

Exercise 1: *Match up these words to make word partnerships, then match them with the definitions below.*

- | | |
|--------------|-------------|
| 1. extended | a capital |
| 2. Working | b. Profit |
| 3. Cash | C. crisis |
| 4. Net | d. credit |
| 5. Liquidity | E. received |

1. money already paid.
2. the money and stocks of goods held by a company which are used to produce more goods and to continue trading.
3. longer than normal payment terms.
4. short of cash.
5. the money made from selling goods after the deduction of all associated costs.

EXERCISE 2: *All the words below can be combined with **account**, **accounts** or **accounting**, in a two-word partnership: e.g. bank account, accounts payable or tax accounting. Add the word account, accounts or accounting to each of the words below.*

- | | |
|-------------------|--------------------------|
| 1.....holder | 12. Bank |
| 2.methods | 13. Current |
| 3.day | 14. Deposit..... |
| 4.equation | 15. Cost |
| 5.payable | 16. Managerial |
| 6.Principles | 17. Numbered |
| 7.period | 18. profit and loss..... |

- | | |
|-------------------|------------------|
| 8.....procedure | 19. savings..... |
| 9.receivable | 20. tax |
| 10.Standards | 11.book |

EXERCISE 3: *Now complete the following sentences.*

1. Auditors are supposed to make sure that companies follow their stated
.....
2. Companies can choose from a variety of, but they are not allowed to change them too often.
3. Lots of money obtained in dubious or illegal ways is deposited in
..... in Swiss banks.
4. The basic is $Assets = Liabilities + Owners' Equity$.
5. Theat the London Stock Exchange usually lasts two weeks.
It is followed by an on which all bills must be settled.
6. The is one of the three basic financial statements.
7. consist of money that is expected to be received. The contrary,
.....consist of money that is owed to other people.
8. The role of is to provide figures and statements that will aid decision-making.

EXERCISE 4: *Match up the following British and American terms.*

British

1. Creditors
2. Debtors
3. Overheads
4. profit and loss account

American

- a.accounts payable
- b. accounts receivable
- C. income statement
- d. overhead

5. Shareholder

f. stockholder

e. paid-in surplus

6. share premium