

ProEnglish Education and Publishing
ENGLISH FOR ACCOUNTING AND AUDITING

ANSWER KEY

UNIT 1

Focus on Vocabulary, page 10

1-C; 2-E; 3-D; 4-I; 5-F; 6-J; 7-A; 8-G; 9-B; 10-H;

Language Task, page 10 (there are different possible solutions to this exercise):

1-I; 2-C; 3-G; 4-A; 5-F; 6-H; 7-E; 8-J; 9-B; 10-D;

Building up a new vocabulary, page 13:

1-C; 2-E; 3-D; 4-I; 5-F; 6-J; 7-A; 8-G; 9-B; 10-H;

UNIT 2

Focus on vocabulary, page 16:

1. responsible for; 2. specialised in; 3. deal with 4. in charge of; 5. entitled to;
6. comply with; 7. related to; 8. advise on; 9. exempt from; 10. subtracted from;

Language task, page 16:

1. bookkeepers; 2. accountants; 3. accountants; 4. bookkeepers; 5. accountants;
6. accountants; 7. bookkeepers; 8. bookkeepers; 9. accountants; 10. bookkeepers;

Building up a new vocabulary, page 19:

1-G; 2-E; 3-A; 4-F; 5-B; 6-J; 7-C; 8-I; 9-D; 10-H;

UNIT 3

Focus on vocabulary, page 22:

1. Checking every individual stock item: Physically counting inventory
2. Making a list of all account balances in general ledger before any adjusting entries are made:
Preparing an unadjusted trial balance
3. Making a list of all company accounts that will appear on financial statements: Preparing an adjusted trial balance
4. Transferring balances from temporary to permanent accounts: Closing the books
5. Correcting misplaced decimals: General error correction
6. Comparing two sets of accounts to ensure that the balances are in agreement: Reconciling accounts
7. Placing an entry under a correct account: Classification error correction
8. Removing data from the company file: Purging information that is no longer needed

Building up a new vocabulary, page 25:

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;

UNIT 4**Focus on vocabulary, page 29:**

There are no prescribed answers to this exercise.

Building up a new vocabulary, page 31:

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;

UNIT 5**Focus on vocabulary, page 34:**

Sales Revenues: OR

Costs of Goods Sold: OE

Direct Labour: OE

Selling, General and Administrative Expense: OE

Depreciation Expense: OE

Service Revenue: OR

Loss from a lawsuit: L

Cost of Material: OE

Extraordinary Losses: L

Negative effects of FX translations: L

Sale of Discontinued Operations: G

Interest Revenue: NOR

Building up a new vocabulary, page 37:

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;

UNIT 6**Focus on vocabulary, page 40**

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;

Language Task, page 40

Provisions L

Interest Receivable A

Inventory A

Bank Loans L

Goodwill A

Securities A

Accounts Receivable A

Income Tax Payable L

Accounts Payable L

Interest Payable L

Cash on Hand A

Current Account A

Employee Benefits L

Accrued Wages and Salaries Payable L

Building up a new vocabulary, page 43:

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-C; 8-D; 9-E; 10-F;

UNIT 7**Focus on vocabulary, page 46;**

There are no prescribed answers to this exercise.

Building up a new vocabulary, page 49:

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;

UNIT 8

Focus on vocabulary, page 52:

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;

Building up a new vocabulary, page 55:

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;

UNIT 9

Focus on vocabulary, page 58:

1. Prepare purchase requisition 2. Check and authorise requisition 3. Send out requests for quotations 4. Compare supplier bids 5. Select a supplier 6. Issue a purchase order 7. Receive and inspect goods (AE) 8. Accept or reject goods 9. Receive a delivery note and invoice (AE) 10. Reconcile the invoice and the purchase order 11. Post the supplier's invoice (AE) 12. Prepare and authorise payment 13. Pay the supplier's invoice (AE) 14. Enter payment into payment records (AE)

An accounting entry is made at steps 7, 9, 11, 12, 13, 1.

Building up a new vocabulary, page 61:

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;

UNIT 10

Focus on vocabulary, page 64:

1. stakeholders 2. transparency, accountability and consistency 3. comparability 4. regulatory body 5. outline 6. adherence 7. conceptual framework 8. underlying concepts

Building up a new vocabulary, page 67:

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;

UNIT 11

Focus on Vocabulary, page 70:

1. fraud 2. tax fraud 3. tax evasion 4. embezzlement 5. insider trading 6. bribery 7. falsification 8. forgery (counterfeiting) 9. short-shipment 10. pilfering 11. industrial espionage 12. front company

Building up a new vocabulary, page 73:

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;

UNIT 12

Focus on Vocabulary, page 76:

1. economic events / cash transactions 2. earned 3. incurred 4. matching principle 5. expected cash inflows or outflows 6. accrues 7. accrual 8. defer 9. deferral 10. deferred

Building up a new vocabulary, page 79:

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;

UNIT 13

Focus on vocabulary, page 82:

1. carrying value of an asset 2. wear and tear 3. useful life 4. physical deterioration 5. accumulated depreciation 6. amortisation 7. salvage value 8. impairment 9. obsolescence 10. historical cost

Building up a new vocabulary, page 85:

1-G; 2-C; 3-A 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;

UNIT 14

Focus on vocabulary, page 88:

1. intangible asset 2. patent 3. trademark 4. copyright 5. infringement 6. legal intangible assets 7. competitive intangible assets 8. royalty 9. amortisation 10. goodwill

Building up a new vocabulary, page 91:

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;

UNIT 15

Focus on Vocabulary, page 94:

1. unqualified opinion 2. qualified opinion 3. adverse opinion 4. disclaimer of opinion 5. emphasis of matter 6. professional scepticism 7. material misstatement 8. material adjustment 9. anomalous entry 10. discrepancy

Building up a new vocabulary, page 97:

1-G; 2-C; 3-A; 4-J; 5-H; 6-I; 7-B; 8-D; 9-E; 10-F;