**Accountancy**

Accountancy (British English) or accounting (American English) is the measurement, disclosure or provision of assurance about information that helps managers and other decision makers make resource allocation decisions.

Financial accounting is one branch of accounting and historically has involved processes by which financial information about a business is recorded, classified, summarized, interpreted, and communicated. Auditing is the process whereby an independent auditor examines an organization's financial statements in order to express an opinion (with reasonable but not absolute assurance) about the fairness and adherence to generally accepted accounting principles.

Practitioners of accountancy are known as accountants. Officially licensed accountants are recognized by titles such as Chartered Accountant (UK) or Certified Public Accountant (US).

Accountancy attempts to create accurate financial reports that are useful to managers, regulators, and other stakeholders such as shareholders, creditors, or owners. The day-to-day record-keeping in this process is known as book-keeping.

At the heart of modern financial accounting is the double-entry book-keeping system. This system involves making at least two entries for every transaction: a debit in one account, and a corresponding credit in another account. What are debits and credits? In a nutshell: debits (dr) record all of the money flowing into an account, while credits (cr) record all of the money flowing out of an account. What does that mean? Most businesses these days use the double-entry method for their accounting. The sum of all debits should always equal the sum of all credits. This provides an easy way to check for errors. This system was first used in medieval Europe, although some believe that the system dates back to Ancient Greece.

According to critics of standard accounting practices, it has changed little since. Accounting reform measures of some kind have been taken in each generation to attempt to keep book-keeping relevant to capital assets or production capacity. However, these have not changed the basic principles, which are supposed to be independent of economics as such.

**Explanatory Dictionary**

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| **№** | **Terms** | **Explanation** |
| 1 | duty | a target-specific form of tax levied by a state. |
| 2 | duty free | the act of being able to purchase an item without paying import, sales, value-added, or other taxes |
| 3 | a price floor | the lowest price that one can legally charge for some good or service |
| 4 | equilibrium price | the only price where the plans of consumers and the plans of producers agree |
| 5 | Consumer Price Index (CPI) | measures the average change in prices over time that consumers pay for a basket of goods and services |
| 6 | foreign national debt | money borrowed by a government, corporation or private household from another country's government or private lenders |
| 7 | inflation | the rate of increase in prices over a given period of time |
| 8 | devaluation | an official lowering of the value of a country's currency within a fixed exchange-rate system |
| 9 | a commodity bundle  (a market basket) | a fixed list of items in given proportions |
| 10 | purchasing power | the amount of goods and services that can be purchased with a unit of currency |
| 11 | stakeholder | a party that has an interest in a company and can affect or be affected by the business;  the primary stakeholders in a typical corporation are its investors, employees, customers, and suppliers. |
| 12 | shareholder | a person, company, or institution that owns at least one share of a company's stock |
| 13 | value-added | the addition of features to a basic model for which the buyer is prepared to pay extra;  the amount by which the value of an article is increased at each stage of its production, |