

1 WHAT IS ACCOUNTANCY?

This introductory unit explores what we understand by the term *accountancy*. Students listen to an extract from a lecture which discusses what accounting is. They also listen to a series of ‘mini-lectures’ which introduce and define the different branches of accounting. The content of the mini-lectures will be explored in greater detail in subsequent units.

Skills focus

Listening

- preparing for a lecture
- predicting lecture content from an introduction
- understanding lecture organization
- choosing an appropriate form of notes
- making lecture notes

Speaking

- speaking from notes

Vocabulary focus

- words from general English with a special meaning in accounting
- prefixes and suffixes

Key vocabulary

account (n)	debit	management	tax (n)
accounting	debt	merge	transaction
asset	finance	organization	treasury
balance (n)	fixed asset	payable	trial balance
balance sheet	forensic	profit (n)	underwrite
budget (n)	fund (n)	shareholders	validate
calculate	invest	statement	value (n)
corporation	invoice	stock (n)	variance
cost (n)	ledger	stocktake (n and v)	
credit (n)	liability	subtotal	
creditor	loss	surcharge	

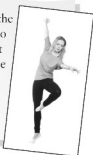
1.1 Vocabulary

1 WHAT IS ACCOUNTANCY?

1.1 Vocabulary guessing words in context • prefixes and suffixes

A Read the text. The red words are probably familiar to you in general English. But can you think of a different meaning for each word in accounting English?

I'm a dancer so my legs are my most important **asset**. Just as important, perhaps, is the fact that I have a very good sense of **balance**. To be a successful dancer, you must also take your audience into **account**. I try to include a lot of **variance** in my dancing so it is different each time and the audience never get bored. It would be a great loss to me if I got an **injury**. I might become a **liability** to the other dancers or it could even be the end of my career. You may think that's a dramatic **statement**, but it's true. I am often very busy so I try to take a **break** occasionally to take stock of my career. But I'm generally a very happy person and dancing can take the **credit** for this.



B Read these sentences from accounting texts. Complete each sentence with one of the red words from Exercise A.

- We would normally classify an item of plant or machinery as a fixed _____.
- At the end of each month, we send each customer a _____ showing what they owe us.
- The chairman asked for a copy of the _____ sheet to be included with the information pack.
- After lengthy negotiations, the company agreed to _____ the customer's account with £100,000.
- The company has not made a _____ on that product line for as long as I can remember – it's very successful.
- Soon it will be year end, so we need to prepare the store room for the annual _____ take.
- You can always expect some _____ between what you forecast and what actually happens.
- Each customer has their own _____ in the company's books.
- The Chief Financial Officer stated that our _____ for the losses had been limited to £100K.

C Study the words in box a.

- What is the connection between all the words?
- What is the base word in each case?
- What do we call the extra letters?
- What is the meaning of each prefix?
- Can you think of another word with each prefix?

a demerge discharge indirect
international miscalculate
multinational recalculate subtotal
surcharge dishonesty unsecured

D Study the words in box b.

- What is the connection between all the words?
- What is the base word in each case?
- What do we call the extra letters?
- What effect do the extra letters have on the base word?
- Can you think of another word with each suffix?

b accounting classify payable
statement treasury validate
valueless variance

E Use words from this page to discuss the pictures on the opposite page.

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Year	Region	Sales
2007	South	100
2007	West	150
2007	East	200
2007 Total		450
2008	South	300
2008	West	350
2008	East	400
2008 Total		1,050
2009	South	500
2009	West	550
2009	East	600
2009 Total		1,650
Grand Total		3,150

Hadford Building Society
online banking
balance of £14500

Financial statement
Expenses: £75000
Income: £45000
balance: £30000

COLLIER CLOTHING CO.
LIER 'H'ING

Statement

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General note

Read the *Vocabulary bank* at the end of the Course Book unit. Decide when, if at all, to refer students to it. The best time is probably at the very end of the lesson or the beginning of the next lesson as a summary/revision.

Lesson aims

- identify words for the discipline in context, including words which contain affixes
- gain fluency in the target vocabulary

Introduction

Write the word *Accountancy* on the board. Ask the students what comes to mind when they see that word. Elicit other words associated with accounting, e.g.,

account
asset
statement
profit

Discuss with students the unstressed pronunciation of the letter *a* in *account* and *accountancy* (/ə/ = schwa), and the stressed pronunciation of the same letter in

asset (/æ/). See if they can find any other examples of the schwa vowel sound in the words listed (*statement* /s+t+e+i+t+m+ə+n+t/).

Exercise A

Set for individual work and pairwork checking. Point out that this is a text which introduces some important basic vocabulary related to accounting – although it may not seem like that at first glance. Do the first one as an example, e.g., *an asset is a valuable property or attribute*. In accounting, it is something on the balance sheet that contributes to the value of a company. Ask students about the relationship between the meanings in general English and in accounting. (Both involve something valuable that belongs to somebody or something.)

Feed back, putting the accounting meanings on the board. Tell students to use these structures wherever possible:

- a(n) X is a(n) ...* to define a noun
- X is the ...* to define a more abstract concept
- to X is to Y* to define a verb

Make sure the students can say the words correctly:

- the /b/ in *balance*
- consonant clusters particularly /s,t/ in *statement*

- the diphthongs /aɪ/ in *liability* and /eɪ/ in *statement*
- the syllable stress pattern in *liability*
/,lɪ+aɪ+ə+bɪ+lɪ+ə+tɪ:/
- the schwa /ə/ in *balance*, *account*, *variance* and *statement*

Answers

Model answers:

Word	Meaning	Comments
asset	an item on the balance sheet that contributes to the total value of the company	often in the plural – <i>assets</i> – meaning all the things that contribute to the value of a company
balance	the amount by which the debit and credit sides of an account differ	can also be a verb meaning to make the debit and credit sides of an account equal
account	a customer who has a regular business relationship with a company has an account with that company	the verb <i>to account for (something)</i> means to explain it
variance	the difference between the actual result and a planned result, sales, costs, etc.	the non-specialist meaning of <i>variance</i> is a difference between one thing and another
loss	the amount of money by which a company's or person's expenses exceed income or profit	often plural, e.g., <i>The company made huge losses in its Chemical division.</i>
liability	legal responsibility for costs	the everyday meaning of the adjective form <i>liable</i> can be the same as <i>likely</i> or <i>prone</i> , e.g., <i>All the early models were liable to failure.</i>
statement	a printed public record of all transactions that have taken place over a certain period	everyday meaning: a specially prepared announcement, spoken or written.
stock	the supply of goods for sale kept by a business or a supply held in reserve for future use	<i>to take stock</i> means to consider and assess the situation
credit (v)	to add an amount of money to someone's account	the everyday meaning is to ascribe a quality or achievement to someone or something

Exercise B

Set for individual work and pairwork checking. Do the first sentence as an example. Feed back with the whole class. Ask students for any other words they know that have a special meaning in accounting.

Answers

Model answers:

- 1 We would normally classify an item of plant and machinery as a fixed asset.
- 2 At the end of each month, we send each customer a statement showing what they owe us.
- 3 The chairman asked for a copy of the balance sheet to be included with the information pack.
- 4 After lengthy negotiations, the company agreed to credit the customer's account with £100,000.
- 5 The company has not made a loss on that product line for as long as I can remember – it's very successful.
- 6 Soon it will be year end, so we need to prepare the store room for the annual stocktake.

- 7 You can always expect some variance between what you forecast and what actually happens.
- 8 Each customer has their own account in the company's books.
- 9 The Chief Financial Officer stated that our liability for the losses had been limited to £100K.

Exercise C

Set the first question for pairwork. See which pair can work out the answer first.

Set the remainder for pairwork. Feed back, building up the answers on the board.

Answers

Model answers:

- 1 They all have a base word + extra letters at the beginning/prefixes.
- 2 See table at the top of page 13.
- 3 Prefix.
- 4 See table.
- 5 See table.

Prefix	Base word	Meaning of prefix	Another word
de~	merge	opposite	devalue
dis~	charge	undo, do the opposite	disable
in~	direct	not, the opposite of	incoherent
inter~	national	between, among	interpersonal
mis~	calculate	badly, incorrectly	misread
multi~	national	many	multipurpose
re~	calculate	do again	redo
sub~	total	a smaller part of something	subset
sur~	charge	extra	surpass
dis~	honesty	not, opposite	disadvantage
un~	secured	not, opposite	unattached

Language note

English is a lexemic language. In other words, the whole meaning of a word is usually contained within the word itself, rather than coming from a root meaning plus prefixes or suffixes (affixes). In most texts, written or spoken, there will only be a tiny number of words with affixes. However, these often add to a base meaning in a predictable way and it is important that students learn to detach affixes from a new word and see if they can find a recognizable base word.

Some words beginning with letters from prefixes are NOT in fact base + prefix, e.g., *refuse*. In other cases, the base word does not exist anymore in English and therefore will not help students, e.g., *transfer*, *transit*, although even in these cases the root meaning of the prefix may be a guide to the meaning of the whole word.

Exercise D

Repeat the procedure from Exercise C.

Answers

Model answers:

- 1 They all have a base word + extra letters at the end/suffixes.
- 2 See table below.
- 3 Suffix.
- 4 See table.
- 5 See table.

Base word	Suffix	Effect/meaning of suffix	Another word
account	~ing	used to make present participle of verb	swimming
class	~ify	make into	codify
pay	~able	can be	understandable
state	~ment	verb → noun	amendment
treasure	~ry	commodity → place associated with it	winery
valid	~ate	adjective → verb	activate
value	~less	without	pointless
vary	~(i)ance*	verb → noun	acceptance

* The final y of the verb changes to *i* if preceded by a consonant.

Language note

Note that with prefixes we rarely change the form of the base word. However, with suffixes, there are often changes to the base word, so students must:

- take off the suffix
- try to reconstruct the base word

Exercise E

Set for pairwork. Try to elicit more than just the words from this lesson. Students should describe the pictures as fully as they can at this stage.

Answers

Possible answers:

- 1 a **balance** sheet with annual **subtotals** circled
- 2 a businessman looking at a purchase ledger on screen, showing customer's **statements of account** (credits, debits, payments, etc)
- 3 a woman is accessing her online bank **account**
- 4 a warehouse full of a company's **stock**
- 5 a man is shocked by his bank **balance** – he has made a **loss**
- 6 a businessman standing in front of his company **assets** – a factory, a van and a company car
- 7 a phone bill showing details of an **account**

Closure

If you have not done so already, refer students to the *Vocabulary bank* at the end of Unit 1. Tell students to explain how this lesson can help them deal with new words in context. If you wish, make three groups. Group A looks at the first section, *Using related words*. Group B looks at the second section, *Removing prefixes*. Group C looks at the third section, *Removing suffixes*. Then make new groups of three with an ABC in each to explain to each other.