

## **L 01 : Accounting and Accountancy**

Accounting involves recording an organization's transactions or business deals, such as purchases and sales, and reporting **them** in the form of financial statements.

Bookkeeping is the day-to-day recording of transactions.

in many countries, **its** has professional organizations make technical and ethical rules to facilitate the application of accounting practices.

Financial accounting includes bookkeeping, and preparing financial statements for shareholders and creditors , Management accounting involves the use of accounting data by managers, for making plans and decisions. Analytical accounting is that which relies on financial accounting in order to control various costs.

### **QUESTIONS:**

**A) Read the text then say whether the statements are « true » or « false »:**

- 1- Accounting involves recording and summarizing an organization's transactions or business deals, such as purchases and sales.
- 2- Financial accounting includes bookkeeping only.
- 3- Management accounting assists managers in making decisions.

**B) Find in the text:** -purchasers = ≠ ..... deals = .....

**C) What or who do these words refer to:**

-them ..... -its .....

**D)there are tree types of accounting remember them :**

1.....2.....3.....

**E) Complete the following:**

Accounting	.....
.....	That which is produced, then traded, bought or sold, then finally consumed.
Bookeeping	.....
.....	people or organizations who have lent money to a company

**F) Translation the text in Arabic :**

## **L 02 : Auditing**

means examining a firm's systems of control and the accuracy or exactness of its records, looking for possible fraud : where the company may have deliberately given false information.

An internal audit is carried out by a company's own accountants or internal auditors.

An external audit is done by independent auditors: auditors who are not employees of the company.

The external audit examines the truth and fairness of financial statements . **It** tries to prevent what is called creative accounting **Which** means recording transactions and values in a way that produces a false result usually an artificially high profit.

There is always more than one way of presenting accounts. The accounts of companies have to give a true and fair view of their financial situation.

**QUESTIONS: A)The title of text :**

**B) Read the text then say whether the statements are « true » or « false »:**

1- Accountants can carried out an internal audit .

2- Accountants can carried out an external audit.

3- The accounts of companies have to give a true and fair view of their financial situation.

**C) Read the text again and answer the following questions:**

Define an audit ? What does means a creative accounting ?

**D) Find in the text:** - firms = ..... - internal ≠ .....

**E) What or who do these words refer to:** - it :- Which :

**F) Complete the following:**

.....	auditors who are not employees of the company.
.....	Person who record the company's daily transactions : sales; purchases....
.....	examining a firm's systems of control and the accuracy or exactness of its records.
.....	people who have examine a system of firm.

## **L 03 :Accounting policies and standards**

Investors in companies want to know how much the companies are worth, so companies regularly have to publish the value of their assets and liabilities.

Companies also have to calculate their profits or losses : **their** managers need this information, and so do shareholders, bondholders and the tax authorities .

Companies can choose their accounting policies, if it was of methods of valuation and measurement that are accepted or by official accounting standard.

There are Generally Accepted Accounting Principles(GAAP) , In most of the rest of the world there are International Financial Reporting Standards (IFRS) , set by the International Accounting Standards Board.

**These** are technical rules or conventions which are accepted ways to do the accounting practices.

### **QUESTIONS:**

**A ) Read the text then say whether the statements are « true » or « false »:**

1- firms can choose and change their accounting policies.

2- International Financial Reporting Standards (IFRS) are technical rules or conventions .

**B) Read the text again and answer the following questions:**

What investors should know ?

Is Algeria practicing International Financial Reporting Standards (IFRS)?

**C) Find in the text:** - ways = ..... - assets  $\neq$  .....

**D) What or who do these words refer to:**

- **their** :

- **These** :

**E) Translation** in Arabic the text ?

## **L 04 : Balance sheet**

In accounting, balance sheet consist of two elements assets and liabilities.

assets are generally divided into fixed and current assets, fixed assets or non– current assets and investments, such as building and equipment, will continue to be used by the business for a long time. Current assets are things that will probably be used by the firm in the near future. **They** include cash, stock and clients.

Liabilities are amounts of money that a company owes, and they are generally divided into three types capital, long- term and current. Long-term liabilities or non-current liabilities include bonds, borrowings.

Current liabilities are expected to be paid within a year of the date of the balance sheet. **They** include :

- Creditors largely suppliers of goods or services to the business who are not paid at the time of purchase
- Planned dividends
- Deferred taxes money that will have to be paid as tax in the future.

### **QUESTIONS:**

**A ) Read the text then say whether the statements are « true » or « false »:**

1. balance sheet consist three elements assets and liabilities and capital.
2. balance sheet is one of the financial statements .
3. Current assets are things that will probably be used by the firm in the far future.

**B) Read the text again and answer the following questions:**

1. What are the elements of current assets?
2. What are the elements of current liabilities ?

**C) Find in the text:** - fixed = ..... - supplier ≠ .....

**D) What or who do these words refer to:**

- **They :**

- **They :**

**E) Translation in Arabic the text ?**