MONEY AND BANKING

(ДЕНЬГИ И БАНКОВСКОЕ ДЕЛО)

**Money and its Funсtions. Деньги, их функции.**

Although the crucial feature of ***money*** is its acceptance as *the means of payment оr medium of exchange,* money has other functions. It serves as *a standard of-value, a unit of account, a store of value* and ft *a standard of deferred payment.* We discuss each of the functions of money in turn.

**The Medium of Exchange. Средство обращения.**

Money, the medium of exchange, is used in one-half of almost аЦ exchange. Workers exchange labour services for money. People buy and sell goods in exchange for money. We accept money not to consume it directly but because it can *subsequently* be used to pay things we do wish to consume. Money is the medium through, which people exchange goods and services.

To see that society benefits from a medium of exchange, imagine a barter economy.

***A barter economy*** has no medium of exchange. Goods are traded directly or *swapped for* other goods.

In a barter economy, the seller and the buyer each must want something the other has to offer. Each person is simultaneously a seller and a buyer. In order to see a film, you must *hand over in exchange* a good or service that the cinema manager wants. There has to be a *double coincidence of wants.* You have to find a cinema where the manager wants what you have to offer in exchange.

Trading is very expensive in a barter economy. People must spend a tot of time and effort finding others with whom they can make mutually satisfactory swaps. Since time and effort are scarce resources, a barter economy is wasteful. The use of monеу - any commodity generally accepted in payment for goods, services, and debts - makes the trading process simpler and more efficient.

**Other Functions of Моnеу. Другие функции денег**

Money can also serve as ***a standard of*** *v****alue****. Society* considers it convenient to use *a monetary unit* to determine relative costs of different goods and services. In this function money appears as ***the unit of account,***  is the unit in which prices are quoted and accounts are kept.

In Russia prices are quoted in roubles; in Britain, in pounds sterling; in the USA, in US dollars; in France, in French francs. It is usually convenient to use the units in which the medium of exchange is measured as the unit of account as well. However there are exceptions. During the rapid German inflation of 1922 - 1923 when prices in marks were changing very quickly, German shopkeepers found it more convenient to use dollars as the unit of account. Prices were quoted in dollars even though payment was made in marks, the German *medium* of exchange.

The situation in Russia nowadays *reminds* of that of in Germany.

Money is ***a store of value*** because it can be used to make purchases in the future.

To be accepted in exchange, money has to be a store of value. Nobody would accept money as payment for goods supplied today if the money was going *to be worthless* when they tried to buy goods with it tomorrow. But money is neither the only nor necessarily the best store of value. Houses, stamp collections, and *interest-bearing bank accounts* all serve as stores of value. Since money *pays no interest and* its real purchasing power *is eroded* by inflation, there are almost certainly better ways to store value.

Finally, money serves **as *a standard of deferred payment*** or a unit of account over time. When you borrow, the amount to be repaid next year is measured in pounds sterling or in some other *hard currency.* Although convenient, this is not an essential function of money. UK citizens can get bank loans specifying in dollars the amount that must be repaid next year. Thus the key feature of money is its use as a medium of exchange. For this, it must act as a store of value as well. And it is usually, though not *invariably,* convenient to make money the unit of account and standard of deferred payment as well.

**Different Kinds of Money. Различные виды денег**

In *prisoner-of-war camps,* cigarettes served as money. In the 19th century money was mainly gold and silver coins. These are examples of ***commodity money,*** ordinary goods with industrial uses (gold) and consumption uses (cigarettes), which also serve as a medium of exchange. To use a commodity money, society must either cut back on other uses of that commodity or devote scarce resources to producing additional quantities of the commodity. But there are less expensive ways for society to produce money.

***A token money*** is a means of payment whose value or purchasing power as money greatly exceeds its cost of production or value in uses other than as money.

A $10 note, is worth far more as money than as a 3 x *6 inch* piece of high-quality paper. Similarly, the monetary value of most coins exceeds the amount you would get by *melting* them *down* and selling *off* the metals they contain. By collectively agreeing to use token money, society economizes on the scarce resources required to produce money as a medium of exchange. Since the manufacturing costs are *tiny,* why doesn't everyone make $10 notes?

The essential condition for the survival of token money is the restriction of the right to supply it. Private production is illegal:

Society enforces the use of token money by making it *legal tender.* The law says it must be accepted as a means of payment.

In modern economies, token money *is supplemented by IOU money.*

***An IOU money*** is a medium of exchange based on the debt of a private firm or individual.

*A bank deposit* is IOU money because it is a debt of the bank. When you have a bank deposit the bank owes you money. You can write a cheque to yourself or a third party and the bank is obliged to pay whenever the cheque is presented. Bank deposits are a medium of exchange because they are generally accepted as payment.

# VOCABULARY NOTES

**the means of payment -** средство платежа

**medium of exchange -** средство обращения

**a standard of value -** мера стоимости

**a unit of** **account -** единица учета

**a store of value -** средство сбережения (сохранения стоимости)

**a standard of deferred payment -** средство погашения долга

**subsequently -** впоследствии

**a barter economy -** бартерная экономика

**to swap** *(also* **swop;** *syn.* **to exchange, to barter) -** обменивать, менять

**to hand over in exchange -** передать, вручить в обмен

**a double coincidence of wants -** двойное совпадение потребностей

**a monetary unit -** денежная единица

**to remind of -** напоминать

**to be worthless** - обесцениваться

**an interest-bearing bank account -** счет в банке с выплатой процентов

**to pay interest -** приносить процентный доход

**to erode** - зд. фактически уменьшать

**hard currency -** твердая (конвертируемая) валюта

**soft currency -** неконвертируемая валюта

**invariably -** неизменно, постоянно

**prisoner-of-war camp -** лагерь военнопленных

**commodity money** - деньги - товар

**token money -** символические деньги (дензнаки)

**inch -** дюйм *(равен 2,5 см)*

**to melt down -** расплавить

**tiny costs -** мизерные затраты

**legal tender -** законное платежное средство

**to supplement -** дополнять

**IOU money - I owe you -** я вам должен; деньги - долговое обязательство

**a bad deposit -** вклад в банке

THE ROLE OF BANKS (РОЛЬ БАНКОВ)

The following story is going to explain the role of banks. In the past most societies used different objects as money. Some of these were valuable because they were *rare* and beautiful, others- because they could be eaten or used. Early forms of money like these were used to buy goods. They were also used to pay for marriages, *fines* and debts. But although everyday objects were extremely practical kinds of cash in many ways, they had some disadvantages, too. For example, it was difficult *to measure their value accurately, divide* some of them *into a -wide range of amounts,* keep some of them for a long time, use them to make financial plans for the future. For reasons such as these, some societies began to use another kind of money, that is, *precious metals.*

People used gold, *gold bullion,* as money. Those were dangerous times, and people wanted a safe place to keep their gold. So they *deposited* it with *goldsmiths,* people who worked with gold *for jewellery* and so on and also had *a guarded vault* to keep it safe in. And when people wanted some of their gold to pay for things with, they went and *fetched* it from the goldsmith.

Two developments turned these goldsmiths into bankers. The first was that people found it a lot easier to give the seller a letter than it was to fetch some gold and then physically hand it over to him. This letter *transferred* some of the gold they bad at the goldsmith's to the seller. This letter we would nowadays call a cheque. And, of course, *once these letters or cheques, became acceptable as a way of paying for goods,* people felt that the gold they had deposited with the goldsmith, was just as good as gold in their own pockets. And as letters or cheques, were easier to carry around than gold, and a lot less dangerous, people started to say that *their money holdings* were what they had with them plus their deposits. So a system of deposits was started. The second development was that goldsmiths realized they had a great deal of unused gold lying in their vaults doing nothing. This development was actually of greater importance than the first.

Now let's turn to the first *bank loan* ever and see what happened. A firm asked a goldsmith for a loan. The goldsmith realized that some of the gold in his vault could be lent to the firm, and of course he asked the firm to pay it back later with *a little interest.* Of course, at that moment *the goldsmith was short of gold,* it wasn't actually *his* gold, but he *reckoned* it was unlikely that everyone who had deposited gold with him would want it back at the same time, *at any rate -* not before the firm had repaid him his gold with a little interest. He thought it safe enough.

To understand what actually happened in this simple *transaction* let's consider the following table.

**Таbl. 6. Goldsmiths as bankers**

|  |  |  |
| --- | --- | --- |
|  | Assets | Liabilities |
| 1. Old-fashioned goldsmith  2. Gold lender  3. Deposit lender Step 1  4. Deposit lender Step 2 | Gold $100 Gold $90 + loan 10 Gold $l00 + loan $10 Gold $90+loan $10 | Deposits $100  Deposits $100 Deposits $110 Deposits $100 |

The first row shows what the goldsmith did before he made this loan- He had a hundred dollars of gold, which he *owed* to the people who had deposited it with him, so his *assets and liabilities* were the same. But when he lent, say, $10 of gold to the firm, he actually had only $90 of gold in his vault plus *the value of his loan.* His assets still *equalled* his liabilities, but he was going to get some interest

It so happened that *the firm,* that took out the loan, *didn't really want to carry that $10 of gold around, so It asked me goldsmith if, instead of actually taking the gold, it could be given a deposit.* The third row of Tabl. 6 shows what happened then. Although the goldsmith's assets and liabilities were the same, but *were* then *worth $110,* not $100. When the firm *wrote a cheque* for $10, and that person came in to collect his $10 worth of gold, the goldsmith's *assets failed,* but so did his liabilities (the fourth row of the table). The important point to notice here is that it made no difference to the goldsmith whether his *initial loan was* in actual gold or in a form of a deposit.

Now let's turn to the question of *reserves.* Reserves are th*e amount of gold that is immediately available in the vault* to meet *depositors' demands.* People originally deposited $100 of gold with the goldsmith. The goldsmith lent $10, *leaving himself with $90. As* a banker he *was relying on* the fact that not everyone would want their gold back at the same time. If they had done, be couldn't have paid out. His reserves of $90 were not enough.

The goldsmith in the table has a 100% reserve ratio. *The reserve ratio* is the ratio of reserves to deposits. Once he has made his loan, he has a 90% deposit ratio. This is a small risk with a small profit. How much *dare* he lend out in order *to make a profit through his interest charges? What are the risks involved?* Suppose the goldsmith took too much of a risk. He lent 80% of the gold he had. This *panicked* people. They *doubted* he could pay them all back, he *was bound to lose some of the gold* he had lent, so they rushed to get their gold back before it was too late. That was what we would now call *a run on the bank,* a financial panic. And *the financial panic* leads to exactly what people *fear:*  the bank cannot pay them, *goes bankrupt,* and they go bankrupt as well.

**VOCABULARY NOTES**

**rare -** редкий

**lines -** штрафы

**to measure their value accurately -** точно измерить их стоимость

(цен­ность)

**to divide into a wide range of amounts -** разделить на много частей

(ма­леньких или больших)

**precious metals -** драгоценные металлы

**gold bullion -** золотой слиток

**to deposit with -** хранить, вкладывать

**a goldsmith -** золотых дел мастер

**worked with gold for jewellery -** делал золотые украшения

**a guarded vault -** охраняемый подвал, хранилищ:

**to fetch -** приносить, доставать

**to transfer -** переводить, передавать

**once these letters or cheques,**

**became acceptable as a** way **of paying for goods** - как только (когда) эти письма, или чеки, стали приниматься при оплате товаров

**their money holdings-** деньги, которые им принадлежали, которыми они владели

**a bank loan -** банковская ссуда, заем

**a little interest** - небольшой процент

**the goldsmith** **was short of gold -** у мастера не было достаточно золота

**to reckon** - полагать, считать

**at any rate -** во всяком случае

**a transaction -** сделка

**to owe** - быть должным

**assets and liabilities -** активы и пассивы

the vа1uе of his loan - стоимость ссуды, которую он дал

**to equal** - равняться, быть равным

**the firm didn't really want to саrry that gold around, so it asked the gold­smith If, instead of actually taking the gold, it could be given a deposit -** фир­ма не хотела держать золото при себе (носить золото с собой) и вместо того, чтобы на самом деле его забрать, попросила мастера принять это золото на хранение в виде вклада

**(they) were worth $110 - их** стоимость составляла, они оценивались (имели ценность) в 110 долларов

**to write** *(syn.* **to draw, to issue, to make out) a cheque -** выписать чек

**his assets failed -** *зд.* его активы снизились

**to fail** - (о банках) обанкротиться

**initial loan -** первоначальная ссуда

**reserves** - резервы

**the amount of gold that is immediately available in the vault -** запасы (ко­личество) золота, которое всегда находится (и может быть немедленно получено) в хранилище банка

**depositors'** **demands** - требования вкладчиков

**leaving himself with $90** -оставив себе только 90 долларов

**to rely on -** рассчитывать, надеяться на что-либо

**the reserve ratio •** резервная норма

dare - осмеливаться

**to make a profit through his interest charges -** получить прибыль за счет платежа процентов

**What are the risks involved? -** Чем он рискует?

**to panic** (panicked) -пугать, приводить в панику

**to doubt -** сомневаться

**he was bound to lose some of the gold -** он непременно должен был по­терять часть золота

**a run on the bank -** натиск вкладчиков на банк

**the financial panic -** финансовая паника

**to fear -** опасаться, страшиться

**to go bankrupt** - обанкротиться

MODERN BANKING

(СОВРЕМЕННАЯ БАНКОВСКАЯ СИСТЕМА)

The goldsmith bankers were an early example of *a financial intermediary.*

*A financial intermediary* is an institution that specializes in *bringing* lenders and borrowers *together.*

***A commercial bank*** borrows money from the public, crediting them with a deposit. The deposit is a liability of the bank. It is money owed to depositors. In turn the bank lends money to firms, households or governments wishing to borrow.

Banks are not the only financial intermediaries. *Insurance companies, pension funds,* and building societies also take in money in order to relend it. The crucial feature of banks is that some of their liabilities are used as a means of payment, and are therefore part of *the money stock.*

Commercial banks are financial intermediaries with a government licence to make loans and *issue deposits,* including deposits against, which cheques can be written.

Let's start by looking at the present-day UK banking system. Although the details vary from country to country, the general principle is much the same everywhere.

In the UK, the commercial banking system comprises about 600 registered banks, *the National Girobank* operating through post offices, and a dozen *trustee saving banks.* Much the most important single group is the *London clearing banks.* The clearing banks are so named because they have *a central clearing house* for handling payments by cheque.

***A clearing system*** is a set of arrangements in which debts between banks are settled by adding up all the transactions in a given period and paying only the net amounts needed to balance *inter-bank accounts.*

Suppose you bank with *Barclays* but visit a supermarket that banks with *Lloyds.* To pay for your shopping you write a cheque against your deposit at Barclays. The supermarket pays this cheque into its account at Lloyds. In turn, Lloyds presents the cheque to Barclays, which will *credit* Lloyds' account at Barclays and *debit* your account at Barclays by an equivalent amount. Because you purchased goods from a supermarket using a different bank, a transfer of funds between the two banks is required. Crediting or debiting one bank's account at another bank is the simplest way to achieve this.

However on the same day someone else is probably writing a cheque on a Lloyds' deposit account to pay for some stereo equipment from a shop banking with Barclays. The stereo shop pays the cheque into its Barclays' account, increasing its deposit. Barclays then pays the cheque into its account at Lloyds where this person's account is simultaneously debited. Now the transfer flows from Lloyds to Barclays.

Although in both cases the cheque writer's account is debited and the *cheque recipient's* account is credited, it does not make sense for the two banks to make two separate inter-bank transactions between themselves. The clearing system calculates the net flows between the member clearing banks and these are the settlements that they make between themselves. Thus the system of clearing cheques represents another way society reduces the costs of making transactions.

**The Balance Sheet of the London Clearing Banks.**

**Балансовый отчет лон­донских клиринговых банков**

*Таbl. 7* shows the balance sheet of the London clearing banks. Although more complex, it is not fundamentally different from the balance sheet of the goldsmith-banker shown in *Таbl 6.* We'll begin by discussing the asset side of the balance sheet.

**The Balance Sheet of the London Clearing Banks.**

|  |  |  |  |
| --- | --- | --- | --- |
| Assets | £b | **Liabilities** | **£b** |
| **Sterling: Cash Bills and market loans**  **Advances**  **Securities**  **Lending in other currencies Miscellaneous assets**  **TOTAL ASSETS** | **2,9**  **34,7**  **83,0**  **9,4**  **54,6**  **15,5**  **200,1** | **Sterling: Sight deposits**  **Time deposits**  **CDs** Deposits in other currencies Miscellaneous liabilitiesTOTAL LIABILITIES | **54,1**  **59,9**  **8,1**  **46,2 31,8**  **200,1** |

***Cash assets*** are notes and coin in the banks' vaults. However, modem banks' cash assets also include their cash reserves deposited with *the Bank of England.* The Bank of England (usually known as the Bank) is ***the central bank or banker*** to the commercial banks.

Apart from cash, the other entries on the asset side of the balance sheet show money that has been lent out or used to purchase *interest-earning assets.* The second item, ***bills and market loans,*** shows *short-term lending* in *liquid assets.*

***Liquidity*** refers to the speed and the certainty with which an asset can be converted back into money, whenever the asset-holders desire. Money itself is thus the most liquid asset of all.

The third item, ***advances,*** shows lending to households and firms. A firm that has borrowed to see it through a *sticky period* may not be able to repay whenever the bank demands. Thus, although advances represent the major share of clearing bank lending, they are not very liquid forms of bank lending. The fourth item, ***securities,*** shows bank purchases of *interest-bearing hug-term financial assets.* These can be *government bonds* or *industrial shares.* Although these assets are traded daily *on the stock exchange,* so in principle these securities can be cashed in any time the bank wishes, their price fluctuates from day to day. Banks cannot be certain how much they will get when they sell out. Hence financial investment in securities is also illiquid.

The final two items on the asset side of the balance sheet show ***lending in foreign currencies*** and ***miscellaneous bank assets.*** Total assets of the London clearing banks were £200,1 billion. We now shall examine how the equivalent ***liabilities*** were made up.

Deposits are chiefly of two kinds: *sight deposits* and *time deposits.* Whereas *sight* ***deposits*** can *be withdrawn* on sight whenever the depositor wishes, a minimum period of notification must be given before ***time deposits*** can be withdrawn. Sight deposits are the bank accounts against, which we write cheques, thereby *running down our deposits* without giving the bank any prior warning. Whereas most banks do not pay interest on sight deposits or *cheque (checking) accounts,* they can afford to pay interest on time deposits. Since they have notification of any withdrawals, they have plenty of time *to sell off some of* their high- interest investments or *call in* some of their *high-interest loans* in order to have the money to pay out deposits.

***Certificates of deposit (CDs)*** are an extreme form of time deposit where the bank borrows from the public for a specified period of time and knows exactly when the loan must be repaid. The final liability items in *Таbl.* 7 show deposits in foreign currencies, *miscellaneous liabilities,* such as cheques, in the process of clearing.

**VOCABULARY NOTES**

**a financial intermediary** - финансовый посредник

**to bring together -** соединять, сводить вместе

**insurance companies -** страховые компании

**pension lands -** пенсионные фонды

**the money stock -** денежная масса, деньги в обращении

**to issue deposits -** открывать вклады

**the National Girobank -** *англ.* Национальный жиробанк

**trustee saving banks -** доверительные сберегательные банки

**London clearing banks -** лондонские клиринговые банки (банки - чле­ны расчетной палаты)

**a central clearing house -** центральная расчетная палата

**inter-bank accounts -** межбанковские счета

**Barclays -** Барклайз банк *(Великобритания)*

**Lloyds -** Ллойдз банк *(Великобритания)*

**to credit -** кредитовать

**to debit -** дебетовать

**cheque recipient -** получатель чека

**cash assets -** денежные активы

**the Bank of England -** Банк Англии, Английский банк

**interest-earning** *(syn.* **interest-bearing) assets -** активы, приносящие про­центный доход

**bills and market loans -** векселя и рыночные займы

**short-term lending -** краткосрочное кредитование

**liquid** *(ant.* **illiquid) assets -** ликвидные активы

**liquidity - ликвидность**

**advances -** ссуда в вида аванса

**a sticky period -** трудный период

**securities -** ценные бумаги

**interest-bearing long-term financial assets -** долгосрочные финансовые активы, приносящие процентный доход

**government bonds -** государственные облигации

**industrial shares -** промышленные акции

**the stock exchange - фондовая биржа**

**niscellaneous bank assets -** прочее имущество банка

**sight deposit -** депозит до востребования; бессрочный вклад

**time deposit -** срочный вклад

**to withdraw -** отзывать *(вклад)*

**to run down a deposit -** уменьшать вклад

**cheque (checking) accounts -** текущий (чековый) счет

**to sell off -** распродавать

**cad in high-interest loans -** требовать возврата займов (требовать уплаты процентов)

**certificates of deposit -** депозитные сертификаты

**miscellaneous liabilities** ' прочие (другие) пассивы

**1. GENERAL DEFINITION OF ACCOUNTING**

Today, it is impossible to manage a business operation without accurate and timely accounting information. Managers and em­ployees, lenders, suppliers, stockholders, and government agen­cies all rely on the information contained in two financial state­ments. These two reports — the balance sheet and the income statement — are summaries of a firm's activities during a specific time period. They represent the results of perhaps tens of thou­sands of transactions that have occurred during the accounting period.

*Accounting is the process of systematically collecting, an­alyzing, and reporting financial information.* The basic prod­uct that an accounting firm sells is information needed for the cli­ents.

Many people confuse *accounting* with *bookkeeping.* Book­keeping is a necessary part of accounting. Bookkeepers are re­sponsible for recording (or keeping) the financial data that the ac­counting system processes.

The primary users of accounting information are managers. The firm's accounting system provides the information dealing with revenues, costs, accounts receivables, amounts borrowed and owed, profits, return on investment, and the like. This infor­mation can be compiled for the entire firm; for each product; for . each sales territory, store, or individual salesperson; for each divi­sion or department; and generally in any way that will help those who manage the organization. Accounting information helps managers plan and set goals, organize, motivate, and control. Lenders and suppliers need this accounting information to evaluate credit risks. Stockholders and potential investors need the information to evaluate soundness of investments, and government agencies need it to confirm tax liabilities, confirm payroll deductions, and approve new issues of stocks and bonds. The firm's accounting system must be able to provide all this information, in the required form.

**2. THE BASIS FOR THE ACCOUNTING PROCESS**

*The basis for the accounting process is the accounting equation.* It shows the relationship among the firm's assets, liabil­ities, and owner's equity.

***Assets*** are the items of value that a firm owns —'cash, inven­tories, land, equipment, buildings, patents, and the like.

***Liabilities*** are the firm's debts and obligations — what it owes to others.

***Owner's equity*** is the difference between a firm's assets and its liabilities — what would be left over for the firm's owners if its assets were used to pay off its liabilities.

The relationship among these three terms is the following:

Owners' equity = assets - liabilities

(The owners' equity is equal to the assets *minus* the liabilities)

For a sole proprietorship or partnership, the owners' equity is shown as the difference between assets and liabilities. In a part­nership, each partner's share of the ownership is reported sepa­rately by each owner's name. For a corporation, the owners' eq­uity is usually referred to as *stockholders ' equity* or *sharehold­ers ' equity.* It is shown as the total value of its stock, plus retained earnings that have accumulated to date.

By moving the above three terms algebraically, we obtain the standard form of the *accounting equation:*

Assets = liabilities + owners' equity

(The assets are equal to the liabilities *plus* the owners' equity)

**3. A BALANCE SHEET**

***A balance sheet (or statement of financial position), is a summary of a firm's assets, liabilities, and owners' equity ac­counts at a particular time,*** showing the various money amounts that enter into the accounting equation. The balance sheet must demonstrate that the accounting equation does indeed balance. That is, it must show that the firm's assets are equal to its liabilities plus its owners' equity. The balance sheet is prepared at least once a year. Most firms also have balance sheets prepared semi-annually, quarterly, or monthly.

**4. AN INCOME STATEMENT**

***An income statement is a summary of a firm's revenues and expenses during a specified accounting period.*** The in­come statement is sometimes called the *statement of income and expenses.* It may be prepared monthly, quarterly, semiannually, or annually. An income statement covering the previous year must be included in a corporation's annual report to its stockholders.

**5. THE IMPORTANCE OF THE ABOVE TWO STATEMENTS**

The information contained in these two financial statements becomes more important when it is compared with corresponding information for previous years, for competitors, and for the indus­try in which the firm operates. A number of financial ratios can also be computed from this information. These ratios provide a picture of the firm's profitability, its short-term financial position, its activity in the area of accounts receivables and inventory, and its long-term debt financing. Like the information on the firm's fi­nancial statements, the ratios can and should be compared with those of past accounting periods, those of competitors, and those representing the average of the industry as a whole.

Vocabulary

**1. General Definition of Accounting**

|  |  |  |
| --- | --- | --- |
| general  accounting  account  impossible  manage  *without*  accurate  lender  stockholder  agency  rely (on)  statement  report  balance sheet  income statement  summary  specific  represent  perhaps  transaction  occur  accounting period  report  needed  client  confuse  bookkeeping  responsible  record  data  process  user  provide  deal (with)  revenue  accounts (debt) receivables  amount  borrow  owe  profit  investment  return on investment  and the like compile  sales territory  store | общий  счет  (бухгалтерский) учет ведение счетов  невозможный  *зд.* руководить, управлять  без  точный  кредитор, заимодавец  акционер  *зд.* ведомство, орган  полагаться *(на)*  *зд.* отчет  отчет  балансовый отчет, баланс  отчет о доходах  обобщенный отчет, итоги  конкретный  представлять  возможно  сделка, деловая операция  *зд.* происходить, иметь место  отчетный период  сообщать  нужный  клиент  смешивать *(в уме),* путать  счетоводство, ведение бухгалтерских книг, бухгалтерия  ответственный  записывать, вести учет  данные  обрабатывать  пользователь  обеспечивать  *зд.* иметь отношение *(к)*  доход  дебиторская задолжен­ность *(долг, который следует получить ком­пании,* счета дебито­ров, счета к получению  сумма  занимать, брать взаймы  быть должным  выгода, прибыль  инвестиция, инвестирование  прибыль на инвестиро­ванный капитал  и тому подобное собирать  территория продажи  магазин | |
| individual salesperson | отдельный продавец | |
| division | *зд.* сектор | |
| department | отдел | |
| generally | вообще | |
| in any way | *зд. в* любой форме | |
| set goals | ставить цели | |
| control | контролировать, управлять | |
| evaluate | оценивать | |
| potential investor | потенциальный инвестор |
| soundness | надежность |
| confirm | подтвердить |
| tax | налог |
| liability | *зд.* пассив; задолженность |
| payroll | платежная ведомость (по зарплате) |
| deduction | удержание, вычеты |
| approve | *зд.* утверждать, одобрять |
| issue | выпуск |
| stock | *амер.* акции, *англ.* ценные бумаги |
| bond | облигация |
| be able | быть способным |
| provide | предоставлять |
| in the required form | в требуемом виде |

**2. The Basis for the Accounting Process**

|  |  |
| --- | --- |
| basis | основа |
| accounting equation | бухгалтерская сбалансированность  *(дебет и кредит)* |
| relationship | соотношение |
| assets | активы, авуары, *зд.* актив баланса |
| own | владеть |
| item of value | материальные ценности |
| owner | владелец, собственник |
| debt  obligation | долг  обязанность, обязательство |
| owner's equity | собственный (уставной) акционерный  капитал |
| pay off | расплачиваться *(с)* |
| term | *зд.* понятие, значение |
| sole  proprietorship  partnership | единоличный  право собственности  партнерство, товарищество |
| share | доля |
| report | сообщать |
| is referred (to) | *зд.* называться |
| stockholder's equity | доля акционера |
| retained earning | нераспределенная прибыль |
| accumulate | накапливаться |
| to date | *зд.* к определенному времени |
| move | *зд.* переставлять |
| above | вышеуказанный |
| algebraically | алгебраически |
| obtain | получать |

**3. A Balance Sheet**

|  |  |
| --- | --- |
| statement | *зд.* отчет |
| summary | сводка, краткое изложение |
| particular | конкретный |
| various | различный |
| enter  demonstrate | входить  показывать |
| indeed | действительно |
| balance | уравновешиваться |
| that is | то есть |
| prepare | готовить |
| at least | по крайней мере |
| once | один раз 1 |
| semiannually | раз в полгода |
| quarterly | ежеквартально |

**4. An Income Statement**

|  |  |
| --- | --- |
| income statement | отчет, счет прибылей *(и убытков)* |
| summary | сводка |
| cover | охватывать, учитывать |
| previous | предыдущий |
| annual report | годовой отчет |

**5. The Importance of the above two Statements**

|  |  |
| --- | --- |
| importance | важность |
| compare | сравнивать |
| competitor  a number (of)  ratio | конкурент  ряд  соотношение, коэффициент |
| provide  profitability  account receivable | *зд.* давать  доходность  сумма, причитающаяся к получению, дебитор­ская задолженность |
| long-term | долгосрочный |
| debt financing | долговое финансирова­ние  *(т.е. путем получения займов)* |
| like | как |
| those | *зд.* заменяет слово «отчеты» |
| accounting period | отчетный период |
| average | средняя величина |
| as a whole | в целом |