**Accounting record**

**A. Double-entry record**

Younis works in the accounting department of a trading company, he began his career as a bookkeeper. Bookkeepers record the company’s daily transactions, sales, purchases, debts, expenses, and so on. Each type of transaction is recorded in a separate account, the cash account, the liabilities Account, and so on. Double-entry bookkeeping is a system that records two aspects of every transaction. Every transaction is a debit, a deduction in one account and a corresponding credit, an addition in another. For example, if a company buys some raw materials, the substances and components used to make products that it will pay for a month later; it debits its purchases account and credits the supplier’s account. If the company sells an item on credit, it credits the sales account, and debits the customer’s account. As this means the level of the company’s stock, goods ready for sale, is reduced, it debits the stock account. There is a corresponding increase in its debtors, customers who owe money for goods or services purchased, and the debtors or accounts payable account is credited. Each account records debits on the left and credits on the right. If the bookkeepers do their work correctly, the total debits always equal the total credits.

**B. Day books and ledgers**

For accounts with a large number of transactions, like purchases and sales, companies often record the transactions in day books or journals, and then put a daily or weekly summary in the main double-entry records.

In Britain, they call the main books of account nominal ledgers. Creditors, suppliers to whom the company owes money for purchases made on credit are recorded in a bought ledger. They still use these names, even though these days all the information is on a computer.

**C. Balancing the books**

At the end of an accounting period, for example a year, bookkeepers prepare a trial balance which transfers the debit and credit balances of different accounts onto one page. As always, the total debits should equal the total credits. The accountants can then use these balances to prepare the organizations financial statement.

**Activity one:**

**Complete the following tables**

|  |  |
| --- | --- |
| **Words** | **Synonyms** |
| transaction |  |
| summary |  |
| Record |  |

|  |  |
| --- | --- |
| **Words** | **Opposites** |
| Equal |  |
| Purchases |  |
| increase |  |

**Activity two:**

|  |  |  |
| --- | --- | --- |
| Credit | Ledger | Debit |
| Creditors | Stock | debtors |

**Match the words in the box with the definitions below:**

1. an amount entered on the left-hand side of an account, recording money paid

out.........

2. a book of accounts........

3. customers who owe money for goods or services not yet paid for........

4. an amount entered on the right-hand side of an account, recording a payment

received........

5. goods stored ready for sale.....

6. suppliers who are owed money for purchases not yet paid for......

**Activity three:**

**With referring to the text complete the expressions below:**

1........................................... shows where money comes from and where it

goes, it is always transferred from one...........................to another one. Every

event is entered twice, once as a credit and once as a ..........................

2. Most businesses record very frequent or numerous transactions in

................................................or ...........................

3. The main account books are called..................................... , and the book

relating to creditors is called the.................

4. In order to prepare financial statements, companies do a ..............

.........which copies all the debit and credit balances of different accounts onto

a single page.

**Activity three**: **by using dictionary translate the following paragraph into**

**English.**

**الميزانية المحتسبية :**

هي جدول على شكل T يظهر المركز المالي للمؤسسة في تاريخ معين يسجل في الجانب اليسر منه مجموع مصادر الممتلكات التي تملكها المؤسسة ويسجل في الجانب الأيمن منه مجموع الاستخدامات، يسمى الجاني الأيسر الأصول، والجانب الأيمن الخصوم.

تقوم أو تقاس الأصول والخصوم باستخدام الوحدة النقدية للبلد (DA)