nondiscounted Model.

#### Тема 15. Writing Annotations

A strategy of active reading. Clearly identify the location of important information. Express all main ideas. Trace how the arguments or ideas develop throughout the text. Introduce reactions and thoughts of the reader.

#### Тема 16. Creating an Accountant CV

Personal details. Job objective. Education. Qualifications. Work experience. Skills. Interests. References.

### 2.1. УЧЕБНО-МЕТОДИЧЕСКАЯ КАРТА УЧЕБНОЙ ДИСЦИПЛИНЫ для дневной формы получения углубленного высшего образования.

Номер раздела, темы	Название раздела, темы	Количество аудиторных часов				Количество часов самостоятельной работы	Форма контроля знаний
		Лекции	Лабораторные занятия	Практические занятия	Семинарские занятия		
1.	Introduction to Accounting			4		7	Дискуссия по теме Практика перевода Лексический тест
2.	First-time Adoption of International Financial Reporting Standards			4		7	Дискуссия по теме Практика перевода Лексический тест
3.	Financial Instruments: Disclosures			4		7	Дискуссия по теме Практика перевода Лексический тест
4.	Property, Plant and Equipment			4		7	Дискуссия по теме Практика перевода Лексический тест
5.	Inventories			4		7	Дискуссия по теме

							Практика перевода Лексический тест
6.	Borrowing Costs			4		7	Дискуссия по теме Практика перевода Лексический тест
7.	Presentation of Financial Statements			4		7	Дискуссия по теме Практика перевода Лексический тест
8.	Statement of Cash Flows			4		9	Дискуссия по теме Практика перевода Лексический тест
	Всего			32		58	Итоговый тест Зачет
9.	Financial Ratios			4		10	Дискуссия по теме Практика перевода Лексический тест
10.	Future Value of a Single Amount			4		10	Дискуссия по теме Практика перевода Лексический тест
11.	Activity Based Costing			4		10	Дискуссия по теме Практика перевода Лексический тест
12.	Standard Costing			4		10	Дискуссия по теме Практика перевода Лексический тест
13.	Working Capital and Liquidity			4		10	Дискуссия по теме Практика перевода Лексический тест

14.	Evaluating Business Investments			4		10	Дискуссия по теме Практика перевода Лексический тест
15.	Writing Annotations			4		10	Дискуссия по теме Практика перевода Лексический тест
16.	Creating an Accountant CV			2		8	Дискуссия по теме Практика перевода Лексический тест
	Всего			30		78	Итоговый тест Экзамен

для заочной формы получения углубленного высшего образования.

Номер раздела, темы	Название раздела, темы	Количество аудиторных часов				Количество часов самостоятельной работы	Форма контроля знаний
		Лекции	Лабораторные занятия	Практические занятия	Семинарские занятия		
1.	Introduction to Accounting			2		22	Дискуссия по теме Практика перевода Лексический тест
2.	Financial Instruments: Disclosures			2		22	Дискуссия по теме Практика перевода Лексический тест
3.	Property, Plant and Equipment			2		22	Дискуссия по теме Практика перевода Лексический тест
4.	Presentation of Financial Statements			2		16	Дискуссия по теме



							Практика перевода Лексический тест
	Всего			8		82	Итоговый тест Зачет
5.	Financial Ratios			2		25	Дискуссия по теме Практика перевода Лексический тест
6.	Activity Based Costing			2		25	Дискуссия по теме Практика перевода Лексический тест
7.	Standard Costing			2		25	Дискуссия по теме Практика перевода Лексический тест
8.	Writing Annotations. Creating an Accountant CV			2		25	Дискуссия по теме Практика перевода Лексический тест
	Всего			8		100	Итоговый тест Экзамен

### 3. ИНФОРМАЦИОННО-МЕТОДИЧЕСКАЯ ЧАСТЬ

#### 3.1. Перечень основной литературы

3.3.1. Бедрицкая, Л.В. Английский для экономистов: учеб. пособие / Л.В. Бедрицкая. - Минск: Экоперспектива, 2004. - 235 с.

3.3.2. Жданова И.Ф. Русско-английский экономический словарь. – М.: Рус. яз. – Медиа, 2003. – 880 с.

3.3.3. Краткий англо-русский словарь финансово-экономических терминов с пояснениями / Ю.Н. Русина. – Пинск: ПолесГУ, 2015. – 85 с.

3.3.4. Левченко, Л.П. Англо-русский словарь терминов по бухгалтерскому учету и аудиту: Электронное справочно-методическое издание / Л.П. Левченко. – Минск: БГЭУ, 2013. – 45 с.

3.3.5. Никульшина Н.Л., Гливенкова О.А. Английский для бухгалтеров / Учебное пособие для студентов высших учебных заведений, обучающихся

по специальности 080100.62 "Экономика" (профиль "Бухгалтерский учёт, анализ и аудит"). — Тамбов: Изд-во ФГБОУ ВПО "ТГТУ", 2012. — 120 с.

3.3.6. Плюхина, З.А. Английский для бухгалтеров и аудиторов / З.А. Плюхина. — М.: ГИС, 2002. — 368 с.

3.3.7. Практический курс английского языка = Practical Course of English for Students of Economics : учеб. пособие для студентов экон. Специальностей вузов / Л.В. Бедрицкая [и др.]; под ред. В.С. Слеповича. — Минск: ТетраСистемс, 2012. — 368 с.

3.3.8. Профессиональная лексика (на английском языке) [Электронный ресурс] : учебно-методический комплекс для студентов специальности 1-25 01 07 "Экономика и управление на предприятии" / Белорусский национальный технический университет, Кафедра "Современные европейские языки", сост. Сорокина А.И., сост. Здоронок Ю.А. . - Электрон. дан.. - БНТУ, 2016.

3.3.9. Солонович, Т.Ф. Успешный бухгалтер = The OK Accountant: учеб.-метод. пособие : в 2 ч. / Т.Ф. Солонович, Н.И. Виршиц. — Минск: БГЭУ, 2011. — Ч. 1. — 111 с.

3.3.10. Солонович, Т.Ф. Успешный бухгалтер = The OK Accountant: учеб.-метод. пособие : в 2 ч. / Т.Ф. Солонович, Н.И. Виршиц. — Минск: БГЭУ, 2014. — Ч. 2. — 83 с.

3.3.11. Taylor, John Career Paths: Accounting: Student's Book (International). English for Specific Purposes / John Taylor, Stephen Peltier. Express Publishing UK Ltd, — 2011. — 117 с.

3.3.12. Evans, V. Career Paths: Finance: Student's Book (International). English for Specific Purposes / Virginia Evans, Jenny Dooley, Ketan C.Patel. Express Publishing UK Ltd, — 2012. — 120 с.

3.3.13. Frendo, E. English for Accounting (Express Series) / Evan Frendo, Sean Mahoney. — Oxford University Press, — 2011. — 64 с.

#### Дополнительная

3.3.14. Longman Dictionary of Contemporary English. — 4-th edition with Writing Assistant. — UK: Pearson Education Limited, 2005. — 1950 p.

3.3.15. MacKenzie, I. English for Business Studies: a Course for Business Studies and Economics Students / I. MacKenzie. — 2-nd edition. — Cambridge: Cambridge University Press, 2002. — 206 p.

3.3.16. MacKenzie, I. Financial English. With Mini-dictionary of Finance / I. MacKenzie. — Boston: Thomson, 2002. — 159 p.

3.3.17. MacKenzie, I. Professional English in Use. Finance / I. MacKenzie. – 2-nd edition. – Cambridge: Cambridge University Press, 2006. – 139 p.

3.3.18. Mascull, B. Business Vocabulary in Use / B. Mascull. – Cambridge: Cambridge University Press, 2002. – 172 p.

3.3.19. Слепович, В.С. Перевод (английский - русский): учеб. пособие/ В.С. Слепович. - Минск : ТетраСистемс, 2009. -- 336 с.

### 3.4. Перечень компьютерных программ, наглядных и других пособий, методических указаний и материалов, технических средств обучения, оборудования для выполнения лабораторных работ

В процессе обучения сочетаются как активные, так и интерактивные формы проведения занятий (разбор ситуаций). В качестве информационных источников используются инновационные компьютерные технологии и интернет-ресурсы (сайты образовательных учреждений, ведомств, информационно-справочные системы), как обязательный компонент стандартов образования.

При проведении занятий в аудитории применяется интерактивное оборудование (компьютер, мультимедийный проектор), для демонстрации презентаций по темам лекций, что позволяет значительно активизировать процесс обучения. Использование новых образовательных технологий обеспечивает развитие следующих навыков:

1. Аналитические навыки - умение отличать данные от информации, классифицировать, выделять существенную и несущественную информацию, анализировать, находить пропуски информации и уметь восстанавливать их. Мыслить ясно и логично. Практические навыки. Пониженный по сравнению с реальной ситуацией уровень сложности проблемы способствует формированию на практике навыков использования методов и принципов принятия решений.
2. Творческие навыки. Развиваются в генерации альтернативных решений, которые нельзя найти логическим путем.
3. Коммуникативные навыки - умение вести дискуссию, использовать наглядный материал защищать собственную точку зрения, убеждать оппонентов, составлять краткий убедительный отчет.
4. Социальные навыки - умение слушать, поддерживать в дискуссии или аргументировать противоположное мнение, контролировать себя и т. д.
5. Самоанализ. Несогласие в дискуссии способствует осознанию и анализу мнения других и своего собственного. Возникающие моральные и этические проблемы требуют формирования социальных навыков их решения.

### 3.5. Перечень средств диагностики результатов учебной деятельности

Для диагностики результатов сформированности компетенций обучающихся в результате усвоения дисциплины могут применяться следующие основные формы и средства оценки знаний:

1. Устная форма – собеседования, обсуждения материала, выступления с докладами и презентациями на студенческих научно-практических конференциях, зачет.

2. Письменная форма – тесты, контрольные опросы, рефераты, индивидуальные задания, аттестационные работы.

3. Смешанная форма – защита индивидуального задания.

4. Техническая форма – мультимедийная презентация докладов.

### 3.6. Методические рекомендации по организации и выполнению самостоятельной работы обучающихся по учебной дисциплине

Учебным планом специальности предусмотрено 136 часа неуправляемой самостоятельной работы по дисциплине «Профессиональная лексика на английском языке», что составляет около 2 часов подготовки к каждому занятию.

Содержание и формы самостоятельной работы определяются обучающимся самостоятельно в соответствии со следующими рекомендуемыми ее видами:

Основными направлениями самостоятельной работы магистранта являются:

- выполнение лексических упражнений, нацеленных на совершенствование лексических навыков употребления профессиональной терминологии;

- чтение профессионально ориентированных текстов с различной степенью охвата содержания и переработка прочитанной информации;

- написание рефератов и аннотаций по прочитанным материалам;

- просмотр видео и переработка полученной информации;

- поиск необходимой информации в специальной литературе (аутентичных учебниках, газетах, журналах, Интернет-ресурсах);

- выполнение проектов (индивидуальных и групповых);

- выполнение письменного перевода на русский язык;

- подготовка к зачету.

Самостоятельная работа контролируется магистрантом самостоятельно с помощью тестовых заданий, вопросов для самоконтроля, а также преподавателем путем опросов на практических занятиях, в ходе тестирования (в том числе компьютерного).

### 3.7 Вопросы для подготовки к зачету и экзамену:

1. Accounting Basics. Accounting Equation. Accounting Principles.

2. The requirements, responsibilities and compensation for bookkeepers, accounting clerks, accountants, and certified public accountants.

3. Financial Accounting. Managerial Accounting. Cost Accounting. Budgetary Accounting. Auditing and Assurance Services. Tax Accounting.

Government Accounting. Non-Profit Accounting. Forensic Accounting. International Accounting. Accounting Information System. Accounting Education.

4. T-accounts, Journal Entries. When Cash Is Debited and Credited.

5. Introduction to Chart of Accounts. Asset Accounts. Liability Accounts. Owner's Equity Accounts. General rules about debiting and crediting the accounts.

6. The objective of this IFRS. The scope of this standard. The main defined terms.

7. Types of risks. The determining classes of financial instrument.

8. The objective of this Standard. Impairment. Depreciation.

9. Main definitions. Net realizable value. Fair value. Measurement of inventories.

10. A qualifying asset. Recognition. Commencement of capitalization.

11. International Financial Reporting Standards (IFRSs). Profit or loss. Purpose of financial statements.

12. Understanding The Changes In Cash. Operating activities. Investing activities. Financing activities.

13. Benefit of Financial Ratios. Limitations of Financial Ratios.

14. Introduction to the Future Value of a Single Amount (FV), What's Involved in Future Value (FV) Calculations, Visualizing Compound Interest.

15. Managerial & Cost Accounting Insights.

16. Introduction, Sample Standards Table, Direct Materials Purchased: Standard Cost and Price Variance.

17. Components of Working Capital. Reporting Working Capital, Current Assets, Current Liabilities; Accrual Method of Accounting; Changes in the Amount of Working Capital.

18. Introduction to Evaluating Business Investments, Capital Budgeting, Capital Budgeting Models, Evaluating Capital Expenditures, Noncash Nondiscounted Model.

19. A strategy of active reading. Clearly identify the location of important information. Express all main ideas. Trace how the arguments or ideas develop throughout the text. Introduce reactions and thoughts of the reader.

20. Personal details. Job objective. Education. Qualifications. Work experience. Skills. Interests. References.