



قراءات محاسبية

**Reading Accounting**

أهداف المادة :  
الهدف العام : يتمثل الهدف العام لهذه في تعريف الطالب بالمصطلحات الانكليزية في مجال مفردات الخطة الدراسية لقسم المحاسبة , بالشكل الذي يجعله قادرا على استيعاب المصطلحات المطروحة والتي يتعامل معها في المجالات المختلفة ذات العلاقة بالاختصاص في الجوانب الإدارية والمحاسبية .  
الهدف الخاص : ويتمثل الهدف الخاص في جعل الطالب في قسم المحاسبة متمكنا من قراءة المواضيع المتعلقة باختصاصه باللغة الانكليزية , بما يمنحه فرصة التواصل مع كل ما يستجد في حقل الاختصاص في الكتب والبحوث والمجلات وغيرها.

Subject objectives :

The general objectives : the overall objective is to introduce students to English terms of accounting and to be able understood the used terms in accounting and how to deal with them in different areas of accounting and management .

Specific objective: The

The specific objective is to make students of accounting department capable of reading (books, periodicals ) subjects related to their field in English language.

المفردات النظرية	
الاسبوع	تفاصيل المفردات
الاول	التعريف بالمصطلحات الاساسية الانكليزية
الثاني	التعرف على المصطلحات الاساسية في اختصاص المحاسبة
الثالث	تعريف المحاسبة , فروع المحاسبة
الرابع	المحاسبة كمهنة , المنظمات
الخامس	قراءة عن مفهوم المحاسبة
السادس	استعراض مصطلحات الاطار الفكري للمحاسبة
السابع	مصطلحات القروض والمبادي المحاسبية
الثامن	القيود المحاسبية الجوانب الشكلية
التاسع	المصطلحات الخاصة بحساب المتاجرة
العاشر	المصطلحات الخاصة بالمصاريف
الحادي عشر	المصطلحات الخاصة بالإيرادات
الثاني عشر	قراءات لمواضيع خاصة بالأرباح والخسائر
الثالث عشر	المصطلحات الخاصة بالموجودات
الرابع عشر	المصطلحات الخاصة بالمطلوبات وراس المال
الخامس عشر	قراءات لمواضيع خاصة بقائمة المركز المالي

## WEEK1: Definition OF Basic English Terms

### Definition OF Basic English Terms

نبذة عن قواعد اللغة الانكليزية:

هناك أساسيات وقواعد للغة الانكليزية تختلف كثيرا عن اللغة العربية وللغة الانكليزية لهجات كثيرة تختلف باختلاف الجهات التي نشأت فيها والهدف من القواعد بيان أساسيات تركيب الجملة والعبارات الانكليزية وأحسن طريق لتعلم اللغة الانكليزية هو الاستماع إليها والتحدث بها وتعلم كتابتها وفهم معناها .  
تكتب اللغة بحروف لاتينية تشمل 26 حرف لكل منها حرف كبير يستخدم في بداية الجمل وبداية الأسماء وشكل حرف صغير .

Who , What , please , No , Yes , How many , How much , How ,  
Where is

What does this mean ? What does that mean ?

بعض الكلمات المفيدة:

at /on / in / to / from / before /after /With /with out / through / and /or  
/nothing /also / now /then

الاختصارات المنتشرة في اللغة الانكليزية :

Company /Co.  
Doctor of Medicine / M.D  
Street/ ST

Cashier / Closed / Exit / Lift / Pull /Push / No Smoking

مصطلحات أخرى :

Terms / introduction / application / solution

مصطلحات تجارية :

Company / Business  
Export / Import  
Manager /Trade  
Funds / goods  
Services /Business Letter

### Commercial Letters

The main objectives :

- To give information to the reader .
- To get the desired action from the reader
- To build up good and good public relation

The parts of business letters :

the heading

the date

the reference

the inside address

the salutation

the body of the letter

the complimentary

the signature

E NCL

<b>1-The heading</b>	<b>2-The date / /</b>
<b>3-Ref No(-)</b>	
<b>4-inside address :</b>	
<b>5- salutation</b>	
<b>6- the body of the letter</b>	
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-----	
<b>7- the complimentary</b>	
<b>8-the signature</b>	
<b>9- Encl</b>	
<b>C.C</b>	
<b>N.B</b>	

The layout of business letter

WEEK 2 Learn basic terms in accounting  
&Week3 Reading of selective subjects in management

Learn basic terms in accounting:

Definition of Accounting : defined as the art of recording classifying and summarizing Economic events in scientific method and terms of money process and events interpreting financial the results there of .

Identify / measure / communicate  
financial statement / Accounting process  
information system / Business Environment  
concepts / principles

Objectives of Accounting :

- identify and measure economics events .
- communicate the information financial to show the results of the company .

Accounting concepts

- Assets
- liabilities
- owners equity
- revenue
- expenses
- gains
- Losses
- Drawing
- income
- the entity concept
- money measurement concept

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Accounting principles :

- Historical cost principles
- Revenue recognition principles
- matching principles

Branches of accounting

- financial accounting -
- cost accounting
- managerial accounting
- tax accounting
- governmental accounting
- social accounting
- auditing

The users of accounting information :

- Internal users :  
Company management / Labors

- External users:  
Investors /Banks /creditors / government

Accounting Equation :

Owners equity	+ liabilities	= Assets	or :
Capital	+ liabilities	= Assets	

Week 4

**Definition of accounting**

week 6 : Accounting as position  
 Definition of accounting : defined as the art of recording classifying and summarizing economics events in scientific method and terms of money process and events interpreting financial the results there of .

**Some of accounting terms :**

Financial statements  
 Accounting process  
 Information system  
 Business environment

**Objectives of accounting :**

- 1- identify and measure the economic events .
- 2- communicate the financial information to show the results of the company .

**Branches of accounting :**

- 1- Financial accounting
- 2- Cost accounting
- 3- Managerial accounting
- 4-Tax accounting
- 5- Governmental accounting
- 6-Social accounting
- 7-Auditing

**The users of accounting information :**

- 1- Internal users : ( company management / Labors )
- 2-External users : (Investors / Banks / Creditors / Government )

Week5 Terms of accounting theory

Week6: Terms of accounting principles & hypothesis

- 1- assets
- 2- liabilities
- 3- owners
- 4- revenues
- 5- Expenses
- 6- Gains
- 7-Losses

- 8- Drawing
- 9- Income (Profit /Loss )
- 10- The entity concept.
- 11- Money measurement concept .

Accounting principles :

- 1- Historical cost principle.
- 2- Revenue recognition principle.
- 3-Matching principle .

Accounting Equation:

Owners equity + Liabilities = Assets Or

Capital +Liabilities =Assets

الموجودات: ما يمتلكه المشروع وله قيمة نقدية مثل: النقدية/المخزون/المباني/ المعدات /الأراضي .  
المطلوبات : هو ما يستحق للغير مثل : اوراق الدفع /الدائنون  
راس المال : هو حق الملاك في المشروع .  
فلو فرضنا ان هناك مشروع تجاري يمتلك أصول قيمتها (100000) دينار الدائنين بمبلغ (70000) كما هو  
حق الملاك اصحاب المشروع؟

$$\begin{aligned} \text{معادلة الميزانية : الموجودات} &= \text{المطلوبات} + \text{رأس المال} \\ 30000 + 70000 &= 100000 \\ 100000 &= 100000 \end{aligned}$$

Ex: Assets =100000 D

Liabilities= 70000 D

Capital = ?

Found the capital?

Assets =Liabilities +capital

100000 =70000+capital

Capital =100000-70000=30000 D

Ex: Mr Ali begins business investing cash equipment valued at the bank amount (2000000D) found accounting equation:

Solution:

Assets =Liabilities +capital

Week 7 Accounting transaction and recording :

Accounting entries (formal aspect):

Q: Where accounting transaction record ?

Solution: Journal records

Ledger records

Q :What are the source of the accounting ?

Solution :Documents from the economic events .

Accounting terms :

The accountant  
Account types  
Accounting period  
Account payable  
Account receivable  
Adjusting entry  
Bad debts  
Balance sheet  
Book value  
Capital account  
Cash  
Current assets  
Depreciation  
Fixed assets  
Good will  
Gross profit  
Income statement  
Inventory  
Investments  
Notes payable  
Notes receivable  
Equipment  
Preparation  
Purchases  
Revenues  
Sales  
Sales Allowances  
Sales discount  
Sales returns  
Trial balance  
Accounting cycles  
Lands  
Debit  
Credit  
Amount  
Balance  
Bank statement  
Blanks  
Buildings  
Cash basis  
Compute  
Each  
General journal  
General ledger  
Net income  
Post  
Table



The need to develop standards :

هناك عدد من المنظمات الفاعلة في عملية وضع المعايير المحاسبية في الولايات المتحدة الامريكية اهمها:

1- مجلس معايير المحاسبة المالية (FASB) financial accounting standards board

وتتضمن ثلاثة منظمات مهمتها تحسين معايير المحاسبة المالية والتقارير المالي ومفاهيم المحاسبة المالية والتعرف على مشاكل المحاسبة ومعالجتها

2- مجلس معايير المحاسبة الحكومية: (GASB) Governmental accounting standards board

تهتم بقضايا التقرير المالي في الحكومات المركزية والمحلية وهو مجلس استشاري للتعرف على مشاكل المحاسبة الحكومية ومعالجتها .

Accounting transaction recording system:

There are two systems for recording transaction :

A- Single entry system

B- Double entry system

The three basic rules about recording transaction are :

1-debit the receiver and credit the giver

2-debit what the comes in and credit what goes out.

3- debit all expenses (losses)and credit all incomes(gains)

Note: one may put this in a different manners , noting that every account has a "T" shape account . the left side of account is called the debt side ,and the right side is called the credit side.

Name of the account

Debit side      Credit side

المدين

الدائن

The rules for writing up accounts (Debit and Credit) of various types are as follows :

All assets accounts

Debit increase	Decrease	Credit
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Liabilities accounts

Debit Decrease	Credit Increase
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Capital accounts

Debit                  Credit  
Decrease      Increase

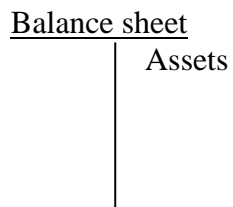
All expenses or losses accounts

debit                  Credit  
increase      decreases

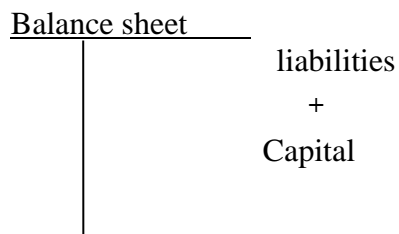
All (revenues or incomes )(gains )accounts

Debit                  Credit  
Decreases                  Increases

Note :Assets are listed on the left side of balance sheet as follows:



Liabilities and capital are listed on the right side of the balance sheet as follows :



Terms of trading account

Final accounts for trade Reading in trading account , usage of trading account companies include:

A-trading account

B- Profit and loss account

Final accounts for industrial companies include :

A-manufacturing account

B-Trading account

C-profit and loss account

Final account for trade companies :

Trading account: define as a statement of gross profit or gross loss showing match [cost of goods sold ]and[net sales ]at the end of the accounting period .

#### Trade account for the year ended in 31/12/2012

-Beginning inventory	xxx	Sales	Xxx
-Purchases	xxx	Purchases discounts	Xxx
-Sales discounts	xxx	Purchases return & allowances	Xxx
-Sales returns &allowances	xxx	Ending inventory	Xxx
-Purchases expenses &foreign transportation	xxx		Xxx
-The balance /gross profit	xxx	The balance /gross loss	Xxx

#### The layout of trading account

Notes / trading account :closing the balancing trading account (gross profit )or (gross loss)in profit and loss account.

-gross profit = Net sales\_ cost of goods sold  
Or gross loss = Net sales \_ cost of goods sold

Gross profit  $\underline{\text{Net sales}} > \text{Cost of goods sold}$

Gross loss  $\text{Cost of goods sold} > \text{net sales}$

B-Profit and loss account :

Define as statement of (net profit) or (net loss) showing match (expenses )and (revenues )at the end of accounting period.

#### Profit &loss account for year in 31/12/2012

-Gross loss	xxx	Gross profit	Xxx
-Selling expenses	xxx	Other revenues &gains	Xxx
-Advertising expenses	xxx	Interest revenues	Xxx
-Depreciation of sales equipment's	xxx	Rental revenues	Xxx
-Telephone &telegraph expenses	xxx		
-Administrative expenses	xxx		
-Insurance expense	xxx		
-Depreciation of buildings	xxx		

-Other expenses & loss	xxx		
-Bank expenses	xxx		
The balance/net profit	xxx	The balance /net loss	Xxx

### The layout of profit & loss account

Terms of expenditures

Terms of revenues

Notes :

Net profit = revenues - expenses

Or net loss= revenues - expenses

Profit & loss account : closing the balance profit and loss account (profit net )or (loss net )in capital account.

Final accounts for industrial companies :

A-Manufacturing account :this account prepared before trading account showing the cost of goods manufactured during the year is called manufacturing account this account prepared addition to the trading account .

Manufacturing account for the year ended 31/12/2012

Direct materials	xxx	Raw materials inventory31/12	Xxx
Direct labor	xxx	Work in process inventory31/12	Xxx
Manufacturing overhead or factory overhead	xxx	The balance /cost of goods manufactured	Xxx
Raw materials inventory 1/1	xxx		Xxx
Work in process inventory1/1	xxx		

### The layout of manufacturing account

Notes :

There are three elements of production cost :

1-direct material

2-direct labor

3-manufacturing overhead or factory overhead

-manufacturing overhead examples:

Indirect materials /indirect labor/ depreciation of factory /depreciation of equipment /insurance of factory.

Inventory including three accounts :

1-raw materials inventory (1/1)(31/12)

2-work in process inventory (1/1)(31/12)

3- Finished goods inventory (1/1)(31/12)

Trade account : حساب المتاجرة

يغلق رصيد كلفة البضاعة المنتجة في حساب المتاجرة للتوصل الى كلفة البضاعة المباعة ومقابلتها بصافي المبيعات لتحديد مجمل الربح او الخسارة المتحققة.

Profit & loss account : حساب الربح والخسارة

لا يختلف في الشركات الصناعية عنه في الشركات التجارية الذي يعد بيان صافي النتيجة النهائية من ربح او خسارة متحققة خلال الفترة المالية.

Reading in profit & loss topics

The terms of assets

Terms of capital and debits

The balance sheet

Definition and the usefulness of the balance sheet

Definition :the balance sheet shows the financial condition of enterprise at the end of financial period.

Usefulness of the balance sheet :

The balance sheet provides information about the nature and amounts of investments in enterprise resources ,obligations to creditors and the owner's equity in net resources.

There are three elements of the balance sheet :

1-Assets :in accounting something owned by a person or company and which represents an economic benefit to them assets are classed as fixed and current assets .

2-liabilities :various forms of debt or obligations owned the gain types of liability exist-current and secured.

enterprise which is provided by its owners, in balance sheet terms it has been equal in total to the assets less the liabilities the equity is the ownership interest.

Classification in the balance sheet :

The elements of the balance sheet divide in to several sub-classification , so the general format of the balance sheet as presentation below

Balance sheet of December 31/12/2012

Assets		Liabilities & owners' equity	
Current assets	xxx	Current liabilities	Xxx
Long – term investments	xxx	Long – term debt	Xxx
Property ,plant &equipment	xxx	Owners' equity	Xxx
Intangible assets	xxx	Capital stock	Xxx
Other assets	xxx	Additional paid in capital	Xxx
		Retained earnings	Xxx
	xxx		Xxx

Assets other examples :

Short- term investments

Inventories

Buildings

Good will

Trade mark

Notes receivable

Liabilities other examples :

Notes payable  
Account payable

Exercises 1

The trial balance of the Ali Company at the end of its fiscal year 31/12/1996 includes the following accounts :

Beginning inventory 17500 , purchases 142400, sales 190000, sales returns and allowances 4000, foreign transportation 5000,

Purchases returns and allowances 2000, ending inventory 25000, rental revenues 17230, bank expenses 1860, insurance expenses 9070,

Required : prepare trade and profit &loss account for the year ending 31/12/1996

The solution:

Trade account for the year ended 31/12/1996

Beginning inventory	17500	Sales	190000
Purchases	142400	Purchases return &allowances	2000
sales returns &allowances	4000	Ending inventory	25000
Foreign transportation	5000		
The balance gross profit	48100		
			217000

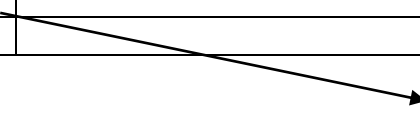
The entries closing

Dr: trade account :48100

Cr: profit &loss account 48100

Profit &loss account for year ended 31/12/1996

Bank expenses	1860	Gross profit	48100
Insurance expenses	9070	Rental revenues	17230
The balance /net profit	54400		65330
	10930		65330



The entries closing :

Dr: profit &loss account :54400

Cr: capital 54400

Exercise /2

Ahmed company manufacture the product x had the following inventory balances at the beginning and the end of 1999:

Inventory	January 1/1/1999	December 31/12/1999
Raw materials	60000	70000
Work in process	120000	115000
Finished goods	150000	165000

During 1999 the company purchased 250000 of raw material, Direct materials 300000, direct labor 100000,manufacture overhead costs were as follows :

Indirect martials 10000, indirect labor 25000, other manufacturing 145000, sales revenues 1105000 for the year, selling expenses 110000, insurance expenses 50000, depreciation of building 20000.

Required :prepare a- manufacturing account b- trade account  
c- profit &loss account .

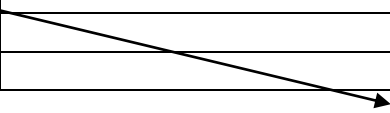
The solution:

A-manufacturing account for the year ended 31/12/1999

Raw materials 1/1	60000	Raw materials 31/12	70000
Work in process 1/1	120000	Work in process 31/12	115000
Purchased	25000		185000
Direct materials	30000		
Direct labor	100000		
M.O.C indirect materials	10000		
M.O.C indirect labor	25000		
Other manufacturing	145000	The balance :cost of goods manufactured	
	1010000		825000
Cost of goods manufactured	825000		1010000
			185000

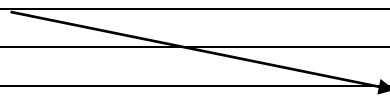
B- trade account for the year ended 31/12/1999

Finished goods 1/1	50000	Finished goods 31/12	165000
Cost of goods manufactured	825000	Sales revenues	1105000
The balance / gross profit	295000		1270000
			295000
	975000		



C-Profit & loss account for the year ended 31/12/1999

Selling expenses	110000	Gross profit	295000
Insurance expenses	50000		
Depreciation of building	20000		
The balance /profit net	115000		
	295000		295000
			115000



Terms of inventory and description

Reading in inventory & depreciation

Depreciation of fixed assets :

Depreciation define as the accounting process of allocating the cost of fixed assets to expenses to those periods expected to benefit from the use of the assets .

Types of assets &(terms) :

Cash

Bank

Receivable

Lands

Building

Equipment

Types of liabilities:

Account payable

Notes payable

Accrued expenses.

System of inventory control:

1-perpetual system

2-peroidic system

Methods of inventory valuation :

1-First – in ,first – out(FIFO)

2-Last – in, first – out (LIFO)

3-Lower of cost or market ceiling and floor.



Methods of cost apportionment (depreciation):

- 1-activity methods
- 2-straight – line methods
- 3-units of production method
- 4-declining balance method
- 5-sum-of the years digits

Stock level include :

- 1-maximum level or higher
- 2-reorder level
- 3-minimum level

The times include :

- Actual hours
- Actual times
- Rat per hour
- West time
- Normal west time
- Up normal west time
- Over time
- Premium over time

Terms of cost accounting

Reading in cost accounting

Cost account

Cost accounting:

Is the application of costing and cost accounting principles , methods and techniques to the science , art and practice of the cost control and decision making.

Cost accounting includes :

- 1-measurment
- 2-control
- 3-decision making

Objectives of the cost accounting:

- 1-to ascertain of the cost
- 2-to control cost
- 3-to provide information for decision making
- 4-to determine selling price
- 5-to ascertain of cost profit

Types of the cost:

Product costs

Period cost

Variable cost

Fixed cost

Full cost

Organization cost

Historical cost

Terms of cost accounting:

Material cost  
Labor cost  
Services cost  
Prime cost  
Conversion cost  
Cost center  
Cost elements  
Cost unit  
Cost sheet  
Full costs

Cost centers types :

- 1-production cost centers
- 2-services cost centers
- 3-marketing cost centers
- 4-administrative cost centers

Prime cost and manufacture cost :

Prime cost = direct material + direct labor

manufacture cost = prime cost + (F.O.H)

Cost accounting system include :

- 1-job costing system
- 2-process costing system

Cost accounting theory include:

- 1-full costing theory
- 2-direct cost theory
- 3-variable cost theory
- 4-cost exploitation theory

Direct and indirect cost :

There are three cost elements :

- 1-direct materials
- 2-direct labor
- 3-factory overhead(F.O.H)

Allocation method (F.O.H) Include:

- 1-total allocation method
- 2-single allocation method
- 3-reduction allocation method

Exercise /1

Indicate whether each of the following items represent direct or indirect cost ?

- 1-fire of insurance on equipment .
- 2-machine operation labor.

- 3-cost accountant salary.
- 4-machine repairs .
- 5-raw materials .

The solution

- 1-F.O.H
- 2-Direct labor
- 3-F.O.H
- 4-F.O.H
- 5-Direct material

Exercise/2

Indicate whether each of the following items represents a fixed or variable cost ?

- 1-rent
- 2-Property tax
- 3-factory power
- 4-cost accountant salaries
- 5-machines repair
- 6-factory manager salary

The solution :

- 1-fixed
- 2-fixed
- 3-variable
- 4-fixed
- 5-variable
- 6-fixed

Notes:

Total cost =manufacture cost +commercial cost +administrative cost

Sales revenues =sales units \* sales price per unit

Production cost = production units \* total unit cost

Notes for variable theory :

Contribution margin = sales revenues – variable cost of the goods sold .

Income statement :

The layout of income statement

Income statement for the year ended 31/12/2010

Sales revenues	Xxx
Cost of goods sold	Xxx
<u>Gross profit</u>	<u>Xxx</u>
Marketing cost	Xxx
Administrative cost	Xxx
<u>Net profit</u>	<u>Xxx</u>

Break- even- point (B.E.P)

NOTES

Sales =variable cost +fixed cost +profit

$$\text{B.E.P} = \frac{\text{fixed costs}}{\text{Contribution margin}}$$

Contribution margin = sales price per unit – variable cost per unit .

Example : using the following data to determine the B.E.P?

Sales price per unit =10D

Fixed costs= 200000D

Contribution margin =50%of sales

Solution:

Contribution margin =10\*50%=5D

B.E.P= $\frac{200000}{5}$  =40000 units

Terms of auditing and internal control

Types of audit and terms

Auditor's

Sampling

Cost of benefit analysis

Standard on auditing

Investigation on events on fraud

The auditor's report on financial statements .

The elements of the report auditor's

1-title and auditor's address

2-date of report

3-addresse

4-subject

5-opinion paragraph (notes)

6-auditor's signature