

МИНИСТЕРСТВО ОБРАЗОВАНИЯ И НАУКИ РФ  
ФЕДЕРАЛЬНОЕ ГОСУДАРСТВЕННОЕ  
БЮДЖЕТНОЕ ОБРАЗОВАТЕЛЬНОЕ УЧРЕЖДЕНИЕ  
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## **ACCOUNTING AND AUDITING**

Учебно-методическое пособие

Составитель  
Е.В. Ушакова

Воронеж  
Издательский Дом ВГУ  
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## COMPREHENSION

### I. Answer the questions

1. What is accounting? Give a short definition.
2. Is it possible to manage a business operation without accurate and timely accounting information?
3. Who needs accounting information? Explain why.
  1. What is the basis for accounting process?
  2. State the standard form of the accounting equation.
  3. What is a balance sheet? Give a short definition.
  4. What must a balance sheet show?
  5. What is an income statement?
9. What can be computed from the information contained in a balance sheet and an income statement?
10. Do the ratios computed from this information provide a picture of a firm's profitability and its financial position?
11. Is this information for competitors?

## LANGUAGE PRACTICE

### 1. Insert the necessary word or word combination.

2. Managers, lenders, suppliers and government agencies relay on the information contained in two ....
3. These two reports — the balance sheet and ... —are summaries of a firm's activities during a specific time period.
4. The basis for the accounting process is ... .
5. Assets are the ... that a firm owns.
6. Liabilities are the firm's debts and ....
7. Owners' equity is the difference between a firm's ... and its liabilities.
8. A balance sheet is ... of a firm's assets, liabilities, and owners' equity accounts at a particular time.
9. A balance sheet must demonstrate that the accounting ... does indeed balance.
10. An income statement is a summary of a firm's revenues and... during a specific accounting period.
11. The information in these two financial statements becomes more important when it is ... with corresponding information for previous years or past ... periods.

### 2. Match the word with the right definition.

1. accounting
2. revenue
3. asset
4. stockholder
5. balance sheet

- a) the activity of keeping detailed record of the amounts of money a business receives and spends.
- b) a written statement of the amount of money and property a company has.
- c) the things the company own.
- d) a person who owns shares in a company.
- e) money that a company receives from people.

### **3. Refer the sentences into English**

1. Бухгалтерский учет — это процесс систематического сбора и сообщения финансовой информации.
2. Балансовый отчет и отчет о доходах являются основой процесса бухучета.
3. Балансовый отчет (или отчет о финансовом положении)- это обобщенный отчет об активах фирмы, пассивах и собственном акционерном капитале.
4. Отчет о доходах — это обобщенный отчет о доходах и расходах за (during) конкретный отчетный период.
5. Основой процесса бухгалтерского учета является бухучетное уравнение.
6. Согласно (according to) бухучетному уравнению, активы равны пассивам (денежным обязательствам) плюс собственный акционерный капитал.
7. Собственный акционерный капитал — это разность между активами и пассивами.
8. Балансовый отчет должен показывать, что бухучетное уравнение балансируется.
9. Результаты (results) балансового отчета должны сравниваться (be compared) с результатами за (for) прошлый отчетный период.
10. Эта информация дает картину доходности фирмы, ее финансового положения и ее деятельности в области (area) дебиторской задолженности, товарных запасов и долгового финансирования.

## **FOLLOW UP**

- 1. Speak about the role of accounting in business.**

## UNIT 2. Foreign trade

### LEAD IN

#### 1. Discuss these questions.

1. What are some of the risks involved in trading internationally?
2. What payment methods do you know that are used when exporting or importing goods?
3. What is the role of the banks in international trade?

#### Open Account

The goods, and relevant documents, are sent by the exporter directly to the overseas buyer, who will have agreed to remit payment of the invoice back to the exporter upon arrival of the documents or within a certain period after the invoice date. The exporter loses all control of the goods, trusting that 5 payments will be made by the importer in accordance with the original sales contract.

#### Documentary Credit

Documentary Credit is often referred to as a Letter of Credit. This is an undertaking issued by an overseas bank to a UK exporter through a bank in the UK, to pay for the goods provided that the exporter complies fully with the conditions established by the Documentary Credit.

Additional security can be obtained by obtaining the 'confirmation' of a UK bank to the transaction, thereby transferring the responsibility from the importer's bank overseas to a more familiar bank in the country of the exporter.

Very few risks arise for the exporter because the potential problem areas of the buyer risk and country risk can be eliminated. However, the exporter must present the correct documents and comply fully with the terms and conditions of the credit. Failure to do so could result in the exporter losing the protection of the credit.

#### Bills for Collection

Trade collections are initiated when an exporter draws a bill of exchange on an overseas buyer. This is forwarded by the exporter's bank in the importer's country.

Such collections may be either “documentary” or “clean”. A documentary collection is one in which the commercial documents and, if appropriate, the documents of title to the goods are enclosed with the bill of exchange. These are sent by the exporter's bank to a bank in the importer's country together with instructions to release the documentation against either payment or acceptance of the bill.

The risks that the exporter has to face are that the importer fails to accept the bill of exchange or dishonours an accepted bill upon maturity. This means that the exporter may have to consider shipping the goods back to the UK, finding an alternative buyer or even abandoning the consignment, all of which could be expensive.