Accounting

What is the definition of an accountant?

Someone who solves a problem you did not know you had in a way you don't understand.

Warm up

- What is your job? Describe what you do on a day to day basis.
- When is the busiest time of the year for you at work?
- Accounting has a reputation for being boring. Would you agree?
- What are your favourite and least favourite parts of working in accounting?
- What is something all accountants should be good at?
- Does being good at accounting help you in your life outside of work?
- Should some level of accounting be taught to secondary school students? Why/Why not?

1. Practice read the following numbers and equations out loud with your class.

1. 5634 *five thousand six hundred and thirty four*

2. 456,678 *four hundred and fifty six thousand, six hundred and seventy eight*

3. 10,456,677 *ten million, four hundred and fifty six thousand, six hundred and seventy seven*

4. 45,235,345,678 *forty five billion, two hundred and thirty five million, three hundred and forty five thousand, six hundred and seventy eight*

5. $\frac{3}{4}$ *three fourths*

6. 0.00456 *zero point zero zero four five six*

7. 49.8% *forty nine point eight percent*

8. 8:6 *eight to six*

9. 2^3 *two to the power of three*

10. 19x6=114 *nineteen multiplied by six equals one hundred and fourteen*

11. 329 ÷ 8 = 41.125 *three hundred and twenty nine divided by eight equals forty one point one two five*

12. 1000+500 = 1500 *one thousand plus five hundred equals one thousand five hundred*

13. 86-67=19 *eighty six minus sixty seven equals nineteen*

14. $2.50 *two dollars fifty cents*

15. €56.99 *fifty six euros ninety nine cents*

16. £10.75 *ten pounds seventy five pence*

2. Write down some examples of your own numbers from exercise 1. Work with a partner and practice saying and writing these number. Check your answers.

My examples	*My partner's examples*
………………………………………………………………	………………………………………………………………
………………………………………………………………	………………………………………………………………
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3. The employees below all work for a large financial firm SDG Limited. Read their job descriptions below and match their name to the correct job title.

1. Jane *b*
2. Mary *e*
3. Emily *c*
4. Rav *d*
5. Thomas *f*
6. Jen *a*

a. Accountant intern
b. Bookkeeper
c. External Auditor
d. Budget Analyst
e. Financial Controller
f. CFO

Jane: *I keep track of a company's finances by accurately recording transactions and organizing financial records. I help the company stay on top of its financial obligations and provide the information needed to make informed decisions about its future.*

Mary: *I am responsible for tracking the cash flow and accounts to ensure that everything is being recorded and processed correctly. Additionally, I make sure that assets are protected through appropriate control measures and that the financial records meet legal standards.*

Emily: *I review a company's financial records to make sure everything is accurate and follows the rules. Then, I give my opinion to help people decide whether or not to trust the company's financial statements.*

Rav: *I analyse the budget proposals, determine funding allocations, defend the budget recommendations against various stakeholders and forecast the company's future financial requirements.*

This helps make sure that the company is being honest about its financial health.

Thomas: *My job has the primary responsibility of planning, implementation, managing and running all of the finance activities. I also obtain and maintain relations with our investors and partners.*

Jen: *I am working here for 3 months to get practical work experience while I study. I assist the accounting department with a variety of tasks. For example, I am responsible for basic office tasks such as making copies of client invoices or files.*

4. Discuss the following points on invoicing with your class and take notes.

1. Do you work with invoices at your job?

2. What is the difference between an invoice and a quotation?

A quotation is given before the work has started and lists how much the job or service will cost. An invoice is given after the work is complete with the final costs and when the payment is due.

3. What is the difference between an invoice and a receipt?

An invoice is a request for payment and a receipt is a proof of payment.

4. What is a fiscal year?

A fiscal year is a one-year period which companies and governments use for financial reporting and budgeting. It is most commonly used for accounting purposes in order to prepare financial statements. Not all fiscal years correspond to calendar years.

5. What necessary information should be on an invoice? List below.

Unique invoice number, company name and address, company name and address of customer, summary description, date of supply, date of the invoice, amount of the individual goods, total amount payable, payment terms, how to pay the invoice

6. Here are some common invoicing mistakes. Have you ever made any of them?
   - Not having an invoice template

- Not having the appropriate contact person
- Not backing up the original file
- Leaving out essential details or making mistakes
- Not setting a due date

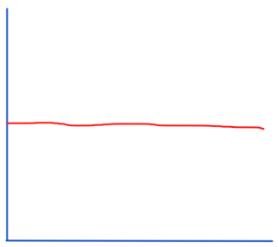
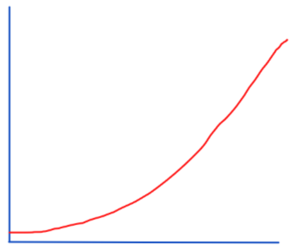
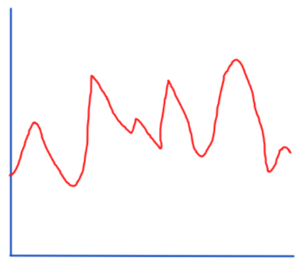
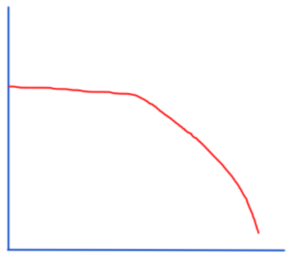
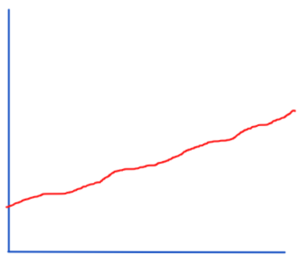
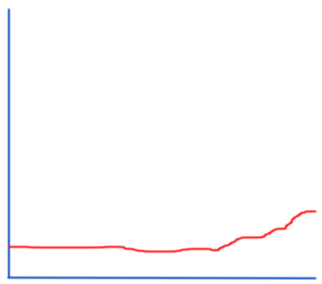
5. Match the type of expenses below with their correct definition.

1. fixed expenses	*c*	a.	These expenses are determined by the business and usually fluctuate with the business sales for example in marketing, production, materials etc.
2. variable expenses	*a*	b.	These expenses can be defined as "want" expenses rather than "needs".
3. discretionary expenses	*b*	c.	Consistent on a month-by-month, year-by-year basis. These expenses are not affected by your sales.
4. operating expenses	*d*	d.	These are the costs that your business needs to run. This can include things such as stationery.

6. Match the following invoicing terms with their correct definition.

1. income statement	*b*	a. Describes the company's financial position at a certain point in time. It usually lists the company's assets, liabilities, and obligations.
2. cash flow statement	*c*	b. This lists the revenues, costs and expenses for a specific time period. This time period is usually your fiscal year.
3. balance sheet	*a*	c. This statement is broken down into three parts. Operations (how much cash inflows and outflows have been generated by the business), investing (equipment, buildings or short-term assets) and financing (debts, loans and dividends).

7. Auditors and accountants often have to write financial reports. This is when graphs come in handy. Take a look at the graphs below and label them with the correct description.

1. e	2. d	3. b
		
4. f	5. c	6. a
		

a. The situation was pretty bad, but the numbers are improving slowly.
b. The numbers have been fluctuating since the start of the year.
c. We have seen a steady increase in our figures over the past year.
d. The figures have soared this quarter.
e. The situation is stable.
f. Figures plummeted last quarter.

8. Listen to Rob talk about his job as a financial controller and answer the questions.

a) What does North Craft sell?

North Craft sells glass, primarily for windows. However, for lots of different functions.

b) Who does Rob work with to make the annual budget?
Rob works with the CFO to make a budget for the fiscal year.

c) What part of his job does Rob find to be the most difficult?

He struggles with the IT side the most.

d) Why is Rob not excited about giving his annual report?

Because their balance is not looking great.

e) How much revenue did North Craft Solutions have last year?

This year: 7.8 m this year: 2m more than last year.

f) What are the top 3 operating costs at North Craft?

Staff salaries, raw materials for glass making and electricity costs.

g) How much profit did North Craft make last year?

€965,000

h) How much profit did North Craft make this year?

A loss of €72,000

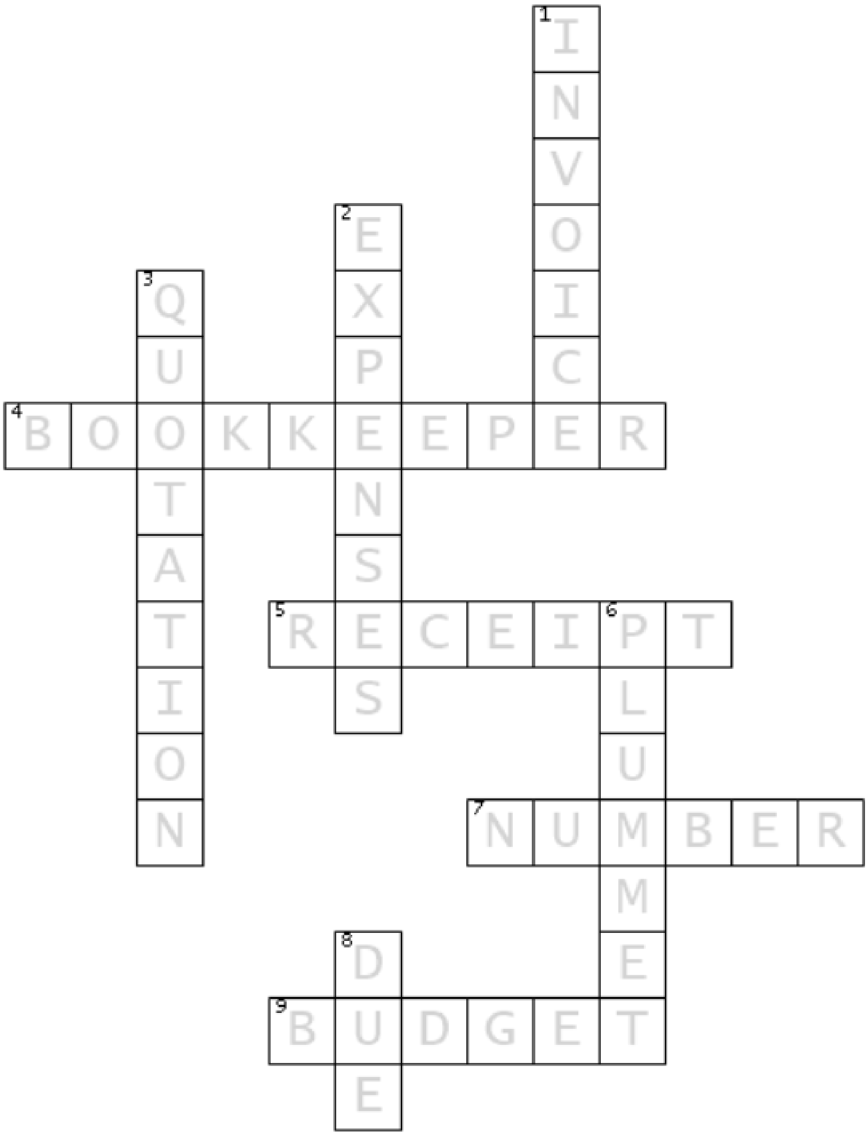
i) What is the main reason North Craft is not doing very well?

The operating costs are too high.

j) When is the annual report due?

Friday next week.

9. Work with a partner or in a group and complete the following crossword using vocabulary from this worksheet.



Clues

ACROSS

4) Someone who maintains financial records, including purchases, sales, receipts and payments.
5) An official paper document confirming that someone has purchased something.
7) A synonym for *figure*.
9) An estimation of revenue and expenses over a specified future period of time.

DOWN

1) A commercial document that records the transaction between a buyer and a seller.
2) A synonym for *costs*.
3) A document issued from a business to a customer outlining the price of a sale before the customer commits to the purchase.
6) Fall or drop straight down at high speed.
8) A word used to describe when something is expected or planned for a certain time.