Dictionary of Accounting

fourth edition

‘An impressive addition to the library’
Reference Review

OVER 6,000 TERMS CLEARLY DEFINED
Dictionary of Accounting

Fourth edition
Specialist dictionaries

Dictionary of Agriculture 978 0 7136 7778 2
Dictionary of Banking and Finance 978 0 7136 7739 3
Dictionary of Business 978 0 7136 7918 2
Dictionary of Computing 978 0 7475 6622 9
Dictionary of Economics 978 0 7136 8203 8
Dictionary of Environment and Ecology 978 0 7475 7201 5
Dictionary of Food Science and Nutrition 978 0 7136 7784 3
Dictionary of Human Resources and Personnel Management 978 0 7136 8142 0
Dictionary of Information and Library Management 978 0 7136 7591 7
Dictionary of Leisure, Travel and Tourism 978 0 7136 8545 9
Dictionary of Marketing 978 0 7475 6621 2
Dictionary of Media Studies 978 0 7136 7593 1
Dictionary of Medical Terms 978 0 7136 7603 7
Dictionary of Nursing 978 0 7475 6634 2
Dictionary of Politics and Government 978 0 7475 7220 6
Dictionary of Publishing and Printing 978 0 7136 7589 4
Dictionary of Science and Technology 978 0 7475 6620 5
Dictionary of Sport and Exercise Science 978 0 7136 7785 0

Easier English™ titles

Easier English Basic Dictionary 978 0 7475 6644 1
Easier English Basic Synonyms 978 0 7475 6979 4
Easier English Dictionary: Handy Pocket Edition 978 0 7475 6625 0
Easier English Intermediate Dictionary 978 0 7475 6989 3
Easier English Student Dictionary 978 0 7475 6624 3
English Thesaurus for Students 978 1 9016 5931 3

Check Your English Vocabulary workbooks

Academic English 978 0 7475 6691 5
Business and Administration 978 0 7136 7916 8
Human Resources 978 0 7475 6997 8
Law 978 0 7136 7592 4
Living in the UK 978 0 7136 7914 4
Medicine 978 0 7136 7590 0
FCE + 978 0 7475 6981 7
IELTS 978 0 7136 7604 4
Phrasal Verbs and Idioms 978 0 7136 7805 5
TOEFL® 978 0 7475 6984 8
TOEIC ® 978 0 7136 7508 5

Visit our website for full details of all our books: www.acblack.com
Preface

This dictionary provides a basic vocabulary of terms used in accounting, from personal finance and investments to company accounts, balance sheets and stock valuations. It is ideal for students of accounting and for anyone who needs to check the meaning of an accountancy term, from people working in businesses who may not be professional accountants to translators or those for whom English is an additional language.

Each headword is explained in clear, straightforward English and examples are given to show how the word may be used in context. There are also quotations from newspapers and specialist magazines. Sample documents and financial statements are also provided.

Thanks are due to Hannah Gray and Sarah Williams for their invaluable help and advice during the production of this new edition.
Pronunciation

The following symbols have been used to show the pronunciation of the main words in the dictionary.

Stress has been indicated by a main stress mark (') and a secondary stress mark (\). Note that these are only guides, as the stress of the word changes according to its position in the sentence.

<table>
<thead>
<tr>
<th>Vowels</th>
<th>Consonants</th>
</tr>
</thead>
<tbody>
<tr>
<td>æ</td>
<td>back</td>
</tr>
<tr>
<td>əː</td>
<td>harm</td>
</tr>
<tr>
<td>ø</td>
<td>stop</td>
</tr>
<tr>
<td>aɪ</td>
<td>type</td>
</tr>
<tr>
<td>æo</td>
<td>how</td>
</tr>
<tr>
<td>əʊ</td>
<td>hire</td>
</tr>
<tr>
<td>əʊ ɔː</td>
<td>hour</td>
</tr>
<tr>
<td>əː</td>
<td>course</td>
</tr>
<tr>
<td>əː</td>
<td>annoy</td>
</tr>
<tr>
<td>e</td>
<td>head</td>
</tr>
<tr>
<td>əː</td>
<td>fair</td>
</tr>
<tr>
<td>eɪ</td>
<td>make</td>
</tr>
<tr>
<td>əʊ</td>
<td>go</td>
</tr>
<tr>
<td>əː</td>
<td>word</td>
</tr>
<tr>
<td>iː</td>
<td>keep</td>
</tr>
<tr>
<td>iː</td>
<td>happy</td>
</tr>
<tr>
<td>əː</td>
<td>about</td>
</tr>
<tr>
<td>ɪ</td>
<td>flt</td>
</tr>
<tr>
<td>ɪə</td>
<td>near</td>
</tr>
<tr>
<td>uː</td>
<td>annual</td>
</tr>
<tr>
<td>uː</td>
<td>pool</td>
</tr>
<tr>
<td>uː</td>
<td>book</td>
</tr>
<tr>
<td>ʊː</td>
<td>tour</td>
</tr>
<tr>
<td>aʊ</td>
<td>shut</td>
</tr>
<tr>
<td>ʌ</td>
<td></td>
</tr>
</tbody>
</table>
A

AAA  abbreviation American Accounting Association
AAPA  abbreviation Association of Authorised Public Accountants
AARF  abbreviation Australian Accounting Research Foundation
AAT  abbreviation Association of Accounting Technicians
abacus  /æbəˈkæs/ noun a counting device consisting of parallel rods strung with beads, still widely used for business and accounting in China and Japan
abandonment  /əˈbændənmənt/ noun an act of giving up voluntarily something that you own, such as an option or the right to a property 2 abandonment of a claim giving up a claim in a civil action
abatement  /əˈbeɪtmənt/ noun a reduction in the volume of process loss below that set by the normal loss allowance. Abnormal gains are generally costing as though they were completed products.
abnormal gain  /æb,nɔz(m)əl/ 'gɛrn/ noun any gains which exceed the normal loss allowance. Abnormal gains are generally costing as though they were completed products.
abnormal loss  /æb,nɔz(m)əl/ 'lɔs/ noun any losses which exceed the normal loss allowance. Abnormal losses are generally costing as though they were completed products.
abnormal spoilage  /æbˌnɔz(ə)l/ 'spɔliidʒ/ noun spoilage that contributes to an abnormal loss
above par  /əˈbʌv pɑr/ adjective referring to a share with a market price higher than its face value
above-the-line  /əˈbʌv əˈlein/ adverb 1. used to describe entries in a company’s profit and loss accounts that appear above the line which separates entries showing the origin of the funds that have contributed to the profit or loss from those that relate to its distribution. Exceptional and extraordinary items appear above the line. 2 Exceptional items or entries appear above the line in company accounts.
above-the-line 2. relating to revenue items in a government budget
abridged accounts  /əˈbrɪdʒd əˈkaʊnts/ plural noun financial statements produced by a company that fall outside the requirements stipulated in the Companies Act
absorb  /əˈzbərb/ verb 1. to take in a small item so that it forms part of a larger one 2 a business which has been absorbed by a competitor a small business which has been made part of a larger one 2 to assign an overhead to a particular cost centre in a company’s production accounts so that its identity becomes lost.
absorption costing
absorbed overhead  /əbˌzbərd əˈsovərd/ noun an overhead attached to products or services by means of overhead absorption rates
absorption  /əbˈzəpʃən/ noun the process of making a smaller business part of a larger one, so that the smaller company in effect no longer exists
absorption costing  /əbˌzəpʃən /əˈsəʊʃiən/ noun 1. a form of costing for a product that includes both the direct costs of production and the indirect overhead costs as well 2. an accounting practice in which fixed and variable costs of production are absorbed by different cost centres. Providing all the products or services can be sold at
absorption rate

a price that covers the allocated costs, this method ensures that both fixed and variable costs are recovered in full. marginal costing

absorption rate

abstract

abusive tax shelter

Academy of Accounting Historians

acceptance

accelerated cost recovery system

accelerated depreciation

acceleration

acceptance sampling

accepting house

acceptance house

account

accountability

accounting
something, e.g. the accountability of directors to the shareholders.

**accountable** /ˈkaʊntəb(ə)l/ adjective referring to a person who has to explain what has taken place or who is responsible for something (NOTE: You are accountable to someone for something.)

**account analysis** /ˈkaʊnt əˌnælɪsɪs/ noun analysis of a company’s accounts with the aim of discerning how its activities affect its costs.

**accountancy** /ˈkaʊntənsi/ noun the work of an accountant.  
1. They are studying accountancy or They are accountancy students.

**accountancy bodies** /ˈkaʊntənsi,ˈbɒdɪz/ plural noun professional institutions and associations for accountants.

**accountancy profession** /ˈkaʊntənsi prəˈfeʃən/ noun the professional bodies that establish entry standards, organise professional examinations, and draw up ethical and technical guidelines for accountants.

**accountant** /ˈkaʊntənt/ noun 1. a person who keeps a company’s accounts or deals with an individual person’s tax affairs.  
- The chief accountant of a manufacturing group.
- The accountant has shown that there is a sharp variance in our labour costs.

**accountancy** /ˈkaʊntənsi/ noun the work of an accountant.  
1. They are studying accountancy or They are accountancy students.

**accountancy bodies** /ˈkaʊntənsi,ˈbɒdɪz/ plural noun professional institutions and associations for accountants.

**accountancy profession** /ˈkaʊntənsi prəˈfeʃən/ noun the professional bodies that establish entry standards, organise professional examinations, and draw up ethical and technical guidelines for accountants.

**accountant** /ˈkaʊntənt/ noun 1. a person who keeps a company’s accounts or deals with an individual person’s tax affairs.  
- The chief accountant of a manufacturing group.
- The accountant has shown that there is a sharp variance in our labour costs.

- The accountant has shown that there is a sharp variance in our labour costs.

**accountants** /ˈkaʊntənts/ plural noun professional bodies from the United States, Canada, and the United Kingdom that was established in 1966 to research accounting practices in the three member countries. After publishing 20 reports, it was disbanded in 1977 with the foundation of the International Federation of Accountants.

**accountant’s liability** /ˈkaʊntənts ˈleɪəlɪti/ noun the legal liability of an accountant who commits fraud or is held to be negligent.

**accountants’ opinion** /ˈkaʊntənts əˈpɪnjən/ noun a report of the audit of a company’s books, carried out by a certified public accountant (NOTE: The US term is audit opinion.)

**accountants’ report** /ˈkaʊntənts riˈpɔrt/ noun in the United Kingdom, a report written by accountants that is required by the London Stock Exchange to be included in the prospectus of a company seeking a listing on the Exchange.

**accounting** /ˈkaʊntɪŋ/ noun the work of an accountant.  
1. The accountant has shown that there is a sharp variance in our labour costs.
- The accountant has shown that there is a sharp variance in our labour costs.

**accounting concept** /ˈkaʊntɪŋ ˈkɒnsept/ noun a general assumption on which accounts are prepared. The main concepts are: that the business is a going concern, that revenue and costs are noted when they are incurred and not when cash is received or paid, that the present accounts are drawn up following the same principles as the previous accounts, that the revenue or
accounting control

costs are only recorded if it is certain that they will be incurred.

accounting control /əˈkaʊntɪŋ ˈkənˌtrəʊl/ noun procedures designed to ensure that source data for accounts are accurate and proper, in order to prevent fraud.

accounting conventions /əˈkaʊntɪŋ kənˈvenʃən/ plural noun the fundamental assumptions that govern the practice of accounting, e.g., consistency and prudence.

conceptual framework accounting cycle /əˈkaʊntɪŋ ˈsɜːrk(ə)l/ noun the regular process of recording, analysing and reporting a company’s transactions for a given period.

accounting date /əˈkaʊntɪŋ ˈdeɪt/ noun the date on which an accounting period ends, usually 31st December for annual accounts but it can in fact be any date.

Accounting Directives /əˈkaʊntɪŋ ˈdəktrɪvz/ plural noun a set of EU directives issued with the aim of regulating accounting procedures in member states.

accounting entity /əˈkaʊntɪŋ ˈentətɪ/ noun the unit for which financial statements and accounting records are prepared, e.g., a limited company or a partnership.

reporting entity

accounting equation /əˈkaʊntɪŋ ɪˈkwɛrətʃ(ə)n/ noun the basic formula that underpins double-entry bookkeeping. It can be expressed most simply as ‘assets + expenses = liabilities + capital + revenue’ where the debit amounts to the left of the equals sign must be equivalent to the credit amounts to the right. Also called balance sheet equation.

accounting error /əˈkaʊntɪŋ ˈərə/ noun any accounting inaccuracy or misrepresentation that is the result of error, not intentional fraud.

accounting event /əˈkaʊntɪŋ ɪˈvent/ noun a transaction recorded in a business’s books of account.

accounting fees /əˈkaʊntɪŋ ˈfɪzɪ/ plural noun fees paid to an accountant for preparing accounts, which are deductible against tax.

accounting information system /əˈkaʊntɪŋ ɪnˈfərəmʃ(ə)n ˈsɪstəm/ noun a system, usually computer-based, that processes information on a company’s transactions for accounting purposes.

accounting manual /əˈkaʊntɪŋ ˌmænjuəl/ noun a handbook or set of instructions that sets out all procedures and responsibilities of those engaged in an entity’s accounting systems.

accounting period /əˈkaʊntɪŋ ˈpərɪəd/ noun a period of time at the end of which the firm’s accounts are made up.

accounting policies /əˈkaʊntɪŋ ˈpɒləlsiz/ plural noun the accounting bases used by a company when preparing its financial statements.

accounting practice /əˈkaʊntɪŋ ˈprækts/ noun the way in which accountants and auditors implement accounting policies.

accounting principles /əˈkaʊntɪŋ ˈprɪnsəs(ə)lz/ plural noun standards of accuracy and probity that apply to those carrying out accounting procedures.

Accounting Principles Board /əˈkaʊntɪŋ ˈprɪnsəs(ə)lz ˈbɔði/ noun the US body which issued Opinions that formed much of US Generally Accepted Accounting Principles up to 1973 when the Financial Accounting Standards Board (FASB) took over that role. Abbreviation APB.

accounting procedure /əˈkaʊntɪŋ ˈprəʊsɪdər/ noun an accounting method developed by an individual or organisation to deal with routine accounting tasks.

accounting profits /əˈkaʊntɪŋ ˈprɒfɪts/ plural noun the difference between revenue and the costs of production.

accounting rate of return /əˈkaʊntɪŋ ˈreɪt ə ˈrɪtərn/ noun a method of valuing shares in a company where the company’s estimated future profits are divided by the rate of return required by investors. Abbreviation ARR.

accounting records /əˈkaʊntɪŋ ˈrɛkərs/ plural noun all documents in which accounting information is recorded, used during the preparation of financial statements.

accounting reference date /əˈkaʊntɪŋ ˈrɛfərəns ˈdeɪt/ noun the last day of a company’s accounting reference period. Abbreviation ARD.

accounting reference period /əˈkaʊntɪŋ ˈrɛfərəns ˈpərɪəd/ noun 1, the period for which a company makes up its accounts. In most, but not all, cases, the period is 12 months. 2, the period for which corporation tax is calculated.

accounting software /əˈkaʊntɪŋ ˈswɑːrətbru/ noun computer programs used to enter and process accounts information.

accounting standard /əˈkaʊntɪŋ ˈstændəd/ noun an authoritative statement of how particular types of transaction and other events should be reflected in financial statements. Compliance with accounting
Accounting Standards Board /əˈkɒuntɪŋ ˈstændədz bɔːd/ noun a committee set up by British accounting institutions to monitor methods used in accounting. Abbreviation ASB

Accounting Standards Committee /əˈkɒuntɪŋ ˈstændədz ˈkɒmɪt/ noun a UK accounting standards issuing body whose functions were taken over by the ASB in 1990. Abbreviation ASC

Accounting system /əˈkɒuntɪŋ ˈsɪstəm/ noun the means used by an organisation to produce its accounting information

Accounting technician /əˈkɒuntɪŋ ˈteknɪkən/ noun a person who assists in the preparation of accounts but who is not a fully qualified accountant

Accounting unit /əˈkɒuntɪŋ ˈjuːnɪt/ noun any unit which takes part in financial transactions which are recorded in a set of accounts. It can be a department, a sole trader, a Plc or some other unit.

Account payee /əˈkɒunt ˈpɛi/ noun the words printed on most UK cheques indicating that the cheque can only be paid into the account of the person or business to whom the cheque is written, or be cashed for a fee at an agency offering a cheque cashing service

Accounts /əˈkɒunts/ plural noun detailed records of a company’s financial affairs

Accounts department /əˈkɒunts ˈdɪpərtmənt/ noun a department in a company which deals with money paid, received, borrowed, or owed

Accounts manager /əˈkɒunts ˈmeɪnɪdʒər/ noun the manager of an accounts department

Accounts payable /əˈkɒunts ˈpeɪsəbl/ plural noun money owed by a company

Accounts receivable /əˈkɒunts ˈrɛsɪvəbl/ plural noun money owed to a company. Abbreviation AR

Accounts receivable turnover /əˈkɒunts ˈrɛsɪvəbl ˈtɜːnərvɔːr/ noun a statistic showing on average how long customers take to pay money they owe for goods or services received

Accrete /əˈkrɪt/ verb 1. (of a fund) to have interest added to it. 2. (of assets) to grow as a result of mergers, expansion or the acquisition of other interests

Accretion /əˈkrɪʃən/ noun the process of adding interest to a fund over a period of time

Accrual /əˈkrjuəl/ noun a gradual increase by addition

Accruals /əˈkrjuəlz/ plural noun same as accrued liabilities

Accruals basis /əˈkrjuəlz ˈbeɪsɪs/, accruals concept /əˈkrjuəlz ˈkɒnsɛpt/ noun a method of preparing accounts in which revenues and costs are both reported during the period to which they refer and not during the period when payments are received or made

Accrue /əˈkrju/ verb 1. to record a financial transaction in accounts when it takes place, and not when payment is made or received. 2. to increase and be due for payment at a later date. ○ Interest accrues from the beginning of the month.

Accrued dividend /əˈkruːd ˈdɪvɪndənd/ noun a dividend earned since the last dividend was paid

Accrued expense /əˈkruːd ˈɪksˈpens/ noun an expense that has been incurred within a given accounting period but not yet paid

Accrued income /əˈkruːd ˈɪnmən/ noun revenue entered in accounts, although payment has not yet been received

Accrued interest /əˈkruːd ˈɪntərst/ noun interest which has been earned by an interest-bearing investment. ○ Accrued interest is added quarterly.

Accrued liabilities /əˈkruːd ˈlaɪəbɪlɪtiz/ plural noun liabilities which are recorded in an accounting period, although payment has not yet been made. This refers to liabilities such as rent, electricity, etc. Also called accruals

Accrued revenue /əˈkruːd ˈrevənju/ noun same as accrued income

Accumulate /əˈkjuːmələt/ verb to grow in quantity by being added to, or to get more of something over a period of time. ○ We allow dividends to accumulate in the fund.

Accumulated depreciation /əˈkjuːmələtəd dɪˈprɪʃən/ noun the total amount by which an asset has been depreciated since it was purchased

Accumulated earnings tax /əˈkjuːmələtəd ˈɛnərɪŋz ˈteɪks/, accumulated profits tax /əˈkjuːmələtəd ˈprəftɪz ˈteɪks/ noun US a tax on earnings above a specified limit which are unjustifiably retained in a business to avoid paying higher personal income tax

Accumulated profit /əˈkjuːmələtɪd ˈprəftɪ/ noun a profit which is not paid as
accumulated reserves 6

activity-based budgeting /æk,tri:vti / noun the allocation of resources to individual activities. Activity-based budgeting involves determining which activities incur costs within an organisation, establishing the relationships between them, and then deciding how much of the total budget should be allocated to each activity. Abbreviation ABB

activity-based costing /æk,tri:vti / noun a costing system used to assign overhead costs to specific items produced, by looking at specific cost drivers. Abbreviation ABC

Actual cost /æk,juəl kɒst/ noun the total cost of producing or buying an item, which
may include, e.g., its price plus the cost of delivery or storage

**actual price** /ˈæktʃərl/ 'prais/ noun a price for a commodity which is for immediate delivery.

**actuals** /ˈæktʃəlz/ plural noun real figures ○ These figures are the actuals for last year.

**actuaria** /ˈæktʃuəriəl/ adjective calculated by an actuary ○ The premiums are worked out according to actuarial calculations.

**actuarial tables** /ˈæktʃuəriəl ˈtɛблz/ plural noun lists showing how long people are likely to live, used to calculate life assurance premiums and annuities.

**actuary** /ˈæktʃuərɪ/ noun a person employed by an insurance company or other organisation to calculate the risk involved in an insurance, and therefore the premiums payable by people taking out insurance

**add** /æd/ verb to put figures together to make a total ○ If you add the interest to the capital you will get quite a large sum. ○ Interest is added monthly.

**add up** /æd ˈʌp/ phrasal verb to put several figures together to make a total ○ He made a mistake in adding up the column of figures.

**add up to** /æd ˈʌptu/ phrasal verb to make a total of ○ The total expenditure adds up to more than £1,000.

**added value** /ˈædɛd ˈvɛlju:/ noun an amount added to the value of a product or service, equal to the difference between its cost and the amount received when it is sold. Wages, taxes, etc. are deducted from the added value to give the profit. ○ VAT

**addend** /ˈædend/ noun a number added to the augend in an addition.

**addition** /ˈædɪʃən/ noun 1. a thing or person added ○ The management has stopped all additions to the staff. ○ We are exhibiting several additions to our product line. ○ The marketing director is the latest addition to the board. 2. an arithmetical operation consisting of adding together two or more numbers to make a sum ○ You don’t need a calculator to do simple addition.

**additional** /ˈædɪʃənl/ adjective extra which is added ○ additional costs ○ They sent us a list of additional charges. ○ Some additional clauses were added to the contract. ○ Additional duty will have to be paid.

**additional personal allowance** /ˈædɪʃənl ˈprərsənl ˈæləns/ noun a tax allowance which can be claimed by a single person who has a child of school age living with them, formerly called the ‘single-parent allowance’

**additional premium** /ˈædɪʃənl ˈprɪmɪəm/ noun a payment made to cover extra items in an existing insurance.

**additional voluntary contributions** /ˈædɪʃənl ˈvɔləntərē ˈkɒntri/ plural noun extra payments made voluntarily by an employee to a pension scheme on top of the normal contributions, up to a maximum of 15% of gross earnings. Abbreviation AVCs

**adequate disclosure** /ˈædɪkwət ˈdiʃəls/ noun a comprehensive presentation of statistics in financial statements, such that they can be used to inform investment decisions

**adjudicate** /əˈdʒudɪkət/ verb to give a judgment between two parties in law or to decide a legal problem ○ to adjudicate a claim ○ to adjudicate in a dispute ○ he was adjudicated bankrupt he was declared legally bankrupt

**adjudication** /əˈdʒudɪkəʃən/ noun the act of giving a judgment or of deciding a legal problem

**adjudication of bankruptcy** /əˈdʒudɪkəʃən əv ˈbekkræptiks/ noun a legal order making someone bankrupt

**adjudication tribunal** /əˈdʒudɪkəʃən ˈtrɪbənl/ noun a group which adjudicates in industrial disputes

**adjudicator** /əˈdʒudɪkətər/ noun 1. a person who gives a decision on a problem ○ an adjudicator in an industrial dispute. 2. the Adjudicator official who examines complaints from individuals and businesses about how the Inland Revenue handles their affairs, but does not deal with questions of tax liability

**adjust** /əˈdʒəst/ verb to change something to fit new conditions ○ Prices are adjusted for inflation.

‘Inflation-adjusted GNP moved up at a 1.3% annual rate’ [Fortune]

‘Saudi Arabia will no longer adjust its production to match short-term supply with demand’ [Economist]

‘...on a seasonally-adjusted basis, output of trucks, electric power, steel and paper decreased’ [Business Week]

**adjustable rate mortgage** /əˈdʒəstəbl ˈræt ˈmɔrtɪɡe/ noun a mortgage where the interest rates changes according to the current market rates. Abbreviation ARM

**adjustable rate preferred stock** /əˈdʒəstəbl ˈret ˈprɛf ˈstɔrk/ noun
adjusted gross income

preference shares on which dividends are paid in line with the interest rate on Treasury bills. Abbreviation ARPS

adjusted gross income /əˌdʒɔːst id ˈɡrɔːs/ noun US a person’s total annual income less expenses, pension contributions, capital losses, etc., used as a basis to calculate federal income tax. Abbreviation AGI

administrator /ədˈmɪnɪstə/ noun a person who calculates losses for an insurance company

adjusting entry /əˌdʒɔːst inˈ ˈentri/ noun an entry in accounts which is made to correct a mistake in the accounts

administration costs /ədˌmɪnɪstrəˈtɪv ɪkˈspɛnsiz/ plural noun the costs of management, not including production, marketing, or distribution costs

administrative receiver /ədˌmɪnɪstrətɪv ˈriːsɪvr/ noun a person appointed by a court to administer the affairs of a company

administrator /ədˈmɪnɪstrətər/ noun 1. a person who directs the work of other employees in a business ○ After several years as a college teacher, she hopes to become an administrator. 2. a person appointed by a court to manage the affairs of someone who dies without leaving a will
advisory /ədˈvaɪzəri/ adjective as an adviser. ○ She is acting in an advisory capacity.
advisory funds /ədˈvaɪzəri fʌndz/ plural noun funds placed with a financial institution to invest on behalf of a client, the institution investing them at its own discretion

AFAANZ abbreviation Accounting and Finance Association of Australia and New Zealand

AFBD abbreviation Association of Futures Brokers and Dealers

affiliated /ˈæfɪliətɪd/ adjective connected with or owned by another company ○ Smiths Ltd is one of our affiliated companies.

affiliated enterprise /ˈæfɪliətɪd ɪnˈtrɪpəraɪz/, affiliated company /ˈæfɪliətɪd ˈkæmpəsəni/ noun company which is partly owned by another (though less than 50%), and where the share-owning company exerts some management control or has a close trading relationship with the associate ○ one of our affiliated companies

aftermarket /ˈaftərˌmɑːkɪt/ noun a market in new shares, which starts immediately after trading in the shares begins

after tax /ˈaftər tɛks/ adverb after tax has been paid

after-tax profit /ˈaftər tɛks ˈprɒfit/ noun a profit after tax has been deducted

age analysis of debtors /ˈeɪdʒ əˌnɛlzəri əˌnɛdətsi/ noun the amount owed by debtors, classified by age of debt

aged debtors analysis /ˈeɪdʒd ˌdetəzə ˌnɛlzəri, ˌeɪdʒiŋ skedjuːl/ noun a list which analyses a company’s debtors, showing the number of days their payments are outstanding

agency /ˈeɪdʒənsi/ noun 1. an office or job of representing another company in an area ○ They signed an agency agreement or an agency contract. 2. an office or business which arranges things for other companies

agency bank /ˈeɪdʒənsi ˈbæŋk/ noun a bank which does not accept deposits, but acts as an agent for another, usually foreign, bank

agency bill /ˈeɪdʒənsi bɪl/ noun a bill of exchange drawn on the local branch of a foreign bank

agency broker /ˈeɪdʒənsi ˈbrəʊkə/ noun a dealer who acts as the agent for an investor, buying and selling for a commission

agency worker /ˈeɪdʒənsi ˈwɜːkə/ noun a person who is employed by an agency to work for another company. He or she is taxed as an employee of the agency, not of the company where he or she actually works.

agenda /əˈdʒendə/ noun a list of things to be discussed at a meeting ○ The conference agenda or the agenda of ○ After two hours we were still discussing the first item on the agenda. ○ We usually put finance at the top of the agenda. ○ The chair wants two items removed from or taken off the agenda.

agent /ˈeɪdʒənt/ noun 1. a person who represents a company or another person in an area ○ to be the agent for BMW cars ○ to be the agent for IBM 2. a person in charge of an agency ○ The estate agent sent me a list of properties for sale.

agent bank /ˈeɪdʒənt ˈbæŋk/ noun a bank which uses the credit card system set up by another bank

agent’s commission /ˈeɪdʒəntz kəˌmɪʃən/ noun money, often a percentage of sales, paid to an agent

age-related /ˈeɪdʒ ˈrɪlətɪd/ adjective connected with a person’s age

age-related allowance /ˈeɪdʒ ˈrɪlətɪd ˈələʊnsəz/ noun an extra tax allowance which a person over 65 may be entitled to

aggregate /ˈægrəɡət/ adjective total, with everything added together ○ aggregate output

aggregate demand /ˈægrəɡət dəmənd/ noun the total demand for goods and services from all sectors of the economy including individuals, companies and the government ○ Economists are studying the recent fall in aggregate demand. ○ As incomes have risen, so has aggregate demand.

aggregate risk /ˈægrəɡət ˈrɪsk/ noun the risk which a bank runs in lending to a customer

aggregate supply /ˈægrəɡət ˈsəpləˈri/ noun all goods and services on the market ○ Is aggregate supply meeting aggregate demand?

AGI abbreviation US adjusted gross income

agio /ˌeɪdʒiəʊ/ noun 1. a charge made for changing money of one currency into another, or for changing banknotes into cash 2. the difference between two values, such as between the interest charged on loans made by a bank and the interest paid by the bank on deposits, or the difference between the values of two currencies

AGM abbreviation Annual General Meeting

agreed /əˈɡriːd/ adjective having been accepted by everyone ○ We pay an agreed
overhead costs which have been
lar purposes, or a sum provided for a pur-

allowable /əˈlaʊəbəl/ adjective legally

allow for /əˈlaʊə fər/ phrasal verb to give a
discount for something, or to add an extra
sum to cover something ∘ to allow for mon-

allowable deductions /əˈlaʊəbəldiˈʃən/ noun plural noun deductions from
income which are allowed by the Inland
Revenue, and which reduce the tax payable

allowance /əˈlaʊəns/ noun 1. money
which is given for a special reason ∘ a travel
allowance or a travelling allowance 2. a part
of an income which is not taxed ∘ allowable
allowances against tax or tax allowances ∘ per-
sonal allowances (NOTE: The US term is
exemption) 3. money removed in the form
of a discount ∘ an allowance for depreci-
ation ∘ an allowance for exchange loss

allowance for bad debt /əˈlaʊəns fər
bad /ˈdet/ noun a provision made in a com-
pany’s accounts for debts which may never
be paid

allowances against tax /əˈlaʊənsəz ə
ˌgenst ‘tæks/ plural noun part of someone’s
income which is not taxed

allowance /əˈlaʊəns/ noun

alternative cost /əlˈtɜːznətiv kɒst/ noun
same as opportunity cost

Alternative Investment Market /əlˈtɜːznətiv mɪˈvestmənt ˈmɑːkɪt/ noun a
London stock market, regulated by the Lon-
don Stock Exchange, dealing in shares in
smaller companies which are not listed on
the main London Stock Exchange. Abbrevi-
ation AIM (NOTE: The AIM is a way in which
smaller companies can sell shares to the
investing public without going to the
expense of obtaining a full share listing.)

alternative minimum tax /əlˈtɜːznətiv
ˌmɪnəm ˈtæks/ noun US a way of calcu-
lating US income tax that is intended to
ensure that wealthy individuals, corpora-
tions, trusts, and estates pay at least some tax
regardless of deductions, but that is increas-
amortised over five years. (2) Analysis /əˌneɪləˈleɪʃən/ noun a detailed examination and report. (3) Analyst /əˈnælist/ noun a person who analyses. (4) Analytical review /əˌnælɪtɪk(ə)rɪˈvjuː/ noun an examination of accounts from different periods for the purpose of identifying ratios, trends and changes in balances. (5) Angel /ˈeɪndʒl/ noun an investor in a company in its early stages, often looking for returns over a longer period of time than a venture capitalist. (6) Annual /ˈænjuəl/ adjective for one year. (7) Annual accounts /ˈænjuəl əˈkaʊnts/ plural noun the accounts prepared at the end of a financial year. (8) Annual accounts /ˈænjuəl diˈprɪʃən ˈeɪʃən(ə)n/ noun a reduction in the book value of an asset at a particular rate per year. (9) Annual depreciation /ˈænjuəl ˌdɪprɪʃən ˈeɪʃən(ə)n prəˈvaɪʒən/ noun an assessment of the cost of an asset’s depreciation in a given accounting period. (10) Annual exemptions /ˈænjuəl ɪŋˈzɛmpərəl ˈprəʊvɪzn/ noun the amount of income which is exempt from tax. (11) Annual General Meeting /ˈænjuəl ˈdʒeniərəl ˈmiːtɪŋ/ noun an annual meeting of all shareholders of a company, when the company’s financial situation is presented by and discussed with the directors, when the accounts for the past year are approved and when dividends are declared and audited. Abbreviation AGM (NOTE: The US term is annual meeting or annual stockholders’ meeting.)

amalgamate /əˈmælɡəmeɪt/ verb to join together with another group. The amalgamated group includes six companies. (AMT) American Accounting Association /əˌmɛrɪkən ˈkaʊntɪŋ əˌsəʊʃən/ noun a US voluntary organisation for those with an interest in accounting research and best practice, which aims to promote excellence in the creation, dissemination and application of accounting knowledge and skills. Abbreviation AAA (AMT) American Depositary Receipt /ˌdɛˈpreɪtəri riˈsɪktʃər/ noun a document issued by an American bank to US citizens, making them unregistered shareholders of companies in foreign countries. The document allows them to receive dividends from their investments, and ADRs can themselves be bought or sold. Abbreviation ADR (AMT) American Institute of Certified Public Accountants /ˌmɛrɪkən ɪnstɪˈʃjʊt vərˈtɪʃtəd ˌpʌblɪk ˌkaʊntɪnts/ noun the national association for certified public accountants in the United States. Abbreviation AICPA (AMT) amortisable /əˈmɔrtɪzaʊəb(ə)l/ adjective being possible to amortise. The capital cost is amortisable over a period of ten years. (AMT) amortisation /əˌmɔrtɪˈzeɪʃən/ noun an act of amortising or amortisation of a debt. (AMT) amortisation period /əˌmɔrtɪˈzeɪʃən piˈrɪd/ noun the length of a lease, used when depreciating the value of the asset leased. (AMT) amortise /əˈmɔrtɪzaɪz/ verb 1. to repay a loan by regular payments, most of which pay off the interest on the loan at first, and then reduce the principal as the repayment period progresses. (AMT) The capital cost is amortised over five years. 2. to depreciate or to write down the capital value of an asset over a period of time in a company’s accounts. (AMT) amount paid up /əˈmɑʊnt pɛd ˈAP/ noun an amount paid for a new issue of shares, either the total payment or the first installment, if the shares are offered with installment payments. (AMT) amount realised /əˈmɑʊnt ˈrɪzləɪzd/ noun money received from the sale or exchange of property. (AMT) annual /ˈænjuəl/ adjective a US voluntary organisation for those with an interest in accounting research and best practice, which aims to promote excellence in the creation, dissemination and application of accounting knowledge and skills. Abbreviation AAA (AMT) annual meeting or annual stockholders’ meeting.)
annual income /ˌɛnˈʃuːəl ˈɪnkəm/ noun money received during a calendar year
annualised /ˌɛnˈʃuːələd/; annualized adjective shown on an annual basis
"...he believes this may have caused the economy to grow at an annualized rate of almost 5 per cent in the final quarter of last year" [Investors Chronicle]
annualised percentage rate /ˌɛnˈʃuːələd pəˈsentidʒ ˈrɛt/ noun a yearly percentage rate, calculated by multiplying the monthly rate by twelve. Abbreviation APR (NOTE: The annualised percentage rate is not as accurate as the Annual Percentage Rate (APR), which includes fees and other charges.)
anually /ˌɛnˈʃuːli/ adverb each year • The figures are updated annually.
annual management charge /ˌɛnˈʃuːəl ˈemənɪdʒmənt ˈfrendʒ/ noun a charge made by the financial institution which is managing an account
annual meeting /ˌɛnˈʃuːəl ˈmiːtɪŋ/ noun US same as Annual General Meeting
Annual Percentage Rate /ˌɛnˈʃuːəl poˈsentidʒ ˈrɛt/ noun a rate of interest (such as on a hire-purchase agreement) shown on an annual compound basis, and including fees and charges. Abbreviation APR
annual report /ˌɛnˈʃuːəl rɪˈpɔrt/ noun a report of a company’s financial situation at the end of a year, sent to all the shareholders
annual return /ˌɛnˈʃuːəl rɪˈtɜːrn/ noun an official report which a registered company has to make each year to the Registrar of Companies
annuitant /ˌɛnjuɪˈtænt/ noun a person who receives an annuity
annuity /ˈɛnjuɪtɪ/ noun money paid each year to a retired person, usually in return for a lump-sum payment. The value of the annuity depends on how long the person lives, as it usually cannot be passed on to another person. Annuities are fixed payments, and lose their value with inflation, whereas a pension can be index-linked. • to buy or to take out an annuity • She has a government annuity or an annuity from the government.
anuity certain /ˌɛnjuɪˈtɪ sərˈtænt/ noun an annuity that provides payments for a specific number of years, regardless of life or death of the annuitant
annuity contract /ˌɛnjuɪˈtɪ ˈkɒntrækt/ noun a contract under which a person is paid a fixed sum regularly for life
antedate /ˌɛntədiˈtiː/ verb to put an earlier date on a document • The invoice was antedated to January 1st.
anti-dumping duty /ˌɛnˈtiː ˈdʌmpɪŋ ˈdjuːti/ noun same as countervailing duty
anti-inflationary /ˌɛnˈtiː inˈfləˈneɪʃənəri/ adjective restricting or trying to restrict inflation • anti-inflationary measures
anti-trust /ˌɛnˈtiː ˈtrʌst/ adjective attacking monopolies and encouraging competition • anti-trust measures
anti-trust laws /ˌɛnˈtiː ˈtrʌst ˈlɔːz/; anti-trust legislation /ˌɛnˈtiː ˈtrʌst leɡˈlɪzəʃən/ plural noun laws in the United States which prevent the formation of monopolies
APB abbreviation 1. Accounting Principles Board 2. Auditing Practices Board
Appeals Commissioner noun a person appointed officially to supervise the collection of taxes, including income tax, capital gains tax and corporation tax, but not VAT
application /əˈplɪkeɪʃən/ noun 1. the act of asking for something, usually in writing, or a document in which someone asks for something, e.g. a job or shares payable on application • She sent off six applications for job or six job applications. 2. effort or diligence • She has shown great application in her work on the project.
appraisal /əˈprɪzəl/ noun a calculation of the value of someone or something
appreciation /əˈpriːʃeɪʃən/ noun 1. an increase in value. Also called capital appreciation 2. the act of valuing something highly • She was given a pay rise in appreciation of her excellent work.
appropriate verb /əˈprɑːprɪt/ to put a sum of money aside for a special purpose • to appropriate a sum of money for a capital project
appropriation /əˌprɑːprɪˈteɪʃən/ noun the act of putting money aside for a special purpose • appropriation of funds to the reserve
13 articles of incorporation

appropriation account /əˌprəʊpriəˈteɪʃən/ /əˌprəʊpriəˈteɪʃən/ noun the part of a profit and loss account which shows how the profit has been dealt with, e.g., how much has been given to the shareholders as dividends and how much is being put into the reserves

approval /əˈprɔv(ə)l/ noun the act of saying or thinking that something is good

approve /əˈprɔv/ verb 1. to approve of something to think something is good

The chairman approves of the new company letter heading. ○ The sales staff do not approve of interference from the accounts division. 2. to agree to something officially ○ to approve the terms of a contract ○ The proposal was approved by the board.

approved accounts /əˌprɔv(ə)d/ noun accounts that have been formally accepted by a company’s board of directors

approved scheme /əˌprɔv(ə)d/ noun a pension scheme or share purchase scheme which has been approved by the Inland Revenue

approved securities /əˌprɔv(ə)d/ plural noun state bonds which can be held by banks to form part of their reserves (NOTE: The list of these bonds is known as the "approved list.")

approximate /əˈprɔksɪmət/ adjective not quite exactly, but almost correct ○ The sales division has made an approximate forecast of expenditure.

approximately /əˈprɔksɪmətli/ adverb not quite exactly, but close to the figure shown ○ Expenditure on marketing is approximately 10% down on the previous quarter

approximation /əˌprɔksɪˈmeɪʃən/ noun a rough calculation ○ Each department has been asked to provide an approximation of expenditure for next year. ○ The final figure is only an approximation.

APR abbreviation annualised percentage rate

APRA abbreviation Australian Prudential Regulation Authority

arbitrage /əˈbɜːtrɪdʒ/ noun the business of making a profit from the difference in value of various assets, e.g., by selling foreign currencies or commodities on one market and buying on another at almost the same time to profit from different exchange rates, or by buying currencies forward and selling them forward at a later date, to benefit from a difference in prices

 arbitrage syndicate /əˌbɜːtrɪdʒˈsɪndɪkət/ noun a group of people who together raise the capital to invest in arbitrage deals

arbitration /əˈbɜːtrɪˈteɪʃən/ noun the settling of a dispute by an outside party agreed on by both sides ○ to take a dispute to arbitration ○ to go to arbitration ○ arbitration in an industrial dispute ○ The two sides decided to submit the dispute to arbitration or to refer the question to arbitration.

arbitrator /əˈbɜːtrɪrət/ noun a person not concerned with a dispute who is chosen by both sides to try to settle it ○ an industrial arbitrator ○ They refused to accept or they rejected the arbitrator’s ruling.

ARD abbreviation accounting reference date

area manager /əˈreərɪə/ noun a manager who is responsible for a company’s work in a specific part of the country

arithmetic mean /əˈrɪθmətɪk / noun a simple average calculated by dividing the sum of two or more items by the number of items

ARM abbreviation adjustable rate mortgage

around /əˈraʊnd/ preposition 1. approximately ○ The office costs around £2,000 a year to heat. ○ Her salary is around $85,000. 2. with a premium or discount

ARPS abbreviation adjustable rate preferred stock

ARR abbreviation accounting rate of return

arrangement fee /əˈrɛŋgmənt fɪ/ noun a charge made by a bank to a client for arranging credit facilities

arrears /əˈrɪərz/ plural noun money which is owed, but which has not been paid at the right time ○ a salary with arrears effective from January 1st ○ We are pressing the company to pay arrears of interest. ○ You must not allow the mortgage payments to fall into arrears.

article /əˈtɪkl/ noun a section of a legal agreement such as a contract or treaty ○ See article 8 of the contract.

articles of association /əˈtɪklz əv ərˈtɪklz/ plural noun a document which lays down the rules for a company regarding such matters as the issue of shares, the conduct of meetings and the appointment of directors ○ This procedure is not allowed under the articles of association of the company. (NOTE: The US term is bylaws)

articles of incorporation /əˈtɪklz əv ərˈtɪklz/ plural noun US same
articles of partnership

as memorandum and articles of association

articles of partnership /ˌɑːtɪkəlz/ əv 'pɑːtnʃip/ plural noun same as partnership agreement

ASB abbreviation Accounting Standards Board

ASC abbreviation Accounting Standards Committee

A shares /æts/ plural noun ordinary shares with limited voting rights or no voting rights at all

asked price /əskəd prəs/ noun a price at which a commodity or stock is offered for sale by a seller, also called 'offer price' in the UK

asking price /əskɪŋ prəs/ noun a price which the seller is hoping will be paid for the item being sold ○ the asking price is £24,000

as per /əz 'pər/ pər

assess /əsɛs/ verb to calculate the value of something or someone ○ to assess damages at £1,000 ○ to assess a property for the purposes of insurance

assessed value /əsɛst 'veɪljuː/ noun a value that is the result of calculation by someone such as an auditor or investment advisor

assessment /əsɛsmənt/ noun a calculation of value ○ a property assessment ○ a tax assessment

asset /əsɛt/ noun 1. something which belongs to a company or person, and which has a value ○ He has an excess of assets over liabilities. ○ Her assets are only £640 as against liabilities of £24,000. 2. valuation of a company on an assets basis calculating the value of a company on the basis of the value of its assets (as opposed to a valuation on an earnings or dividend yield basis)

asset-backed securities /əsɛt bækt sl'jʊəritz/ plural noun bonds secured against specific assets

asset backing /əsɛt 'bækŋ/ noun a support for a share price provided by the value of the company’s assets

asset-rich company /əsɛt ˈrɪtʃ/ 'kempəni/ noun company with valuable tangible assets, such as property, which provides firm backing for its shares

assets /əsɛts/ plural noun all items of property that contribute to the value of an organisation, including tangible items such as cash, stock and real estate, as well as intangible items such as goodwill

asset stripper /əsɛt 'striptə/ noun a person who buys a company to sell its assets

asset stripping /əsɛt 'striptɪŋ/ noun the practice of buying a company at a lower price than its asset value, and then selling its assets

asset turnover /əsɛt ˈtɜːnərvi/ noun a measure of a company’s efficiency that is the ratio of sales revenue to total assets

asset turnover ratio /əsɛt ˈtɜːnərvi ˈreɪʃə/ noun the number of times assets are turned over by sales during the year, calculated as turnover divided by total assets

asset value /əsɛt ˈvaljuː/ noun the value of a company calculated by adding together all its assets

assign /əˈsɛn/ verb 1. to give something to someone by means of an official legal transfer ○ to assign a right to someone ○ to assign shares to someone 2. to give someone a job of work to do and make him or her responsible for doing it ○ She was assigned the task of checking the sales figures.

assignment /əˈsɛnstʃən/ noun a legal transfer ○ the assignment of shares to someone ○ the assignment of shares to a company which is partly owned by another company

assignee /əˈsɛntni/ noun a person who receives something which has been assigned to him or her

assignment /əˈsɛnsment/ noun the legal transfer of a property or right ○ the assignment of a patent or of a copyright ○ to sign a deed of assignment

assignor /əˈsɛnɔr/ noun a person who assigns something to someone

associate /əˈsəʊsɪt/ noun 1. a person or company linked to another in a takeover bid ○ a title given to a junior member of a professional organisation. Senior members are usually called 'fellows'. ○ a person or company linked to another in a takeover bid 2. a title given to a junior member of a professional organisation. Senior members are usually called 'fellows'. ○ a person or company linked to another in a takeover bid

associate company /əˈsəʊsɪt /'kempəni/ noun a company which is partly owned by another company

associated company /əˈsəʊsɪtɪd/ 'kempəni/ noun a company which is partly owned by another company (though less than 50%), which exerts some management control over it or has a close trading relationship with it ○ Smith Ltd and its associated company, Jones Brothers

associate director /əˈsəʊsɪt dər ˈrektaʊər/ noun a director who attends board meetings, but has not been elected by the shareholders

Association of Accounting Technicians /əˈsəʊsɪtʃən/ əv əˈkaʊntɪŋ /əˈtekntʃən/ noun an organisation which
represents accounting technicians and grants membership to people who have passed its examinations. Abbreviation AAT
Association of Authorised Public Accountants /ˌəˌsəʊsiəʃən əv ˌəˌtʃərdəd əˌkɑʊntənts/ noun an organisation which represents accountants who have been authorised by the government to work as auditors. It is a subsidiary of the Association of Chartered Certified Accountants. Abbreviation AAT
Association of Chartered Accountants in the United States /ˌəˌsəʊsiəʃən əv ˌəˌtʃərdəd ˌəˌkɑʊntənts ɪn ˌdɪ ɪˌdʒiˌtækt/ noun a trade association representing Chartered Accountants from Australia, Canada, England and Wales, Ireland, New Zealand, Scotland and South Africa who are based in the United States. Abbreviation ACAUS
Association of Chartered Certified Accountants /ˌəˌsəʊsiəʃən əv ˌəˌtʃərdəd ˌəˌtʃərtəftəd əˌkɑʊntənts/ noun an organisation whose members are certified accountants. Abbreviation ACCA
Association of Corporate Treasurers /ˌəˌsəʊsiəʃən əv ˌəˌkɔrərətprəˈtɜːrəzər/ noun an organisation which groups company treasurers and awards membership to those who have passed its examinations
Association of Financial Advisers /ˌəˌsəʊsiəʃən əv ˌəˌfərənstɪn/ noun a trade association that represents the interests of independent financial advisers.
Association of Futures Brokers and Dealers /ˌəˌsəʊsiəʃən əv ˌəˌfjuːərɪzbrəˈkərzən ˌəˌdɛlərəz/ noun a self-regulating organisation which oversees the activities of dealers in futures and options. Abbreviation AFBD

assumable mortgage /ˌəˌsjuːˈmæbəʊl/ ˈmɔːtɪɡɪdʒ/ noun US a mortgage which can be passed to another person
assurance /əˌʃərəns/ noun a type of insurance which pays compensation for an event that is certain to happen at some time, especially for the death of the insured person. Also called life assurance, life insurance
assure /əˈʃʊər/ verb to insure someone, or someone’s life, so that the insurance company will pay compensation when that person dies. He has paid the premiums to have his wife’s life assured. (Note: Assure, assurer and assurance are used in Britain for insurance policies relating to something which will certainly happen (such as death), for other types of policy (i.e. those against something which may or may not happen, such as an accident) use the terms insure, insurer and insurance. In the US insure, insurer and insurance are used for both.)
attacher /əˈtʃeɪər/ noun an insurer or a company which insures
AST abbreviation Automated Screen Trading
at call /ət ˈkɔll/ adverb immediately available
ATM abbreviation automated teller machine
‘Swiss banks are issuing new cards which will allow cash withdrawals from ATMs in Belgium, Denmark, Spain, France, the Netherlands, Portugal and Germany’ [Banking Technology]
‘…the major supermarket operator is planning a new type of bank that would earn 90% of its revenue from fees on automated teller machine transactions. With the bank setting up ATMs at 7,000 group outlets nationwide, it would have a branch network at least 20 times larger than any of the major banks’ [Nikkei Weekly]
at par /ət ˈpɑr/ phrase equal to the face value
at sight /ət ˈsайt/ adverb immediately, when it is presented ○ a bill of exchange payable at sight
attachment /əˌtʃɪtʃmənt/ noun the act of holding a debtor’s property to prevent it being sold until debts are paid
attachment of earnings /əˌtʃɪtʃmənt əˌtʃɪʃən əˌtʃɪʃən/ noun a process in which a court uses its legal authority to obtain directly from a person’s salary money that the person owes to the court
attachment of earnings order /əˌtʃɪtʃmənt əˌtʃɪʃən əˌtʃɪʃən/ noun an order for which a court or a company orders a debtor to hold a creditor’s property to prevent it from being sold until debts are paid
attach /əˈtʃɪʃ/ verb to stick something to something else, e.g. a statement by an auditor that a company’s financial position is correctly stated in the company’s accounts
attributable profit /ˌəˌtrɪbjuːtəbl ˈprɒfit/ noun a profit which can be shown to come from a particular area of the company’s operations
auction /ˈɔkʃən/ noun 1. a method of selling goods where people who want to buy compete with each other by saying how
announced a sale by auction of the fire-damaged stock. The equipment was sold by auction or at auction. to put an item up for auction to offer an item for sale at an auction. 2. a method of selling government stock, where all stock on issue will be sold, and the highest price offered will be accepted, as opposed to tendering; verb to sell something at an auction. The factory was closed and the machinery was auctioned off.

auctioneer /ˈɔːkʃən/ noun the person who conducts an auction

audit /ˈaudit/ noun the examination of the books and accounts of a company. to carry out the annual audit; verb to examine the books and accounts of a company. Messrs Smith have been asked to audit the accounts. The books have not yet been audited. to audit the stock to carry out a stock control, in front of witnesses, so as to establish the exact quantities and value of stock.

Audit Commission /ˈɔːdit kəˌmɪʃn/ noun British government agency whose duty is to audit the accounts of ministries and other government departments. (NOTE: The US term is General Accounting Office.)

audit committee /ˈɔːdit kəˌmɪt/ noun a committee of a company’s board of directors that monitors finances, on which company executives cannot sit.

audit cycle /ˈaudit ˌsɑk(ə)l/ noun the interval between audits.

audited accounts /ˈaudit ˌaʊntəz/ plural noun a set of accounts that have been thoroughly scrutinised, checked and approved by a team of auditors.

audit fee /ˈaudit fɛ/ noun a fee charged by an auditor for auditing a company’s accounts.

auditing /ˈauditɪŋ/ noun the work of examining the books and accounts of a company.

Auditing Practices Board /ˈaudɪtɪŋ ˈpræktɪsiz ˈbɔːd/ noun a body responsible for developing and issuing professional auditing standards in the United Kingdom and the Republic of Ireland. The APB was created in 1991 following an agreement between the six members of the Consultative Committee of Accountancy Bodies. Abbreviation APB.

auditing standards /ˈauditɪŋ ˈstændədz/ plural noun, guidelines, established by an authoritative body, that auditors should follow when examining financial statements and other information.

audit opinion /ˈaudit ˌoʊpiən/ noun US a report of the audit of a company’s books, carried out by a certified public accountant. (NOTE: The UK term is accountant’s opinion.)

auditor /ˈauditər/ noun a person who audits.

auditors’ fees /ˈauditəz ˈfɪz/ plural noun fees paid to a company’s auditors, which are approved by the shareholders at an AGM.

auditors’ qualification /ˈauditəz ˌkwɔlɪˈfɪkeɪʃn/ noun a form of words in a report from the auditors of a company’s accounts, stating that in their opinion the accounts are not a true reflection of the company’s financial position. Also called qualification of accounts.

Auditors’ report /ˈauditəz riˌpɔrt/ noun a report written by a company’s auditors after they have examined the accounts of the company. Also called audit report. (NOTE: If the auditors are satisfied, the report certifies that, in their opinion, the accounts give a ‘true and fair’ view of the company’s financial position.)

audit programme /ˈaudit ˈprəʊgrɑm/ noun a listing of all the steps to be taken when auditing a company’s accounts.

audit regulation /ˈaudit ˌrɛɡjʊleɪʃn/ noun the regulating of auditors by government.

audit report /ˈaudit riˌpɔrt/ noun same as auditors’ report.

audit risk /ˈaudit ˈrɪsk/ noun the risk that auditors may give an inappropriate audit opinion on financial statements.

audit trail /ˈaudit tretl/ noun the records that show all the stages of a transaction, e.g., a purchase, a sale or a customer complaint, in the order in which they happened. (NOTE: An audit trail can be a useful tool for problem-solving and, in financial markets, may be used to ensure that the dealers have been fair and accurate in their proceedings.)

…provides real-time fax monitoring and audit trail to safeguard information privacy and accuracy. [Forbes]

augend /ˈægənd/ noun the number to which another number (the addend) is added to produce the sum.

Australian Accounting Research Foundation /əˈstrəliən ˌəˌkaʊntɪŋ riˈfɜːf/ noun the authority
that has regulated auditing and assurance matters in Australia since 2004.

**Australian Prudential Regulation Authority**

Australian Prudential Regulation Authority (APRA) is a federal government body responsible for ensuring that financial institutions are able to meet their commitments. Abbreviation APRA

**AUT abbreviation**

authorise /əˈθɔːraɪz/ verb 1. to give permission for something to be done ○ to authorise payment of £10,000 2. to give someone the authority to do something ○ to authorise someone to act on the company’s behalf

authorised capital /əˈθɔːraɪzd ˈkæpit(ə)l/ noun the amount of capital which a company is allowed to have, as stated in the memorandum of association (NOTE: The US equivalent is authorized stock.)

authorised share capital /əˈθɔːraɪzd ˈʃeər(ə)l/ noun the amount of capital that a company is authorised to issue in the form of shares

authorised unit trust /əˈθɔːraɪzd ˈʃɛm ˌkæptɪ(t)əl/ noun the official name for a unit trust which has to be managed according to EU directives. Abbreviation AUT

**Automated Clearing House**

Automated Clearing House (ACH) is an organisation set up by the federal authorities to settle transactions carried out by computer, such as automatic mortgage payments and trade payments between businesses. Abbreviation ACH

**Automated Screen Trading**

Automated Screen Trading (AST) is a system where securities are bought, sold and matched automatically by computer. Abbreviation AST

automated teller machine /əˈθɔːtmɛttəd ˈtelə ˈməʃɪn/ noun US same as cash dispenser

**availability** /əˈvɛrəlɪti/ noun the fact of being easy to obtain

**AVCs abbreviation**

average /ˈævərɪdʒ/ noun 1. a number calculated by adding several figures together and dividing by the number of figures added ○ to the average for the last three months or the last three months’ average ○ sales average or average of sales 2. the sharing of the cost of damage or loss of a ship between the insurers and the owners — adjective equal to the average of a set of figures ○ the average increase in salaries ○ The average cost per unit is too high. ○ The average sales per representative are rising. — verb to work out an average figure for something ○ ...a share with an average rating might yield 5 per cent and have a PER of about 10" [Investors Chronicle] ○ ...the average price per kilogram for this season to the end of April has been 300 cents' [Australian Financial Review]

average out /ˈævərɪdʒ əʊt/ phrasal verb to come to a figure as an average ○ If average increases have averaged out at 15%, ○ Sales average out at 10% per annum.

**average cost of capital** /ˈævərɪdʒ ˈkɒst ɒv kæptɪ(t)əl/ noun an average figure for the cost of borrowing or the capital raised by selling shares

**average due date** /ˈævərɪdʒ ˈdjʊər dɪt/ noun the average date when several different payments fall due

**average income per capita** /ˈævərɪdʒ ˈɪnkəm ˈpɜːr kæptɪ(t)əl/ noun same as per capita income

**avoidance** /əˈvɜːrdʒəns/ noun the act of trying not to do something or not to pay something ○ tax avoidance

**award** /əˈwɜːrd/ noun something given by a court, tribunal or other official body, especially when settling a dispute or claim ○ an award by an industrial tribunal ○ The arbitrator’s award was set aside on appeal. ○ The latest pay award has been announced.
small investor can afford to buy

A backer

backflush costing

back-end loaded

backup withholding

backward integration

backwardation

back duty

back interest

back log
A company has written off $30,000 in bad debts.

An account to make the total debits and credits equal.

Company which is in financial difficulties, to which a country imports more than it exports.

Buying up rubber plantations is part of the tyre company's integration policy. Also called vertical integration.

Backwards spreading. A company set up to organise the payment of direct debits, standing orders, salary cheques and other payments generated by computers. It operates for all the British clearing banks and several building societies; it forms part of APACS. Compare CHAPS.

Bad cheque. A cheque which is returned to the drawer for any reason.

Bad debt. A debt which will not be paid, usually because the debtor has gone out of business, and which has to be written off in the accounts. The company has written off $30,000 in bad debts.

Bad debt expense. An estimate of uncollectible debts which is charged to the profit and loss account.

Bad debt provision. Money put aside in accounts to cover potential bad debts.

Bad debts recovered. Money which was formerly classified as bad debts and therefore written off, but that has since been recovered either wholly or in part.

Badges of trade. A collection of principles established by case law to determine whether or not a person is trading. If so, he or she is taxed under different rules from non-traders.

Bail out. To rescue a company which is in financial difficulties. '...the government has decided to bail out the bank which has suffered losses to the extent that its capital has been wiped out' [South China Morning Post].

Bailment. A transfer of goods by someone (the 'bailor') to someone (the 'bailee') who then holds them until they have to be returned to the bailor (NOTE: Putting jewels in a bank's safe deposit box is an example of bailment.)

Balance. The amount which has to be put in one of the columns of an account to make the total debits and credits equal. Balance brought down or forward. The closing balance of the previous period used as the opening balance of the current period.

Balance carried down or forward. The closing balance of the current period.

The rest of an amount owed. You can pay £100 deposit and the balance within 60 days. To be equal, i.e. the assets owned must always equal the total liabilities plus capital. To calculate the amount needed to make the two sides of an account equal. The president is planning for a balanced budget.

Balance off. To add up and enter the totals for both sides of an account at the end of an accounting period in order to determine the balance.

Balanced budget. A budget where expenditure and income are equal.

Balanced scorecard. A system of measurement and assessment that uses a variety of indicators, particularly customer relations, internal efficiency, financial performance and innovation, to find out how well an organisation is doing in its attempts to achieve its main objectives.

Balance of payments. A comparison between total receipts and payments arising from a country's international trade in goods, services and financial transactions. Abbreviation BOP. Balance of payments capital account. Items in a country’s balance of payments which refer to capital investments made in or by other countries. Balance of payments current account. Record of imports and exports of goods and services and the flows of money between countries arising from investments. Balance of payments record of movements of capital relating to overseas investments and the purchase of companies overseas.

Balance of payments deficit. A situation in which a country imports more than it exports.

Balance of payments surplus. A situation in which a country exports more than it imports.

Balance of retained earnings. Statistics that show fluctuations in the level of income retained for reinvestment during an accounting period.
balance sheet

**balance sheet** /ˈbæləns fɪst/ **noun** a statement of the financial position of a company at a particular time, such as the end of the financial year or the end of a quarter, showing the company’s assets and liabilities.

- **Our accountant has prepared the balance sheet for the first half-year.**
- **The company balance sheet for the last financial year shows a worse position than for the previous year.**

**COMMENT:** The balance sheet shows the state of a company’s finances at a certain date. The profit and loss account shows the movements which have taken place since the end of the previous accounting period. A balance sheet must balance, with the basic equation that assets (i.e. what the company owns, including money owed to the company) must equal liabilities (i.e. what the company owes to its creditors) plus capital (i.e. what it owes to its shareholders). A balance sheet can be drawn up either in the horizontal form, with (in the UK) liabilities and capital on the left-hand side of the page (in the USA, it is the reverse) or in the vertical form, with assets at the top of the page, followed by liabilities, and capital at the bottom. Most are usually drawn up in the vertical format, as opposed to the more old-fashioned horizontal style.

**balance sheet asset value** /ˈbæləns fɪst əˈset, vrɛlju/ **noun** the value of a company calculated by adding together all its assets.

**balance sheet audit** /ˈbæləns fɪst əˈdɪt/ **noun** a limited audit of the items on a company’s balance sheet in order to confirm that it complies with the relevant standards and requirements.

**balance sheet date** /ˈbæləns fɪst ˈdiːt/ **noun** the date (usually the end of a financial or accounting year) when a balance sheet is drawn up.

**balance sheet equation** /ˈbæləns fɪst ˈekwər(ə)r/ **noun** the basic equation upon which all accounts are prepared, that assets = liabilities + assets.

**balance sheet total** /ˈbæləns fɪst ˈtɔt(ə)r/ **noun** in the United Kingdom, the total of assets shown at the bottom of a balance sheet and used to classify a company according to size.

**balancing item** /ˈbælənsɪŋ aɪtəm/ **noun** an item introduced into a balance sheet to make the two sides balance.

**balloon** /ˈbɔːlən/ **noun** a loan where the last repayment is larger than the others.

**balloon mortgage** /ˈbɔːlən ˌmɔɹjʊdʒ/ **noun** a mortgage in which the final payment (called a ‘balloon payment’) is larger than the others.

**BALO** **noun** a French government publication that includes financial statements of public companies. Full form: Bulletin des Annonces Légales Obligatoires.

**bank** /ˈbæŋk/ **noun** a business which holds money for its clients, lends money at interest, and trades generally in money.

- **the First National Bank**
- **the Royal Bank of Scotland**
- **She put all her earnings into the bank.**
- **I have had a letter from my bank telling me my account is overdrawn.**
- **to deposit money into a bank or to have an account with a bank.**
- **He banked the cheque as soon as he received it.**
- **I bank at or with Barclays.**

**bankable** /ˈbæŋkəb(ə)r/ **adjective** acceptable by a bank as security for a loan.

**bankable paper** /ˈbæŋkəb(ə)r/ **noun** a document which a bank will accept as security for a loan.

**bank account** /ˈbæŋk əˈkaʊnt/ **noun** an account which a customer has with a bank, where the customer can deposit and withdraw money.

- **to open a bank account.**
- **to close a bank account.**
- **How much money do you have in your bank account?**
- **If you let the balance in your bank account fall below $1,000, you have to pay bank charges.**

**bank advance** /ˈbæŋk əˈdəvəns/ **noun** same as bank loan.

- **She asked for a bank advance to start her business.**

**bank balance** /ˈbæŋk, ˈbæləns/ **noun** the state of a bank account at any particular time.

- **Our bank balance went into the red last month.**

**bank base rate** /ˈbæŋk ˈberəs, ˈret/ **noun** a basic rate of interest, on which the actual rate a bank charges on loans to its customers is calculated. Also called **base rate.**

**bank bill** /ˈbæŋk bil/ **noun** 1. A bill of exchange by one bank telling another bank, usually in another country, to pay money to someone.

- **same as banker’s bill.**
- **US same as banknote.**

**bank book** /ˈbæŋk bʊk/ **noun** a book given by a bank or building society which shows money which you deposit or withdraw from your savings account or building society account. Also called **passbook.**

**bank borrowings** /ˈbæŋk ˈbɔːrənɪŋz/ **noun** money borrowed from banks.

**bank card** /ˈbæŋk kɑrd/ **noun** a credit card or debit card issued to a customer by a bank for use instead of cash when buying goods or services.

**NOTE:** There are internationally recognised rules that govern the
authorisation of the use of bank cards and the clearing and settlement of transactions in which they are used.)

Bank certificate /ˈbæŋk ˈsərətɪfɪkət/ noun a document, often requested during an audit, that is signed by a bank official and confirms the balances due or from a company on a specific date.

Bank charge /ˈbæŋk ˈtʃɑrdʒ/ noun same as service charge.

Bank confirmation /ˈbæŋk ˌkɒnfɪrmeɪʃn/ noun verification of a company’s balances requested by an auditor from a bank.

Bank credit /ˈbæŋk ˈkredi:t/ noun loans or overdrafts from a bank to a customer.

Bank deposits /ˈbæŋk ˈdɪpəzɪts/ plural noun all money placed in banks by private or corporate customers.

Bank draft /ˈbæŋk ˈdrɑft/ noun an order by one bank telling another bank, usually in another country, to pay money to someone.

Banker /ˈbæŋkər/ noun 1. a person who is in an important position in a bank. 2. a bank official whose banker is Barclays.

Banker’s acceptance /ˈbæŋkəz əkˈsɛptəns/ noun a bill of exchange guaranteed by a bank.

Bankers’ Automated Clearing Services /ˈbæŋkəz əʊtəˈmeɪtɪd ˈkliːərnəz/ plural noun full form of BACS.

Banker’s bill /ˈbæŋkər ˈbɪl/ noun an order by one bank telling another bank, usually in another country, to pay money to someone. Also called bank bill.

Banker’s credit card /ˈbæŋkəz ˈkredɪt ˈkɑrd/ noun a credit card issued by a bank, as opposed to cards issued by stores. Typical such cards are Visa, Egg or MasterCard.

Banker’s draft /ˈbæŋkəz ˈdrɑft/ noun a draft payable by a bank in cash on presentation. Abbreviation B/D.

Banker’s lien /ˈbæŋkəz ˈlɪn/ noun the right of a bank to hold some property of a customer as security against payment of a debt.

Banker’s order /ˈbæŋkəz ˈɔrdər/ noun an order written by a customer asking a bank to make a regular payment. 2. He pays his subscription by banker’s order.

Banker’s reference /ˈbæŋkəz ˈrɪfərəns/ noun a written report issued by a bank regarding a particular customer’s creditworthiness.

Bank giro /ˈbæŋk ˈdʒərov/ noun a method used by clearing banks to transfer money rapidly from one account to another.

Bank holiday /ˈbæŋk ˈhoʊlədi/ noun a weekday which is a public holiday when the banks are closed. 2. New Year’s Day is a bank holiday. 3. Are we paid for bank holidays in this job?

Bank identification number /ˈbæŋk ˌaɪdɛntɪˈfɪkən joʊn/ noun an internationally organised six-digit number which identifies a bank for charge card purposes. Abbreviation BIN.

Banking /ˈbæŋkɪŋ/ noun the business of banks. 2. He is studying banking. 3. She has gone into banking.

Banking account /ˈbæŋkɪŋ ˈəʊkˌkaʊnt/ noun an account which a customer has with a bank.

Banking covenants /ˈbæŋkɪŋ ˈkəʊvənənts/ plural noun a set of conditions imposed by a bank when it lends an institution a large amount of money.

Banking Ombudsman /ˈbæŋkɪŋ əˌmʌbdɔmən/ noun an official whose duty is to investigate complaints by members of the public against banks.

Banking products /ˈbæŋkɪŋ ˈprəʊdʌktz/ plural noun goods and services produced by banks for customers, e.g. statements, direct debits.

Bank loan /ˈbæŋk ˈloʊn/ noun a loan made by a bank to a customer, usually against the security of a property or asset. 2. She asked for a bank loan to start her business. Also called bank advance.

Bank manager /ˈbæŋk ˈmænədʒər/ noun the person in charge of a branch of a bank.

Bank mandate /ˈbæŋk ˈmændət/ noun a written order to a bank, asking it to open an account and allow someone to sign cheques on behalf of the account holder, and giving specimen signatures and relevant information.

Banknote /ˈbæŋk ˈnəʊt/ noun 1. a piece of printed paper money. 2. A counterfeit £20 banknote (NOTE: The US term is bill.)

Bank of England /ˈbæŋk əv ˈɛŋɡəld/ noun the UK central bank, owned by the state, which, together with the Treasury, regulates the nation’s finances.

Bank reconciliation /ˈbæŋk ˌrekənˈslɪŋ ˈɛɪfiŋ/ noun the act of making sure that the bank statements agree with the company’s ledgers.
bank reserves

bank reserves /ˈbæŋk rɪˈzɜːrvz/ plural noun cash and securities held by a bank to cover deposits

bank return /ˈbæŋk rɪˈtɜːn/ noun a regular report from a bank on its financial position

bankrupt /ˈbæŋkrɑpt/ noun, adjective (a person) who has been declared by a court not to be capable of paying his or her debts and whose affairs are put into the hands of a receiver ○ a bankrupt property developer ○ She was adjudicated or declared bankrupt. ○ He went bankrupt after two years in business. ■ verb to make someone become bankrupt ○ The recession bankrupted my father.

bankruptcy /ˈbæŋkrɑptsi/ noun the state of being bankrupt ○ The recession has caused thousands of bankruptcies. (Note: The plural is bankruptcies.)

bankruptcy order /ˈbæŋkrɑptsi ˈɔrdr/ noun same as declaration of bankruptcy

bankruptcy petition /ˈbæŋkrɑptsi ˈpɛnʃ(ə)nt/ noun an application to a court asking for an order making someone bankrupt

bankruptcy proceedings /ˈbæŋkrɑptsi ˈprɛskrɪnznz/ plural noun a court case to make someone bankrupt

bank statement /ˈbæŋk ˈstɛmtmənt/ noun a written statement from a bank showing the balance of an account at a specific date

bank syndicate /ˈbæŋk ˈsɪndɪkət/ noun a group of major international banks which group together to underwrite a very large loan

bank transfer /ˈbæŋk, ˈtrænsfər/ noun an act of moving money from a bank account to another account

bargain /ˈbɑrɡɪn/ noun an agreement on the price of something ○ to strike a bargain or to make a bargain ■ verb to try to reach agreement about something, especially a price, usually with each person or group involved putting forward suggestions or offers which are discussed until a compromise is arrived at ○ You will have to bargain with the dealer if you want a discount. ○ They spent two hours bargaining about or over the price. (Note: You bargain with someone over or about or for something.)

barter /ˈbaːtər/ noun a system in which goods are exchanged for other goods and not sold for money ○ …under the barter agreements, Nigeria will export 175,000 barrels a day of crude oil in exchange for trucks, food, planes and chemicals’ [Wall Street Journal]

bartering /ˈbɑrtrɪŋ/ noun the act of exchanging goods for other goods and not for money

base /ˈbeɪs/ noun 1. the lowest or first position ○ Turnover increased by 200%, but started from a low base. 2. a place where a company has its main office or factory, or a place where a business person’s office is located ○ The company has its base in London and branches in all the European countries. ○ She has an office in Madrid which she uses as a base while travelling in Southern Europe. ■ verb □ to base something on something to calculate something using something as your starting point or basic material for the calculation ○ We based our calculations on the forecast turnover, ○ based on calculating from ○ based on last year’s figures ○ based on population forecasts ○ …the base lending rate, or prime rate, is the rate at which banks lend to their top corporate borrowers’ [Wall Street Journal]

base currency /ˈbeɪs ˌkærənsi/ noun a currency against which exchange rates of other currencies are quoted

base period /ˈbeɪs ˈprɪədiəl/ noun US 1. a period against which comparisons are made 2. the time that an employee must work before becoming eligible for state unemployment insurance benefits ○ Because she had not worked for the base period, she had to rely on the support of her family when she lost her job. ○ The new government shortened the base period, in order to increase social service spending.

base rate /ˈbeɪs ˈreɪt/ noun same as bank base rate

base-weighted index /ˈbeɪs ˈweɪtɪd ˈɪndeks/ noun an index which is weighted according to the base year

base year /ˈbeɪs ˈjɪər/ noun the first year of an index, against which changes occurring in later years are measured

basic /ˈbeɪsɪk/ adjective normal

basic balance /ˈbeɪsɪk ˈbæləns/ noun the balance of current account and long-term capital accounts in a country’s balance of payments

basic commodities /ˈbeɪsɪk ˈkoʊˌmɑrɪsɪz/ plural noun ordinary farm produce, produced in large quantities, e.g. corn, rice or sugar
has been appointed on a short-term basis.

We forecast the turnover on the basis of a 6% price increase. (NOTE: The plural is bases.)

2. the general terms of agreement or general principles on which something is decided or done. (NOTE: The plural is bases.)

3. on a short-term or long-term basis for a short or long period. He has been appointed on a short-term basis.

baker noun a person who holds a cheque or certificate

baker security /b'kər si,kjuəriti/ noun a bond which is payable to the bearer and does not have a name written on it.

baking noun US same as opening stock

 behavioural accounting /b'hɪvəriəl ək'ɔntɪŋ/ noun an approach to the study of accounting that emphasises the psychological and social aspects of the profession in addition to the more technical areas.

below-the-line /b'həu'θi:llin/ adjective used to describe entries in a company’s profit and loss account that show how the profit is distributed, or where the funds to finance the loss originate.

above-the-line noun 1. payments which do not arise from a company’s usual activities, e.g. redundancy payments.

below-the-line expenditure /b'həu'θi:lin kə'spentiŋ/ noun 1. payments which are included in the figure for profit before taxation, as opposed to exceptional items which are shown in the profit and loss account below net profit after taxation.
benchmark

**benchmark** (ˈbentʃmɑrk) **noun** a point or level which is important, and can be used as a reference when making evaluations or assessments

**benchmark accounting policy** (ˈbentʃmɑrk ˈkəʊntərniŋ prələsi) **noun** one of a choice of two possible policies within an International Accounting Standard. The other policy is marked as an ‘allowed alternative’, although there is no indication of preference.

**benchmarking** (ˈbentʃmɑrkɪŋ) **noun** the practice of measuring the performance of a company against the performance of other companies in the same sector. Benchmarking is also used widely in the information technology sector to measure the performance of computer-based information systems.

**beneficial interest** (ˈbenfɪʃ(ə)r) **noun** a situation where someone is allowed to occupy or receive rent from a property but does not own it fully.

**beneficial occupier** (ˈbenfɪʃ(ə)rɪ) **noun** a person who occupies a property and does not own it fully.

**beneficiary** (ˈbenfɪʃ(ə)ri) **noun** a person who gains money from something such as property or money (but not freehold land), given to someone in a will.

**bequest** (ˈbiːkwest) **noun** something such as property or money (but not freehold land), given to someone in a will.

**best practice** (ˈbiːst ′præktɪs) **noun** the most effective and efficient way to do something or to achieve a particular aim (NOTE: In business, best practice is often determined by benchmarking, that is by comparing the method one organisation uses to carry out a task with the methods used by other similar organisations and determining which method is most efficient and effective.)

‘For the past 25 years, managers have been taught that the best practice for valuing assets…is to use a discounted-cash-flow (DCF) methodology.’

[Harvard Business Review]

**bid** (bɪd) **noun** 1. an offer to buy something at a specific price. 2. to make a bid for something to offer to buy something. 3. We made a bid for the house.

**bid-offer price** (ˈbɪd əˈfərprɑs) **noun** the difference between buying and selling prices (i.e. between the bid and offer prices).

**bidder** (ˈbɪdər) **noun** a person who makes a bid, usually at an auction. Several bidders made offers for the house.

**bidding** (ˈbɪdɪŋ) **noun** the act of making offers to buy, usually at an auction. The bidding started at £1,000. The first and lowest bid was £1,000. The bidding stopped at £250,000, the last bid, i.e. the successful bid, was for £250,000. The auctioneer started the bidding at £100. The auctioneer suggested that the first bid should be £100.

**bid market** (ˈbɪd ˈmɑrkɪt) **noun** a market where there are more bids to buy than offers to sell. Opposite **offered market**

**bid-offer price** (ˌbɪd ′ɔfərprɑs) **noun** a price charged by unit trusts to buyers and sellers of units, based on the bid-offer spread.

**bid-offer spread** (ˌbɪd ′ɔfər spred) **noun** the difference between buying and selling prices (i.e. between the bid and offer prices).
bid price /ˈbɪd prɪs/ noun a price at which investors sell shares or units in a unit trust (NOTE: The opposite, i.e. the buying price, is called the offer price; the difference between the two is the spread.)

bid rate /ˈbɪd rɪt/ noun a rate of interest offered on deposits

big business /ˈbɪg ˈbiznəs/ noun very large commercial firms

Big Four /ˈbɪg fɔːr/ noun 1. the four large British commercial banks: Barclays, Lloyds TSB, HSBC and Natwest, now joined by several former building societies that have become banks 2. the four largest international accounting companies: PricewaterhouseCoopers, Deloitte Touche Tohmatsu, Ernst & Young and KPMG 3. the four largest Japanese securities houses: Daini, Nikko, Nomura and Yamaichi

bilateral clearing /baɪəlɪtərəlˈkɛəlɪŋ/ noun the system of annual settlements of accounts between some countries, where accounts are settled by the central banks

bilateral credit /baɪəlɪtərəlˈkredɪt/ noun credit allowed by banks to other banks in a clearing system, to cover the period while cheques are being cleared

bill /bɪl/ noun 1. a written list of charges to be paid ○ The bill is made out to Smith Ltd ○ The sales assistant wrote out the bill. ○ Does the bill include VAT? 2. a list of charges in a restaurant ○ Can I have the bill please? ○ The bill comes to £20 including service. ○ Does the bill include service? Same as check 3. a written paper promising to pay money 4. (US) same as banknote ○ a $5 bill 5. a draft of a new law which will be discussed in Parliament 6. verb to present a bill to someone so that it can be paid ○ The plumbers billed us for the repairs.

bill broker /ˈbɪl ˈbrəʊkər/ noun a discount house, a firm which buys and sells bills of exchange for a fee

billing /ˈbɪlɪŋ/ noun the work of writing invoices or bills

billion /ˈbɪljən/ noun one thousand million (NOTE: In the US, it has always meant one thousand million, but in UK English it formerly meant one million million, and it is still sometimes used with this meaning. With figures it is usually written bn: $5bn say ‘five billion dollars’.)

‘...gross wool receipts for the selling season to end June 30 appear likely to top $2 billion’ [Australian Financial Review]

blind trust

blind trust /ˈblænd trʌst/ noun a trust set up to run a person’s affairs without the details of any transaction being known to the...
person concerned (note: blind trusts are set up by politicians to avoid potential conflicts of interest.)

**blocked account** /ˈblɒkt əˈkaʊnt/ noun a bank account which cannot be used, usually because a government has forbidden its use.

**blocked currency** /ˈblɒkt ˈkɔrənsi/ noun a currency which cannot be taken out of a country because of government exchange controls.

**blocked funds** /ˈblɒkt ˈfændz/ plural noun money that cannot be transferred from one place to another, usually because of exchange controls imposed by the government of the country in which the funds are held.

**block trading** /ˈblɒk ˈtrɛdɪŋ/ noun trading in very large numbers of shares.

**Blue Book** /ˈbluː ˈbʊk/ noun an annual publication of national statistics of personal incomes and spending patterns.

**blue chip** /ˈbluː ˈtʃɪp/ noun a very safe investment, a risk-free share in a good company.

**Blue list** /ˈbluː ˈlɪst/ noun US a daily list of municipal bonds and their ratings, issued by Standard & Poor’s.

**blue sky laws** /ˈbluː ˈskai ˈlɔːz/ plural noun US state laws to protect investors against fraudulent traders in securities.

**board of directors** /ˈbɔːd əv ˈdəriːtəz/ noun 1. same as board of directors ○ He sits on the board as a representative of the bank. ○ Two directors were removed from the board at the AGM. 2. a group of people who run an organisation, trust or society. 3. on board on a ship, plane or train verb to go on to a ship, plane or train ○ Customs officials boarded the ship in the harbour.

‘CEOs, with their wealth of practical experience, are in great demand and can pick and choose the boards they want to serve on.’ [Duns Business Month]

**Board for Actuarial Standards** /ˈbɔːd fər ˈeɪktʃuəriəl ˈstændədz/ noun a UK authority with responsibility for overseeing the actuarial profession and setting actuarial standards.

**board meeting** /ˈbɔːd ˈmiːtɪŋ/ noun a meeting of the directors of a company.

**Board of Customs and Excise** /ˈbɔːd əv ˈkɔstənz ənd ˈɛksɪdʒ/ noun the ruling body of the Customs and Excise.

**board of directors** /ˈbɔːd əv ˈdəriːtəz/ noun 1. a group of directors elected by the shareholders to run a company ○ The bank has two representatives on the board of directors. 2. US a group of people elected by the shareholders to draw up company policy and to appoint the president and other executive officers who are responsible for managing the company.

‘…a proxy is the written authorization an investor sends to a stockholder meeting conveying his vote on a corporate resolution or the election of a company’s board of directors.’ [Barrons]

**bona fide** /ˈbɔːnə ˈfaɪdi/ adjective trustworthy, which can be trusted.

**bond** /ˈbɒnd/ noun 1. a contract document promising to repay money borrowed by a company or by the government on a specific date, and paying interest at regular intervals.

2. goods (held) in bond goods held by customs until duty has been paid ○ entry of goods under bond bringing goods into a country in bond ○ to take goods out of bond to pay duty on goods so that they can be released by customs. 3. a form of insurance fund which is linked to a unit trust, but where there is no yield because the income is automatically added to the fund.

**bond discount** /ˈbɒnd ˌdɪskəʊnt/ noun the difference between the face value of a bond and the lower price at which it is issued.

**bonded** /ˈbɒndɪd/ adjective held in bond.

**bonded warehouse** /ˈbɒndɪd ˈwɜːʃər/ noun a warehouse where goods are stored until excise duty has been paid.

**bond fund** /ˈbɒnd ˈfænd/ noun a unit trust in which investments are made in the form of bonds.

**bondholder** /ˈbɒnd,hoʊldəz/ noun a person who holds government bonds.

**bond indenture** /ˈbɒnd ɪnˌdɛntʃər/ noun a document that details the terms of a bond.

**bonded** /ˈbɒndɪzd/’, bonded adjective referring to an insurance fund linked to a unit trust.

**bond market** /ˈbɒnd ˈmɑːkɪt/ noun a market in which government or municipal bonds are traded.

**bond premium** /ˈbɒnd ˌprɪməm/ noun the difference between the face value of a bond and a higher price at which it is issued.

**bond-washing** /ˈbɒnd ˈwɔːʃiŋ/ noun the act of selling securities cum dividend and buying them back later ex dividend, or selling US Treasury bonds with the interest coupon, and buying them back ex coupon, so as to reduce tax.

**bond yield** /ˈbɒnd jɪl/ noun income produced by a bond, shown as a percentage of its purchase price.
bonus /ˈbɒrnəs/ noun an extra payment in addition to a normal payment

bonus issue /ˈbɒrnəs ˈɪʃuː/ noun a scrip issue or capitalisation issue, in which a company transfers money from reserves to share capital and issues free extra shares to the shareholders. The value of the company remains the same, and the total market value of shareholders’ shares remains the same, the market price being adjusted to account for the new shares. Also called share split (NOTE: The US term is stock split.)

bonus share /ˈbɒrnəs ʃeə/ noun an extra share given to an existing shareholder

book /bʊk/ noun 1. a set of sheets of paper attached together □ company’s books the financial records of a company 2. a statement of a dealer’s exposure to the market, i.e. the amount which he or she is due to pay or has borrowed □ to make a book to have a list of shares which he or she is prepared to buy or sell on behalf of clients

book inventory /ˈbʊk ɪnˈvɛntəri/ noun the number of stock items recorded in accounts, which is verified by a physical count

bookkeeper /ˈbʊkˌkiːpər/ noun a person who keeps the financial records of a company or an organisation

bookkeeping /ˈbʊkˌkiːpɪŋ/ noun the work of keeping the financial records of a company or an organisation

bookkeeping barter /ˈbʊkkiːpɪŋ ˈbætər/ noun the direct exchange of goods between two parties without the use of money as a medium, but using monetary measures to record the transaction

bookkeeping transaction /ˈbʊkkiːpɪŋ ˈtrænˌzɛkʃən/ noun a transaction which involves changes to a company’s books of accounts, but does not alter the value of the company in any way, e.g. the issue of bonus shares

book of account /ˈbʊk əˈkaʊnt/ noun an account book, a book which records financial transactions

book of prime entry /ˈbʊk əˌpræm ˈentri/ noun a chronological record of a business’s transactions arranged according to type, e.g., cash or sales. The books are then used to generate entries in a double-entry bookkeeping system

book sales /ˈbʊk ˈseɪlz/ plural noun sales as recorded in the sales book

book value /ˈbʊk, ˈveɪljuː/ noun the value of an asset as recorded in the company’s balance sheet

book value per share /ˈbʊk, ˈveɪljuː pər ˈʃeə/ noun a company’s own assessment of the value of its shares, which may differ considerably from the market value

boom /ˈbɒm/ noun a time when sales, production or business activity are increasing □ a period of economic boom □ the boom of the 1990s

booming /ˈbɒmɪŋ/ adjective expanding or becoming prosperous □ a booming industry or company □ Technology is a booming sector of the economy

boost /ˈbʌst/ noun help given to increase something □ This publicity will give sales a boost. □ The government hopes to give a boost to industrial development. □ verb to make something increase □ We expect our publicity campaign to boost sales by 25%. □ The company hopes to boost its market share. □ Incentive schemes are boosting production.

…the company expects to boost turnover this year to FFr 16bn from FFr 13.6bn last year [Financial Times]

BOP abbreviation balance of payments

border tax adjustment /ˈbɔːrdər tæks əˌdʒæstment/ noun a deduction of indirect tax paid on goods being exported or imposition of local indirect tax on goods being imported

borrow /ˈbɔːrəʊ/ verb 1. to take money from someone for a time, possibly paying interest for it, and repaying it at the end of the time □ She borrowed £1,000 from the bank. □ The company had to borrow heavily to repay its debts. □ They borrowed £25,000 against the security of the factory. 2. to buy at spot prices and sell forward at the same time

borrower /ˈbɔːrər/ noun a person who borrows □ Borrowers from the bank pay 12% interest.

borrowing /ˈbɔːrəŋ/ noun the act of borrowing money □ The new factory was financed by bank borrowing.

‘…we tend to think of building societies as having the best borrowing rates and indeed many do offer excellent terms’ [Financial Times]

borrowing costs /ˈbɔːrəŋ ˈkɔsts/ plural noun the interest and other charges paid on money borrowed

borrowing power /ˈbɔːrəŋ ˈpaʊər/ noun the amount of money which a company can borrow

borrowings /ˈbɔːrəŋz/ plural noun money borrowed □ The company’s borrowings have doubled.
bottleneck

bottleneck /'bɒt(ə)lnεk/ noun a situation which occurs when one section of an operation cannot cope with the amount of work it has to do, which slows down the later stages of the operation and business activity in general □ a bottleneck in the supply system □ There are serious bottlenecks in the production line.

bottleneck activity /'bɒt(ə)lnεk ˈæk,,-tɪv/ noun any business activity for which the work involved equals or exceeds the income generated

bottom /'bɒtəm/ verb to reach the lowest point □ the market has bottomed out the market has reached the lowest point and does not seem likely to fall further

bottom line /'bɒtəm 'laɪn/ noun 1. the last line on a balance sheet indicating profit or loss □ the boss is interested only in the bottom line he is only interested in the final profit 2. the final decision on a matter □ The bottom line was that the work had to be completed within budget.

bottom-up budgeting /'bɒtəm ˈʌpˌbʌdʒɪtn/ noun same as participative budgeting

bought day book /'bɔtɪd ˈdeɪ ˈbʊk/ noun a book used to record purchases made on credit

bought ledger /'bɔtɪd ˈlɛdʒər/ noun a book in which purchases are recorded

bought ledger clerk /'bɔtɪd ˈlɛdʒər ˈklaːk/ noun an office employee who deals with the bought ledger or the sales ledger

bounce /bɒns/ verb (of a cheque) to be returned by the bank to the person who has tried to cash it, because there is not enough money in the payer’s account to pay it □ She paid for her car with a cheque that bounced.

B/P abbreviation bills payable

B/R abbreviation bills receivable

bracket /'brækt/ noun a group of items or people taken together □ she is in the top tax bracket she pays the highest level of tax

branch accounting /'bræntʃ əˈkəʊntɪŋ/ noun the fact of operating separate accounting systems for each department of an organisation

branch accounts /'bræntʃ əˈkəʊnts/ plural noun accounts showing transactions belonging to the branches of a large organisation, i.e., between a branch and other branches or its head office, or other companies outside the organisation

breach /briːtʃ/ noun a failure to carry out the terms of an agreement

breach of contract /'briːtʃ ə'kɒntrəkt/ noun the failure to perform something which has been agreed in a contract

breach of trust /'briːtʃ ə'trʌst/ noun a situation where a person does not act correctly or honestly when people expect him or her to

break /brek/ noun 1. a pause between periods of work □ She was booked for two hours without a break. 2. a sharp fall in share prices □ to fail to carry out the duties of a contract □ The company has broken the contract or the agreement by selling at a lower price. 2. to cancel a contract □ The company is hoping to be able to break the contract. (NOTE: [all verb senses] breaking – broke – has broken)

break down /brekˈdaʊn/ phrasal verb 1. to stop working because of mechanical failure □ The fax machine has broken down. 2. to stop □ Negotiations broke down after six hours. 3. to show all the items in a total list of costs or expenditure □ We broke the expenditure down into fixed and variable costs.

break even /brekˈɪv(ə)n/ verb to balance costs and receipts, so as to make neither a profit nor a loss □ Last year the company only just broke even. □ We broke even in our first two months of trading.

break up /brekˈʌp/ phrasal verb to split something large into small sections □ The company was broken up and separate divisions sold off.

breakages /brekˈedʒiːz/ plural noun breaking of items □ Customers are expected to pay for breakages.

breakdown /brekˈdaʊn/ noun 1. an act of stopping working because of mechanical failure □ We cannot communicate with our Nigerian office because of the breakdown of the telephone lines. 2. an act of stopping talking □ a breakdown in wage negotiations 3. an act of showing details item by item □ Give me a breakdown of investment costs.

break-even /brekˈɪv(ə)n/ noun a situation where there is neither a profit nor a loss

break-even analysis /brekˈɪv(ə)n əˈnælɪsɪs/ noun the analysis of fixed and variable costs and sales that determines at what level of production the break-even point will be reached □ The break-even analysis showed that the company will only break even if it sells at least 1,000 bicycles a month. 2. a method of showing the point at which a company’s income from sales will be equal to its production costs so that it neither makes a profit nor makes a loss (NOTE:
Break-even analysis is usually shown in the form of a chart and can be used to help companies make decisions, set prices for their products, and work out the effects of changes in production or sales volume on their costs and profits.

**break-even chart** /ˈbreɪk ɪˈvɛn tʃɑrt/ noun a chart showing the point at which a company breaks even as the intersection between a line plotting total revenue and a line plotting total cost.

**break-even point** /ˈbreɪk ɪˈvɛn pɔɪnt/ noun the point or level of financial activity at which expenditure equals income, or the value of an investment equals its cost so that the result is neither a profit nor a loss. Abbreviation BEP

**break-even sales** /ˈbreɪk ɪˈvɛn sɛlz/ plural noun a level of sales that neither generates profit nor incurs loss.

**break-out** /ˈbreɪk aʊt/ noun a movement of a share price above or below its previous trading level.

**break-up value** /ˈbreɪk ʌp vɛlju/ noun 1. the value of the material of a fixed asset ○ What would the break-up value of our old machinery be? 2. the value of various parts of a company taken separately.

**bribe** /ˈbraɪb/ noun money given secretly and usually illegally to someone in authority to get them to help ○ The minister was dismissed for taking a bribe.

**bricks-and-mortar** /ˈbrɪks ən /ˈmortər/ adjective referring to the fixed assets of a company, especially its buildings.

**bridge finance** /ˈbrɪdʒ fɪnəns/ noun loans to cover short-term needs.

**bridging loan** /ˈbrɪdʒɪŋ ləʊn/ noun 1. a short-term loan to help someone buy a new house when the old one has not yet been sold 2. a short-term loan made to a company, e.g. to help in a cash-flow crisis or to fund company restructuring (NOTE: all senses) The US term is *bridge loan*.

**bring down** /ˈbrɪŋ ˈdaʊn/ phrasal verb to reduce ○ Petroil companies have brought down the price of oil.

**bring forward** /ˈbrɪŋ ˈfɔːrwɔd/ phrasal verb 1. to make something take place earlier ○ to bring forward the date of repayment ○ The date of the next meeting has been brought forward to March. 2. to take an account balance from the end of the previous period as the starting point for the current period ○ Balance brought forward: £365.15

**bring in** /ˈbrɪŋ ˈɪn/ phrasal verb to earn an amount of interest ○ The shares bring in a small amount.

**British Accounting Association** /ˈbrɪtɪʃ əˈkaʊntɪŋ æˌsɔsiˈeɪʃən/ an organisation whose aim is to promote accounting education and research in the United Kingdom. F. Abbreviation **BAA**

**broker** /ˈbrəʊkər/ noun a dealer who acts as a middleman between a buyer and a seller.

**brokerage** /ˈbrəʊkərɑːdʒ/ noun 1. same as **broker’s commission** 2. same as **broking brokerage firm** /ˈbrəʊkərɑːdʒ faɪrəm/ noun a firm which buys and sells shares for clients.

**broker-dealer** /ˈbrəʊkər ˈdɪələr/ noun a dealer who buys shares and holds them for resale, and also deals on behalf of investor clients.

**broker’s commission** /ˈbrəʊkərs ˈkɒmɪʃən/ noun the payment to a broker for a deal which he or she has carried out. Also called **brokerage** (NOTE: Formerly, the commission charged by brokers on the London Stock Exchange was fixed, but since 1986, commissions have been variable.)

**broking** /ˈbrəʊkɪŋ/ noun the business of dealing in stocks and shares.

**brought down** /ˈbrɔːt ˈdɑːn, ˈbrɔːt fɔːrwɔd/ brought forward /ˈbrɔːt ˈfɔːrwɔd/ adjective used to describe the balance in an account from the previous period when it is taken as the starting point for the current period ○ balance brought down or forward: £365.15 Abbreviation **b/d, b/f**

**B/S abbreviation** balance sheet.

**B shares** /ˈbiː biː/ plural noun ordinary shares with special voting rights, often owned by the founder of a company and his or her family. See Comment at **A shares**.

**buck** /bʌk/ noun US a dollar (informal) **budget** /ˈbʌdʒɪt/ noun 1. a plan of expected spending and income for a period ○ the annual plan of taxes and government spending ○ the Budget the annual budget put forward by a government aimed at boosting the economy. ● verb to plan probable income and expenditure ○ We are budgeting for $10,000 of sales next year: ‘...he budgeted for further growth of 150,000 jobs (or 2.5 per cent) in the current financial year’ [Sydney Morning Herald]

...the Federal government’s budget targets for employment and growth are within reach according to the latest figures’ [Australian Financial Review]

**budget account** /ˈbʌdʒɪt əˈkaʊnt/ noun a bank account where you plan income and
budgetary

expenditure to allow for periods when expenditure is high, by paying a set amount each month.

**budgetary** /ˈbʌdʒətri/ adjective referring to a budget

**budgetary control** /ˈbʌdʒətri kənˈtrəʊl/ noun controlled spending according to a planned budget

**budgetary policy** /ˈbʌdʒətri ˈpɒləsi/ noun the policy of planning income and expenditure

**budgetary requirements** /ˈbʌdʒətri rɪˈkwəːrəməntz/ plural noun the rate of spending or income required to meet the budget forecasts

**budgetary slack** /ˈbʌdʒətri ˈslæk/ noun a deliberate underestimation of income and overestimation of costs, designed to allow for budgetary emergencies or to make targets more easily attainable

**budget centre** /ˈbʌdʒət ˈsɛntə/ noun a part of an organisation for which a separate budget is prepared

**budget committee** /ˈbʌdʒət kəˈmɪtʃən/ noun the group within an organisation responsible for drawing up budgets that meet departmental requirements, ensuring they comply with policy, and then submitting them to the board of directors

**budget control** /ˈbʌdʒət kənˈtrəʊl/ noun the monitoring of a company’s actual performance against its expected performance as detailed in a budget plan

**Budget Day** /ˈbʌdʒət ˈdeɪ/ noun the day when the Chancellor of the Exchequer presents the budget to Parliament. This is usually in March, but with an advance budget statement in November.

**budget deficit** /ˈbʌdʒət ˈdefɪsɪt/ noun 1. a deficit in a country’s planned budget, where income from taxation will not be sufficient to pay for the government’s expenditure. 2. a deficit in personal finances where a household will borrow to finance large purchases which cannot be made out of income alone

**budget department** /ˈbʌdʒət dəpt/ noun a department in a large store which sells cheaper goods

**budget director** /ˈbʌdʒət dəˈrɛktə/ noun the person in an organisation who is responsible for running the budget system

**budgeted balance sheet** /ˈbʌdʒətɪd ˈbæləns ˈʃiːt/ noun a statement of company’s estimated financial position at the end of a budgetary year

**budgeted capacity** /ˈbʌdʒətɪd ˈkæpəsɪti/ noun an organisation’s available output level for a budget period according to the budget. It may be expressed in different ways, e.g., in machine hours or standard hours.

**budgeted income statement** /ˈbʌdʒətɪd ɪnˈkʌm ˈstɛtment/ noun a statement of a company’s expected net income in a budget period

**budgeted revenue** /ˈbʌdʒətɪd rɪˈvɔːnjuː/ noun the income that an organisation expects to receive in a budget period according to the budget

**budget information** /ˈbʌdʒət ɪnˈfɔːrmenʃən/ noun information about a company’s expected future levels of income and expenditure

**budgeting** /ˈbʌdʒətɪŋ/ noun the preparation of budgets to help plan expenditure and income

**budgeting models** /ˈbʌdʒətɪŋ ˈmɒdəlz/ plural noun mathematical models used in the planning of a budget and designed to generate a profit

**budget lapsing** /ˈbʌdʒət ləpsɪn/ noun withdrawal by an authority of the unspent portion of an organisation’s budget allowance at the time the budget period expires

**budget manual** /ˈbʌdʒət ˈmænjuər/ noun a handbook or set of documents that detail budgetary procedure for a company or organisation

**budget period** /ˈbʌdʒət pəriˈəd/ noun a period of time covered by a budget

**budget planning calendar** /ˈbʌdʒət ˈplænɪŋ ˈkælɪndər/ noun a schedule showing plans for the preparation of an organisation’s master budget and the departmental budgets that depend on it, which usually takes several months

**budget report** /ˈbʌdʒət ˈrɪpɔːrt/ noun a report that compares a company’s actual performance with its budgeted performance for a given period

**budget surplus** /ˈbʌdʒət ˈsərˈplɔːs/ noun a situation where there is more revenue than was planned for in the budget

**budget variance** /ˈbʌdʒət vəˈrərəns/ noun the difference between the cost as estimated for a budget and the actual cost

**buffer stocks** /ˈbʌfər ˈstɒks/ plural noun stocks of a commodity bought by an international body when prices are low and held for resale at a time when prices have risen, with the intention of reducing sharp fluctuations in world prices of the commodity

**build into** /bɪld ˈɪntu/ phrasal verb to include something in something which is being set up. You must build all the forecasts...
that many employees were being laid off unfairly.

Bundesfinanzhof /ˈbʊndəsˌfɪnənˈʃaʊf/ noun the German Federal Finance Court

business /ˈbiznəs/ noun 1. work in buying, selling, or doing other things to make a profit ○ We do a lot of business with Japan. ○ Business is slow. ○ We did more business in the week before Christmas than we usually do in a month. ○ What's your line of business? 2. a commercial company ○ He owns a small car repair business. ○ She runs a business from her home. ○ I set up in business as an insurance broker. 3. the affairs discussed ○ The main business of the meeting was finished by 3 p.m.

Business Accounting Deliberation Council /ˈbiznəs əˌkaʊntəŋ dɪˌlɜrɪə ˈkənɔːl/ noun in Japan, a committee controlled by the Ministry of Finance that is responsible for drawing up regulations regarding the consolidated financial statements of listed companies

business address /ˈbiznəs əˈdres/ noun the details of number, street, and city or town where a company is located

business angel /ˈbiznəs əˈɛndʒəl/ noun a wealthy entrepreneurial individual who invests money, usually less money than a venture capitalist, in a company in return for equity and some control in that company

business angel network /ˈbiznəs əˈɛndʒəl ˈnetwərk/ noun a regional network of business angels

business centre /ˈbiznəs əˈsɛntə/ noun the part of a town where the main banks, shops and offices are located

business combination /ˈbiznəs əˌkəmbəˈneɪʃən/ noun the process in which one or more businesses become subsidiaries of another business

business cycle /ˈbiznəs əˈsɜrkəl/ noun the period during which trade expands, slows down and then expands again. Also called trade cycle

business day /ˈbiznəs ˈdeɪ/ noun a weekday when banks and stock exchanges are open for business

business entity concept /ˈbiznəs əˈtɪndʒɪti ˈkɒnsept/ noun the concept that financial accounting information relates only to the activities of the business and not to the activities of its owner(s)

business expenses /ˈbiznəs ɪks əˈspɛnsz/ plural noun money spent on running a business, not on stock or assets
strategy, useful to a business when it is planning its strategy. ‘…a system that enables its employees to use cell phones to access the consulting firm’s business information database.’ [InformationWeek]

**business name** /ˈbiznəs nəm/ noun a name used by a company for trading purposes

**business plan** /ˈbiznəs plæn/ noun a document drawn up to show how a business is planned to work, with cash flow forecasts, sales forecasts, etc., often used when trying to raise a loan, or when setting up a new business

**business property relief** /ˈbiznəs prəpərti riˌlɛf/ noun in the United Kingdom, a reduction in the amount liable to inheritance tax on certain types of business property

**business ratepayer** /ˈbiznəs rətˈpeɪər/ noun a business which pays local taxes on a shop, office, factory, etc.

**business rates** /ˈbiznəs rɛts/ plural noun in the United Kingdom, a tax on businesses calculated on the value of the property occupied. Although the rate of tax is set by central government, the tax is collected by the local authority.

**business review** /ˈbiznəs ˈrɪvju/ noun a report on business carried out over the past year. It forms part of the directors’ report.

**business segment** /ˈbiznəs ˈsɛɡmənt/ noun a section of a company which can be distinguished from the rest of the company by its own revenue and expenditure

**business transaction** /ˈbiznəs ˈtrænз ʃən/ noun an act of buying or selling

**business travel** /ˈbiznəs ˈtrævəl/ noun travel costs incurred in the course of travel, as opposed to private travel or daily travel to your usual place of work

**buy** /bʌɪ/ verb to get something by paying money ○ to buy wholesale and sell retail ○ to buy for cash ○ She bought 10,000 shares. ○ The company has been bought by its leading supplier. (NOTE: buying – bought)

**buy back** /bʌɪ ˈbæk/ phrasal verb to buy something which you sold earlier ○ She sold the shop last year and is now trying to buy it back.

**buy in** /bʌɪ ˈɪn/ phrasal verb 1. (of a seller at an auction) to buy the thing which you are trying to sell because no one will pay the price you want 2. to buy stock to cover a position 3. (of a company) to buy its own shares

**buyback** /ˈbʌɪbæk/ noun 1. a type of loan agreement to repurchase bonds or securities at a later date for the same price as they are being sold 2. an international trading agreement where a company builds a factory in a foreign country and agrees to buy all its products

‘…the corporate sector also continued to return cash to shareholders in the form of buy-backs, while raising little money in the form of new or rights issues’ [Financial Times]

**buyer** /ˈbaʊər/ noun 1. a person who buys 2. a person who buys stock on behalf of a trading organisation for resale or for use in production

**buyer’s market** /ˈbaʊərz ,mɑːkɪt/ noun a market where products are sold cheaply because there are few people who want to buy them. Opposite seller’s market

**buying department** /ˈbaɪɪŋ diˈpɑrtnənt/ noun the department in a company which buys raw materials or goods for use in the company (NOTE: The US term is purchasing department.)

**buying power** /ˈbaɪɪŋ pɔːr/ noun an assessment of an individual’s or organization’s disposable income regarded as conferring the power to make purchases ○ The buying power of the dollar has fallen over the last five years.

**buyout** /ˈbaʊət/ noun the purchase of a controlling interest in a company

‘…we also invest in companies whose growth and profitability could be improved by a management buyout’ [Fortune]

**bylaw** /ˈbaɪlɔː/ noun a rule made by a local authority or organisation, and not by central government

**by-product** /ˈbaɪ ,prɒdəkt/ noun a secondary product made as a result of manufacturing a main product which can be sold for profit
our calculations and arrived at a figure of a loan by a lender given to an employee who has been called back to work after his or her usual working hours. 

called up capital /kɔld ap 'kæpt(ə)/ noun share capital in a company which has been called up. The share capital becomes fully paid when all the authorised shares have been called up.

to ask for a demand to pay for a type of current account where money can be

caused to call-in pay /kɔld in 'pɛri noun payment guaranteed to employees who report for work even if there is no work for them to do. Call-in pay is often necessary to ensure the attendance of employees where there is at least the possibility of work needing to be done.

call loan /kɔld laun/ noun a bank loan repayable at call

call money /kɔld moni/ noun money loaned for which repayment can be demanded without notice. Also called money at call, money on call

call option /kɔld 'ɒpjən/ noun an option to buy shares at a future date and at a specific price. Also called call

call price /kɔld prais/ noun a price to be paid on redemption of a US bond

call provision /kɔld prə'vɪʒən/ noun a clause that allows a bond to be redeemed before its maturity date

call purchase /kɔld ,pɜtʃəs/, call sale /kɔld 'sɛl/ noun a transaction where the seller or purchaser can fix the price for future delivery

calls in arrear /kɔlds in 'əriər/ plural noun money called up for shares, but not paid at the correct time and a special calls in arrear account is set up to debit the sums owing

Canadian Institute of Chartered Accountants /kæni'dɪnənt ,ɪnstɪ'tjuːt ɔv ,ɪnstɪ'tjuːt ə 'kɑʊntənts/ noun in Canada, the
Accounting.fm  Page 34  Tuesday, February 13, 2007  1:40 PM

principal professional accountancy body that is responsible for setting accounting standards. Abbreviation CICA
cap /keip/ noun 1. an upper limit placed on something, such as an interest rate. The opposite, i.e. a lower limit, is a 'floor'. 2. same as capitalisation (informal) ○ Last year the total market cap of all the world’s gold companies fell from $71 billion to $46 billion. 3. verb to place an upper limit on something ○ to cap a department’s budget (NOTE: capping – capped)CAPA noun a large association of accountancy bodies that operate in Asia and the Pacific Rim countries. Full form Confederation of Asian and Pacific Accountants
capacity /keipəstɪ/ noun 1. the amount which can be produced, or the amount of work which can be done ○ industrial or manufacturing or production capacity 2. the amount of space to use up spare or excess capacity to make use of time or space which is not fully used 3. ability ○ She has a particular capacity for detailed business deals with overseas companies.

...analysts are increasingly convinced that the industry simply has too much capacity ['Fortune']
capacity costs /keipəstɪ kəʊstz/ plural noun costs incurred to allow a company or production of goods or services, e.g. the purchase of machinery or buildings
capacity management /keipəstɪ meɪndʒmənt/ noun management of the cost of a company’s unused capacity, which does not rightly influence pricing
capacity requirements planning /keipəstɪ prəˈtɪrəns pləˈmænɪŋ/ noun planning that determines how much machinery and equipment is needed in order to meet production targets
capacity usage variance /keipəstɪ ˈjuːzɪsɪvəns/ noun the difference in gain or loss in a given period compared to budgeted expectations, caused because the hours worked were longer or shorter than planned
capacity variance /keipəstɪ ˈveərɪəns/ noun variance caused by the difference between planned and actual hours worked
Caparo case /keipəroʊ eɪˈkeɪs/ noun in England, a court decision taken by the House of Lords in 1990 that auditors owe a duty of care to present (not prospective) shareholders as a body but not as individuals
CAPEX abbreviation capital expenditure
capital /ˈkeiptəl/ noun 1. the money, property, and assets used in a business ○ a company with $10,000 capital or with a capital of $10,000 2. money owned by individuals or companies, which they use for investment
capital account /ˈkeiptəl əˈkaʊnt/ noun 1. an account that states the value of funds and assets invested in a business by the owners or shareholders 2. the portion of a country’s balance of payments that refers to investments, rather than to the buying and selling of merchandise 3. a statement of the net worth of an organization at a given time
capital adequacy /ˈkeiptəl əˈdedɪkwəsi/ noun the amount of money which a bank has to have in the form of shareholders’ capital, shown as a percentage of its assets. Also called capital-to-asset ratio (NOTE: The amount is internationally agreed at 8%) capital allowances /ˈkeiptəl əˈlaʊnsz/ plural noun the allowances based on the value of fixed assets which may be deducted from a company’s profits and so reduce its tax liability
capital appreciation /ˈkeiptəl əˈprɪʃeɪʃn/ noun same as appreciation
capital asset pricing model /ˈkeiptəl əˈset ˈpræsɪŋ ˈmɔdəl/ noun an equation that shows the relationship between expected risk and expected return on an investment and serves as a model for valuing risky securities. Abbreviation CAPM
capital assets /ˈkeiptəl əˈsetz/ plural noun the property, machines, and other assets which a company owns and uses but which it does not buy and sell as part of its regular trade. Also called fixed assets
capital base /ˈkeiptəl ˈbeɪs/ noun the capital structure of a company (shareholders’ capital plus loans and retained profits) used as a way of assessing the company’s worth
capital bonus /ˈkeiptəl ˈbəʊnəs/ noun an extra payment by an insurance company which is produced by a capital gain
capital budget /ˈkeiptəl ˈbʌdʒɪt/ noun a budget for planned purchases of fixed assets during the next budget period
capital budgeting /ˈkeiptəl ˈbʌdʒɪtɪŋ/ noun the process of deciding on specific investment projects, the amount of expenditure to commit to them and how the finance will be raised
capital commitments /ˈkeiptəl ˈkəʊmɪtənts/ plural noun expenditure on assets which has been authorised by direc-
tors, but not yet spent at the end of a financial period.
capital consumption /ˈkæptɪŋ/ noun in a given period, the
total depreciation of a national economy’s
fixed assets based on replacement costs.
capital costs /ˈkæptɪŋ/ noun expenses on the purchase of fixed
assets.
capital widening /ˈkæptɪŋ/ noun increased investment of
capital in a business, without changing other
factors of production. Also called capital
employed /ˈkæptɪŋ/ amount of capital consisting of
shareholders’ funds plus the long-term debts
of a business.
capital on assets

capital equipment /ˈkæptɪn/ noun equipment which a fac-
tory or office uses to work.
capital expenditure /ˈkæptɪn/ noun money spent on fixed
assets such as property, machines and furni-
ture. Also called capital investment, capital
outlay. Abbreviation CAPEX
capital expenditure budget /ˈkæptɪn/ noun a budget for planned purchases of fixed assets
during the budget period.
capital flight /ˈkæptɪn/ noun the rapid movement of capital out of a country
because of lack of confidence in that coun-
ty’s economic future in response to political
unrest, war or other conditions. Also called flight of capital.
capital gain /ˈkæptɪn/ noun an amount of money made by selling a fixed
asset or certain other types of property, such as
shares, works of art, leases etc. Opposite
capital loss
capital gains expenses /ˈkæptɪn/ plural noun expenses incurred in buying or selling assets, which
can be deducted when calculating a capital
gain or loss.
capital gains tax /ˈkæptɪn/ noun a tax on the difference between the
gross acquisition cost and the net
proceeds when an asset is sold. In the United
Kingdom, this tax also applies when assets
are given or exchanged, although each indi-
vidual has an annual capital gains tax allow-
ance that exempts gains within that tax year
below a stated level. In addition, certain
assets may be exempt, e.g., a person’s prin-
cipal private residence and transfers of
assets between spouses. Abbreviation CGT
35

capital goods /ˈkæptɪn/ pluralnoun machinery, buildings, and raw materi-
als which are used to make other goods.
capital inflow /ˈkæptɪn/ noun the movement of capital into a country by
buying shares in companies, buying whole
companies or other forms of investment.
capital-intensive industry /ˈkæptɪn/ noun an industry
which needs a large amount of capital
investment in plant to make it work.
capital investment /ˈkæptɪn/ noun same as capital expendi-
ture
capital investment appraisal /ˈkæptɪn/ noun an analysis of the future profitability of capital
purchases as an aid to good management.
capitalisation /ˈkæptɪn/ noun the value of a company
calculated by multiplying the price of its
shares on the stock exchange by the number of
shares issued. Also called market capi-
talisation

…she aimed to double the company’s
market capitalisation” [Fortune]
capitalisation issue /ˈkæptɪn/ noun
capitalisation of earnings /ˈkæptɪn/ noun a method of valuing a business according to its expected future profits.
capitalise /ˈkæptɪn/ verb 1. to invest money in a working com-
pany 2. the company is capitalised at £10,000 the company has a working capital of £10,000.
2. to convert reserves or assets into capital

…at its last traded price the bank was cap-
itised at around $1.05 billion with 60 per
cent in the hands of the family [South
China Morning Post]
capitalise on phrasal verb to make a profit from O We are seeking to capitalise on our
market position.
capitalism /ˈkæptɪzm/ noun the economic system in which each person has the
right to invest money, to work in busi-
ness, and to buy and sell, with no restrictions from the state.
capitalist /'kapəlist/ adjective working according to the principles of capitalism ○ the capitalist system ○ the capitalist countries or world
capitalist economy /'kapəlist/ ɪˌɜːmənɪ/ an economy in which each person has the right to invest money, to work in business, and to buy and sell, with no restrictions from the state
capital lease /'kapəlist/ lɪʃ/ noun a lease that gives the lessee substantial property rights
capital levy /'kapəlist/ 'lɛvi/ noun a tax on the value of a person’s property and possessions
capital loss /'kapəlist/ 'lɒs/ noun a loss made by selling assets. Opposite capital gain
capital maintenance concept /'kapəlist/ ˈmɛntənəns ˈkɒnsɛpt/ noun a concept used to determine the definition of profit, that provides the basis for different systems of inflation accounting
capital market /'kapəlist/ 'mɑːkɪt/ noun an international market where money can be raised for investment in a business
capital outlay /'kapəlist/ ˈautleɪ/ noun same as capital expenditure
capital profit /'kapəlist/ ˈprɒfɪt/ noun a profit made by selling an asset
capital project /'kapəlist/ ˈprɒdʒɛkt/ noun a large-scale and complex project, often involving construction or engineering work, in which an organisation spends part of its financial resources on creating capacity for production
capital ratio /'kapəlist/ ˈrɛʃʃəʊ/ noun same as capital adequacy
capital rationing /'kapəlist/ ˈræʃ(ə)nɪŋ/ noun restrictions on capital investment, the result either of the internal imposition of a budget ceiling or of external limitations such as the fact that additional borrowing is not available
capital reconstruction /'kapəlist/ rɪˈstrʌkʃən/ noun the act of putting a company into voluntary liquidation and then selling its assets to another company with the same name and same shareholders, but with a larger capital base
capital redemption reserve /'kapəlist/ riˈdɛmpʃən rɪˈzærv/ noun an account required to prevent a reduction in capital, where a company purchases or redeems its own shares out of distributable profits
capital reorganisation /'kapəlist/ riˈɔrɡənəˌzeɪʃən/ noun the process of changing the capital structure of a company by amalgamating or dividing existing shares to form shares of a higher or lower nominal value
capital reserves /'kapəlist/ rɪˈzəvəz/ plural noun 1. money from profits, which forms part of the capital of a company and can be used for distribution to shareholders only when a company is wound up. Also called undistributable reserves 2. the share capital of a company which comes from selling assets and not from their usual trading
capital shares /'kapəlist/ 'ʃeəz/ plural noun (on the Stock Exchange) shares in a unit trust which rise in value as the capital value of the units rises, but do not receive any income (NOTE: The other form of shares in a split-level investment trust are income shares, which receive income from the investments, but do not rise in value.)
capital stock /'kapəlist/ stɒk/ noun 1. the amount of money raised by a company through the sale of shares, entitling holders to dividends, some rights of ownership and other benefits 2. the face value of the share capital that a company issues
capital structure /'kapəlist/ 'strʌktʃər/ noun the relative proportions of equity capital and debt capital within a company’s balance sheet
capital surplus /'kapəlist/ səˈpɜːrəs/ noun the total value of shares in a company that exceeds the par value
capital tax /'kapəlist/ tæks/ noun a tax levied on the capital owned by a company, rather than on its spending. ○ capital gains tax
capital-to-asset ratio /'kapəlist/ təˈæset, ˈrɛʃʃəʊ, ˈkæpitəl/asset ratio noun same as capital adequacy
capital transactions /'kapəlist/ trænsˈtɪʃənz/ plural noun transactions affecting non-current items such as fixed assets, long-term debt or share capital, rather than revenue transactions
capital transfer tax /'kapəlist/ ˈtrænsfər, ˈtɜːks/ noun in the United Kingdom, a tax on the transfer of assets that was replaced in 1986 by inheritance tax
capital turnover ratio /'kapəlist/ ˈtɜːrnər, ˈrɛʃʃəʊ/ noun turnover divided by average capital during the year
capital widening /'kapəlist/ ˌwɪdnɪŋ/ noun same as capital deepening
CAPM abbreviation capital asset pricing model
capped floating rate note /ˈkæpt fləʊtɪŋ rɛt, nəʊt/ noun a floating rate note which has an agreed maximum rate
captive market /ˈkæptɪv ˈmɑːkət/ noun a market where one supplier has a monopoly and the buyer has no choice over the product which he or she must purchase
carriage /ˈkɑːriɪdʒ/ noun the transporting of goods from one place to another

 cash in on /ˈkæʃ in ɒn/ phrasal verb to sell shares or other property for cash
cash in on /ˈkæʃ ɪn ɒn/ phrasal verb to profit from ○ The company is cashing in on the interest in computer games.
cash out phrasal verb US same as cash back

cash up /ˈkæʃ ʌp/ phrasal verb to add up the cash in a shop at the end of the day
cashable /ˈkæʃəbəl/ adjective able to be cashed ○ A crossed cheque is not cashable at any bank.
cash account /ˈkæʃ əˈkaʊnt/ noun an account which records the money which is received and spent
cash accounting /ˈkæʃ əˈkaʊntɪŋ/ noun 1. an accounting method in which receipts and expenses are recorded in the accounting books in the period when they actually occur 2. in the United Kingdom, a system for Value Added Tax that enables the tax payer to account for tax paid and received during a given period, thus allowing automatic relief for bad debts
cash advance /ˈkæʃ ədˈvɑːns/ noun a loan in cash against a future payment
cash and carry /ˈkæʃ ən ˈkɑːriɪ/ noun 1. a large store selling goods at low prices, where the customer pays cash and takes the goods away immediately ○ We get our supplies every morning from the cash and carry. 2. the activity of buying a commodity for cash and selling the same commodity on the futures market

cash at bank /ˈkæʃ ət ˈbæŋk/ noun the total amount of money held at the bank by an individual or company
cashback /ˈkæʃ əˈbæk/ noun a discount system where a purchaser receives a cash discount on the completion of the purchase '...he mentioned BellSouth’s DSL offer of $75 a month, plus a one-month cashback rebate.' [BusinessWeek]
cash balance /ˈkæʃ əˈbaləns/ noun a balance that represents cash alone, as distinct from a balance that includes money owed but as yet unpaid
cash basis /ˈkæʃ əˈbæsɪs/ noun a method of preparing the accounts of a business, where receipts and payments are shown at the time when they are made, as opposed to showing debts or credits which are outstanding at the end of the accounting period. Also called receipts and payments basis
cash budget /ˈkæʃ əˈbʌdʒ/ noun a plan of cash income and expenditure. Also called cash-flow budget
cash card /ˈkeɪʃ kɑrd/ noun a plastic card used to obtain money from a cash dispenser
cash cow /ˈkeɪʃ kɔʊ/ noun a product or subsidiary company that consistently generates good profits but does not provide growth
cash discount /ˈkeɪʃ dɪskɔnt/ noun a discount given for payment in cash. Also called discount for cash
cash dispenser /ˈkeɪʃ dɪspensə/ noun a machine which gives out money when a special card is inserted and instructions given
cash dividend /ˈkeɪʃ ′dɪvɪndənd/ noun a dividend paid in cash, as opposed to a dividend in the form of bonus shares
cash economy /ˈkeɪʃ ˌekənəmi/ noun a black economy, where goods and services are paid for in cash, and therefore not declared for tax
cash equivalent /ˈkeɪʃ ˈækwɪvələnt/ noun 1. an amount of money that can be realised immediately by selling an asset 2. a safe and highly liquid financial instrument such as a Treasury bill
cash equivalents /ˈkeɪʃ ˌekəvələnts/ noun short-term investments that can be converted into cash immediately and that are subject to only a limited risk. There is usually a limit on their duration, e.g., three months.
cash float /ˈkeɪʃ fləut/ noun cash put into the cash box at the beginning of the day or week to allow change to be given to customers

cash flow /ˈkeɪʃ flɔʊ/ noun cash which comes into a company from sales (cash inflow) or the money which goes out in purchases or overhead expenditure (cash outflow)
cash-flow accounting /ˈkeɪʃ flɔʊ ə ′kəntəŋ/ noun the practice of measuring the financial activities of a company in terms of cash receipts and payments, without recording accruals, prepayments, debtors, creditors and stocks

cash-flow budget /ˈkeɪʃ flɔʊ ′bʌdʒɪt/ noun same as cash budget
cash-flow forecast /ˈkeɪʃ flɔʊ ′fɔrəst/ noun a forecast of when cash will be received or paid out
cash-flow ratio /ˈkeɪʃ flɔʊ ′rɪʃələriəʊ/ noun a ratio that shows the level of cash in a business in relation to other assets and the use of cash in the activities of the business

cash-flow risk /ˈkeɪʃ flɔʊ ′rɪsk/ noun the risk that a company’s available cash will not be sufficient to meet its financial obligations

cash-flow statement /ˈkeɪʃ flɔʊ ′stɛrɛntmənt/ noun a record of a company’s cash inflows and cash outflows over a specific period of time, typically a year

cash-flow-to-total-debt ratio /ˈkeɪʃ flɔʊ tu ′təld ˌrɪʃələriəʊ/ noun a ratio that indicates a company’s ability to pay its debts, often used as an indicator of bankruptcy

cash fraction /ˈkeɪʃ ′frækʃən/ noun a small amount of cash paid to a shareholder to make up the full amount of part of a share which has been allocated in a share split

cash-generating unit /ˈkeɪʃ ˈdʒenərətɪŋ ′jʊnt/ noun the smallest identifiable group of assets that generates cash inflows and outflows that can be measured

cashier /ˈkeɪʃər/ noun 1. a person who takes money from customers in a shop or who deals with the money that has been paid 2. a person who deals with customers in a bank and takes or gives cash at the counter

cashier’s check /ˈkeɪʃ ˈʃek/ noun US a bank’s own cheque, drawn on itself and signed by a cashier or other bank official

cash inflow /ˈkeɪʃ ′ɪnfləʊ/ noun receipts of cash or cheques

cash items /ˈkeɪʃ ˌɑrɪtəms/ plural noun goods sold for cash

cashless society /ˈkeɪʃ ləs ˈsəriətɪ/ noun a society where no one uses cash, all purchases being made by credit cards, charge cards, cheques or direct transfer from one account to another

cash limit /ˈkeɪʃ ′lɪmɪt/ noun 1. a fixed amount of money which can be spent during some period 2. a maximum amount someone can withdraw from an ATM using a cash card

cash offer /ˈkeɪʃ ˈɑffər/ noun an offer to pay in cash, especially an offer to pay cash when buying shares in a takeover bid

cash outflow /ˈkeɪʃ ′aʊtfləʊ/ noun expenditure in cash or cheques

cash payment /ˈkeɪʃ ˌpɛmənt/ noun payment in cash

cash payments journal /ˈkeɪʃ ˌpɛmənts dʒərəniəl/ noun a chronological record of all the payments that have been made from a company’s bank account

cash position /ˈkeɪʃ ′pɔzɪʃən/ noun a state of the cash which a company currently has available

cash price /ˈkeɪʃ prɑs/ noun 1. a lower price or better terms which apply if the customer pays cash 2. same as spot price
The company was forced to fall back on its cash reserves when its bank account fell into debt. A customer gets a cash voucher to the value of $2. A cash register is a machine which shows and adds the prices of items bought, with a drawer for keeping the cash received. The cash received is of a company's reserves in cash deposits or bills kept in case of urgent need. The company was forced to fall back on its cash reserves.

Cash sale is a transaction paid for in cash, as distinct from a transaction paid for by means of a transfer of a financial instrument. Cash surrender value is the amount of money that an insurance company will pay a policyholder who chooses to terminate a policy before the maturity date. Cash terms are lower terms which apply if the customer pays cash on delivery.

A certificate of deposit is a transfer of a financial instrument from a transaction paid for by means of a transfer of a financial instrument. A cash surrender value is the amount of money that an insurance company will pay a policyholder who chooses to terminate a policy before the maturity date.

A central bank is the main government-controlled bank in a country, which controls that country's financial affairs by fixing main interest rates, issuing currency, supervising the commercial banks and trying to control the foreign exchange rate. A central bank discount rate is the rate at which a central bank discounts bills such as Treasury bills.

A central bank intervention is an action by a central bank to change base interest rates, to impose exchange controls or to buy or sell the country's own currency in an attempt to influence international money markets. A central government is the main government of a country as opposed to municipal, local, provincial or state governments.

A central bank to change base interest rates, to impose exchange controls or to buy or sell the country's own currency in an attempt to influence international money markets. A central government is the main government of a country as opposed to municipal, local, provincial or state governments.
Accounting.fm  Page 40  Tuesday, February 13, 2007  1:40 PM

certificate of incorporation 40

anted interest rate for a certain period of time. Abbreviation CD

‘…interest rates on certificates of deposit may have little room to decline in August as demand for funds from major city banks is likely to remain strong. After delaying for months, banks are now expected to issue a large volume of CDs. If banks issue more CDs on the assumption that the official discount rate reduction will be delayed, it is very likely that CD rates will be pegged for a longer period than expected.’ [The Weekly]

certificate of incorporation  /ˈsɛrtɪfɪkɑːt/ noun a document issued by Companies House to show that a company has been legally set up and officially registered

certificate of origin  /ˈsɛrtɪfɪkɑːt əv ˈɔrɪn/ noun a document showing where imported goods come from or were made

certificate of quality  /ˈsɛrtɪfɪkɑːt əv ˈkwɒləti/ noun a certificate showing the grade of a soft commodity

certificate of registration  /ˈsɛrtɪfɪkɑːt əv ˈrɛdɪʃ(ə)rn/ noun a document showing that an item has been registered

certificate to commence business  /ˈsɛrtɪfɪkɑːt tə kəˈmɛns ˈbɪznəs/ noun a document issued by the Registrar of Companies which allows a registered company to trade

certified accountant  /ˈsætʃəfɑnt/ noun an accountant who has passed the professional examinations and is a member of the Association of Certified Chartered Accountants (ACCA)

certified accounting technician  /ˈsætʃəfɑnt əˈkɑʊntɪŋ tɛkˈnɪʃ(ə)n/ noun a person who has passed the first stage course of the Association of Certified Chartered Accountants (ACCA). Abbreviation CAT

certified cheque  /ˈsætʃəfɑnt ˈtʃek/ noun a cheque which a bank says is good and will be paid out of money put aside from the payer's bank account

certified public accountant  /ˈsætʃəfɑnt pəˈblɪk ˈsɑʊntənt/ noun US same as chartered accountant

certify  /ˈsætʃɪfaɪ/ verb to make an official declaration in writing 1 I certify that this is a true copy. 2 The document is certified as a true copy.  (Note: certifies – certifying – certified)

cessation  /ˈsɛsʃən/ noun the act of giving up property to someone, especially a creditor

CFO abbreviation chief financial officer

CGT abbreviation capital gains tax

CH abbreviation Companies House

chairman  /ˈtʃeɪmən/ noun 1. a person who is in charge of a meeting 2 Mr Howard was chairman or acted as chairman. 2. a person who presides over the board meetings of a company 3 the chairman of the board of the company chairman 4 the chairman’s report. the chairman’s statement an annual report from the chairman of a company to the shareholders

…the corporation’s entrepreneurial chairman seeks a dedicated but part-time president. The new president will work a three-day week’ [Globe and Mail (Toronto)].

Chamber of Commerce  /ˈtʃeɪməbər əv ˈkɔmmən(ə)ri/ noun an organisation of local business people who work together to promote and protect common interest in trade

Chancellor of the Exchequer  /ˈtʃænələr əv ˈɛksˌkeɪə/ the chief finance minister in the British government. (Note: The US term is Secretary of the Treasury.)

change  /tʃeɪndʒ/ noun 1. money in coins or small notes. 2 exchange 3 to give someone change for £10 to give someone coins or notes in exchange for a ten pound note. 4 money given back by the seller, when the buyer can pay only with a larger note or coin than the amount asked. 5 She gave me the wrong change.

change in accounting estimate  /ˈtʃeɪndʒ ɪn əˈkɑʊntɪŋ ɪˈstɪmət/ noun a change in a major assumption or forecast underpinning a set of accounts, full disclosure of which should be made in a financial statement
which is owned by a business and is liable to
will be charged
to be charged
to a small charge for rental
he asks to be paid £16 for an hour’s work
chargeable gains
chargeable business asset
£50,000
chargeable gains
chargeable transfer
charge and discharge accounting
charge account
charge card
charitable trust
charitable purposes
charitable trust
charitable corporation
charitable trust
charitable trust
charitable trust
charity accounts

it does not have to pay taxes. The charity owes its success to clever marketing strategies in its fund-raising.

Chartered Institute of Taxation

charting /tʃætɪŋ/ noun the work of using charts to analyse information such as stock market trends and forecast future rises or falls

chart of accounts /tʃaːt kəʊntz/ plural noun in the UK body which the former Inland Revenue out of thousands of pounds.

check /tʃek/ noun US a number shown on a US cheque book

checkable /tʃekəbΛ/ adjective

checkbook /tʃekbʊk/ noun US same as cheque book

check card /tʃek kɑrd/ noun US same as cheque card

checking account /tʃekɪŋ kəʊnt/ noun US same as current account

check routing symbol /tʃek,rʌtɪŋ/ symbol/ noun US a number shown on a US cheque which identifies the Federal Reserve district through which the cheque will be cleared, similar to the UK `bank sort code`

cheque /tʃek/ noun a note to a bank asking them to pay money from your account to the
account of the person whose name is written on the note (note: the US spelling is check).

cheque account /ˈtʃeɪk əˈkaʊnt/ noun same as current account

cheque book /ˈtʃeɪk bʊk/ noun a booklet with new blank cheques (note: the usual US term is checkbook).

cheque card /ˈtʃeɪk kɑrd/, cheque guarantee card /ˈtʃeɪk ˈɡærənti kɑrd/ noun a plastic card from a bank which guarantees payment of a cheque up to some amount, even if the user has no money in his account

cheque requisition /ˈtʃeɪk ˌrɪkjuˈziʃn/ noun an official note from a department to the company accounts staff asking for a cheque to be written

cheque stub /ˈtʃeɪk stʌb/ noun a piece of paper left in a cheque book after a cheque has been written and taken out

cheque to bearer /ˈtʃeɪk tə ˈbɛərə/ noun a cheque with no name written on it, so that the person who holds it can cash it

chief executive /ˈtʃefi ɪkˈsaɪvədʒər/ noun the most important director in charge of a company. Abbreviation CEO

chief financial officer /ˈtʃefi fɪnəˈfiʃəl əˈfɪsə/ noun an executive in charge of a company’s financial operations, reporting to the CEO. Abbreviation CFO

chief investment officer /ˈtʃefi ɪnˈvestɪmənt əˈfɪsə/ noun a senior manager responsible for managing a company’s investment portfolio

chief operating officer /ˈtʃefi əˈpɜrətɪŋ əˈfɪsə/ noun a director in charge of all a company’s operations (same as a ‘managing director’). Abbreviation COO

Chief Secretary to the Treasury /ˈtʃefi ˈsɛktrəri tə də ˈtʃɛʒərəri/ noun a government minister responsible to the Chancellor of the Exchequer for the control of public expenditure (note: in the USA, this is the responsibility of the Director of the Budget.)

Chinese walls /ˈtʃiəniz ˈwɔlz/ plural noun imaginary barriers between departments in the same organisation, set up to avoid insider dealing or conflict of interest.

For example, if a merchant bank is advising on a planned takeover bid, its investment department should not know that the bid is taking place, or they would advise their clients to invest in the company being taken over.

chop /tʃɔp/ noun a mark made on a document to show that it has been agreed, acknowledged, paid or that payment has been received

choose /tʃuːz/ phrase a French word meaning ‘item’ or ‘thing’

choose in action /tʃuːz in ˈækʃən/ noun the legal term for a personal right which can be enforced or claimed as if it were property, e.g. a patent, copyright or debt

choose in possession /tʃuːz in ˈpəsənʒən/ noun the legal term for a physical thing which can be owned, such as a piece of furniture

Christmas bonus /ˌkrɪsməs ˈboʊnəs/ noun an extra payment made to staff at Christmas.

chronological order /ˌkroʊnələdʒɪk əˈɔr/ noun the arrangement of records such as files and invoices in order of their dates

CICA abbreviation Canadian Institute of Chartered Accountants

CIMA /ˈsɪmə/ abbreviation Chartered Institute of Management Accountants

CIPFA noun a leading professional accountancy body in the UK, specialising in the public services. Full form Chartered Institute of Public Finance and Accountancy

circularisation of debtors /ˈsɜːkʃələˈzaʃən əv ˈdɛtəz/ noun the sending of letters by a company’s auditors to debtors in order to verify the existence and extent of the company’s assets

circular letter of credit /ˈsɜːkʃəl ˈletər əv ˈkredɪt/ noun a letter of credit sent to all branches of the bank which issues it

circulating capital /ˈsɜːkʃələˈtɪŋ ˈkeɪpətəl/ noun capital in the form of cash or debtors, raw materials, finished products and work in progress which a company requires to carry on its business

circulation of capital /ˈsɜːkʃələˈleɪʃən əv ˈkeɪpətərəl/ noun a movement of capital from one investment to another

City Panel on Takeovers and Mergers /ˈsɪti ˈp∧nəl/ on teɪkəʊeəs ənd ˈmɜrərəs noun same as Takeover Panel

civil action /ˈsɪvəl əkˈʃən/ noun a court case brought by a person or a company against someone who has done them wrong

claim /kleɪm/ noun an act of asking for something that you feel you have a right to

claim 1. to ask for money, especially from an insurance company. ○ He claimed £100,000 damages against the cleaning firm. ○ She claimed for repairs to the car against her insurance policy. 2. to say that you have a right to something or that some-
thing is your property. ○ She is claiming possession of the house. ○ No one claimed the umbrella found in my office. 3. to state that something is a fact ○ He claims he never received the goods. ○ She claims that the shares are her property.

claim form /ˈkleɪm fɔːm/ noun a form which has to be filled in when making an insurance claim.

claims department /ˈkleɪmz dɪˌpɑrtnmənt/ noun a department of an insurance company which deals with claims.

claims manager /ˈkleɪmzˌmænɪdʒər/ noun the manager of a claims department.

classical system of corporation tax /ˈklɑːsɪkl sɪstəm ʌv ˌkɒrpəˈreɪʃən tɔks/ noun a system in which companies and their owners are liable for corporation tax as separate entities. A company’s taxed income is therefore paid out to shareholders who are in turn taxed again. This system operates in the United States and the Netherlands. It was replaced in the United Kingdom in 1973 by an imputation system.

classification of assets /ˈklɑːsɪfɪkeɪʃən ʌv əˈʃɛts/ noun the process of listing a company’s assets under appropriate categories.

classification of liabilities /ˈklɑːsɪfɪkeɪʃən ʌv əˈlɪbiəlɪtiz/ noun the process of classifying liabilities by the date or period when they are due.

classified stock /ˈklɑːsɪfɪd ʃtɒk/ noun a company’s common stock when it is divided into categories.

classify /ˈklɑːsɪfai/ verb to put into classes or categories according to specific characteristics (NOTE: classifies – classifying – classified).

class of assets /ˈklɑːs əˈʃɛts/ noun the grouping of similar assets into categories. This is done because under International Accounting Standards Committee rules, tangible assets and intangible assets cannot be revalued on an individual basis, only for a class of assets.

clause /kləʊz/ noun a section of a contract ○ There are ten clauses in the contract of employment. ○ There is a clause in this contract concerning the employer’s right to dismiss an employee. ○ verb to list details of the relevant parties to a bill of exchange.

claw back /klɔːbæk/ verb to take back money which has been allocated ○ Income tax claws back 25% of pensions paid out by the government. ○ Of the £1m allocated to the project, the government clawed back £100,000 in taxes.

clawback /ˈklɔːbæk/ noun 1. money taken back, especially money taken back by the government from grants or tax concessions which had previously been made 2. the allocation of new shares to existing shareholders, so as to maintain the value of their holdings.

clean float /ˈklen fləut/ noun an act of floating a currency freely on the international markets, without any interference from the government.

clean opinion /ˈklen əˈpɪnjən/, clean report /ˈklen riˈpɔrt/ noun an auditor’s report that is not qualified.

clearance certificate /ˈklɛərəns səˌtɪfrɪkst/ noun a document showing that goods have been passed by customs.

clearance sale /ˈklɛərəns sel/ noun a sale of items at low prices to get rid of stock.

clearing /ˈklɛərɪŋ/ noun 1. clearing of a debt paying all of a debt 2. clearing of goods through customs, passing of goods through customs 3. an act of passing of a cheque through the banking system, transferring money from one account to another.

clearing agency /ˈklɛərɪŋ əˌdʒɛnsi/ noun US central office where stock exchange or commodity exchange transactions are settled (NOTE: The UK term is clearing house.)

clearing bank /ˈklɛərɪŋ bæŋk/ noun a bank which clears cheques, especially one of the major UK High Street banks, specialising in usual banking business for ordinary customers, such as loans, cheques, overdrafts and interest-bearing deposits.

clearing house /ˈklɛərɪŋ həʊs/ noun a central office where clearing banks exchange cheques, or where stock exchange or commodity exchange transactions are settled.

Clearing House Automated Payments System /ˈklɛərɪŋ həʊs əˌdʒɛnʃɪə ˈpɛmənts sɪstəm/ noun full form of CHAPS.

clearing system /ˈklɛərɪŋ sɪstəm/ noun the system of processing payments using phone and internet, operated in the UK by the Association for Payment Clearing Services, an organisation owned by 39 major banks and building societies.

clear profit /ˈklɛə prəʊˈfɪt/ noun a profit after all expenses have been paid. ○ We made $6,000 clear profit on the deal.
One of our major clients has defaulted on her payments.

We made a clerical error in creating the account for one of our major clients, which led to an incorrect total in the profit and loss account. To correct this, we need to adjust entries made at the very end of an accounting period and make up the profit and loss account.

To close off the accounts, we need to bring something to an end. In this case, we closed our building society account. She took all the money out and stopped using it. For our client, this means coming at the end of an accounting period and making up the profit and loss account. If the client is a close company, the act of closing off is referred to as the closing of an account. If the client is a close corporation, the act of closing off is referred to as the closing of a close corporation.

When a shop is closing down, it may go into a different currency using the closing rate. This method is often used for the exchange of two or more currencies at the close of business of a balance sheet date, e.g. at the end of the financial year. In this case, the exchange rate of two or more currencies at the close of business of a balance sheet date is used to translate the figures from a set of financial statements into a different currency using the closing rate. This method is often used for the accounts of a foreign subsidiary of a parent company.

A co-creditor is a person who is a creditor of the same company as you are. This is often the case when a company signs a co-creditor agreement with another company, such as when Compagnie Nationale des Commissaires aux Comptes (CNCC) signs a closed-market agreement with an Egyptian company.
code /ˈkəʊd/ noun 1, a system of signs, numbers, or letters which mean something
2. a set of rules

code of practice /ˈkəʊd əv ‘præktɪs/ noun 1, rules drawn up by an association which the members must follow when doing business 2, the formally established ways in which members of a profession agree to work ○ Advertisers have agreed to abide by the code of practice set out by the advertising council.
codicil /ˈkɒdɪsɪl/ noun a document executed in the same way as a will, making additions or changes to an existing will
coding /ˈkəʊdɪŋ/ noun the act of putting a code on something ○ the coding of invoices
coding of accounts /ˈkəʊdɪŋ əv ə ‘kuːnts/ noun the practice of assigning codes to the individual accounts that make up the accounting system of a large company

co-director /ˈkəʊ dəˈrɛktə/ noun a person who is a director of the same company as you

coefficient of variation /ˈkəʊstɪntʃə/ noun a measure of the spread of statistical data, which is equal to the standard deviation multiplied by 100

collateral /ˈkɒlətərəl/ noun 1. a security, such as negotiable instruments, shares or goods, used to provide a guarantee for a loan ○...examiners have come to inspect the collateral that thrifts may use in borrowing from the Fed [Wall Street Journal]
collateralisation /ˈkələtərəlɪzaʃən/ noun 1. the act of securing a debt by selling long-term receivables to another company which secures them on the debts

collateralize /ˈkələtəralɪzaɪz/, collateralize verb to secure a debt by means of a collateral

collect /ˈkəlɛkt/ verb 1. to get money which is owed to you by making the person who owes it pay 2. to take things away from a place ○ We have to collect the stock from the warehouse.

collecting agency /ˈkəlɛktɪŋ əˈɛndʒənsi/ noun an agency which collects money owed to other companies for a commission

collecting bank /ˈkəlɛktɪŋ ˈbæŋk/ noun a bank into which a person has deposited a cheque, and which has the duty to collect the money from the account of the writer of the cheque

collection period /ˈkəlɛkʃən ˈpərɪd/ noun the number of days it takes a company to collect money owing

collection ratio /ˈkəlɛkʃən ˈrɛʃjərəl/ noun the average number of days it takes a firm to convert its accounts receivable into cash. Also known as days’ sales outstanding

collections /ˈkəlɛkʃənz/ plural noun money which has been collected

collective investment /ˈkəlɛktɪv ɪnˈvɛstment/ noun the practice of investing money with other individuals or organisations in order to share costs and risk

collective investment fund, collective investment scheme, collective investment trust, collective investment vehicle, collective investment vehicle fund, collective investment vehicle scheme, collective investment vehicle trust, collective investment vehicle vehicle

collector /ˈkəlɛktər/ noun a person who makes people pay money which is owed ○ He works as a debt collector.
collected /ˈkəlɛktɪd/ verb 1. to get money 2. to take something away from a place ○...examiners have come to inspect the collateral that thrifts may use in borrowing from the Fed [Wall Street Journal]
collected data /ˈkəlɛktɪd ˈdeɡətəl/ noun 1. the data that has been collected 2. the act of putting a code on something ○ the coding of invoices

collected income /ˈkəlɛktɪd ɪˈnʌmərə/ noun income which has been collected

collected profit /ˈkəlɛktɪd ˈprɒft/ noun profit which has been collected

collectivity /ˈkəlɛktɪvəti/ noun the ability of cash owed to be collected

combined financial statement /ˈkəmˌbайнd ˈfɛinquələnt ˈstəmtənt/ noun a written record covering the assets, liabilities, net worth and operating statement of two or more related or affiliated companies

comfort letter /ˈkɑmfort ˈletə/ noun 1. in the United States, an accountant’s statement confirming that the unaudited financial information in a prospectus follows GAAP 2. a letter from a parent company to a lender assuring the lender that a subsidiary company that has applied for a loan will be supported by the parent in its efforts to stay in business

command economy /ˈkəmˈɛnədi/ noun same as planned economy

commerce /ˈkɔmbɚns/ noun the buying and selling of goods and services

commercial /ˈkɔmərʃəl/ adjective 1. referring to business 2. profitable

commercial bank /ˈkɔmərʃəl ˈbæŋk/ noun a bank which offers banking services to the public, as opposed to a merchant bank

commercial bill /ˈkɔmərʃəl ˈbɪl/ noun a bill of exchange issued by a company (a trade bill) or accepted by a bank (a bank bill), as opposed to a Treasury bill, which is issued by the government
commercial directory /ˌkɔrɪməˈdɪəri/ /ˌkɔrməˈdɪəri/ a book which lists all the businesses and business people in a town.

commercial failure /ˌkɔrməˈfɔːl/. noun financial collapse or bankruptcy.

commercial law /ˌkɔrməˈlɔ/ /ˌkɔrməˈlɔ/ the laws regarding the conduct of businesses.

commercial lawyer /ˌkɔrməˈlɔri/ /ˌkɔrməˈlɔri/ a person who specialises in company law and who advises companies on legal problems.

commercial loan /ˌkɔrməˈlɔn/ /ˌkɔrməˈlɔn/ a short-term renewable loan or line of credit used to finance the seasonal or cyclical working capital needs of a company.

commercially /ˌkɔrməˈləli/ /ˌkɔrməˈləli/ adverb 1. for the purpose of making a profit. 2. in the operation of a business.

commercial property /ˌkɔrməˈprəpi/ /ˌkɔrməˈprəpi/ noun a building, or buildings, used as offices or shops.

commercial report /ˌkɔrməˈrəpərt/ /ˌkɔrməˈrəpərt/ an investigative report made by an organisation such as a credit bureau that specialises in obtaining information regarding a person or organisation applying for something such as credit or employment.

commercial substance /ˌkɔrməˈsʌbstəns/ /ˌkɔrməˈsʌbstəns/ the economic reality that underlies a transaction or arrangement, regardless of its legal or technical denomination. For example, a company may sell an office block and then immediately lease it back; the commercial substance may be that it has not been sold.

commercial year /ˌkɔrməˈjər/ /ˌkɔrməˈjər/ noun an artificial year treated as having 12 months of 30 days each, used for calculating such things as monthly sales data and inventory levels.

commission /ˌkɔrməˈʃən/ /ˌkɔrməˈʃən/ noun 1. money paid to a salesperson or agent, usually a percentage of the sales made. ○ She gets 10% commission on everything she sells. ○ He is paid on a commission basis. 2. a group of people officially appointed to examine some problem. ○ He is the chairman of the government commission on export subsidies.

commission agent /ˌkɔrməˈʃənədʒənt/ /ˌkɔrməˈʃənədʒənt/ noun an agent who is paid a percentage of sales.

commissioner /ˌkɔrməˈʃərnər/ /ˌkɔrməˈʃərnər/ noun an ombudsman.

Commissioner of the Inland Revenue /ˌkɔrməˈrɪvən/ /ˌkɔrməˈrɪvən/ noun same as Appeals Commissioner.

commission house /ˌkɔrməˈhauz/ /ˌkɔrməˈhauz/ noun a firm which buys or sells for clients, and charges a commission for this service.

commission rep /ˌkɔrməˈrep/ /ˌkɔrməˈrep/ noun a representative who is not paid a salary but receives a commission on sales.

commit /ˌkɔmɪt/ /ˌkɔmɪt/ verb ☞ to commit yourself to to guarantee something, especially a loan issue, or to guarantee to do something.

commitment /ˌkɔmɪtment/ /ˌkɔmɪtment/ noun something which you have agreed to do ☞ to make a commitment or to enter into a commitment to do something. ○ The company has a commitment to provide a cheap service.

commitment document /ˌkɔmɪtment ˈdokɪment/ /ˌkɔmɪtment ˈdokɪment/ noun a contract, change order, purchase order or letter of intent which deals with the supply of goods and services and commits an organisation to legal, financial and other obligations.

commitment fee /ˌkɔmɪtment ˈfi/ /ˌkɔmɪtment ˈfi/ noun a fee paid to a bank which has arranged a line of credit which has not been fully used.

commitments basis /ˌkɔmɪtmentz ˈbeɪʃənz/ /ˌkɔmɪtmentz ˈbeɪʃənz/ noun the method of recording the expenditure of a public sector organisation at the time when it commits itself to it rather than when it actually pays for it.

commitments for capital expenditure /ˌkɔmɪtmentz fɔr ˈkeɪpəl ˈeksfənənsi/ /ˌkɔmɪtmentz fɔr ˈkeɪpəl ˈeksfənənsi/ noun the amount a company has committed to spend on fixed assets in the future. In the United Kingdom, companies are legally obliged to disclose this amount, and any additional commitments, in their annual report.

committed credit lines /ˌkɔmɪtɪd ˈkrɛdɪt ˈlайнz/ /ˌkɔmɪtɪd ˈkrɛdɪt ˈlайнz/ plural noun a bank’s agreement to provide a loan on the borrower’s request, with a fee paid by the borrower for any undrawn portion of the agreed loan.

Committee of European Securities Regulators /ˌkɔmɪtɪ əˌjuəˈriːəzn ˈriɡələz ˈrɛglz/ /ˌkɔmɪtɪ əˌjuəˈriːəzn ˈriɡələz ˈrɛglz/ noun an independent organisation of securities regulators established to promote consistent supervision of the European market for financial services.

Committee on Accounting Procedure /ˌkɔmɪtɪ əˈkɒuntɪŋ ˈprəkriəs ˈprɑrɪs/ /ˌkɔmɪtɪ əˈkɒuntɪŋ ˈprəkriəs ˈprɑrɪs/ noun in the United States, a committee of the American Institute of Certified Public Accountants that was responsible between 1939 and 1959 for issuing accounting prin-
commodity /ˈkɒmədɪtɪ/ noun something sold in very large quantities, especially a raw material such as a metal or a food such as wheat

commodity exchange /ˈkɒmədɪtɪ ɪks/ɪə/ noun a place where commodities are bought and sold

commodity futures /ˈkɒmədɪtɪ ˈfjʊrɪz/ plural noun commodities traded for delivery at a later date ○ Silver rose 5% on the commodity futures market yesterday.

commodity market /ˈkɒmədɪtɪ ˌmɑrkɪt/ noun a place where people buy and sell commodities

commodity trader /ˈkɒmədɪtɪ ˌtrɛrdə/ noun a person whose business is buying and selling commodities

common cost /ˈkɒmən ‘kɔst/ noun a cost which is apportioned to two or more cost centres

common ownership /ˈkɒmən ˈɔνəʃ(ə)ŋ/ noun a situation where a business is owned by the employees who work in it

common pricing /ˈkɒmən ‘prɑrɪŋ/ noun the illegal fixing of prices by several businesses so that they all charge the same price

common stock /ˈkɒmən ‘strɑk/ noun US same as ordinary shares

Compagnie Nationale des Commissaires aux Comptes /kɔmpɔniz ˌnæʃnəˈlɛ də ˈkɔmisisəz ɔ ˌkɔmpl/ noun in France, an organisation that regulates external audit. Abbreviation CNCC

Companies House /ˈkɒmpəniz ˈhɔʊs/ noun an official organisation where the records of companies must be deposited, so that they can be inspected by the public. The official name is the 'Companies Registration Office'.

Companies Registration Office /ˈkɒmpəniz, ˈrestrɪʃən ˈɑfiʃəl ˈɑfɪʃ/ noun an office of the Registrar of Companies, the official organisation where the records of companies must be deposited, so that they can be inspected by the public. Abbreviation CRO. Also called Companies House

company /ˈkɔmpəni/ noun a business organisation, a group of people organised to buy, sell, or provide a service, usually for profit

company auditor /ˈkɔmpəni ˈɔːdɪtə/ noun the individual or firm of accountants a company appoints to audit its annual accounts

company car /ˌkɑmp(ə)ni ˈkɑr/ noun a car which belongs to a company and is lent to an employee to use for business or other purposes

company director /ˌkɑmp(ə)ni dəˈrɛktər/ noun a person appointed by the shareholders to help run a company

company flat /ˌkɑmp(ə)ni ˈflæt/ noun a flat owned by a company and used by members of staff from time to time (NOTE: The US term is company apartment)

company law /ˌkɑmpəni ˈlɔ/ noun laws which refer to the way companies work

company pension scheme /ˌkɑmpəni ˈpɛnsʃən ˈskem/ noun same as occupational pension scheme ○ She decided to join the company's pension scheme.

company promoter /ˌkɑmpəni prəˈmɔutə/ noun a person who organises the setting up of a new company

company registrar /ˌkɑmpəni ˈrestrɪʒər/ noun the person who keeps the share register of a company

company reserves /ˌkɑmpəni ˈriːzərvz/ plural noun same as revenue reserves

company secretary /ˌkɑmpəni ˈsɛkrətəri/ noun a person who is responsible for a company's legal and financial affairs

comparability /ˌkɑmpərəˈbɪləti/ noun the extent to which accurate comparisons can be made of the financial status of different companies, based on similarities in their accounting procedures, measurement concepts and other features

comparative balance sheet /kəmˌpærəˈti ˈbælsʃiːt/ noun one of two or more financial statements prepared on different dates that lend themselves to a comparative analysis of the financial condition of an organisation

comparative statements /kəmˌpærəˈti stɪ’tmənts/ plural noun financial statements which cover different accounting periods, usually the previous accounting period, but which are prepared in the same way and therefore allow information to be fairly compared

compensate /ˌkɒmpənsett/ verb to give someone money to make up for a loss or injury ○ In this case we will compensate a manager for loss of commission. ○ The company will compensate the employee for the burns suffered in the accident. (NOTE: You compensate someone for something.)
compensating balance /ˌkɒmpənˈseɪtɪŋ ˈbæləns/ noun the amount of money which a customer has to keep in a bank account in order to get free services from the bank

compensating errors /ˌkɒmpənˈseɪtɪŋ ˈɛərəs/ plural noun two or more errors which are set against each other so that the accounts still balance

compensation /ˌkɒmpənˈseɪʃn/ noun compensation for damage payment for damage done □ compensation for loss of office payment to a director who is asked to leave a company before their contract ends □ compensation for loss of earnings payment to someone who has stopped earning money or who is not able to earn money □ US a salary

...‘...compensation can also be via the magistrates courts for relatively minor injuries’ [Personnel Management]

compensation deal /ˌkɒmpənˈseɪʃn ˈdɛl/ noun a deal where an exporter is paid (at least in part) in goods from the country to which he or she is exporting

compensation fund /ˌkɒmpənˈseɪʃn ˈfʌnd/ noun a fund operated by the Stock Exchange to compensate investors for losses suffered when members of the Stock Exchange default

compensation package /ˌkɒmpənˈseɪʃn ˈpækɪdʒ/ noun the salary, pension and other benefits offered with a job

...‘...golden parachutes are liberal compensation packages given to executives leaving a company’ [Publishers Weekly]

compete /kəmˈpiːt/ verb □ to compete with someone or with a company to try to do better than another person or another company ○ We have to compete with cheap imports from the Far East. ○ They were competing unsuccessfully with local companies on their home territory. ○ the two companies are competing for a market share or for a contract each company is trying to win a larger part of the market, trying to win the contract

competition /ˌkɒmpəˈtʃən/ noun a situation where companies or individuals are trying to do better than others, e.g. trying to win a larger share of the market, or to produce a better or cheaper product or to control the use of resources

...‘...profit margins in the industries most exposed to foreign competition are worse than usual’ [Sunday Times]

...‘...competition is steadily increasing and could affect profit margins as the company tries to retain its market share’ [Citizen (Ottawa)]

competitive devaluation /ˌkɒmpətɪˈveɪʃən ˈdiːvəljuːʃn/ noun a devaluation of a currency to make a country’s goods more competitive on the international markets

competitive pricing /ˌkɒmpətɪˈveɪʃn ˈprɪŋɡɪŋ/ noun the practice of putting low prices on goods so as to compete with other products

competitor /ˌkɒmpətər/ noun a person or company that is competing with another ○ Two German firms are our main competitors.

...‘...sterling labour costs continue to rise between 3% and 5% a year faster than in most of our competitor countries’ [Sunday Times]

complete /kəmˈplɪkt/ verb to sign a contract for the sale of a property and to exchange it with the other party, so making it legal

completed contract method /ˌkɒmpəlˈtɪkt ˈkɒntrækt ˈmeθəd/ noun a way of accounting for a particular contractual obligation, e.g., a long-term construction project, whereby the profit is not recorded until the final completion of the project, even if there has been some revenue while the project was still in progress

completion date /kəmˈplɪʃment ˈdeɪt/ noun a date when something will be finished

compliance /ˌkɒmpəˈleɪns/ noun agreement to do what is ordered

compliance audit /ˌkɒmpəˈleɪns ˈɔːdɪt/ noun an audit of business activities carried out to determine whether performance matches contractual, regulatory or statutory requirements

compliance costs /ˌkɒmpəˈleɪns ˈkɔsts/ plural noun expenses incurred as a result of meeting legal requirements, e.g., for safety requirements or to comply with company law

compliance department /ˌkɒmpəˈleɪns ˈdɪˌpɑːtmənt/ noun a department which ensures that the company is adhering to any relevant regulations, such as FSA regulations

compliance officer /ˌkɒmpəˈleɪns ˈɒfɪsər/ noun an employee of a financial organisation whose job is to make sure that the organisation complies with the regulations governing its business

compliance test /ˌkɒmpəˈleɪns ˈtest/ noun any of various audit procedures followed to ensure that accounting procedures
within a company are reasonable and comply with regulations.

composition /ˈkɒmpəzɪʃ(ə)n/ noun an agreement between a debtor and creditors, where the debtor settles a debt by repaying only part of it.

compound /ˈkɒmpaʊnd/ verb 1. to agree with creditors to settle a debt by paying part of what is owed 2. to add to. The interest is compounded daily.

compound discount /ˈkɒmpaʊnd dɪˈskʌnt/ noun the difference between the nominal amount of a particular sum in the future and its present discounted value. So, if £150 in a year’s time is worth £142 now, the compound discount is £8.

compounding period /ˈkɒmpaʊndɪŋ pərɪˈɑːd/ noun the period over which compound interest is calculated.

compound interest /ˈkɒmpaʊnd ɪnˈtərst/ noun interest which is added to the capital and then earns interest itself.

compound journal entry /ˈkɒmpaʊnd dʒɔrnəl ˈɛntrɪ/ noun an entry in a journal that comprises more than individual equally matched debit and credit items.

comprehensive income /ˌkɒmprɪˈhɛnsɪv ɪnˈkʌm/ noun a company’s total income for a given accounting period, taking into account all gains and losses, not only those included in a normal income statement. In the United States, comprehensive income must be declared whereas in the United Kingdom it appears in the statement of total recognised gains and losses.

comprehensive insurance /ˌkɒmprɪˈhɛnsɪv ɪnˈʃərəns/ noun an insurance policy which covers you against all risks which are likely to happen.

comprehensive tax allocation /ˌkɒmprɪˈhɛnsɪv ˈteɪks əˌləskəˈʃ(ə)n/ noun the setting aside of money to cover deferred tax.

compromise /ˈkɒmprəməz/ noun an agreement between two sides, where each side gives way a little. Management offered £5 an hour; the union asked for £9, and a compromise of £7.50 was reached. ■ verb to reach an agreement by giving way a little. She asked £15 for it; I offered £7 and we compromised on £10.

comptroller /ˈkɒmptrələr/ noun a financial controller.

Compston, and Comptroller and Auditor General /ˌkɒmpləˈtʃ(ə)n, ɛnˈtɪdʒər ˈdiːˈɡ(e)niər/ noun in the United Kingdom, the head of the National Audit Office who reports back to Parliament on the audit of government departments.

compulsory annuity /ˈkɒmpə lɔrsəri ˈənjuəti/ noun in the United Kingdom, the legal requirement that at least 75% of the funds built-up in a personal pension plan have to be used to purchase an annuity by the age of 75.

compulsory liquidation /ˈkɒmpə lɔrsəri ˌlɪkwərˈdɪʃən/ noun same as compulsory winding up.

compulsory purchase /ˈkɒmpə lɔrsəri ˈpɜːtʃəs/ noun the purchase of an annuity with the fund built up in a personal pension scheme.

compulsory winding up /ˈkɒmpə lɔrsəri ˈwɛndərɪŋ/ noun liquidation which is ordered by a court.

compulsory winding up order /ˈkɒmpə lɔrsəri ˌwɛndərɪŋ ˈɔ:ri/ noun an order from a court saying that a company must be wound up.

computable /ˈkɒmpjuːtəbl/ adjective possible to calculate.

computation /ˌkɒmpjuːˈteɪʃ(ə)n/ noun a calculation.

computational error /ˌkɒmpjuːˈteɪʃənal ˈɛrə/ noun a mistake made in calculating.

compute /ˈkɒmpjuːt/ verb to calculate, to do calculations.

computerise /ˌkɒmpjuːˈtəraɪz/ verb to change something from a manual system to one using computers.

computerize /ˌkɒmpjuːˈtəraɪz/ verb to change something from a manual system to one using computers. We have computerised all our records.

stock control is now completely computerised.

concealment of assets /ˌkənˌsiːlənt əˈsetz/ noun the act of hiding assets so that creditors do not know they exist.

concept of capital maintenance /ˈkɒnsep t əˈkæpɪtəl ˈmeɪntənəns/ noun an idea. The concept of capital maintenance is the idea that profit is only recorded if the capital of the company, measured in terms of its net assets, increases during an accounting period. Assets can be measured at historical cost or in units of constant purchasing power.

concept of capital maintenance /ˈkɒnsep t əˈkæpɪtəl ˈmeɪntənəns/ noun the idea that profit is only recorded if the capital of the company, measured in terms of its net assets, increases during an accounting period. Assets can be measured at historical cost or in units of constant purchasing power. The concept of capital maintenance is the idea that profit is only recorded if the capital of the company, measured in terms of its net assets, increases during an accounting period. Assets can be measured at historical cost or in units of constant purchasing power.

conceptual framework /ˌkɒnˈseptʃ(ə)l ˈfrɛmwɜːrk/ noun a set of theoretical prin-
cepts that underlies the practice and regulation of financial accounting. In the United States, this is expressed in the Statements of Financial Accounting Concepts issued by the Financial Accounting Standards Board. In the United Kingdom, it is expressed in the Statement of Principles issued by the Accounting Standards Board.

collection /kan'kəlɛŋkʃən/ noun a business or company

concession /'kənˌsesən/ noun 1. the right to use someone else's property for business purposes 2. the right to be the only seller of a product in a place 3. an allowance, e.g. a reduction of tax or price

concessionary / kanˌsɛʃənərē / adjective 

conciliation / kanˌsɛniˈkɔn/ noun the practice of bringing together the parties in a dispute with an independent third party, so that the dispute can be settled through a series of negotiations

condition / kanˈʃən/ noun something which has to be carried out as part of a contract or which has to be agreed before a contract becomes valid

conditional / kanˈʃənəl / adjective provided that specific conditions are taken into account

conditionality / kanˌsɛniˈlətē/ noun the fact of having conditions attached

conditional sale / kanˌsɛniˈləl / noun a sale in which the subject to conditions, such as a hire-purchase agreement

conditions of employment / kanˌsɛniˈmplənənt/ plural noun the terms of a contract of employment

conditions of sale / kanˌsɛniˈmplənoun special features that apply to a particular sale, e.g. discounts or credit terms

Confederation of Asian and Pacific Accountants / kanˌfedərəˈtʃən/ noun the full form of CAPA

confidential report / kanˈfənˌdēərəl / noun a secret document which must not be shown to other people

Conflict of Interest / kanˈflikt/ noun a situation where a person or firm may profit personally from decisions taken in an official capacity.

conglomerate / kanˈɡləmərət/ noun a group of subsidiary companies linked together and forming a group, each making very different types of products

connected persons / kanˈnektdərn / plural noun for purposes of disclosure under the UK Companies Act, certain people who are related to or connected with members of the board of directors, including his or her spouse and children

Conseil National de la Comptabilité / konˌsəl ˈnezhən də kəmˈpətblik/ noun in France, a committee appointed by the government that is responsible for drawing up the Plan Comptable Général (General Accounting Plan)

consensus ad idem / kanˌsensəs əd əˈsidərn/ phrase a Latin phrase meaning ‘agreement to this same thing’; real agreement to a contract by both parties

conservative / kanˈsərvətiv/ adjective careful, not overestimating 2. His forecast of expenditure was very conservative or She made a conservative forecast of expenditure.

consideration / kanˌsərəˈteiʃən/ noun 1. serious thought 2. We are giving consideration to moving the head office to Scotland.

consign / kanˈsæzn/ verb 1. to consign goods to someone to send goods to someone for them to use or to sell for you 2. to consign someone to sell for you

consignee / kanˌsæznē/ noun a person who receives goods from someone for their own use or to sell for the sender

consignement / kanˌsəznˈmənt/ noun the act of consigning

consignor / kanˈsæznər/ noun 1. the sending of goods to someone who will sell them for you 2. a group of goods sent for sale A consignment of goods has arrived.

We are expecting a consignment of cars from Japan.

…some of the most prominent stores are gradually moving away from the traditional consignment system, under which manufacturers agree to repurchase any
consignment accounts

unsold goods, and in return dictate prices and sales strategies and even dispatch staff to sell the products' [Nikkei Weekly]

consignment accounts /ˈkɔnsɪmənt əˈkɑʊntz/ plural accounts kept by both consignee and consignor, showing quantities, dates of shipment, and payments for stocks held

consignment note /ˈkɔnsɪmənt ˈnəʊt/ noun a note saying that goods have been sent

consignor /ˈkɔnsɪnər/ noun a person who consigns goods to someone

consistency /ˈkɔnsɪstənsi/ noun one of the basic accounting concepts, that items in the accounts should be treated in the same way from year to year

consolidate /ˈkɔnsɪldət/ verb 1. to include the accounts of several subsidiary companies as well as the holding company in a single set of accounts 2. to group goods together for shipping

consolidated accounts /ˈkɔnsɪldətɪd əˈkɑʊntz/ plural accounts where the financial position of several different companies, i.e. a holding company and its subsidiaries, are recorded together

consolidated balance sheet /ˈkɔnsɪldətɪd ˈbælsheet/ noun the balance sheet of subsidiary companies grouped together into the balance sheet of the parent company. Also called group balance sheet

consolidated cash flow statement /ˈkɔnsɪldətɪd ˈkæʃ ˈfləʊ ˈstɛrmənt/ noun a cash flow statement for a group of enterprises and its parent company as a whole

consolidated financial statement /ˈkɔnsɪldətɪd ˈfænˌsɪlɛnt/ noun a document that gives the main details of the financial status of a company and its subsidiaries. Also called group financial statement

consolidated fund /ˈkɔnsɪldətɪd ˈfʌnd/ noun money in the Exchequer which comes from tax revenues and is used to pay for government expenditure

consolidated income statement /ˈkɔnsɪldətɪd ˈɪnˈkʌnt/ noun an income statement for a group of enterprises and its parent company as a whole

consolidated profit and loss account /ˈkɔnsɪldətɪd ˈprɒfɪt ənd ˈlɒs ə ˈkɔʊnt/ noun profit and loss accounts of the holding company and its subsidiary companies, grouped together into a single profit and loss account (NOTE: The US term is profit and loss statement or income statement)

consolidation /ˈkɔnsɪləʃən noun 1. the grouping together of goods for shipping 2. the act of taking profits from speculative investments and investing them safely in blue-chip companies

consolidation adjustments /ˈkɔnsɪləʃən ˈdʒʌstmenz/ plural adjustments necessary changes and deletions made to financial records when consolidating the accounts of a group of enterprises

consolidation difference /ˈkɔnsɪləʃən ˈdɪfərəns noun the difference between the price paid for a subsidiary and the value of the assets and liabilities obtained in the purchase

consols /ˈkɔnsəlz/ plural noun government bonds which pay interest but do not have a maturity date

consortium /ˈkɑʊntʃɪəm/ noun a group of companies which work together ○ A consortium of Canadian companies ○ A Canadian consortium has tendered for the job. (NOTE: The plural is consortia.) ‘…the consortium was one of only four bidders for the £2 billion contract to run the lines, seen as potentially the most difficult contract because of the need for huge investment’ [Times]

constant purchasing power /ˈkɔnstənt ˈpɜːtʃərɪŋ ˈpɔʊər/ noun same as current purchasing power

constraint /ˈkɒnstrənt/ noun any factor that limits the activities of a business, e.g. the capacity of a machine or the number of hours a worker can legally work

constraint-based costing /ˈkɒnstrənt ˈbeɪst ˈkɒnstrənt/ noun a costing method that takes account of constraints on capacity, e.g. the capacity of machinery

Consultative Committee of Accountancy Bodies /ˈkɔnsɪlətɪv ˈkɑʊmɪtɪ əˌkɑʊntənsi ˈbɒdiz/ noun an organisation established in 1974 that represents and encourages coordination between the six professional accountancy bodies in the United Kingdom and Ireland. Abbreviation CCAB

consulting /ˈkɑʊnsəltɪŋ/ adjective giving specialist advice ○ a consulting engineer

consulting actuary /ˈkɑʊnsəltɪŋ ˈæktjuəri/ noun an independent actuary who advises large pension funds

consumable goods /ˈkɔnsəməbl/ plural noun goods which are bought by members of the public
and not by companies. Also called consumer goods.

consumed cost /ˈkənˌsjuːmd/ noun same as sunk cost

consumer /ˈkənˌsjuːmə/ noun a person or company that buys and uses goods and services. Consumers are protesting at the increase in prices. The factory is a heavy consumer of water.

consumer council /ˈkənˌsjuːmə ˈkənˌsjuːmə/ noun a group representing the interests of consumers

c consumer credit /ˈkənˌsjuːmə ˈkredɪt/ noun credit given by shops, banks and other financial institutions to consumers so that they can buy goods (NOTE: Lenders have to be licensed under the Consumer Credit Act, 1974.)

Consumer Credit Act, 1974 /ˈkənˌsjuːmə ˈkredɪt ˈæk/ an Act of Parliament which licenses lenders, and requires them to state clearly the full terms of loans which they make, including the APR.

c consumer goods /ˈkənˌsjuːmə ˈgoʊdz/ plural noun same as consumable goods

Consumer Price Index /ˈkənˌsjuːmə ˈprɔ rɪ ərɪ ə/ a US index showing how prices of consumer goods have risen over a period of time, used as a way of measuring inflation and the cost of living. Abbreviation CPI (NOTE: The UK term is retail prices index.)

...analysis of the consumer price index for the first half of the year shows that the rate of inflation went down by about 12.9 per cent. [Work Times (Lagos)]

consumer protection /ˈkənˌsjuːmə ˈprə tʃər əˈtʃiŋ/ the activity of protecting consumers against unfair or illegal traders.

consumer spending /ˈkənˌsjuːmə ˈspendɪŋ/ noun spending by private households on goods and services.

...companies selling in the UK market are worried about reduced consumer spending as a consequence of higher interest rates and inflation. [Business]

consumption tax /ˈkənˌsʌmpʃən/ noun a tax used to encourage people to buy less of a particular good or service by increasing its price. This type of tax is often levied in times of national hardship.

Contact Committee /ˈkəntəkˈtɪli kəˌmænti/ noun an advisory body, established by the European Union, that oversees the application of European accounting directives and makes recommendations to the European Commission about changes to those directives.

contested takeover /ˈkəntəst ˈteɪkər/ noun a takeover bid where the board of the target company does not recommend it to the shareholders and tries to fight it. Also called hostile bid.

contingency fund /ˈkənˌtɪnʤənsi ˈfʌnd/ noun money set aside in case it is needed urgently.

contingent expenses /ˈkənˌtɪnʤənt ɪnzˈpɛnsz/ plural noun expenses which will be incurred only if something happens.

contingent gain /ˈkənˌtɪnʤənt ˈgæn/ noun a possible gain that is conditional on the occurrence of a certain event in the future.

contingent liability /ˈkənˌtɪnʤənt ˈlaɪəbɪləti/ noun a liability which may or may not occur, but for which provision is made in a company’s accounts, as opposed to ‘provisions’, where money is set aside for an anticipated expenditure.

contingent loss /ˈkənˌtɪnʤənt ˈlɒs/ noun a possible loss that is conditional on the occurrence of a certain event in the future.

contingent policy /ˈkənˌtɪnʤənt ˈpɒlɪs/ noun an insurance policy which pays out only if something happens, such as if a person named in the policy dies before the person due to benefit.

contingent reserve /ˈkənˌtɪnʤənt rɪˈzɜːv/ noun a fund set aside to meet unexpected costs, e.g. an increase in interest rates.

continuous professional development /ˈkənˌtɪnjuəri ˈprə dəvpələmpənt/ noun CPD.

continuous disclosure /ˈkənˌtɪnjuəri ˈdɪskloʊsər/ noun in Canada, the practice of ensuring that complete, timely, accurate and balanced information about a public company is made available to shareholders.

continuous improvement /ˈkənˌtɪnjuəri ˈɪmpruˈvəmənt/ noun a procedure and management philosophy that focuses on looking all the time for ways in which small improvements can be made to processes and products, with the aim of increasing quality and reducing waste and cost (NOTE: Continuous improvement is one of the tools that underpin the philosophies of total quality management and lean production; in Japan it is known as kaizen.)

continuously contemporary accounting /ˈkənˌtɪnjuəli kəˌmænti kəˌtempərərɪ kəˌəʊntɪˈɛrɪ/ noun an accounting system that measures assets and liabilities at their current cash price. Profit and loss can therefore be viewed in terms of changes...
contra /'kɒntrə/ noun an accounting term used when debits are matched with related credits in an account or set of accounts

contra account /'kɒntrə əˈkaʊnt/ noun an account which offsets another account, e.g., where a company’s supplier is not only a creditor in that company’s books but also a debtor because it has purchased goods on credit

contract /'kɒntrækt/ 1. a legal agreement between two parties ○ to draw up a contract ○ to sign a contract ○ the contract is binding on both parties ○ to void a contract to make a contract invalid 2. by private contract by private legal agreement 3. an agreement for the supply of a service or goods ○ to enter into a contract to supply spare parts ○ to sign a contract for $10,000 worth of spare parts 4. (Stock Exchange) a deal to buy or sell shares, or an agreement to purchase options or futures ○ verb /'kɒntrækt/ to agree to do some work on the basis of a legally binding contract ○ to contract to supply spare parts or to contract for the supply of spare parts

contract costing /'kɒntrækt ˈkɒstɪŋ/ noun a method of costing large projects, where the contracted work will run over several accounting periods

contracting party /'kɒntrækt ˈpɑrti/ noun a person or company that signs a contract

contract note /'kɒntrækt ˈnəʊt/ noun a note showing that shares have been bought or sold but not yet paid for, also including the commission

contract of employment /'kɒntrækt əˈmɪpləmənt/ noun a contract between an employer and an employee stating all the conditions of work. Also called employment contract

contract of service /'kɒntrækt əˈsɜrvəs/ noun a legal agreement between an employer and an employee whereby the employee will work for the employer and be directed by them, in return for payment

contractor /'kɒntræktər/ noun a person or company that does work according to a written agreement

contractual /'kɒntræktjuəl/ adjective according to a contract ○ contractual conditions

contractual liability /'kɒntræktjuəl ˈlaɪəbləti/ noun a legal responsibility for something as stated in a contract

contractually /'kɒntræktjuəli/ adverb according to a contract ○ The company is contractually bound to pay our expenses.

contractual obligation /'kɒntræktjuəl ˈɒblɪʃ(ə)n/ noun something that a person is legally forced to do through having signed a contract to do ○ to fulfill your contractual obligations to do what you have agreed to do in a contract

contract work /'kɒntrækt wɜːk/ noun work done according to a written agreement

contra entry /'kɒntrə ˈentrɪ/ noun an entry made in the opposite side of an account to make an earlier entry worthless, i.e., a debit against a credit

contribute /'kɒntrɪbjuːt/ verb to give money or add to money ○ We agreed to contribute 10% of the profits. ○ They had contributed to the pension fund for 10 years.

contribution /'kɒntrɪbjuʃ(ə)n/ noun 1. money paid to add to a sum 2. the difference between sales value and the variable costs of a unit sold. This goes to cover fixed costs and provide the profit

contribution income statement /'kɒntrɪbjuʃ(ə)n ˈɪnmənt/ a way of presenting an income statement in which fixed costs are shown as a deduction from the total contribution. This format is often used as part of management accounting

contribution margin /'kɒntrɪbjuʃ(ə)n ˈmɑrɪtʃərn/ noun a way of showing how much individual products or services contribute to net profit

‘The provider of rehabilitation services cited the negative impact of Part B therapy caps on estimated Contract Therapy contribution margins.’ [BusinessWeek]

contribution of capital /'kɒntrɪbjuːʃ(ə)n əˈkɛp(t)(ə)l/ noun money paid to a company as additional capital

contributor of capital /'kɒntrɪbjuːtrər əˈkɛp(t)(ə)l/ noun a person who contributes capital

contributory /'kɒntrɪbjuːt(ə)rɪ/ adjective causing or helping to cause ○ Falling exchange rates have been a contributory factor in the company’s loss of profits.

control account /'kɒntrələl əˈkaʊnt/ noun an account used to record the total amounts entered in a number of different
ledger accounts. It also acts as a means of checking the accuracy of the ledger accounts.

**controllable variance** /ˈkɒntrəˈvɛərəs/ noun a difference between actual and budgeted amounts that is considered as being within the control of the budget centre manager

**controlled company** /ˈkɒntrələd/ 'kəmpənə/ noun a company where more than 50% (or in the USA, 25%) of the shares belong to one owner

**controlled economy** /ˈkɒntrəlɪd/ 'kəntrəlɪd/ noun an economy where most business activity is directed by orders from the government

**controller** /ˈkɒntrələ/ noun 1. a person who controls something, especially the finances of a company 2. US the chief accountant in a company

**control limits** /ˈkɒntrəlɪnts/ plural noun limits on quantities or values which, if exceeded, trigger intervention from management

**control period** /ˈkɒntrəl prəriəd/ noun the fraction of the financial year, e.g., a month, for which separate totals are given in a budget

**control risk** /ˈkɒntrəl risk/ noun that aspect of an audit risk that involves an entity’s internal control system

**control totals** /ˈkɒntrəl tɔrtəs/ plural noun in auditing, totals calculated for important data fields, used as a check of data processing standards

**conventional cost system** /ˈkɒn vənəʃənəl kəst siːstəm/ noun a standard system for applying overhead costs to products and services, using only unit-based cost drivers

**conversion** /ˈkɒnvərʒən/ noun the action of changing convertible loan stock into ordinary shares

**conversion costs** /ˈkɒnvərʒən kəstəs/* plural noun the cost of changing raw materials into finished or semi-finished products, including wages, other direct production costs and the production overhead

**conversion of funds** /ˈkɒnvərʒən ov tɔndəz/ noun the act of using money which does not belong to you for a purpose for which it is not supposed to be used

**conversion period** /ˈkɒnvərʒən pəriəd/ noun a time during which convertible loan stock may be changed into ordinary shares

**conversion price** /ˈkɒnvərʒən prəs/ noun

**conversion rate** /ˈkɒnvərʒən rət/ noun

1. a price at which preference shares are converted into ordinary shares
2. a rate at which a currency is changed into a foreign currency

**conversion value** /ˈkɒnvərʒən vəljuː/ noun a value of convertible stock, including the extra value of the ordinary shares into which they may be converted

**convert** /ˈkɒnvər/ verb 1. to change money of one country for money of another ○ We converted our pounds into Swiss francs. 2. to convert funds to your own use to use someone else’s money for yourself

**convertibility** /ˈkɒnvərˌsəbɪˈlətɪ/ noun the ability of a currency to be exchanged for another easily

**convertible currency** /ˈkɒnvərˌsəbəl kənˈvɜːriəl/ noun a currency which can easily be exchanged for another

**convertible debenture** /ˈkɒnvərˌsəbəl dəˈbɛntər/ noun debenture or loan stock which can be exchanged for ordinary shares at a later date

**convertible loan stock** /ˈkɒnvərˌsəbəl lən stɔk/ noun money lent to a company which can be converted into shares at a later date

**convertibles** /ˈkɒnvərˌsəbəl ˈkənˈvɜːrəblz/ plural noun corporate bonds or preference shares which can be converted into ordinary shares at a set price on set dates

**conveyance** /ˈkɒnvərəns/ noun a legal document which transfers a property from the seller to the buyer

**conveyancer** /ˈkɒnvərənsər/ noun a person who draws up a conveyance

**conveyancing** /ˈkɒnvərənsiŋ/ noun the work of legally transferring a property from a seller to a buyer

**COO** abbreviation chief operating officer

**cooling-off period** /kəˈluːɪŋ ′əf pəriəd/ noun 1. (during an industrial dispute) a period when negotiations have to be carried on and no action can be taken by either side 2. a period during which someone who is about to enter into an agreement may reflect on all aspects of the arrangement and change his or her mind if necessary ○ New York has a three day cooling-off period for telephone sales.

**cooperative society** /ˈkoʊəpərətɪv səˈsəʊti/ noun an organisation where customers and employees are partners and share the profits

**cooperative store** /ˈkoʊəpərətɪv stɔr/ noun a store owned by those who shop there as well as by its workers
accounting/p1o\'prɛmɒtɪ/ noun the ownership of property by two or more people together

coproprietor /kəˈspɒrəˈprɛnɪtər/ noun a person who owns a property with another person or several other people

copyright /ˈkærɪpərɪt/ noun an author’s legal right to publish his or her own work and not to have it copied, lasting seventy years after the author’s death verb to confirm the copyright of a written work by inserting a copyright notice and publishing the work

Copyright Act /ˈkærɪpərɪt ækt/ noun an Act of Parliament making copyright legal, and controlling the copying of copyright material

copyright deposit /ˈkærɪpərɪt dɪˈpɹɛzn/ noun the act of depositing a copy of a published work in a copyright library, which is part of the formal copyrighting of copyright material

copyright holder /ˈkærɪpərɪt hɔʊldər/ noun a person who owns a copyright and who can expect to receive royalties from it

copyright law /ˈkærɪpərɪt lɔːr/ noun laws concerning the protection of copyright

copyright notice /ˈkærɪpərɪt ˈnɔːtɪs/ noun a note in a book showing who owns the copyright and the date of ownership

corporate /ˈkərpərət/ adjective referring to corporations or companies, or to a particular company as a whole

‘...the prime rate is the rate at which banks lend to their top corporate borrowers’ [Wall Street Journal]

‘...if corporate forecasts are met, sales will exceed $50 million next year’ [Financial Times]

corporate bond /ˈkərpərət bɔnd/ noun a loan stock officially issued by a company to raise capital, usually against the security of some of its assets (note: the company promises to pay an amount of interest on a set date every year until the redemption date, when it repays the loan.)

corporate finance /ˈkərpərət ˈfɪnəns/ noun the financial affairs of companies

corporate governance /ˈkərpərət ˈɡəʊvərnmənt/ noun the way a company or other organisation is run, including the powers of the board of directors, audit committees, ethics, environmental impact, treatment of workers, directors’ salaries and internal control

corporate loan /ˈkərpərət ˈlɔrn/ noun a loan issued by a corporation

Corporate name /ˈkərpərət ˈneɪm/ noun the name of a large corporation

corporate plan /ˈkərpərət ˈplæn/ noun a plan for the future work of a whole company

corporate planning /ˈkərpərət ˈpleɪnɪŋ/ noun 1. the process of planning the future work of a whole company 2. planning the future financial state of a group of companies

corporate profits /ˈkərpərət ˈprəfɪts/ plural noun the profits of a corporation

‘...corporate profits for the first quarter showed a 4 per cent drop from last year’ [Financial Times]

corporate raider /ˈkərpərət ˈreɪdər/ noun a person or company which buys a stake in another company before making a hostile takeover bid

corporation /ˈkərpərəʃən/ noun 1. a large company 2. US a company which is incorporated in the United States 3. a municipal authority

corporation income tax /ˈkərpərəʃən ɪnməns tæks/ noun a tax on profits made by incorporated companies

corporation loan /ˈkərpərəʃən ˈləʊn/ noun a loan issued by a local authority

corporation tax /ˈkərpərəʃən ˈtæks/ noun a tax on profits and capital gains made by companies, calculated before dividends are paid. Abbreviation CT

correcting entry /ˈkærɪktɪŋ ˈentri/ noun an entry made in accounts to make something right which was previously wrong

correlation /kərəˈleɪʃən/ noun the degree to which there is a relationship between two sets of data ○ Is there any correlation between people’s incomes and the amount they spend on clothing?

COSA abbreviation cost of sales adjustments

cost /kɒst/ noun the amount of money paid to acquire, produce or maintain something. e.g. the money paid for materials, labour and overheads in the manufacture of a product produced and sold by a business ○ Computer costs are falling each year. ○ We cannot afford the cost of two cars. verb 1. to cause money to be spent or lost 2. to determine the cost of something ○ to cost a product to calculate how much money will be needed to make a product, and so work out its selling price

cost absorption /ˈkɒst əbˌzɔrɪʃən/ noun any system in which costs are assigned to units produced
have had to make three staff redundant. The process of calculating in advance what a company or group whose costs can be itemised and to which costs can be allocated in order to provide the information required in an account is known as cost accounting. The sharing out of common overhead costs among various cost centres is called cost apportionment. The practice of valuing a unit, a process or an individual according to the costs they incur is known as cost accounting.

cost accountant /ˈkɒst əˌkaʊntənt/ noun an accountant who gives managers information about their business costs

cost accounting /ˈkɒst əˌkaʊntɪŋ/ noun the process of preparing special accounts of manufacturing and sales costs

cost accumulation /ˈkɒst əˈkjuːmjuːʃən/ noun a system of presenting costs in an account

cost allocation /ˈkɒst əˈalkəleɪʃən/ noun the way in which overhead expenses are related to various cost centres

cost analysis /ˈkɒst əˈnæləsɪs/ noun the process of calculating in advance what a new product will cost

cost apportionment /ˈkɒst əˌpɜːtəˈpɔːrment/ noun the sharing out of common overhead costs among various cost centres

cost assignment path /ˈkɒst əˌˈɛsəmənt ˈpɑːθ/ noun a link between a cost and its cost object

cost-based price /ˈkɒst bɪˈsted ˈprɑːs/ noun a price for a particular product or service based on that portion of overall costs assigned to it

cost behaviour pattern /ˈkɒst bɪˈhɜːrvjəˌpɜːtəˈpɑːtn/ noun the extent to which a cost will change as the level of activity of a business changes

cost-benefit analysis /ˈkɒst ˈbɛniʃənt əˌˌnæləsɪs/ noun the process of comparing the costs and benefits of various possible ways of using available resources. Also called benefit-cost analysis

cost centre /ˈkɒst ˌsɛntə/ noun 1. a person or group whose costs can be itemised and to which costs can be allocated in accounts. 2. a unit, a process or an individual that provides a service needed by another part of an organisation and whose cost is therefore accepted as an overhead of the business

cost (at cost) concept /ˈkɒst əˌkɒst əˌˈkɒnsep/ noun the practice of valuing assets with reference to their acquisition cost

cost control /ˈkɒst kənˌtrəʊl/ noun the process of ensuring that a business’s actual costs do not exceed predetermined acceptable limits

cost-cutting /ˈkɒst ˌkʌtɪŋ/ adjective intended to reduce costs. We have taken out the second telephone line as a cost-cutting exercise. noun the process of reducing costs. As a result of cost-cutting, we have had to make three staff redundant.

cost driver /ˈkɒst ˌdɹərvə/ noun a factor that determines how much it costs to carry out a particular task or project, e.g. the amount of resources needed for it, or the activities involved in completing it

cost-effective /ˈkɒst ɪˈfektɪv/ adjective giving good value when compared with the original cost. We find advertising in the Sunday newspapers very cost-effective.

cost-effectiveness /ˈkɒst ɪˈfektɪvəsɪs/ noun the quality of being cost-effective. Can we calculate the cost-effectiveness of air freight against shipping by sea?

cost element /ˈkɒst ˈɛləmənt/ noun a single element of a total cost, e.g. the cost of depreciation of an item or the cost of warehouse housing the item

cost estimation /ˈkɒst ˌɛstɪməʃən/ noun the process of determining cost behaviour patterns

cost factor /ˈkɒst ˌfɑːktə/ noun any activity or item of material, equipment or personnel that incurs a cost

cost function /ˈkɒst ˈfʌŋkʃən/ noun a mathematical function that links a company’s total costs to its output and factor costs

cost hierarchy /ˈkɒst hɪˈærərɪkə/ noun a system for classifying a company’s activities according to the costs they incur

costing /ˈkɒstɪŋ/ noun a calculation of the manufacturing costs, and so the selling price, of a product. The costings give us a retail price of $2.95. We cannot do the costing until we have details of all the production expenditure.

costly /ˈkɒstli/ adjective costing a lot of money, or costing too much money. Defending the court case was a costly process. The mistakes were time-consuming and costly.

cost management /ˈkɒst ˌmænɪdʒmənt/ noun the application of management accounting concepts, methods of data collection, analysis and presentation, in order to provide the information required to enable costs to be planned, monitored and controlled

cost management function /ˈkɒst ˌmænɪdʒmənt ˈfʌŋkʃən/ noun the management of those activities that help determine accurate costs

cost modelling /ˈkɒst ˌmɒdlɪŋ/ noun the use of a costing system to give a clear view of the costs and profitability of a product or service
cost object

cost object /ˈkɒst ɒbjekt/ noun any aspect of a company’s business for which a costing can be produced, e.g. employees’ salaries and factory overheads

cost of borrowing /ˈkɒst əv ˈbɔːrɪŋ/ noun an interest rate paid on borrowed money

cost of capital /ˈkɒst əv ˈkeIpət(ə)/ noun interest paid on the capital used in operating a business

cost of goods sold /ˈkɒst əv ˈgʊdz ˈsɔld/ noun same as cost of sales

cost of living /ˈkɒst əv ˈlɪvɪŋ/ noun money which has to be paid for basic items such as food, heating or rent to allow for the cost of living in the salary adjustments

cost-of-living adjustment /ˈkɒst əv ˈlɪvɪŋ əˌdʒʌstmənt/ noun an increase in wages or salary that compensates for an increase in the cost of living

cost-of-living allowance /ˈkɒst əv ˈlɪvɪŋ əˌləʊn/ noun an addition to normal salary to cover increases in the cost of living

cost-of-living bonus /ˈkɒst əv ˈlɪvɪŋ ˈbʊnuːs/ noun money paid to meet an increase in the cost of living

cost-of-living increase /ˈkɒst əv ˈlɪvɪŋ ɪnˈkriːs/ noun an increase in salary to allow it to keep up with the increased cost of living

cost-of-living index /ˈkɒst əv ˈlɪvɪŋ ɪndəks/ noun a way of measuring the cost of living which is shown as a percentage increase on the figure for the previous year. It is similar to the consumer price index, but includes other items such as the interest on mortgages.

cost of replacement /ˈkɒst əv ˈrɪpləmənt/ noun same as replacement cost

cost of sales /ˈkɒst əv ˈsɛlz/ noun all the costs of a product sold, including manufacturing costs and the staff costs of the production department, before general overheads are calculated. Also called cost of goods sold

cost of sales adjustment /ˈkɒst əv ˈsɛlz əˌdʒʌstmənt/ noun an adjustment made in current cost accounting to a company’s historical cost profit figure to take into account the effect of inflation on the value of materials used in production during the accounting period. If prices are rising, the COSA will reduce historical cost profit. Abbreviation COSA

cost plus /ˈkɒst plʌs/ noun a system of calculating a price, by taking the cost of production of goods or services and adding a percentage to cover the supplier’s overheads and margin. We are charging for the work on a cost plus basis.

cost pool /ˈkɒst pʊl/ noun a grouping of individual costs, e.g. by department or by type of job

cost price /ˈkɒst praɪs/ noun a selling price that is the same as the price paid by the seller, which results in no profit being made

cost reduction programme /ˈkɒst ˈrɛdəˈʃən ˈprəʊgræm/ noun a programme of cutting costs in order to improve profitability

costs /ˈkɒsts/ plural noun the expenses involved in a case focus. The judge awarded costs to the defendant. Costs of the case will be borne by the prosecution.

costs of nonconformance /ˈkɒsts əv ˈnɒnkənˈfɔrəns/ plural noun costs incurred by a company in rectifying defects in products or services sold

costs of quality /ˈkɒsts əv ˈkwɒləti/ plural noun costs incurred in applying quality control standards

cost summary schedule /ˈkɒst ˈsʌməri ˈʃedʒuəl/ noun a method of determining the cost to be transferred to a department’s finished goods inventory account

cost-volume-profit analysis /ˈkɒst ˈvɔːljuːm ˈprɔfɪt əˌnəlsəz/ noun an analysis of the relationship between gross profit and costs of production at different selling prices and output volumes. Also called CVP analysis

coterminous period ends /ˌkɒtəˈrɪmnəs ˈprɪriəd ənds/ plural noun a point in time that marks the end of the accounting period for separate and related accounts that cover the same period

council tax /ˈkɒnsəl ˈteɪks/ noun a tax paid by individuals or companies to a local authority. Introduced in April 1993 as a replacement for the much maligned community charge, or ‘poll tax’, council tax depends on the value of the residential or commercial property occupied.

count /ˈkaʊnt/ verb 1. to add figures together to make a total. She counted up the sales for the six months to December. 2. to include something. Did you count my trip to New York as part of my sales expenses?

counterbid /ˈkaʊntəbɪd/ noun a higher bid in reply to a previous bid. When I bid $20 she put in a counterbid of $25.

counter-claim /ˈkaʊntə kliːm/ noun a claim for damages made in reply to a previous claim. Jones claimed £25,000 in dam-
against Smith, and Smith entered a counter-claim of £30,000 for loss of office.

counterfeit /ˈkaʊntərfɪt/ adjective referring to false or imitation money ○ Shops in the area have been asked to look out for counterfeit £20 notes. ▪ verb to make imitation money

counterfoil /ˈkaʊntəfɒɪl/ noun a slip of paper kept after writing a cheque, an invoice or a receipt, as a record of the deal which has taken place

countermand /ˈkaʊntəmænd/ verb to say that an order must not be carried out ○ to countermand an order to say that an order must not be carried out

counter-offer /ˈkaʊntəˌɒfə/ noun a higher or lower offer made in reply to another offer ○ Smith Ltd made an offer of $1m for the property, and Blacks replied with a counter-offer of $1.4m.

‘...the company set about paring costs and improving the design of its product. It came up with a price cut of 14%, but its counter-offer – for an order that was to have provided 8% of its workload next year – was too late and too expensive’ [Wall Street Journal]

counterparty /ˈkaʊntəˈpɑːti/ noun each of the other parties to a contract, considered from the viewpoint of a particular party

counterpurchase /ˈkaʊntəpərʃuːs/ noun an international trading deal, where a company agrees to use money received on a sale to purchase goods in the country where the sale was made

countersign /ˈkaʊntəsɜːn/ verb to sign a document which has already been signed by someone else ○ All our cheques have to be countersigned by the finance director ○ The sales director countersigns all my orders.

countertrade /ˈkaʊntətrɛid/ noun a trade which does not involve payment of money, but something such as a barter or a buy-back deal instead

countervailing duty /ˈkaʊntəvɛlɪŋ ,dʒʌtɪ/ noun a duty imposed by a country on imported goods, where the price of the goods includes a subsidy from the government in the country of origin. Also called anti-dumping duty

counting house /ˈkaʊntɪŋ hauːs/ noun a department dealing with cash (dated)

country risk /ˈkʌntrɪ rɪsk/ noun the risk associated with undertaking transactions with, or holding assets in, a particular country. Sources of risk might be political, economic or regulatory instability affecting overseas taxation, repatriation of profits, nationalisation, currency instability, etc.

coupon /ˈkʌpmən/ noun 1. a piece of paper used in place of money 2. a slip of paper attached to a government bond certificate which can be cashed to provide the annual interest

coupon rate /ˈkʌpmən rɛt/ noun the percentage fixed interest rate on a government bond or a debenture

coupon security /ˈkʌpmən ˌsɪkjʊərəti/ noun a government security which carries a coupon and pays interest, as opposed to one which pays no interest but is sold at a discount to its face value

covenant /ˈkʌvərənt/ noun a legal contract ▪ verb to agree to pay annually a specified sum of money to a person or organisation by contract. When payments are made under covenant to a charity, the charity can reclaim the tax paid by the donee. ○ to covenant to pay £10 per annum

cover /ˈkʌvər/ noun an amount of money large enough to guarantee that something can be paid for ○ Do you have sufficient cover for this loan? ▪ verb 1. to provide protection by insurance against something ○ The insurance covers fire, theft and loss of work. ○ to cover a risk to be protected by insurance against a risk 2. to earn enough money to pay for costs, expenses, etc. ○ We do not make enough sales to cover the expense of running the shop. ○ Break-even point is reached when sales cover all costs. 3. to ask for security against a loan which you are making

‘...three export credit agencies have agreed to provide cover for large projects in Nigeria’ [Business Times (Lagos)]

coverage /ˈkʌvərɑːj/ noun US protection guaranteed by insurance ○ Do you have coverage against fire damage?

‘...from a PR point of view it is easier to get press coverage when you are selling an industry and not a brand’ [PR Week]

covered option /ˈkʌvəd ,ɒp(ə)n/ noun an option the owner of which is also the owner of the shares for the option

cover note /ˈkʌvər ˈnəʊt/ noun a letter from an insurance company giving details of an insurance policy and confirming that the policy exists

CP abbreviation commercial paper

CPA abbreviation certified public accountant

CPD /ˌsɪt pɪt/ noun training and education that continues throughout a person’s career in order to improve the skills and
knowledge they use to do a job or succession of jobs. Full form: continuing professional development
CPI abbreviation Consumer Price Index
creative accountancy /kriˌeɪtɪv əˈkɒuntæns/; creative accounting /ˌkriˌeɪtɪv əˈkɒntɪŋ/ noun an adaptation of a company’s figures to present a better picture than is correct, usually intended to make a company more attractive to a potential buyer, or done for some other reason which may not be strictly legal
credit /ˈkredɪt/ noun 1. a period of time allowed before a customer has to pay a debt incurred for goods or services O to give someone six months' credit O to sell on good credit terms 2. an amount entered in accounts to show a decrease in assets or expenses or an increase in liabilities, revenue or capital. In accounts, credits are entered in the right-hand column. O to enter $100 to someone’s credit O to pay in $100 to the credit of Mr Smith Compare debit verb to put money into someone’s account, or to note money received in an account O to credit an account with $100 or to credit £100 to an account
credit account /ˈkredɪt əˈkɒunt/ noun an account which a customer has with a shop which allows him or her to buy goods and pay for them later
credit agency /ˈkredɪt əˌdʒɛntɪs/ noun a company which reports on the creditworthiness of customers to show whether they should be allowed credit. Also called credit bureau
credit agreement /ˈkredɪt əˈɡɹɛmənt/ noun a document that sets out the terms under which credit is made available, or the agreement enshrined in such a document
credit analysis /ˈkredɪt əˈnælɪsɪs/ noun the process of assessing a potential borrower’s creditworthiness
credit balance /ˈkredɪt əˈbæləns/ noun a balance in an account showing that more money has been received than is owed O The account has a credit balance of £100.
credit bank /ˈkredɪt bæŋk/ noun a bank which lends money
credit bureau /ˈkredɪt əˌbjuːrəʊ/ noun US same as credit agency
credit card /ˈkredɪt kɑrd/ noun a plastic card which allows someone to borrow money and to buy goods up to a certain limit without paying for them immediately, but only after a period of grace of about 25–30 days. O charge card
credit card holder /ˈkredɪt kɑrd ˈhɑʊldər/ noun a person who has a credit card
credit column /ˈkredɪt ˌkʌlmərn/ noun the right-hand column in accounts showing money received
credit control /ˈkredɪt ˈkɒntrəl/ noun a check that customers pay on time and do not owe more than their credit limit
credit controller /ˈkredɪt ˈkɒntrələrn/ noun a member of staff whose job is to try to get payment of overdue invoices
credit entry /ˈkredɪt ˈɛntrɪ/ noun an entry on the credit side of an account
credit facilities /ˈkredɪt ˈfelɪtɪz/ plural noun an arrangement with a bank or supplier to have credit so as to buy goods
credit freeze /ˈkredɪt ˈfriːz/ noun a period when lending by banks is restricted by the government
credit limit /ˈkredɪt ˈlɪmɪt/ noun the largest amount of money which a customer can borrow
credit line /ˈkredɪt ˈlaɪn/ noun an overdraft, the amount by which a person can draw money from an account with no funds, with the agreement of the bank
credit note /ˈkredɪt ˈnəʊt/ noun a note showing that money is owed to a customer O The company sent the wrong order and so had to issue a credit note. Abbreviation C/N
creditor /ˈkredɪtərn/ noun a person or company that is owed money, i.e. a company’s creditors are its liabilities
creditor days /ˈkredɪtər ˈdeɪz/ plural noun the number of days on average that a company requires to pay its creditors. O debtor days
creditors /ˈkredɪtəz/ plural noun a list of all liabilities in a set of accounts, including overdrafts, amounts owing to other companies in the group, trade creditors, payments received on account for goods not yet supplied, etc.
creditors’ meeting /ˈkredɪtəz, ˌmiːtɪŋ/ noun a meeting of all the people to whom an insolvent company owes money, to decide how to obtain the money owed
credit rating /ˈkredɪt ˈrætɪŋ/ noun an amount which a credit agency feels a customer will be able to repay
credit reference /ˈkredɪt ˈrɛfərəns/ noun a credit rating or other indication of the creditworthiness of a company or individual
credit-reference agency /ˈkredɪt ˈrɛfərəns əˌdʒɛntɪs/ noun same as credit agency
credit report noun information about an individual or entity relevant to a decision to grant credit

credit risk noun a risk that a borrower may not be able to repay a loan

credit side noun the right-hand column of accounts showing money received

credit squeeze noun a period when lending by the banks is restricted by the government

credit union noun a group of people who pay in regular deposits or subscriptions which earn interest and are used to make loans to other members of the group

creditworthiness noun the extent to which an individual or organisation is creditworthy

creditworthy adjective judged as likely to be able to repay money borrowed, either, in the case of an individual, by a credit reference agency, or, in the case of an organisation, by a credit rating agency

We will do some checks on her to see if she is creditworthy.

crisis noun a serious economic situation where decisions have to be taken rapidly

A banking crisis is a situation where two companies own shares in each other in order to stop either from being taken over.

The two companies have protected themselves from takeover by a system of cross holdings.

cross section noun an exchange rate between two currencies expressed in a third currency

cross-subsidy noun the process of deliberately assigning costs to items in an account in such a way that some items are undercosted and some overcosted

Items are undercosted and some overcosted.

critical-path method noun a technique used in project management to identify the activities within a project that are critical to its success, usually by showing on a diagram or flow chart the order in which activities must be carried out so that the project can be completed in the shortest time and at the least cost

…need initial project designs to be more complex or need to generate Critical Path

Method charts or PERT reports.

CRO abbreviation Companies Registration Office

cross-border adjective from one country to another, covering several countries

cross-border services noun accountancy services provided by an accountancy firm in one country for a client in another country

crossed cheque noun a cheque with two lines across it showing that it can only be deposited at a bank and not exchanged for cash

cross holdings noun a situation where two companies own shares in each other in order to stop either from being taken over

The two companies own shares in each other in order to stop either from being taken over.

crown jewels noun the most valuable assets of a company, the reason why other companies may want to make takeover bids

cross-subsidies noun an exchange rate between two currencies expressed in a third currency

cross subsidies noun an exchange rate between two currencies expressed in a third currency

cross holding noun a situation where two companies own shares in each other in order to stop either from being taken over

The two companies have protected themselves from takeover by a system of cross holdings.

cross-section noun the right-hand column of accounts showing money received

cross-section noun the right-hand column of accounts showing money received

We will do some checks on her to see if she is creditworthy.

...need initial project designs to be more complex or need to generate Critical Path

Method charts or PERT reports.

CRO abbreviation Companies Registration Office

cross-border adjective from one country to another, covering several countries

cross-border services noun accountancy services provided by an accountancy firm in one country for a client in another country

crossed cheque noun a cheque with two lines across it showing that it can only be deposited at a bank and not exchanged for cash

cross holdings noun a situation where two companies own shares in each other in order to stop either from being taken over

The two companies own shares in each other in order to stop either from being taken over.

crown jewels noun the most valuable assets of a company, the reason why other companies may want to make takeover bids

cross-subsidies noun an exchange rate between two currencies expressed in a third currency

cross subsidies noun an exchange rate between two currencies expressed in a third currency

cross holding noun a situation where two companies own shares in each other in order to stop either from being taken over

The two companies have protected themselves from takeover by a system of cross holdings.

cross-section noun the right-hand column of accounts showing money received

cross-section noun the right-hand column of accounts showing money received

We will do some checks on her to see if she is creditworthy.

...need initial project designs to be more complex or need to generate Critical Path

Method charts or PERT reports.

CRO abbreviation Companies Registration Office

cross-border adjective from one country to another, covering several countries

cross-border services noun accountancy services provided by an accountancy firm in one country for a client in another country

crossed cheque noun a cheque with two lines across it showing that it can only be deposited at a bank and not exchanged for cash

cross holdings noun a situation where two companies own shares in each other in order to stop either from being taken over

The two companies own shares in each other in order to stop either from being taken over.

crown jewels noun the most valuable assets of a company, the reason why other companies may want to make takeover bids

cross-subsidies noun an exchange rate between two currencies expressed in a third currency

cross subsidies noun an exchange rate between two currencies expressed in a third currency

cross holding noun a situation where two companies own shares in each other in order to stop either from being taken over

The two companies have protected themselves from takeover by a system of cross holdings.

cross-section noun the right-hand column of accounts showing money received

We will do some checks on her to see if she is creditworthy.

...need initial project designs to be more complex or need to generate Critical Path

Method charts or PERT reports.

CRO abbreviation Companies Registration Office

cross-border adjective from one country to another, covering several countries

cross-border services noun accountancy services provided by an accountancy firm in one country for a client in another country

crossed cheque noun a cheque with two lines across it showing that it can only be deposited at a bank and not exchanged for cash

cross holdings noun a situation where two companies own shares in each other in order to stop either from being taken over

The two companies own shares in each other in order to stop either from being taken over.

crown jewels noun the most valuable assets of a company, the reason why other companies may want to make takeover bids

cross-subsidies noun an exchange rate between two currencies expressed in a third currency

cross subsidies noun an exchange rate between two currencies expressed in a third currency

cross holding noun a situation where two companies own shares in each other in order to stop either from being taken over

The two companies have protected themselves from takeover by a system of cross holdings.

cross-section noun the right-hand column of accounts showing money received

We will do some checks on her to see if she is creditworthy.

...need initial project designs to be more complex or need to generate Critical Path

Method charts or PERT reports.
currency

preference share which will have the dividend paid at a later date even if the company is not able to pay a dividend in the current year (NOTE: The US term is cumulative preferred stock.)

cumulative weighted average cost /

cumulative weighted average price /

the average price per unit of stock delivered in a period calculated each time a new delivery is received. Compare periodic weighted average cost

currency /noun 1. money in coins and notes which is used in a particular country 2. foreign currency, the currency of another country (NOTE: Currency has no plural when it refers to the money of one country: He was arrested trying to take currency out of the country)

‘…today’s wide daily variations in exchange rates show the instability of a system based on a single currency, namely the dollar’ [Economist]

‘…the level of currency in circulation increased to N4.9 billion in the month of August’ [Business Times (Lagos)]

currency backing /noun gold or government securities which maintain the strength of a currency

currency band /noun the exchange rate levels between which a currency is allowed to move without full devaluation

currency basket /noun a group of currencies, each of which is weighted, calculated together as a single unit against which another currency can be measured

currency clause /noun a clause in a contract which avoids problems of payment caused by changes in exchange rates, by fixing the exchange rate for the various transactions covered by the contract

currency futures /noun purchases of foreign currency for delivery at a future date

currency hedging /noun a method of reducing exchange rate risk by diversifying currency holdings and adjusting them according to changes in exchange rates

currency mismatching /noun the activity of borrowing money in the currency of a country where interest rates are low and depositing it in the currency of a country with higher interest rates. The potential profit from the interest rate margin may be offset by changes in the exchange rates which increase the value of the loan in the company’s balance sheet.

currency movements /noun fluctuations in the value of the world’s currencies that occur as they are traded

currency note /noun a bank note

currency reserves /noun foreign money held by a government to support its own currency and to pay its debts

currency swap /noun an agreement to use a certain currency for payments under a contract in exchange for another currency (the two companies involved can each buy one of the currencies at a more favourable rate than the other) 2. the buying or selling of a fixed amount of a foreign currency on the spot market, and the selling or buying of the same amount of the same currency on the forward market

current account /noun 1. an account in an bank from which the customer can withdraw money when he or she wants. Current accounts do not always pay interest. o to pay money into a current account. Also called cheque account (NOTE: The US term is checking account.) 2. an account of the balance of payments of a country relating to the sale or purchase of raw materials, goods and invisibles

current assets /noun the assets used by a company in its ordinary work, e.g. materials, finished goods, cash and monies due, and which are held for a short time only

current cost /noun the amount it would cost to replace an asset at current prices

current cost accounting /noun a method of accounting in which assets are valued at the amount it would cost to replace them, rather than at the original cost. Abbreviation CCA.

Also called replacement cost accounting

current liabilities /noun the debts which a company has to pay within the next accounting period. In a company’s annual accounts, these would be debts which must be paid within the year and are usually payments for goods or services received.

current purchasing power /noun a method of accounting which takes inflation into...
Accounting.fm  Page 63  Tuesday, February 13, 2007  1:40 PM

account by using constant monetary units (actual amounts multiplied by a general price index). Also called constant purchasing power

current ratio /ˈkɜːrənt ˈreɪʃən/ noun a ratio of current assets to current liabilities showing if a company may not be able to meet its immediate debts

current value /ˈkɜːrənt ˈvæljuː/ noun a figure that represents the amount by which current assets are greater than current liabilities showing if a company may not be able to meet its immediate debts

current value accounting /ˈkɜːrənt ˈvæljuː əˈkʌntɪŋ/ noun a reassessment of the value of assets and liabilities

current year /ˈkɜːrənt ˈjɪər/ noun the year in which an accounting period falls ○ Under self-assessment, income is taxed on a current year basis – i.e. it is taxed in the year in which it is received.

current yield /ˈkɜːrənt ˈjɪld/ noun a dividend calculated as a percentage of the current price of a share on the stock market

curve /ˈkɜːrəv/ noun a line which is not straight, e.g. a line on a graph ○ The graph shows an upward curve.

cushion /ˈkʌʃ(ə)n/ noun money which allows a company to pay interest on its borrowings or to survive a loss ○ We have sums on deposit which are a useful cushion when cash flow is tight.

custodian /ˈkʌstədɪən/ noun a bank whose principal function is to maintain and grow the assets contained in a trust

custom /ˈkʌstəm/ noun the use of a shop by regular shoppers

customer /ˈkʌstəmə/ noun a person or company that buys goods ○ The shop was full of customers. ○ Can you serve this customer first please? She’s a regular customer of ours. (NOTE: The customer may not be the consumer or end user of the product.)

...unless advertising and promotion is done in the context of an overall customer orientation, it cannot seriously be thought of as marketing (Quarterly Review of Marketing)

customer profitability /ˌkʌstəmər ˈprɪfɪtəˈbɪləti/ noun the amount of profit generated by each individual customer. Usually a small percentage of customers generate the most profit.

customer profitability analysis /ˌkʌstəmər ˈprɪfɪtəˈbɪlətɪ əˈnælɪsɪs/ noun analysis of the revenues and costs associated with particular customers

customs barrier /ˈkʌstəms ˈbɛəriə/ noun any provision intended to make trade more difficult, e.g. a high level of duty

customs broker /ˈkʌstəms ˈbrɔkər/ noun a person or company that takes goods through customs for a shipping company

customs clearance /ˈkʌstəms klaɪərəns/ noun 1. the act of passing goods through customs so that they can enter or leave the country. 2. a document given by customs to a shipper to show that customs duty has been paid and the goods can be shipped ○ To wait for customs clearance

customs declaration /ˈkʌstəms ˈdeklaərən/ noun a statement showing goods being imported on which duty will have to be paid ○ To fill in a customs declaration form

customs duty /ˈkʌstəms ˈdjuːtɪ/ noun a tax on goods imported into a country

customs entry point /ˈkʌstəms ˈentri ˈpɔɪnt/ noun a place at a border between two countries where goods are declared to customs

customs examination /ˈkʌstəms ɪɡˌzɛmɪnər(ə)n/ noun the inspection of goods or baggage by customs officials

customs formalities /ˈkʌstəms ˈfɔːriˌleɪtɪz/ noun a declaration of goods by the shipper and examination of them by customs

customs officer /ˈkʌstəms ɑˈfɪsər/ noun a person working for the customs department of a country

customs seal /ˈkʌstəms ˈsɛl/ noun a seal attached by a customs officer to a box, to show that the contents have not passed through customs
customs tariff  /'kastəmz ˈtɛərɪf/ noun a list of taxes to be paid on imported goods
customs union  /ˈkastəmz ˈjuːzn/ noun an agreement between several countries that goods can travel between them, without paying duty, while goods from other countries have to pay special duties

cut  /kʌt/ noun 1. the sudden lowering of a price, salary or the number of jobs  ○ price cuts or cuts in prices  □ he took a cut in salary, he took a salary cut he accepted a lower salary 2. a share in a payment  ○ She introduces new customers and gets a cut of the sales rep’s commission.  ■ verb 1. to lower something suddenly  ○ We are cutting prices on all our models.  ○ We have taken out the second telephone line in order to try to cut costs.  2. to reduce the number of something
 ‘…state-owned banks cut their prime rates a percentage point to 11½%’ [Wall Street Journal]
 ‘…the US bank announced a cut in its prime from 10½ per cent to 10 per cent’ [Financial Times]

customs tariff  /kastəmz ˈtɛərɪf/ noun a list of taxes to be paid on imported goods

cut down (on)  phrasal verb to reduce suddenly the amount of something used  ○ The government is cutting down on welfare expenditure.  ○ The office is trying to cut down on electricity consumption.  ○ We have installed networked computers to cut down on paperwork.
cutback  /ˈkætbaɪk/ noun a reduction  ○ cutbacks in government spending
cut-off  /ˈkʌt əf/ noun a date and procedure for isolating the flow of cash and goods, stocktaking and the related documentation, to ensure that all aspects of a transaction are dealt with in the same financial period

cycle  /ˈsɜːkl/ noun a set of events which happen in a regularly repeated sequence
cyclical  /ˈsɪklɪkl/ adjective happening in cycles
cyclical factors  /ˈsɪklɪkl/ ˈfæktərz/ plural noun the way in which a trade cycle affects businesses
D/A abbreviation deposit account
damages /'demædʒiz/ plural noun money claimed as compensation for harm done ○ to claim £1000 in damages ○ to be liable for damages ○ to pay £25,000 in damages
D & B abbreviation Dun & Bradstreet
danger money /'demædʒɔ ,meni/ noun extra money paid to employees in dangerous jobs ○ The workforce has stopped work and asked for danger money. ○ He decided to go to work on an oil rig because of the danger money offered as an incentive.
Datastream /'dæstrɪzm/ noun a data system available online, giving information about securities, prices, stock exchange transactions, etc.
date of bill /dɛt av 'bɪl/ noun a date when a bill will mature
date of maturity /dɛt əv mə'tjuərəti/ noun same as maturity date
date of record /dɛt əv 'rekɔrd/ noun the date when a shareholder must be registered to qualify for a dividend
date stamp /dɛt stæmp/ noun a stamp with rubber figures which can be moved, used for marking the date on documents
dawn raid /daʊn 'rɛd/ noun a sudden planned purchase of a large number of a company's shares at the beginning of a day's trading (NOTE: Up to 15% of a company's shares may be bought in this way, and the purchaser must wait for seven days before purchasing any more shares. Sometimes a dawn raid is the first step towards a takeover of the target company.)
day book /deɪ buk/ noun a book with an account of sales and purchases made each day
DCF abbreviation discounted cash flow
DD abbreviation direct debit
dead account /dɛd 'kɔunt/ noun an account which is no longer used
dead loss /dɛd 'lɔs/ noun a total loss ○ The car was written off as a dead loss.
dead money /dɛd 'mæni/ noun money which is not invested to make a profit
deal /dɪl/ noun a business agreement, affair or contract ○ The sales director set up a deal with a Russian bank. ○ The deal will be signed tomorrow. ○ They did a deal with an American airline. □ verb to buy and sell ○ to deal in leather or options to buy and sell leather or options
dealer /dɪlər/ noun 1. a person who buys and sells ○ a used-car dealer 2. a person or firm that buys or sells on their own account, not on behalf of clients
dealing /dɪlɪŋ/ noun 1. the business of buying and selling on the Stock Exchange, commodity markets or currency markets ○ dealing for or within the account buying shares and selling the same shares during an account, which means that the dealer has only to pay the difference between the price of the shares bought and the price obtained for them when they are sold 2. the business of buying and selling goods
dear money /dɪr ,meni/ noun money which has to be borrowed at a high interest rate, and so restricts expenditure by companies. Also called tight money
death benefit /deθ ben'fɪt/ noun insurance benefit paid to the family of someone who dies in an accident at work
death duty /deθ 'djuəti/ noun same as inheritance tax
death in service /deθ ɪn 'sɜːvɪs/ noun an insurance benefit or pension paid when someone dies while employed by a company
death tax /deθ tɛks/ noun same as inheritance tax
debenture /dɪbəntʃər/ noun agreement to repay a debt with fixed interest using the company's assets as security ○ The bank holds a debenture on the company
debenture bond /dɪbəntʃər bɔnd/ noun US 1. a certificate showing that a debenture has been issued 2. an unsecured loan
debenture capital /dɪˈbɛntʃər/ noun capital borrowed by a company, using its fixed assets as security

debenture holder /dɪˈbɛntʃər ˌhəʊldə/ noun a person who holds a debenture for money lent

debenture issue /dɪˈbɛntʃər ˈɪʃu/ noun the activity of borrowing money against the security of the company’s assets

debenture stock /dɪˈbɛntʃər strəʊk/ noun a form of debt instrument in which a company guarantees payments on a fixed schedule or at a fixed rate of interest

debit /dɪˈbeɪt/ noun an amount entered in accounts which shows an increase in assets or expenses or a decrease in liabilities, revenue or capital. In accounts, debits are entered in the left-hand column. Compare credit

debitable /dɪˈbeɪtəbəl/ adjective able to be debited

debit balance /dɪˈbeɪt _bæləns/ noun a balance in an account showing that more money is owed than has been received. Because of large payments to suppliers, the account has a debit balance of £1,000.

debit card /dɪˈbeɪt kɑrd/ noun a plastic card, similar to a credit card, but which debits the holder’s account immediately through an EPOS system

debit column /dɪˈbeɪt _kʌlmən/ noun the left-hand column in accounts showing the money paid or owed to others

debit entry /dɪˈbeɪt _entri/ noun an entry on the debit side of an account

debit note /dɪˈbeɪt _nəʊt/ noun a note showing that a customer owes money. We undercharged Mr Smith and had to send him a debit note for the extra amount.

debits and credits /dɪˈbeɪts ənd _kredɪts/ plural noun money which a company owes and money it receives, or figures which are entered in the accounts to record increases or decreases in assets, expenses, liabilities, revenue or capital

debit side /dɪˈbeɪt _sæd/ noun a left-hand column of accounts showing money owed or paid to others

debt /dɛt/ noun money owed for goods or services. The company stopped trading with debts of over £1 million. He is in debt to the tune of £250,000 he owes £250,000

debt collection /dɛt _kəˌlɛkʃən/ the act of collecting money which is owed

debt collection agency /dɛt _kəˌlɛkʃən _eɪdʒəˈni/ noun a company which collects debts for other companies for a commission

debt collector /dɛt _kəˌlɛkʃər/ noun a person who collects debts

debt-convertible bond /dɛt _kɒnˌvɜːrtəbl/ noun a floating-rate bond which can be converted to a fixed rate of interest. Droplock bond

debt counselling /dɛt _kənˌsəlɪŋ/ noun the work of advising people who are in debt of the best ways to arrange their finances so as to pay off their debts

debt-equity ratio /dɛt _ˈɛkwətri_ rəˈʃiə/ noun a measure of a company’s ability to repay its creditors, equal to its total long term debt divided by the total of shareholders’ equity. Gearing

debt factoring /dɛt _fæktərɪŋ/ noun the business of buying debts at a discount. A factor collects a company’s debts when due, and pays the creditor in advance part of the sum to be collected, so ‘buying’ the debt.

debtor /dɪˈtər/ noun a person who owes money

debtor days /dɪˈtər _deɪz/ plural noun the number of days on average that it takes a company to receive payment for what it sells

debtors /dɪˈtəz/ plural noun all money owed to a company as shown in the accounts

debtors control account /dɪˈtəz _kənˌtrəʊl_ _ækənt/ noun an account used to summarise the balances on the individual sales ledger accounts

debtor side /dɪˈtər _seɪd/ noun the debit side of an account

debtors ledger /dɪˈtəz _ˈlɛdʒər/ noun same as sales ledger

debtors turnover ratio /dɪˈtəz _ˈtɜrərənˌri_ rəˈʃiə/ noun the average time which debtors take to pay

debt ratio /dɪˈtər _rəˈʃiə/ noun the debts of a company shown as a percentage of its equity plus loan capital

debt rescheduling /dɪˈtər _riˌˈredʒuəlɪŋ/ noun the process of reorganising the way in which debts are repaid. Debt rescheduling may be necessary if a company is unable to pay its debts and may involve postponing debt payments, postponing payment of interest, or negotiating a new loan.

decile /dɛkəl/ noun one of a series of nine figures below which one tenth or several tenths of the total fall

decimalisation /dɪˈsɪmələˌzɪʃən/ noun the process of changing to a decimal system
decimalise /ˈdesməlaiəz/ decimalize verb to change something to a decimal system

decimal point /ˌdesməl(ə)ˈpɔint/ noun a dot which indicates the division between the whole unit and its smaller parts, e.g. 4.75

decimal system /ˌdesməl(ə)ˈsistem/ noun a system of mathematics based on the number 10

decision support system /ˈdɪsənʃn ˈsɔpɔrt ˈsɪstəm/ noun a computer-based system which presents auditor judgments in a structured way and can be used to create audit programmes or document the assessment of business risk

decision theory /ˈdɪsənʃn ˈθɪəri/ noun the mathematical methods for weighing the various factors in making decisions ○ In practice it is difficult to apply decision theory to our planning. ○ Students study decision theory to help them suggest strategies in case-studies.

decision tree /dɪˈsɪʒn tri/ noun a model for decision-making, showing the possible outcomes of different decisions ○ This computer programme incorporates a decision tree.

declaration /ˌdɛkləˈreɪʃən/ noun an official statement

declaration date /ˌdɛkləˈreɪʃən ˈdeɪt/ noun the date on which a board of directors declares the dividend to be paid

declaration of bankruptcy /ˌdɛkləˈreɪʃən əv ˈbæŋkrʌptsi/ noun an official statement that someone is bankrupt

declaration of income /ˌdɛkləˈreɪʃən əv ˈɪnkəm/ noun same as income tax return

67 deed of covenant

declaration of solvency /ˌdɛkləˈreɪʃən əv əˈsolvənsi/ noun a document, lodged with the Registrar of Companies, that lists the assets and liabilities of a company seeking voluntary liquidation to show that the company is capable of repaying its debts within 12 months

declare /dɪˈkrɛl/ verb to make an official statement of something, or announce something to the public ○ to declare someone bankrupt ○ The company declared an interim dividend of 10p per share.

declared /dɪˈkrɛld/ adjective having been made public or officially stated

declared value /dɪˈkrɛld ˈvɜːljuː/ noun the value of goods entered on a customs declaration

decline /dɪˈklaɪn/ verb to fall slowly or decrease ○ Shares declined in a weak market. ○ New job applications have declined over the last year. ○ The economy declined during the last government. ○ The purchasing power of the pound declined over the decade.

declining balance method /ˈdekəln ˈbæləns ˈməθəd/ noun US same as reducing balance method

decrease /dɪˈkriːz/ verb to fall or to become less ○ Imports are decreasing. ○ The value of the pound has decreased by 5%.

deduct /dɪˈdɛkt/ verb to take money away from a total ○ to deduct £3 from the price ○ to deduct a sum for expenses ○ After deducting costs the gross margin is only 23%. ○ Expenses are still to be deducted.

deductible /dɪˈdɛktəbəl/ adjective possible to deduct

deduction /dɪˈdɛkʃən/ noun the removing of money from a total, or the amount of money removed from a total ○ Net salary is salary after deduction of tax and social security. ○ The deduction from her wages represented the cost of repairing the damage she had caused to the machinery. ○ Deductions from salary, salary deductions, deductions at source money which a company removes from salaries to give to the government as tax, National Insurance contributions, etc.

deed /diːd/ noun a legal document or written agreement

deed of arrangement /diːd ə ˈreɪŋmənt/ noun an agreement made between a debtor and creditors whereby the creditors accept an agreed sum in settlement of their claim rather than make the debtor bankrupt

deed of assignment /diːd ə ˈæskənəmənt/ noun a legal document in which a person or organisation promises to pay a third party a sum of money on an annual basis. In certain countries this arrangement may have tax advantages. For example, in the United...
deed of partnership /'dɪd ɔv 'pɑːtnəʃɪp/ noun an agreement which sets up a partnership
deed of transfer /'dɪd ɔv 'trænsfər/ noun a document which transfers the ownership of shares
deep pocket /dɪp 'pɒkɪt/ noun a company which provides finance for another
defalcation /dɪfə'kæʃən/ noun the illegal use of money by someone who is not the owner but who has been trusted to look after it
default /dɪfɔːlt/ noun a failure to carry out the terms of a contract, especially failure to pay back a debt ▷ verb to fail to carry out the terms of a contract, especially to fail to pay back a debt ○ There was a major financial crisis when the bank defaulted.
defaulter /dɪfɔːltər/ noun a person who defaults
default notice /dɪfɔːlt 'nəutis/ noun a formal notice to a borrower stating that he or she has defaulted on the loan and legal action may be taken to recover the money. Also called notice of default ○ The US term is notice of default.
defer /dɪfər/ verb to put back to a later date, to postpone ○ We will have to defer payment until January. ○ The decision has been deferred until the next meeting. (NOTE: deferring – deferred)
deferment /dɪfər'ment/ noun the act of leaving until a later date ○ deferment of payment ○ deferment of a decision
deferred annuity /dɪfərd ənjuərəti/ noun an investment that does not pay out until at least one year after the final premium has been paid
deferred consideration /dɪfərd kən'sɜːd'kɑːsən/ noun instalment payments for the acquisition of new subsidiaries usually made in the form of cash and shares, where the balance due after the initial deposit depends on the performance of the business acquired
deferred cost /dɪfərd kɒst/ noun a cost with future benefit that extends beyond the current accounting period
deferred credit /dɪfərd 'kredɪt/ noun income received but not yet entered in accounts as income
deferred creditor /dɪfərd 'kredɪtər/ noun a person who is owed money by a bankrupt but who is paid only after all other creditors

deferred expenditure /dɪfərd 'ɛkspendɪtʃər/ noun expenditure incurred now but reflected in the accounts of future years
deferred maintenance /dɪfərd 'mɛntənəns/ noun a failure to carry out maintenance, e.g. to machinery, that adversely affects its value, recorded in accounts
deferred payment /dɪfərd 'pɛmənt/ noun money paid later than the agreed date ○ payment for goods by instalments over a long period
deferred revenue /dɪfərd 'revənju/ noun revenue carried forward to future accounting periods
deferred tax /dɪfərd tæks/ noun a tax which may become payable at some later date
deficiency /dɪfəsəni/ noun a lack of something, or the amount by which something, e.g. a sum of money, is less than it should be ○ There is a £10 deficiency in the petty cash.
deficit /dɪfɪsɪt/ noun the amount by which spending is higher than income
deficit financing /dɪfɪsɪt 'fɪnansɪŋ/ noun a type of financial planning by a government in which it borrows money to cover the difference between its tax income and its expenditure
deflation /dɪfələnʃən/ noun a general reduction in economic activity as a result of a reduced supply of money and credit, leading to lower prices ○ The oil crisis resulted in worldwide deflation. Opposite inflation ○ the reluctance of people to spend is one of the main reasons behind 26 consecutive months of price deflation, a key economic ill that has led to price wars, depressed the profit margins of state enterprises and hit incomes among the rural population' [Financial Times]
deflationary /dɪfələnʃərəri/ adjective causing deflation ○ The government has introduced some deflationary measures in the budget.
deflator /dɪfələtər/ noun the amount by which a country’s GNP is reduced to take inflation into account
degeneracy /dɪdʒənərɪ/ noun a reduction in gearning, reducing a company’s loan capital in relation to the value of its ordinary shares
del credere /dɛl 'kredɪrə/ noun an amount added to a charge to cover the possibility of not being paid
del credere agent /dɛl 'kredɪrə ə'gent/ noun an agent who receives a high...
69 departmental accounts

delinquency /dɪˈlɪŋkwənsi/ noun US the fact of being overdue in payment of an account, an interest payment, etc.
delinquent /dɪˈlɪŋkwənt/ adjective US referring to an account or payment of tax which is overdue
deliver /dɪˈlɪvər/ verb to transport goods to a customer
goods delivered free or free delivered goods goods transported to the customer’s address at a price which includes transport costs
goods delivered on board goods transported free to the ship or plane but not to the customer’s warehouse
delivered price /dɪˈlɪvrɪd prɑːs/ noun a price which includes packing and transport
delivery /dɪˈlɪvərɪ/ noun 1. a consignment of goods being delivered 2. We take in three deliveries a day. 3. There were four items missing in the last delivery. 2. the transport of a commodity to a purchaser 3. the transfer of a bill of exchange or other negotiable instrument to the bank which is due to make payment
delivery cycle time /dɪˈlɪvərɪ(ə)ri, ˈsiːk(ə)l/ noun the interval between the time of accepting an order and the time of making the final delivery
delivery month /dɪˈlɪvərɪ(ə)mʌnθ/ noun a month in a futures contract when actual delivery will take place
delivery note /dɪˈlɪvərɪ(ə)nɔt/ noun a list of goods being delivered, given to the customer with the goods
delivery of goods /dɪˈlɪvərɪ(ə) ˈɡʊdɪz/ noun the transport of goods to a customer’s address
delivery order /dɪˈlɪvərɪ(ə) ˈɔːdər/ noun the instructions given by the customer to the person holding her goods, to tell her where and when to deliver them
delivery time /dɪˈlɪvərɪ(ə)tɛm/ noun the number of days before something will be delivered
demand /dəˈmænd/ noun 1. an act of asking for payment 2. an act of asking for something and insisting on getting it 3. The management refused to give in to union demands for a meeting. 4. the need that customers have for a product or their eagerness to buy it 5. There was an active demand for oil shares on the stock market. 6. The factory had to cut production when demand slackened. 7. The office cleaning company cannot keep up with the demand for its services. 8. to meet or fill a demand to supply what is needed 9. The factory had to increase pro-
duction to meet the extra demand. 2. to ask for something and expect to get it 3. She demanded a refund. 4. The suppliers are demanding immediate payment of their outstanding invoices.
delinquent(c) /dɪˈlɪŋkwənt(ə)l/ noun the private rather than the public sector’
development /dɪˈveləpmənt/ noun 1. a change for the better in any way 2. development denotes the elaboration of something or the acquisition of new skills or qualities

demand bill /dɪˈmænd bɪl/ noun a bill for which payment is asked for
demand price /dɪˈmænd prɑːs/ noun the price at which a quantity of goods will be bought
demerge /dɪˈmɜːdʒ/ verb to separate a company into several separate parts
demergence /dɪˈmɜːdʒəns/ noun the separation of a company into several separate parts, especially used of companies which have grown by acquisition
demise /dɪˈmaɪz/ noun 1. a death 2. On his demise the estate passed to his daughter. 3. the act of granting a property on a lease 4. verb to grant property on a lease
deonisation /dɪˌmɒntəˈzeɪʃ(ə)n/ noun, demonetization noun the act of stopping a coin or note being used as money
demonetise /dɪˌmɒntəˈzaɪs/ verb to stop a coin or note being used as money
demurrage /dɪˈmɜːrɪdʒ/ noun money paid to a customer when a shipment is delayed at a port or by customs
demutualisation /dɪˌdjuːmjuːˈleɪʃ(ə)n/ noun, demutualization noun the process by which a mutual society, such as a building society, becomes a publicly owned corporation
demutualise /dɪˌdjuːˈmeɪlaɪz/ verb to stop having mutual status and become a publicly owned corporation by selling shares to the general public on the stock market
denomination /dəˈnʌmən/ noun 1. a unit of money on a coin, banknote or stamp 2. We collect coins of all denominations for charity. 3. Small denomination notes are not often counterfeited.
departmental accounts /dɪˈpɜːtrəmənt(ə)l ˈkeɪntʃ(ə)s/ plural noun
dependent variable accounts which analyse the sales of different departments or products of a company

Department for Education and Skills /dɪ,pɛsɪmt fɔr ɪdʒu,kiʃ(ə)n an /ˈskɪlz/ noun a British government department responsible for education and training. Abbreviation DfES

Department of Trade and Industry /dɪ,pɛsɪmt əv ˈtræd ənd ˈɪndəstri/ noun a British government department which deals with areas such as commerce, international trade and the stock exchange. Abbreviation DTI

dependent variable /dɪˌpendənt /ˈveɪriəb(ə)l/ noun a variable or factor which changes as a result of a change in another (the ‘independent variable’) ○ We are trying to understand the effects of several independent variables on one dependent variable, in this case, sales.

deposit /dɪˈpoʊzɪt/ noun 1. money placed in a bank for safe keeping or to earn interest 2. money given in advance so that the thing which you want to buy will not be sold to someone else ○ to pay a deposit on a watch ○ to leave £10 as deposit ■ verb 1. to put documents somewhere for safe keeping ○ to deposit shares with a bank ○ We have deposited the deeds of the house with the bank. ○ He deposited his will with his solicitor 2. to put money into a bank account ○ to deposit £100 in a current account

deposit account /dɪˈpoʊzɪt əˈkaʊnt/ noun a bank account which pays interest but on which notice has to be given to withdraw money. Abbreviation D/A

depository /dɪˈpoʊzɪtəri/ noun US a person or corporation which can place money or documents for safekeeping with a depository. ○ American Depository Receipt (NOTE: Do not confuse with depository.)
depositor /dɪˈpoʊzɪtər/ noun a person who deposits money in a bank, building society, etc.
depository /dɪˈpoʊzɪtərɪ/ noun a person or company with whom money or documents can be deposited (NOTE: Do not confuse with depository.)
deposit slip /dɪˈpoʊzɪt slip/ noun US same as paying-in slip

deposit-taking institution /dɪˈpoʊzɪt ˈteɪkɪŋ, ɪnstɪˈtjuːʃ(ə)n, ɪnstɪˈtjuːʃ(ə)n/ noun an institution which is licensed to receive money on deposit from private individuals and to pay interest on it, e.g., a building society, bank or friendly society

depreciable /dɪˈpreʃəb(ə)l/ adjective possible to depreciate
depreciable asset /dɪˈpreʃəb(ə)l əˈset/ noun an asset which will be used over more than one accounting period, but which has a limited life and so can be depreciated

depreciable cost /dɪˈpreʃəb(ə)l ˈkɒst/ noun a cost that can be applied to more than one accounting period

depreciable life /dɪˈpreʃəb(ə)l ˈlaɪf/ noun the period over which the cost of an asset may be spread

depreciate /dɪˈpreʃɪt/ verb 1. to make an allowance in accounts for the loss of value of an asset over time ○ We depreciate our company cars over three years. 2. to lose value ○ a share that has shown a depreciation of 10% over the year ○ The pound has depreciated by 5% against the dollar.
depreciation /dɪˈpreʃʃən/ noun 1. a loss of value ○ a share that has shown a depreciation of 10% over the year ○ the depreciation of the pound against the dollar 2. the loss of value of an asset over time, which is recorded in accounts as an expense

depreciation accounting /dɪˌpreʃʃən ˈækonəntɪŋ/ noun the process of spreading the cost of an asset over its useful life

depreciation provision /dɪˌpreʃʃən ˈprəvɪzn/ noun the amount of depreciation, in relation to a particular asset, that has been charged cumulatively to an account since the asset was acquired

depreciation rate /dɪˌpreʃʃən ˈrɛt/ noun the rate at which an asset is depreciated each year in the company accounts

depress /dɪˈpreʃ/ verb to reduce something ○ Reducing the money supply has the effect of depressing demand for consumer goods.
depressed market /dɪˌpreʃt ˈmɑːrkɪt/ noun a market where there are more goods than customers

deregulate /dɪˈreɡjʊleɪt/ verb to remove government controls from an industry ○ The US government deregulated the banking sector in the 1980s.
deregulation /dɪˌreɡjʊˈleɪʃ(ə)n/ noun the reduction of government control over an industry ○ the deregulation of the airlines ○ after the slump in receipts last year that followed liner shipping deregulation in the US, carriers are probably still losing money on their transatlantic services. But with a possible contraction in capacity and healthy trade growth, this year has begun
in a much more promising fashion than I said last [lloyd’s list].

derivative instruments /ˈdrərvɪtɪv ˈɪnstrʊmənts/; derivatives /ˈdrərvɪtɪvɪz/; plural noun any forms of traded security such as option contracts, which are derived from ordinary bonds and shares, exchange rates or stock market indices

designated account /ˌdɛznɪtɪəd / noun an account opened and held in one person’s name, but which also features another person’s name for extra identification purposes

detailed audit /dɪˈteɪltəd/ = audit an audit that involves examining all or most of a company’s transactions, rather than a sample of them

devaluation /ˌdɪvəˈleɪʃən/ = a reduction in the value of a currency against other currencies ○ the devaluation of the pound ○ I have been devalued by 7%.

development costs /ˈdɪvələpmənt ˈkɒsts/; plural noun costs of developing new or improved products, sometimes also incorporating a portion of standard overhead costs

devalue /diˈvæljuː/ = verb to reduce the value of a currency against other currencies ○ the devaluation of the pound ○ the difference between the planned direct costs for a product and the actual direct costs.

devise /dɪˈvɑːz/ = noun the act of giving freehold land to someone in a will ○ verb to give freehold property to someone in a will

devisee /dɪˈvɑːzi/ = noun a person who receives freehold property in a will

differential tariffs /ˈdɪfərəntʃəl ˈtɑːrɪfs/; plural noun different tariffs for different classes of goods as, e.g., when imports from some countries are taxed more heavily than similar imports from other countries

digit /ˈdɪdʒɪt/ = noun a single number ○ a seven-digit phone number

digital analysis /ˈdɪdʒɪtəl əˈnæləzɪs/ = noun auditing techniques that investigate the digits in accounting numbers to reveal fraud and error

diluted earnings per share /ˈdɪlʊtɪd ˈɛrdʒɪŋz ˈpɜː ʃeə/ = noun the quality of a company’s earnings per share that assumes all convertible securities are exercised

dilution of shareholding /ˈdɪlʊʃəʊldɪŋ/ = noun a situation where the ordinary share capital of a company has been increased, but without an increase in the assets so that each share is worth less than before

diminish /dɪˈmɪnʃ/ = verb to become smaller ○ Our share of the market has diminished over the last few years.

direct allocation method /ˈdɪrekt əˈlɪkeɪʃən ˈməθəd/; direct method /ˈdɪrekt ˈməθəd/ = noun a method of relating the costs incurred by service departments of a company to the production departments

direct cost /ˈdɪrekt ˈkɒst/ = noun a cost which can be directly related to the making of a product, i.e., its production cost

direct cost variance /ˈdɪrekt ˈkɒst ˈvɑːrɪəns/ = noun the difference between the planned direct costs for a product and the actual direct costs.

direct debit /ˈdɪrekt ˈdɪbɪt/ = noun a system where a customer allows a company to charge costs to his or her bank account automatically and where the amount charged can be increased or decreased with the agreement of the customer ○ I pay my electricity bill by direct debit. Abbreviation DD

direct expenses /ˈdɪrekt ɪˈkspənəz/; plural noun expenses excluding materials, labour or purchase of stock for resale which are incurred in manufacturing a product

directional testing /ˈdɪrektʃən ˈtɛstɪŋ/ = an auditing technique by which work is reduced by testing debits only for overstatement and credits only for understatement

directive /ˈdɪrektɪv/ = noun an order or command to someone to do something ○ The Commission issued a directive on food prices. (NOTE: Directives from the European Union are binding, but member states can implement them as they wish. A directive is binding as to the result to be achieved, but leaves to the national authorities the choice of form and methods.)

direct labour costs /ˈdɪrekt ˈlɜːbər ˈkɒsts/; plural noun the cost of employing those workers directly involved in producing a particular product, not including materials or overheads

direct materials cost /ˈdɪrekt ˈmətrɪzəl ˈkɒst/ = noun the cost of the materials used in producing a particular product

director /ˈdɪrektər/ = noun a senior employee appointed by the shareholders to help run a company, who is usually in charge of one or other of its main functions, e.g., sales or human relations, and usually, but not always, a member of the board of directors

‘...the research director will manage and direct a team of business analysts reporting on the latest developments in retail distribution throughout the UK’ [Times]
directorship /dəˌrektərɪʃən/ noun the annual report from the board of directors to the shareholders
direct product profitability /dəˌrekt prəˌdukət ˈprɒduktəˌpləˈrɪtjuːəl/ noun an assessment of the net profit generated by a particular product, which considers costs such as distribution, warehousing and retailing but not the original purchase price. Abbreviation DPP
direct share ownership /dəˌrekt ʃeəˌɔrzənʃə/ noun the ownership of shares by private individuals, buying or selling through brokers, and not via holdings in unit trusts
direct tax /dəˌrekt ˈtekst/ noun a tax that is paid directly to the government, e.g. income tax, as distinct from a tax such as VAT that is paid indirectly
direct taxation /dəˌrekt ˈtekstəˌtektʃərənʃə/ noun the process in which a government raises revenue in the form of direct taxes ○ The government raises more money by direct taxation than by indirect.
dirty float /dəˈrekt fləʊt/ noun the process of floating a currency, in which the government intervenes to regulate the exchange rate
disallow /dɪsˈəʊləʊ/ verb not to accept a claim for insurance ○ She claimed £2,000 for fire damage, but the claim was disallowed.
disallowable /dɪsəˈləʊəbəl/ adjective not able to be allowed for tax relief ○ The use of a car for private travel is a disallowable expense. Opposite allowable
disburse /dɪsˈbɜːs/ verb to pay money
disbursement /dɪsˈbɜːsmənt/ noun the payment of money
discharge /dɪsˈkɑːʃər/ noun /dɪsˈkɑːʃərɪ/1 the act of paying a debt ○ In full discharge of a debt as full payment of a debt 2 ○ in discharge of her duties as director, a verb 1 to pay a debt ○ to discharge a bankrupt ○ to discharge a debt, to discharge your liabilities to pay a debt or your liabilities in full 3 to dismiss an employee ○ to discharge an employee for negligence
discharged bankrupt /dɪsˈtʃɑːrd bæŋkɔrpt/ noun a person who has been released from being bankrupt because his or her debts have been paid
disclaimer /dɪsˌklɛrəmə/ noun a legal refusal to accept responsibility
disclose /dɪsˈkləʊz/ verb to tell something that was previously unknown to other people or secret ○ The bank has no right to disclose details of my account to the tax office
disclosure /dɪsˈkləʊʒər/ noun the act of telling something that was previously unknown to other people or secret ○ The disclosure of the takeover bid raised the price of the shares.
disclosure of shareholding /dɪsˌklaʊʒər əv ˈʃeəhɔldɪŋ/ noun the act of making public the fact that someone owns shares in a company
discount noun /ˈdɪskɔ̃nt/ 1. the percentage by which the seller reduces the full price for the buyer ○ to give a discount on bulk purchases ○ to sell goods at a discount ○ at a discount price to sell goods below the normal price ○ 10% discount for cash, 10% cash discount you pay 10% less if you pay in cash 2. the amount by which something is sold for less than its value ○ verb /ˈdɪsˌkɔ̃nt/ 1. to reduce prices to increase sales 2. ○ to discount bills of exchange to buy or sell bills of exchange for less than the value written on them in order to cash them later 3. to react to something which may happen in the future, such as a possible takeover bid or currency devaluation 4. to calculate the value of future income or expenditure in present value terms
discountable /ˌdɪskɔ̃ntəbəl/ adjective possible to discount ○ These bills are not discountable.
discounted cash flow /ˌdɪskɔ̃ntəd ˈkeɪʃə fləʊ/ noun the calculation of the forecast return on capital investment by discounting future cash flows from the investment, usually at a rate equivalent to the company’s minimum required rate of return. Abbreviation DCF
discounted value /ˌdɪskɔ̃ntəd ˈvæljuː/ noun the difference between the face value of a share and its lower market price
discount /ˈdɪskɔʊnt/ noun a person or company that discounts bills or invoices, or sells goods at a discount
discount for cash /ˈdɪskɔʊnt fəˈkæʃn/ noun same as cash discount
discount house /ˈdɪskɔʊnt houz/ noun a financial company which specializes in discounting bills
discount rate /ˈdɪskɔʊnt rɛt/ noun the rate charged by a central bank on any loans it makes to other banks
discrepancy /ˈdɪskrɪpʃən/ noun a lack of agreement between figures in invoices or accounts
discretion /ˈdɪskrɪʃən/ noun the ability to decide what should be done
discretionary account /dɪˌskrɪʃənəri əˈkaʊnt/ noun a client’s account with a stockbroker, where the broker invests and sells at his or her own discretion without the client needing to give him specific instructions
discretionary client /ˌdɪskrɪʃənəri ˈklaʊnt/ noun a client whose funds are managed on a discretionary basis
discretionary cost /ˌdɪskrɪʃənəri ˈkɒst/ noun a cost that can vary greatly within an accounting period and is determined by the appropriate budget holder
discretionary funds /ˌdɪskrɪʃənəri ˈfʌndz/ plural noun funds managed on a discretionary basis
discretionary trust /ˌdɪskrɪʃənəri ˈtruːt/ noun a trust where the trustees decide how to invest the income and when and how much income should be paid to the beneficiaries
diseconomies of scale /ˌdɪsɪˌekəməz əˈskeɪl/ noun a situation where increased production leads to a higher production cost per unit or average production cost
disequilibrium /ˌdɪsɪkwɪˈlɪbrɪəm/ noun an imbalance in the economy when supply does not equal demand
dishonoured cheque /dɪsˈhɒnərd ˈtʃek/ noun a cheque which the bank will not pay because there is not enough money in the account to pay it
disinvest /ˌdɪsɪnˈvest/ verb to reduce investment by not replacing capital assets when they wear out
disinvestment /ˌdɪsɪnˈvestmənt/ noun a reduction in capital assets by not replacing them when they wear out
dispensation /ˌdɪspənˈseʃən/ noun arrangement between an employer and the
Inland Revenue by which business expenses paid to an employee are not declared for tax
disposable personal income /ˈdɪspələs ˈpɜːrsənl ˈɪnkwɪən/ noun the income left after tax and National Insurance have been deducted. Also called take-home pay
disposal /ˈdɪspəl/ noun a sale ○ a disposal of securities ○ The company has started a systematic disposal of its property portfolio. ○ lease or business for disposal a lease or business for sale
disposals /ˈdɪspələz/ plural noun assets which have been sold or scrapped
disqualification /ˌdɪskwɒrəˈfɪkʃən/ noun the act of making someone disqualified to do something ○ a court order which forbids a person from being a director of a company. A variety of offences, even those termed as ‘administrative’, can result in some being disqualified for up to five years.
disqualify /ˌdɪskwɒrəˈfɪk/ verb to make a person disqualified to do something, such as to be a director of a company
dissolution /ˌdɪsəˈljuːʃən/ noun the ending of a partnership
dissolve /ˈdɪsəlv/ verb to bring to an end ○ to dissolve a partnership
distrain /ˈdɪstrɛɪn/ verb to seize goods to pay for debts
distress /ˈdɪstrɛs/ noun the act of taking someone’s goods to pay for debts
distress merchandise /ˈdɪstrɛs ˌmərʒəns/ noun US goods sold cheaply to pay a company’s debts
distress sale /ˈdɪstrɛs ˈseɪl/ noun a sale of goods at low prices to pay a company’s debts
distributable /ˈdɪstrɪbjuˈtəbəl/ adjective possible to distribute
distributable profits /ˌdɪstrɪbjuˈtəbəl ˈprəʊfəts/ plural noun profits which can be distributed to shareholders as dividends if the directors decide to do so
distributable reserve /ˈdɪstrɪbjuˈtəbəl ˈrɛzərv/ noun a reserve fund that is able to be distributed to shareholders in the form of dividends
distribute /ˈdɪstrɪbjuːt/ verb 1, to share out dividends ○ Profits were distributed among the shareholders. 2, to send out goods from a manufacturer’s warehouse to retail shops ○ Smith Ltd distributes for several smaller companies. ○ All orders are distributed from our warehouse near Oxford.
distributed profits

**distributing profits** /dɪˈstribjuːtɪŋ prəˈfɪts/ plural noun profits passed to shareholders in the form of dividends

**distribution** /dɪˈstribjuːʃən/ noun the act of sending goods from the manufacturer to the wholesaler and then to retailers. ○ Stock is held in a distribution centre which deals with all order processing. ○ Distribution costs have risen sharply over the last 18 months. ○ She has several years’ experience as a distribution manager.

‘British distribution companies are poised to diversify to existing ones to add new types of business to existing ones and to invest in different types of products.’ [Management News]

**distribution cost** /dɪˈstribjuːʃən kəst/ noun the cost of stockholding and distribution, e.g. money paid as dividends to shareholders

**distribution expense** /dɪˈstribjuːʃən ɪnˈspɛns/ noun expenditure incurred in involved in warehousing, packing and sending products for sale

**distribution network** /dɪˈstribjuːʃən nɪˈweɪtʃən/ noun a series of points or small warehouses from which goods are sent all over a country

**distribution of income** /dɪˈstribjuːʃən və ɪnˈkʌm/ noun the payment of dividends to shareholders

**distributor** /dɪˈstribjuːtər/ noun a company which sells goods for another company which makes them

**distributorship** /dɪˈstribjuːtərʃɪp/ noun the position of being a distributor for a company

**District Bank** /dɪˈstrɪkt bæŋk/ noun one of the 12 US banks that make up the Federal Reserve System. Each District Bank is responsible for all banking activity in its area

**diversification** /dɪˈvɜːrəsɪfɪkeɪʃən/ noun the process in which a company begins to engage in a new and different type of business

**diversify** /dɪˈvɜːrəsɪfaɪ/ verb 1. to add new types of business to existing ones ○ The company is planning to diversify into new products. 2. to invest in different types of shares or savings so as to spread the risk of loss

**divestiture** /dɪˈvestɪʃər/ noun the sale of an asset

**dividend** /dɪˈvɜːrdɪnd/ noun 1. a percentage of profits paid to shareholders ○ to raise or increase the dividend to pay out a higher dividend than in the previous year. ○ to omit or pass the dividend to pay no dividend. 2. a number or quantity that is to be divided by another number or quantity

**dividend check** /dɪˈvɜːrdɪnd tʃek/ noun US same as dividend warrant

**dividend cover** /dɪˈvɜːrdɪnd kəvər/ noun the ratio of profits to dividends paid to shareholders

**dividend forecast** /dɪˈvɜːrdɪnd fɔrˈkɑːst/ noun a forecast of the amount of an expected dividend

**dividend growth model** /dɪˈvɜːrdɪnd ɡrəʊð mɔdəl/ noun a financial model that assesses the value of a company using figures for its current and assumed future dividend payments

**dividend mandate** /dɪˈvɜːrdɪnd mənˈdeɪnt/ noun authorisation by a shareholder to the company, to pay his or her dividends directly into a bank account

**dividend payout** /dɪˈvɜːrdɪnd ˈpəʊt/ noun money paid as dividends to shareholders

**dividend per share** /dɪˈvɜːrdɪnd pə ˈʃeə/ noun an amount of money paid as dividend for each share held

**dividend warrant** /dɪˈvɜːrdɪnd wɔːrnt/ noun a cheque which makes payment of a dividend (NOTE: The US term is dividend check.)

**dividend yield** /dɪˈvɜːrdɪnd jɪldr/ noun a dividend expressed as a percentage of the current market price of a share

**dividend yield basis** /dɪˈvɜːrdɪnd jɪldr bɛtsəs/ noun a method of valuing shares in a company, by which the dividend per share is divided by the expected dividend yield

**district headquarters** /dɪˈstrɪkt hɛdˌkwɔːtəz/ plural noun the main office of a division of a company

**divisor** /dɪˈvɜːzər/ noun a number divided into another number

**document** /dɪˈkʌmənt/ noun a paper, especially an official paper, with written information on it ○ He left a file of documents in the taxi. ○ She asked to see the documents relating to the case.

**documentary** /dɪˈkʌməntərɪ/ adjective in the form of documents ○ documentary evidence

**documentary credit** /dɪˈkʌməntərɪ kredɪt/ noun a credit document used in export trade, when a bank issues a letter of credit against shipping documents

**documentation** /dɪˈkʌməntəˈkeɪʃən/ noun all the documents referring to something ○ Please send me the complete documentation concerning the sale.

**dollar** /dɔlər/ noun a unit of currency used in the US and other countries such as Aus-
double taxation /ˈdʌblə ˈtekstəri/ noun the act of taxing the same income twice
double taxation agreement /ˈdʌblə ˈtekstəri əˈgreɪmənt/ noun an agreement between two countries that a person living in one country shall not be taxed in both countries on the income earned in the other country
double taxation relief /ˈdʌblə ˈtekstəri ˈriəli/ noun a reduction of tax payable in one country by the amount of tax on income, profits or capital gains already paid in another country
doubtful /ˈdaʊtfəl/ adjective doubtful debt a debt which may never be paid doubtful loan a loan which may never be repaid
doubtful debt provision /ˈdaʊtfəl ˈprəvɪziən/ a bad debt provision
doubtful loan /ˈdaʊtfəl ˈləʊn/ a loan which may never be repaid
downgrade /ˈdaʊnɡriːd/ verb 1. to reduce the status of an employee or position 2. to revise an earlier assessment of a company’s future financial position, or of the return on an investment, to give a less favourable likely outcome
down payment /ˈdaʊn ˈpɛrnɪnt/ noun part of a total payment made in advance 1. We made a down payment of $100. 2. We made a down payment on his car.
downside factor /ˈdaʊnsaid ˈfæktə/ noun
downside potential /ˈdaʊnsaid ˈpəʊtənʃəl/ noun the possibility of making a loss in an investment
downside risk /ˈdaʊnsaid ˈrɪsk/ noun the risk that an investment will fail in value, or lose value
down turn /ˈdaʊntərn/ noun a downward trend in sales or profits 1. The last quarter saw a downturn in the economy. 2. A downturn in the stock market 3. The last quarter saw a downturn in the company.
DPP abbreviation direct profit profitability
draft /ˈdraft/ noun 1. an order for money to be paid by a bank 2. a first rough plan or document which has not been finished 3. The finance depart 4. A draft of the contract or The draft contract is waiting for the MD’s comments 5. He drew up the draft agree-
drain /draɪn/ noun a gradual loss of money flowing away ○ The costs of the London office are a continual drain on our resources. ■ verb to remove something gradually ○ The expansion plan has drained all our profits. ○ The company’s capital resources have drained away.
draw /draʊ/ verb 1. to take money away ○ to draw money out of an account 2. to write a cheque ○ She paid the invoice with a cheque drawn on an Egyptian bank. (NOTE: drawing – drew – has drawn)
draw up phrasal verb to write a legal document ○ to draw up a contract or an agreement ○ to draw up a company’s articles of association
drawback /ˈdrɔːbæk/ noun 1. something which is not convenient or which is likely to cause problems ○ One of the main drawbacks of the scheme is that it will take six years to complete. 2. a rebate on customs duty for imported goods when these are then used in producing exports
drawdown /ˈdrɔːdɔʊn/ noun the act of drawing money which is available under a credit agreement
drawee /ˈdrɔːsi/ noun the person or bank asked to make a payment by a drawer
drawer /ˈdrɔːr/ noun the person who writes a cheque or a bill asking a drawer to pay money to a payee
drawing account /ˈdrɔːrɪŋ əˈkaʊnt/ noun a current account, or any account from which the customer may take money when he or she wants
drawings /ˈdrɔːrɪŋz/ plural noun money or trading stock taken by a partner from a partnership, or by a sole trader from his or her business
drawings account /ˈdrɔːrɪŋz əˈkaʊnt/ noun an account showing amounts drawn by partners in a partnership
drop /dρrop/ noun a fall ○ a drop in sales ○ Sales show a drop of 10%. ○ The drop in prices resulted in no significant increase in sales. ■ verb to fall ○ Sales have dropped by 10% or have dropped 10%. ○ The pound dropped three points against the dollar.

...while unemployment dropped by 1.6 per cent in the rural areas, it rose by 1.9 per cent in urban areas during the period under review’ [Business Times ( Lagos)]

‘…corporate profits for the first quarter showed a 4 per cent drop from last year’s final three months’ [Financial Times]

‘…since last summer American interest rates have dropped by between three and four percentage points’ [Sunday Times]
dropline bond /ˈdrɔrpɪn bɔnd/ noun a floating rate bond which will convert to a fixed rate of interest if interest rates fall to some level. ○ debt-convertible bond
dry goods /ˈdraɪ ˈgʊdz/ plural noun cloth, clothes and household goods
dual listing /ˈdjuːl ˈlɪstɪŋ/ noun the listing of a share on two stock exchanges
dual pricing /ˈdjuːl ˈprɪnsɪŋ/ noun the practice of setting different prices for a given product in the different market in which it is sold
dual resident /ˈdjuːl ˈrezɪdənt/ noun a person who is legally resident in two countries
dud /dʌd/ noun. adjective referring to a coin or banknote that is false or not good, or something that does not do what it is supposed to do (informal) ○ The £50 note was a dud.
dud cheque /dʌd ˈtʃek/ noun a cheque which cannot be cashed because the person writing it does not have enough money in the account to pay it
due /djuː/ adjective owed ○ a sum due from a debtor ○ to fall or become due to be ready for payment

...many expect the US economic indicators for April, due out this Thursday, to show faster economic growth’ [Australian Financial Review]
due date /djuː dɛt/ noun the date on which a debt is required to be paid
due diligence /djuː də ˈdʒɪlɪndʒ/ noun the examination of a company’s accounts prior to a potential takeover by another organisation. This assessment is often undertaken by an independent third party.
dues /djuːz/ plural noun orders taken but not supplied until new stock arrives
dumping /ˈdʌmpɪŋ/ noun the act of getting rid of excess goods cheaply in an overseas market ○ The government has paused...
anti-dumping legislation. Duty-paid goods on the European market is banned.

Dun & Bradstreet an organisation which produces reports on the financial rating of companies, and also acts as a debt collection agency. Abbreviation D&B

Duty a tax that has to be paid

Traders are asking the government to take the duty off alcohol or to put a duty on cigarettes.

‘Canadian and European negotiators agreed to a deal under which Canada could lower its import duties on $150 million worth of European goods’ [Globe and Mail (Toronto)]

‘...the Department of Customs and Excise collected a total of N79m under the new advance duty payment scheme’ [Business Times (Lagos)]

Duty-free sold with no duty to be paid

She bought duty-free perfume at the airport.

Duty-paid goods goods where the duty has been paid

He bought the watch duty-free.
Accounting.fm Page 78 Tuesday, February 13, 2007 1:40 PM

E

e- /ə/ prefix referring to electronics or the Internet
EAA abbreviation European Accounting Association
e. & o.e. abbreviation errors and omissions excepted
early withdrawal /ˈɛəl wɪðˈdrɔː/ noun the act of withdrawing money from a deposit account before the due date. Early withdrawal usually incurs a penalty.
earmark /ˈɪərmɑːk/ verb to reserve for a special purpose. The grant is earmarked for computer systems development.
earn /ɜːn/ verb 1. to be paid money for working. How much do you earn in your new job? 2. to produce interest or dividends. a building society account which earns interest at 10%. What level of dividend do these shares earn?
earned income /ˈɪnkwən/ noun income from wages, salaries, pensions, fees, rental income, etc., as opposed to 'unearned' income from investments
earnest /ˈɜːrnəst/ noun money paid as an initial payment by a buyer to a seller, to show commitment to the contract of sale
earning capacity /ˈɛərnɪŋ kæpəsətɪ/ noun the amount of money someone should be able to earn
earning potential /ˈɛərnɪŋ pɔtənʃəl/ noun 1. the amount of money a person should be able to earn in his or her professional capacity. 2. the amount of dividend which a share is capable of earning
earning power /ˈɛərnɪŋ pɔær/ noun the amount of money someone should be able to earn. She is such a fine designer that her earning power is very large.
earnings /ˈɛərnɪŋz/ plural noun 1. salary, wages, dividends or interest received. High earnings in top management reflect the heavy responsibilities involved. The calculation is based on average earnings over three years. 2. the profit made by a company. '…the US now accounts for more than half of our world-wide sales. It has made a huge contribution to our earnings turnaround' [Duns Business Month]
earnings before interest, taxes, depreciation and amortisation /ˈɛərnɪŋz bɪˈfɔːˌɪntrəst ,ˈdiːprəˌʃən ænd əˌmɔːrɪˈzæʃən/ plural noun the earnings generated by a business's fundamental operating performance, frequently used in accounting ratios for comparison with other companies. Interest on borrowings, tax payable on those profits, depreciation, and amortisation are excluded on the basis that they can distort the underlying performance. Abbreviation EBITDA
earnings before interest and tax /ˈɛərnɪŋz bɪˈfɔːˌɪntrəst ænd ˈtæks/ plural noun the amount earned by a business before deductions are made for tax and interest payments. Abbreviation EBIT
earnings cap /ˈɛərnɪŋzkæp/ noun the upper limit on the amount of salary that can be taken into account when calculating pensions
earnings growth /ˈɛərnɪŋz ɡrəʊθ/ noun an increase in profit per share
earnings performance /ˈɛərnɪŋz pɔrˈfɔrəməns/ noun a way in which shares earn dividends
earnings per share /ˈɛərnɪŋz pɔrˈʃeə/ plural noun the money earned in dividends per share, shown as a percentage of the market price of one share. Abbreviation EPS
earnings-related contributions /ˈɛərnɪŋz ˈrɛldətɪd ˈkɒntrɪbjuʃənz/ plural noun contributions to social security which rise as the employee's earnings rise
earnings-related pension /ˈɛərnɪŋz ˈrɛldətɪd ˈpenʃən/ noun a pension which is linked to the size of a person's salary
earnings surprises /əˈraɪnɪŋ səˈpraɪs/ plural noun an announced income level for a company that is significantly higher or lower than that forecast by analysts

earnings yield /əˈraɪnɪŋ jɪld/ noun the money earned in dividends per share as a percentage of the current market price of the share

ease /iːz/ verb to fall a little \(\times\) The share index eased slightly today.

easy market /iːziˈmaːkɪt/ noun a market where few people are buying, so prices are lower than they were before

easy money /iːziˈməni/ noun 1. money which can be earned with no difficulty 2. a loan available on easy repayment terms

easy money policy /iːziˈməni prələsi/ noun a government policy of expanding the economy by making money more easily available, e.g. through lower interest rates and easy access to credit

easy terms /iːzi ˈtɜːrmz/ plural noun financial terms which are not difficult to accept \(\times\) The shop is let on very easy terms.

EBIT /iːbet/ abbreviation earnings before interest, taxes, depreciation and amortisation

EBITDA /iːbetˈdeɪə/ abbreviation earnings before interest, taxes, depreciation and amortisation

EBRD abbreviation European Bank for Reconstruction and Development

e-business /iːˌbɛriˈneɪs/ noun a general term that refers to any type of business activity on the Internet, including marketing, branding and research \(\times\) E-business is a rising part of the economy.

‘...the enormous potential of e-business is that it can automate the link between suppliers and customers’ [Investors Chronicle]

ECB abbreviation European Central Bank

ECGD abbreviation Export Credit Guarantee Department

e-commerce /iːˈkɒmɜːs/ noun a general term that is usually used to refer to the process of buying and selling goods over the Internet

‘...the problem is that if e-commerce takes just a 3 per cent slice of the market that would be enough to reduce margins to ribbons’ [Investors Chronicle]

‘...the new economy requires new company structures. He believes that other blue-chip organizations are going to find that new set-ups would be needed to attract and retain the best talent for e-commerce’ [Times]

econometrics /ɪˌkɒnəˈmɪtrɪks/ noun the study of the statistics of economics, using computers to analyse these statistics and make forecasts using mathematical models

economic /ˈɪkənəˈmɪk/ adjective 1. providing enough money to make a profit \(\times\) The flat is let at an economic rent. \(\times\) It is hardly economic for the company to run its own warehouse. 2. referring to the financial state of a country \(\times\) economic trends \(\times\) Economic planners are expecting a consumer-led boom. \(\times\) The economic situation is getting worse. \(\times\) The country’s economic system needs more regulation.

‘...each of the major issues on the agenda at this week’s meeting is important to the government’s success in overall economic management’ [Australian Financial Review]

economical /ɪˌkɒnəˈmɪk(ə)l/ adjective saving money or materials or being less expensive \(\times\) This car is very economical. \(\times\) an economical use of resources the fact of using resources as carefully as possible

Economic and Monetary Union /ɪˌkɒnəˈmɪk ə ˈmɒnəri ˈjuːnɪon/ noun same as European Monetary Union

economic crisis /ɪˌkɒnəˈmɪk ˈkrɑːsɪs/, economic depression /ɪˌkɒnəˈmɪk dɪˈprɛʃən/ noun a situation where a country is in financial collapse \(\times\) The government has introduced import controls to solve the current economic crisis.

economic cycle /ɪˌkɒnəˈmɪk ˈsɜːk(ə)l/ noun a period during which trade expands, then slows down and then expands again

economic development /ɪˌkɒnəˈmɪk dɪˈveləpmənt/ noun improvements in the living standards and wealth of the citizens of a country \(\times\) The government has offered tax incentives to speed up the economic development of the region. \(\times\) Economic development has been relatively slow in the north, compared with the rest of the country.

economic forecaster /ɪˌkɒnəˈmɪk ˈfɔːkɑːstər/ noun a person who says how he or she thinks a country’s economy will perform in the future

economic growth /ɪˌkɒnəˈmɪk ˈɡroʊθ/ noun the rate at which a country’s national income grows

economic life /ɪˌkɒnəˈmɪk ˈlaɪf/ noun the extent of trade and manufacturing in a country, regarded as a measure of its relative prosperity

economic model /ɪˌkɒnəˈmɪk ˈmɒdl/ noun a computerised plan of a country’s
economic order quantity

economic system, used for forecasting economic trends.

economic order quantity /əˈkɔnəmɪkˈɔrdaˌkwæntətɪv/ noun the quantity of stocks which a company should hold, calculated on the basis of the costs of warehousing, of lower unit costs because of higher quantities purchased, the rate at which stocks are used, and the time it takes for suppliers to deliver new orders. Abbreviation EOQ

economic planning /əˈkɔnəmɪkˈplænɪŋ/ noun plans made by a government for the future financial state of a country

economics /əˈkɔnəmɪks/ noun the study of the production, distribution, selling and use of goods and services ■ plural noun the study of financial structures to show how a product or service is costed and what returns it produces ○ I do not understand the economics of the coal industry. (NOTE: [all senses] takes a singular verb)

economic sanctions /əˈkɔnəmɪkˈseɪnʃənz/ noun restrictions on trade that foreign governments impose with the aim of influencing the political situation of a country ○ to impose economic sanctions on a country

economic stagnation /əˈkɔnəmɪkˈstænɡətʃən/ noun a lack of expansion in the economy

economic value added /əˈkɔnəmɪkˈvæljuˌædɪd/ noun a way of judging financial performance by measuring the amount by which the earnings of a project, an operation or a company exceed or fall short of the total amount of capital that was originally invested by its owners. Abbreviation EVA

economies of scale /əˌkɔnəmɪz əˈskeɪl/ plural noun the cost advantages of a company producing a product in larger quantities so that each unit costs less to make. Compare diseconomies of scale

economies of scope /əˌkɔnəmɪz əˈskoʊp/ plural noun the cost advantages of a company producing a number of products or engaging in a number of profitable activities that use the same technology

economist /əˌkɔnəmɪst/ noun a person who specialises in the study of economics ○ Government economists are forecasting a growth rate of 3% next year. ○ An agricultural economist studies the economics of the agriculture industry.

economy /əˌkɔnəmɪ/ noun 1. an action which is intended to stop money or materials from being wasted, or the quality of being careful not to waste money or materials ○ to introduce economies or economy measures into the system to start using methods to save money or materials 2. the financial state of a country, or the way in which a country makes and uses its money ○ The country’s economy is in ruins.

economy drive /əˌkɔnəmɪˈdraɪv/ noun a vigorous effort to save money or materials

EOC abbreviation Economic Order Quantity

ecover /ˌekˈkʌvər/ noun an operation that takes place into the system of the pay increase was to raise productivity levels. 2. an operation ○ terms of a contract which take effect or come into effect from January 1st terms which start to operate on January 1st. meaning ○ a clause to the effect that a clause which means that a verb to carry out

effective /ɪˈfɛktɪv/ adjective 1. actual, as opposed to theoretical 2. to a clause effective as from January 1st a clause which starts to be applied on January 1st. producing results ○ Advertising in the Sunday papers is the most effective way of selling. ○ She is an effective marketing manager. ○ cost-effective

effective annual rate /ɪˌfɛktɪv ˈænjuəl ˈret/ noun the average interest rate paid on a deposit for a period of a year. It is the total interest received over 12 months expressed as a percentage of the principal at the beginning of the period.

effective date /ɪˌfɛktɪv dɪˈteɪt/ noun the date on which a rule or contract starts to be applied, or on which a transaction takes place

effective demand /ɪˌfɛktɪv dɪˈmɑnɪd/ noun demand for a product made by individuals and institutions with sufficient wealth pay for it

effective exchange rate /ɪˌfɛktɪv ɪ ˈɛxəns fɛt/ noun the currency calculated against a basket of currencies

effective price /ɪˌfɛktɪv ˈpɹɛs/ noun a share price which has been adjusted to allow for a rights issue

effective rate /ɪˌfɛktɪv ˈrɛt/ noun the real interest rate on a loan or deposit, i.e., the APR
**effective tax rate** /ɪˈfekтив ‘tɛks ,rɛt/ noun the average tax rate applicable to a given transaction, whether it is income from work undertaken, the sale of an asset, or a gift, taking into account personal allowances and scales of tax. It is the amount of money generated by the transaction divided by the additional tax payable because of it.

**effective yield** /ɪˈfekтив ‘jɪld/ noun actual yield shown as a percentage of the price paid after adjustments have been made efficiency ratio /ɪˈfɪʃ(ə)nsi ‘rɛʃɪəʊ/ noun a measure of the efficiency of a business, expressed as expenditure divided by revenue.

efficiency variance /ɪˈfɪʃ(ə)nsi ‘vɛrənsi/ noun the discrepancy between the actual cost of making a product and the standard cost

**Efficient Market Hypothesis** /ɪˈfɪʃ(ə)nt hɑr,prəˈfoʊsɪs/ noun, **Efficient Markets Hypothesis** /ɪˈfɪʃ(ə)nt hɑr,prəˈfoʊsɪs/ noun the hypothesis that all relevant information is immediately reflected in the price of a security. Abbreviation EMH

**EFT** abbreviation electronic funds transfer

**EFTA** abbreviation European Free Trade Association

**EFTPOS** /ˈɛftpɔz/ abbreviation electronic funds transfer at point of sale

**EIB** abbreviation European Investment Bank

**eighty/twenty law** /ˈɛtɪ ‘twenti rɛt/ noun the rule that a small percentage of customers may account for a large percentage of sales. *Pareto’s Law*

**EIS** abbreviation Enterprise Investment Scheme

**elastic** /ˈɛlæstɪk/ adjective able to expand or contract easily because of small changes in price

**elasticity** /ɛləˈstɪstɪti/ noun the ability to change easily in response to a change in circumstances

**elder care** /ˈɛldərkɛr/ noun assurance services sold to elderly people and their families

**elect** /ɛlɛkt/ suffix referring to a person who has been elected but has not yet started the term of office

**electronic banking** /ˌɛlektrənɪk ‘bɛŋkɪŋ/ noun the use of computers to carry out banking transactions such as withdrawals through cash dispensers or transfer of funds at point of sale

**electronic data interchange** /ˌɪkltrəˈnɪk ‘dɛrtʃ,ɪntʃ’ɪntʃ/ noun a standard format used when business documents such as invoices and purchase orders are exchanged over electronic networks such as the Internet. Abbreviation EDI

**electronic funds transfer** /ˌɪkltrəˈnɪk ‘fʌndz ,tɛnsfər/ noun the system used by banking organisations for the movement of funds between accounts and for the provision of services to the customer. Abbreviation EFT

**electronic funds transfer at point of sale** /ˌɪkltrəˈnɪk ‘fʌndz ,tɛnsfər ət ‘pɔint əv ‘seil/ noun the payment for goods or services by a bank customer using a card that is swiped through an electronic reader on the till, thereby transferring the cash from the customer’s account to the retailer’s or service provider’s account. Abbreviation EFTPOS

**electronic Lodgement Service** /ˌɪkltrəˈnɪk ‘lɔdʒmənt ,ˈsərvɪs/ noun a British system for filing your tax return electronically. Abbreviation ELS

**electronic point of sale** /ˌɪkltrəˈnɪk pɔɪnt əv ‘seil/ noun a method of making an individual’s tax return using email. Abbreviation ERS

**ELS** abbreviation Electronic Lodgement Service

**email** /iˈmeɪl/ noun 1. a system of sending messages from one computer terminal to another, using a modem and telephone lines 2. a message sent electronically 3. a message sent electronically 4. a message sent electronically 5. a message sent electronically 6. a message sent electronically 7. a message sent electronically 8. a message sent electronically 9. a message sent electronically 10. a message sent electronically 11. a message sent electronically 12. a message sent electronically 13. a message sent electronically 14. a message sent electronically 15. a message sent electronically 16. a message sent electronically 17. a message sent electronically 18. a message sent electronically 19. a message sent electronically 20. a message sent electronically 21. a message sent electronically 22. a message sent electronically 23. a message sent electronically 24. a message sent electronically 25. a message sent electronically 26. a message sent electronically 27. a message sent electronically 28. a message sent electronically 29. a message sent electronically 30. a message sent electronically 31. a message sent electronically 32. a message sent electronically 33. a message sent electronically 34. a message sent electronically 35. a message sent electronically 36. a message sent electronically 37. a message sent electronically 38. a message sent electronically 39. a message sent electronically 40. a message sent electronically 41. a message sent electronically 42. a message sent electronically 43. a message sent electronically 44. a message sent electronically 45. a message sent electronically 46. a message sent electronically 47. a message sent electronically 48. a message sent electronically 49. a message sent electronically 50. a message sent electronically 51. a message sent electronically 52. a message sent electronically 53. a message sent electronically 54. a message sent electronically 55. a message sent electronically 56. a message sent electronically 57. a message sent electronically 58. a message sent electronically 59. a message sent electronically 60. a message sent electronically 61. a message sent electronically 62. a message sent electronically 63. a message sent electronically 64. a message sent electronically 65. a message sent electronically 66. a message sent electronically 67. a message sent electronically 68. a message sent electronically 69. a message sent electronically 70. a message sent electronically 71. a message sent electronically 72. a message sent electronically 73. a message sent electronically 74. a message sent electronically 75. a message sent electronically 76. a message sent electronically 77. a message sent electronically 78. a message sent electronically 79. a message sent electronically 80. a message sent electronically 81. a message sent electronically 82. a message sent electronically 83. a message sent electronically 84. a message sent electronically 85. a message sent electronically 86. a message sent electronically 87. a message sent electronically 88. a message sent electronically 89. a message sent electronically 90. a message sent electronically 91. a message sent electronically 92. a message sent electronically 93. a message sent electronically 94. a message sent electronically 95. a message sent electronically 96. a message sent electronically 97. a message sent electronically 98. a message sent electronically 99. a message sent electronically 100. a message sent electronically

**embargo** /ɪmˈbɜrgəʊ/ noun 1. a government order which stops a type of trade 2. to impose or put an embargo on trade with a country to say that trade with a country must not take place 3. The government has put an embargo on the export of computer equipment 4. a period of time during which specific information in a press release must not be published (NOTE: The plural is embargoes) 5. verb 1. to stop trade, or not to allow something to be traded 2. The government has embargoed trade with countries that are in breach of international agreements 3. not to allow publication of
embezzle  /imˈbiz(ə)l/ verb to use illegally money which is not yours, or which you are looking after for someone ○ He was sent to prison for six months for embezzling his clients’ money.

embezzlement  /imˈbizəlment/ noun the act of embezzling ○ He was sent to prison for six months for embezzlement.

embezzler  /imˈbezələr/ noun a person who embezzles

EMH  abbreviation Efficient Market Hypothesis

emoluments  /ɪˈmʌləmənts/ plural noun pay, salary or fees, or the earnings of directors who are not employees (Note: US English uses the singular emolument.)

employed  /ɪˈmplɔɪd/ adjective 1. in regular paid work 2. referring to money used profitably • plural noun people who are working ○ the employers and the employed

employee  /ɪˈmplɔɪə/ noun a person employed by another ○ Employees of the firm are eligible to join a profit-sharing scheme. ○ Relations between management and employees are good. ○ The company has decided to take on new employees.

‘…companies introducing robotics think it important to involve individual employees in planning their introduction’ [Economist]

employee contribution  /ɪˈmplɔɪəkəntriˈbjuːʃ(ə)n/ noun a contribution paid by an employee towards his or her pension

employee share ownership plan  /ɪˈmplɔɪə ʃeəˈɔrnəʃ(ə)n plən/ employee share ownership programme  /ɪˈmplɔɪə ʃeəˈɔrnəʃ(ə)n prəˈgræm/ employee share scheme  /ɪˈmplɔɪə ʃeə ˈʃeɪm/ noun a plan which allows employees to obtain shares in the company for which they work, though tax may be payable if the shares are sold to employees at a price which is lower than the current market price. Abbreviation ESOP

employer  /ɪˈmplɔɪər/ noun a person or company that has regular employees and pays them

employer’s contribution  /ɪˈmplɔɪərs ˈkəntriˈbjuːʃ(ə)n/ noun money paid by an employer towards an employee’s pension

employers’ liability insurance  /ɪˈmplɔɪəz, ɪˈmplɔɪəz ˈlɪəbilɪti/ noun insurance to cover accidents which may happen at work, and for which the company may be responsible

employment contract  /ɪˈmplɔɪəmt ˈkɒntrækt/ noun same as contract of employment

employment income  /ɪˈmplɔɪəmt ɪˈnʌmənt/ noun money received from an employer, e.g. salary, fees, commission, bonus, fringe benefits

EMS  abbreviation European Monetary System

EMU  abbreviation 1. Economic and Monetary Union 2. European Monetary Union

cash  /kæʃ/ verb to cash a cheque, to exchange a cheque for cash

cashable  /ˈkæʃəb(ə)l/ adjective possible to cash

cashment  /ˈkæʃmənt/ noun an act of exchanging something for cash

cumbrance  /ˈkʌmbrəns/ noun a liability which is attached usually to a property or land, e.g. a mortgage or charge

design  /dɪˈzent/ verb to say that a product is good ○ to endorse a bill or a cheque to sign a bill or cheque on the back to show that you accept it

designer  /dɪˈzentər/ noun a person whose name is written on a bill or cheque as having the right to cash it

designation  /dɪˈzeɪʃ(ə)n/ noun 1. the act of endorsing 2. a signature on a document which endorses it 3. a note on an insurance policy which adds conditions to the policy

designee  /dɪˈzeiə/ noun a person who endorses a bill or cheque which is then paid to him or her

designation  /dɪˈzeɪʃ(ə)n/ noun the act of giving money to provide a regular income

designation assurance  /dɪˈzeɪʃ(ə)n ə ˈɔːnərəns, ə ˈɔːnərəns/ endowment insurance  /endəˈmənt ɪˈnʌmənt/ noun an insurance policy where a sum of money is paid to the insured person on a specific date or to his heirs if he dies before that date

designation mortgage  /endəˈmənt ˈmɔrtədʒ/ noun a mortgage in which the initial sum borrowed is repaid at the end of the loan term by the proceeds of an insurance policy linked to it

designation policy  /endəˈmənt ˈpɒləsi/ noun same as endowment assurance

design product  /dɛnˈprədʌkt/ noun a manufactured product resulting from a production process

design costs  /ˈdɛnədʒ ˈkənst/ plural noun costs of gas, electricity, etc., as shown in accounts
enforce /ɪnˈfɔrs/ verb to make sure something is done or that a rule is obeyed ○ to enforce the terms of a contract
enforcement /ɪnˈfɔrment/ noun the act of making sure that something is obeyed ○ enforcement of the terms of a contract
engagement /ɪnˈɡɛrdʒmənt/ noun an agreement to do something
engagement letter /ɪnˈɡɛrdʒmənt leɪtə/ a letter, usually required by professional standards, sent by an accountant to a client setting out the work the accountant is to do and further administrative matters, such as any limit on the accountant’s liability
entail /ɪnˈteɪl/ noun a legal condition which passes ownership of a property only to some specific persons
enterprise /ɪnˈtɛrprrər/ noun 1. a system of carrying on a business 2. a business
enterprise accounting /ɪnˈtɛrprrər əˌkaʊntɪŋ/ accounts prepared for the whole of a business, not merely for a department or other subdivisions
Enterprise Investment Scheme /ɪnˈtɛrprrər ɪnˈvestmənt ˈskɪtɪm/ a scheme which provides income and capital gains tax relief for people prepared to risk investing in a single unquoted or AIM-listed trading company. Abbreviation EIS
enterprise resource planning /ɪnˈtɛrprrər ˈrɛsərnt ˈplænmənt/ a sophisticated computerised management system that connects multiple business operations, e.g. personnel, the financial accounting system, production and distribution, and can also connect the business with its suppliers and customers. Abbreviation ERP
enterprise zone /ɪnˈtɛrprrər ˈzɔn/ an area of the country where businesses are encouraged to develop by offering special conditions such as easy planning permission for buildings or a reduction in the business rate
entertainment allowance /ɪnˈtɛrtərntmənt əˈlaʊəns/ an amount of money set aside by a company for entertaining clients and visitors
entertainment expenses /ɪnˈtɛrtərntmənt ɪkˌspensəs/ plural money spent on giving meals to business visitors
entitle /ɪnˈtaɪt(ə)r/ verb to give the right to someone to have something ○ After one year’s service the employee is entitled to four weeks’ holiday.
entitlement /ɪnˈtaɪt(ə)lmənt/ noun a person’s right to something
entity /ˈentɪti/ noun a single separate body or organisation
entity accounting /ˈentɪti əˌkaʊntɪŋ/ a form of accounting in which accounts are prepared for an entity which is smaller than or distinct from a company, e.g. for a branch or a particular activity
entrepreneur /ˌɒntrəprəˈraʊər/ a person who is willing to take commercial risks by starting or financing commercial enterprises
entrepreneurial /ˌɒntrəprəˈraʊəriəl/ adjective taking commercial risks ○ an entrepreneurial decision
entry /ˈentri/ noun 1. an item of written information put in an accounts ledger (NOTE: The plural is entries) 2. an act of going in or the place where you can go in ○ to pass a customs entry point ○ entry of goods under bond
entry price /ˈentri ˈprɑːs/ noun the replacement cost of an asset recorded in an account
entry value /ˈentri ˈvælju/ noun replacement cost, the cost of replacing an asset already bought or a service already received and accounted for
environmental accounting /ɪnˌvaiərənˈmantəˌkaʊntɪŋ/ the practice of including the indirect costs and benefits of a product or activity, e.g. its environmental effects on health and the economy, along with its direct costs when making business decisions
environmental reporting /ɪnˌvaiərənˈment riˌpɔːrtn/ noun the process in which a UK company reports on its use of resources and its generation and disposal of waste to the Department for Environment, Food and Rural Affairs
EOQ abbreviation economic order quantity
EPOS /ˈɛpɔs/ an electronic point of sale
EPS abbreviation earnings per share
equal /ˈeqwəl/ adjective exactly the same ○ Male and female employees have equal pay; a verb to be the same as ○ Production this month has equalled our best month ever. (NOTE: equalising – equalised. The US spelling is equalizing – equalized.)
equalise /ˈɛkwələʊz/ verb to make equal ○ to equalise dividends
equally /ˈeqwəli/ adverb so that each has or pays the same, or to the same degree ○ Costs will be shared equally between the two parties ○ They were both equally responsible for the disastrous launch.
money, in the form of a warrant to share in
incentive given to people to lend a company
in future years.

dividend paid in that period, that indicates the
during a given period by the actual divi-
calculated by dividing the distributable prof-

equity kicker
interest and its ordinary share capital
equity gearing
nary shares paid for by shareholders
equity finance
equity capital
parents company's books
equity accounting

right to
receive dividends from the profit of a com-
pany in which shares are owned
value of that company that is the property of its
shareholders, calculated as the value of the
company's assets minus the value of its lia-
abilities, not including the ordinary share
capital, the value of an asset minus any
loans outstanding on it, a fair system of
laws, the system of British law which devel-
oped in parallel with the common law to
make the common law fairer, summarised in
the maxim 'equity does not suffer a wrong to
be without a remedy'
equity accounting

a method of accounting which puts
part of the profits of a subsidiary into the
parent company's books
equity capital
the nominal value of the shares owned by the
ordinary shareholders of a company (NOTE:
Preference shares are not equity capital. If
the company were wound up, none of the
equity capital would be distributed to prefer-
ence shareholders.)
equity dividend cover

dividend, 'keipit(ə)/noun an accounting ratio,
calculated by dividing the distributable prof-
its during a given period by the actual divi-
dend paid in that period, that indicates the
likelihood of the dividend being maintained
in future years. capital reserves
equity finance

finance for a company in the form of ordi-
nary shares paid for by shareholders
equity gearing

the ratio between a company's borrowings at
interest and its ordinary share capital
equity kicker
US an incentive given to people to lend a company
money, in the form of a warrant to share in
future earnings (NOTE: The UK term is
equity sweetener.)
equity share capital

a company's issued share
capital less capital which carries preferential
rights. Equity share capital normally com-
prises ordinary shares.
equity sweetener

an incentive to encourage people to lend a company money, in the form of a warn-
rant giving the right to buy shares at a later date and at an agreed price
equivalence

the condition of having the same value or of being the same
equivalent

a person who is the equal of someone else
equivalent production

a way of measuring units produced by a company that combines parts of units produced into whole-unit equiva-

lents
equivalent taxable yield

the level of taxable investment required to provide the same return as some other form of investment
equivalent unit

a unit of unfinished production calcu-
lated for valuation purposes when work
started during the period is not finished at
the end of the period, or when work started
during the previous period is finished during
the current period
ERP abbreviation enterprise resource planning
errors and omissions excepted
phrase words written on an invoice to show that the
company has no responsibility for mistakes in
the invoice. Abbreviation e. & o.e.
ESC abbreviation European Social Charter
escalate

to increase steadily
escalator clause

a clause in a contract allowing for regular price increases because of increased costs, or regular wage increases because of the increased cost of living
escape clause

a clause in a contract which allows one of the
parties to avoid carrying out the terms of the
contract under conditions
escrow

an agreement between two parties that something should be held by a third party until conditions are fulfilled
The final bill was quite different from the estimate. It will cost £1m.

Accounting

estimator /ˈestɪmətər/ noun
a person whose job is to calculate estimates for carrying out work

EU /ˈjuːəroʊ/ abbreviation
European Union ○ EU ministers met today in Brussels. ○ The US is increasing its trade with the EU.

euro /ˈjuːəroʊ/ noun
a unit of currency adopted by several European countries for electronic payments in 1999 and then as legal tender from January 1st, 2002. ○ Many articles are priced in euros. ○ What’s the exchange rate for the euro? (NOTE: The plural is euro or euros. Written € before numbers: €250: say: ‘two hundred and fifty euros’.)

...cross-border mergers in the European Union have shot up since the introduction of the euro' [Investors Chronicle]

Euro- /ˈjuːəroʊ/ prefix referring to Europe or the European Union

euro account /ˈjuːəroʊ ə ˈkɒunt/ noun
a bank account in euros

Eurobond /ˈjuːəroʊ bənd/ noun
a long-term bearer bond issued by an international corporation or government outside its country of origin and sold to purchasers who pay in a Eurocurrency, sold on the Eurobond market

Eurocheque /ˈjuːəroʊ tʃiːk/ noun
a cheque which can be cashed in any Eurozone bank. The Eurocheque system is based in Brussels.

Eurocommercial paper /ˈjuːəroʊ kəmərˈʃəl/ noun
a form of short-term borrowing in Eurocurrencies. Abbreviation ECP

eurocredit /ˈjuːəroʊ kredɪt/ noun
a large bank loan in a Eurocurrency, usually provided by a group of banks to a large commercial undertaking

Eurocurrency /ˈjuːəroʊ kərrənsi/ noun
any currency used for trade within Europe but outside its country of origin, the Eurodollar being the most important ○ a Eurocurrency loan ○ the Eurocurrency market

eurodeposit /ˈjuːəroʊ dɪˈpɔzɪt/ noun
a deposit of Eurodollars in a bank outside the US

Eurodollar /ˈjuːəroʊ dələr/ noun
a US dollar deposited in a bank outside the US, used mainly for trade within Europe ○ a Eurodollar loan ○ the Eurodollar markets

euroequity /ˈjuːəroʊ ɪkwəti/ noun
a share in an international company traded on Eurozone stock markets outside its country of origin

Euroland /ˈjuːəroʊ ə lænd/ noun
same as Eurozone

escrow account /ˈeskrəʊ ə ˈkəʊnt/ noun
US an account where money is held in escrow until a contract is signed or until goods are delivered

ESOP /ˈiː əs əʊ əl ˈpiː ə/ abbreviation
employee share ownership plan

establishment /ɪˈstæbliʃmənt/ noun
1. a commercial business ○ He runs an important printing establishment. 2. the number of people working in a company

establishment charges /ɪˈstæbliʃmənt ˈtʃɑrɪzəs/ noun
the cost of people and property in a company’s accounts

estate /ɪˈsteɪt/ noun
property left by a dead person

estate accounting /ɪˈsteɪt ə ˈkəʊntɪŋ/ noun
the preparation of financial accounts by the person administering the estate of someone deceased

estate duty /ɪˈsteɪt ˈdjuːtɪ/ noun
a tax paid on the property left by a dead person. (Note: now called inheritance tax)

estate tax /ɪˈsteɪt ˈtæks/ noun
US a tax paid on the right to pass property on to heirs, based on the value of the property and paid before it is passed to the heirs

estimate /ɪˈstɪmət/ 1. a calculation of the probable cost, size or time of something ○ Can you give me an estimate of how much time was spent on the job? 2. a calculation by a contractor or seller of a service of how much something is likely to cost, given to a client in advance of an order ○ You should ask for an estimate before committing yourselves. ○ Before we can give the grant we must have an estimate of the total costs involved. ○ Unfortunately the final bill was quite different from the estimate. 2. verb /ɪˈstɪmət/ to calculate the probable cost, size, or time of something ○ to estimate that it will cost £1m or to estimate costs at £1m ○ We estimate current sales at only 60% of last year

estimated /ɪˈstɪmətɪd/ adjective
approximately ○ estimated sales ○ Costs were slightly more than the estimated figure.

estimated cost /ɪˈstɪmətɪd kɒst/ noun
necessary future expenditure that the purchase of something entails, e.g. future running costs or future repairs

estimated liability /ɪˈstɪmətɪd ˈlɪablɪtɪ/ noun
a liability that exists but has a cost that can only be estimated as yet, as can any future tax liability

estimation /ɪˈstɪməʃən/ noun
an approximate calculation
euronote /juərəʊˌnɔt/ noun a short-term Eurocurrency bearer note
euro-option /juərəʊˌɒpʃən/ noun an option to buy European bonds at a later date
Europe /juərəʊ/ noun 1. the continent of Europe, the part of the world to the west of Asia, from Russia to Ireland ○ Most of the countries of Western Europe are members of the EU. ○ Poland is in eastern Europe, and Greece, Spain and Portugal are in southern Europe. 2. the European Union, including the UK ○ Canadian exports to Europe have risen by 25%.
European /juərəʊpɪən/ adjective referring to Europe ○ They do business with several European countries.
European Accounting Association /juərəʊpɪən əˈkaʊntɪŋ əˌsəʊsɪətɪən/ noun an organisation for teachers and researchers in accountancy, founded in 1977 and based in Brussels, that aims to be a forum for European research in the subject. Abbreviation EAA
European Bank for Reconstruction and Development /juərəʊpɪən ˈrɛkstrəkʃən ˌdɛvələpmənt bæŋk/ noun a bank, based in London, which channels aid from the EU to Eastern European and Central Asian countries. Abbreviation EBRD
European Central Bank /juərəʊpɪən ˌsentrəl ˈbæŋk/ noun the central bank for most of the countries in the European Union, those which have accepted European Monetary Union and have the euro as their common currency. Abbreviation ECB ○ ‘...the ECB begins with some $300 billion of foreign exchange reserves, far more than any other central bank’ [Investors Chronicle] ○ ‘...any change in the European bank’s statutes must be agreed and ratified by all EU member nations’ [The Times]
European Currency Unit /juərəʊpɪən ˈkærənsi ˈjuːnətɪ/ noun the official monetary unit of the European Union from 1979 to 1999. Abbreviation ECU
European Economic Area /juərəʊpɪən ˈiːkənəmɪk ˈɛərə/ an area comprising the countries of the EU and the members of EFTA, formed by an agreement on trade between the two organisations. Abbreviation EEA
European Federation of Accountants /juərəʊpɪən ˌfɛdərətʃən əv ə ˈkaʊntənts/ noun the representative organisation for the accountancy profession in Europe
European Financial Reporting Advisory Group /juərəʊpɪən ˈfɪnɛnsɪəl riˈpɔːtɪŋ/ noun a group that advises on the technical assessment of accounting standards in Europe
European Free Trade Association /juərəʊpɪən friˈtred əˌsəʊsɪətɪən/ noun a group of countries (Iceland, Liechtenstein, Norway and Switzerland) formed to encourage freedom of trade between its members, and linked with the EU in the European Economic Area. Abbreviation EFTA
European Investment Bank /juərəʊpɪən ɪnˈvestmənt bæŋk/ noun a financial institution whose main task is to facilitate regional development within the EU by financing capital projects, modernising or converting undertakings, and developing new activities. Abbreviation EIB
European Monetary System /juərəʊpɪən ˈmʌnərəri ˈsɪstəm/ noun the first stage of economic and monetary union of the EU, which came into force in March 1979, giving stable, but adjustable, exchange rates. Abbreviation EMS
European Monetary Union /juərəʊpɪən ˈmʌnərəri ˈjʊnən/ noun the process by which some of the member states of the EU joined together to adopt the euro as their common currency on 1st Janu ary 1999. The euro became legal tender for these member states from 2002. Abbreviation EMU
European Social Charter /juərəʊpɪən ˌsəʊʃəl ˈʃærter/ noun a charter for employees, drawn up by the EU in 1989, by which employees have the right to a fair wage, and to equal treatment for men and women, a safe work environment, training, freedom of association and collective bargaining, provision for disabled workers, freedom of movement from country to country, guaranteed standards of living both for the working population and for retired people. Abbreviation ESC. Also called Social Charter
European Union /juərəʊpɪən ˈjʊnən/ noun a group of European countries linked together by the Treaty of Rome. Abbreviation EU
euroyen /juərəʊˌjɛn/ noun a Japanese yen deposited in a European bank and used for trade within Europe
Europezone /juərəʊpɪˈziːn/ noun the European countries which use the euro as a common currency, seen as a group. Also called Euroland
An example sentence: "The total cost was exactly £500, and the salesgirl asked me if I had the exact sum, since the shop had no change available at that time on expected levels of demand or performance, which are calculated after the pre-tax profit is calculated, as opposed to extraordinary items which are calculated after the pre-tax profit on the sale or termination of an operation, or costs of a fundamental reorganisation or restructuring which have a material effect on the nature and focus of the reporting entity’s operations, or profits or losses on the disposal of fixed assets."

A word definition: "ex ante" means before the event. Compare "ex post" (NOTE: An ex ante budget, or standard, is set before a period of activity commences, and is based on the best information available at that time on expected levels of cost, performance, etc.)

An example sentence related to "ex ante" and "ex post": "Excess costs have caused us considerable problems."

A phrase definition: "...the European Central Bank left the door open yesterday for a cut in Eurozone interest rates" [Financial Times]

An example sentence related to "exchange controls": "...a sustained recovery in the euro will require either a sharp slowdown in US growth or a rise in inflation and interest rates in the Eurozone beyond that already discounted [Investors Chronicle]"
exchange cross rates

on changing the local currency into foreign currency. The government had to impose exchange controls to stop the rush to buy dollars. They say the government is going to lift exchange controls.

exchange cross rates /ɪks,tʃeɪmendʒ ɪnˌreɪtɪz/ plural noun rates of exchange for two currencies, shown against each other, but in terms of a third currency, often the US dollar.

exchange dealer /ɪks,tʃeɪmendʒ ˈdiːlər/ noun a person who buys and sells foreign currency.

exchange dealings /ɪks,tʃeɪmendʒ ˈdiːlɪŋz/ plural noun the buying and selling of foreign currency.

exchange gain /ɪks,tʃeɪmendʒ ɡɛn/.

exchange loss /ɪks,tʃeɪmendʒ ˈlɒs/ noun a gain or loss made from changes in the exchange rate which take place during the period of the transaction.

exchange premium /ɪks,tʃeɪmendʒ ˈprɪmɪəm/ noun an extra cost above the usual rate for buying a foreign currency.

exchanger /ɪks,tʃeɪmendʒ ˈdʒeɪnər/ noun a person who buys and sells foreign currency.

exchange rate /ɪks,tʃeɪmendʒ ˈreɪt/ noun 1. a rate at which one currency is exchanged for another. Also called rate of exchange 2. a figure that expresses how much a unit of one country's currency is worth in terms of the currency of another country.

exchange rate mechanism /ɪks,tʃeɪmendʒ ˈmɛkznɪz(ə)m/ noun a former method of stabilising exchange rates within the European Monetary System, where currencies could only move up or down within a narrow band (usually 2.25%) either way, but for some currencies widened to 6% without involving a realignment of all the currencies in the system.

exchange rate parity /ɪks,tʃeɪmendʒ ˈpærəti/ noun the existence of uniform exchange rate levels between a group of countries, such that a basket of goods costs the same in the currencies of these countries.

exchange transaction /ɪks,tʃeɪmendʒ ˈtrænˌzækʃən/ noun a purchase or sale of foreign currency.

Exchequer /ɪks,tʃeɪkər/ the Exchequer 1. the fund of all money received by the government of the UK from taxes and other revenues 2. the British government's account with the Bank of England 3. the British government department dealing with public revenue.

Exchequer stocks /ɪks,tʃeɪkər ˈstɒks/ plural noun same as Treasury stocks.

excise duty /ˌɛksəs ˈdjuːtɪ/ noun a tax on goods such as alcohol and petrol which are produced in the country.

excise tax /ˌɛksɪs ˈteɪks/ noun US a tax levied for a particular purpose.

exclude /ɪkˈskluːd/ verb to keep out, or not to include. The interest charges have been excluded from the document.

damage by fire is excluded from the policy.

exclusion clause /ɪkˈskluːʒ(ə)n kləʊz/ noun a clause in an insurance policy or warranty which says which items or events are not covered.

exclusive agreement /ɪkˈskluːzɪv ə ˈɡrɪmənt/ noun an agreement where a person is made sole agent for a product in a market.

exclusive of tax /ɪkˈskluːzɪv ə ˈteɪks/ adjective not including tax. All payments are exclusive of tax.

exclusivity /ˌɛksəˈskluːvɪtɪ/ noun the exclusive right to market a product.

ex coupon /ˌɛks kəˈpʊrn/ adverb without the interest coupons or after interest has been paid.

ex dividend /ˈɛks ˈdɪvɪndɪd/ ex div /ˈɛks ˈdɪv/ adjective used to describe a share that does not have the right to receive the next dividend. The shares went ex dividend yesterday. Abbreviation xd.

execute /ˈɛksɪkjuːt/ verb to carry out an order. Failure to execute orders may lead to dismissal.

executive /ˈɛksɪkjuːtɪv/ noun the carrying out of a commercial order or contract.

executive /ˈɛksɪkjuːtɪv/ adjective putting decisions into action.

executive director /ˈɛksɪkjuːtɪv dɪˈrektər/ noun a director who works full-time in the company. Compare non-executive director 2. a senior employee of an organisation who is usually in charge of one or other of its main functions, e.g. sales or human relations, and is usually, but not always, a member of the board of directors.

executive power /ˈɛksɪkjuːtɪv ˈpɔːrə/ noun the right to act as director or to put decisions into action.

executive share option scheme /ˈɛksɪkjuːtɪv ʃeər ˈɒpʃən ˈskɪzm/ noun a scheme under which senior managers are given the opportunity to buy shares in their company at a preferential fixed price at a later date.
executor /ɪks'tɪkjʊtər/ noun a person or firm that sees that the terms of a will are carried out ○ She was named executor of her brother’s will.
exectrix /ɪks'tɪkjʊtrɪks/ noun a female executor
exempt /ɪks'mempt/ adjective not forced to do something, especially not forced to obey a particular law or rule, or not forced to pay something ○ Anyone over 65 is exempt from charges ○ exempt from tax not required to pay tax ○ As a non-profit-making organisation we are exempt from tax.
‘Companies with sales under $500,000 a year will be exempt from the minimum-wage requirements’ [Nation’s Business]
exempt assets /ɪks'mempt ˈæsɪts/ plural noun assets such as cars which are not subject to capital gains tax when sold
exempt gift /ɪks'mempt ˈɡɪft/ noun a gift that is not subject to US gift tax
exempt investment fund /ɪks'mempt ɪnˈvestɪmənt fʌnd/ noun in the United Kingdom, a collective investment, usually a unit trust, for investors who have certain tax privileges, e.g., charities or contributors to pension plans
exemption /ɪks'memptʃən/ noun the act of exempting something from a contract or from a tax ○ exemption from tax, tax exemption the fact of being free from having to pay tax ○ As a non-profit-making organisation you can claim tax exemption.
exempt supplies /ɪks'mempt ˈspɜːplərs/ plural noun products or services on which the supplier does not have to charge VAT, e.g., the purchase of, or rent on, property and financial services
exercise /ɪkˈsɜːəsərɪ/ noun 1. the use of something 2. a financial year ○ during the current exercise 3. verb to use ○ The chairwoman exercised her veto to block the motion.
exercise date /ɪkˈsɜːəsərɪ ˈdeɪt/ noun the date when an option can be put into effect
exercise price /ɪkˈsɜːəsərɪ ˈprɑːs/ noun the price at which an option will be put into effect
ex gratia /ɪks ˈɡreɪʃə/ adjective as an act of favour, without obligation
exit /ɪksɪt/ noun the way in which an investor can realise their investment, e.g. by selling the company they have invested in
exit charge /ɪksɪt ˈtʃɑːdʒ/ noun a charge sometimes made by a trust when selling units in a unit trust or when selling out of an investment such as an ISA

89 expense account

exit price /ˈɛksɪt ˈprɑːs/ noun the price at which a firm sells up and leaves a market
exit value /ˈɛksɪt ˈvɛljuː/ noun income that would be received if an asset or a business were sold
ex officio /ˌɛks əˈfɪʃiə/ adjective, adverb because of an office held ○ The treasurer is ex officio a member or an ex officio member of the finance committee.
expand /ɪkˈspænd/ verb to get bigger, or make something bigger ○ an expanding economy ○ The company is expanding fast. ○ We have had to expand our sales force.
expenditure /ɪkˈspɛndtʃər/ noun an increase in size ○ The expansion of the domestic market. ○ The company had difficulty in financing its current expansion programme.
expected annual activity /ɪkˈspɛktɪd əˈnɪdʒuːl ɪkˈtrvɪtɪ/ noun a company’s anticipated level of activity or production for a given year
expected value /ɪkˈspɛktɪd ˈvɛljuː/ noun the future value of a course of action, weighted according to the probability that the course of action will actually occur. If the possible course of action produces income of £10,000 and has a 10% chance of occurring, its expected value is 10% of £10,000, or £1,000.
expected value /ɪkˈspɛndtʃər/ noun the amount of money spent
expense /ɪkˈspens/ noun money spent ○ The expense is too much for my bank balance. ○ The likely profits do not justify the expense of setting up the project.
expense account /ɪkˈspens əˈkaʊnt/ noun an allowance of money which a business pays for an employee to spend on travelling and entertaining clients in connection with that business ○ I’ll put this lunch on my expense account.
expenses

expenses /ɪkˈspɛnsɪz/ plural noun money paid to cover the costs incurred by someone when doing something. The salary offered is £10,000 plus expenses. She has a high salary and all her travel expenses are paid by the company.

export system /ɛkˈspɔːstɪs/ noun software that applies the knowledge, advice and rules defined by experts in a particular field to a user’s data to help solve a problem.

expiration /ɪkˈspɔːrɪʃ(ə)n/ noun the act of coming to an end or the expiration of an insurance policy or to repay before the expiration of the stated period.

expiration date /ɪkˈspɔːrɪʃ(ə)n ˌdeɪt/ noun US same as expiry date.

expire /ɪkˈspɔːr/ verb to come to an end.

expiry /ɪkˈspɔːri/ noun the act of coming to an end or the expiry of an insurance policy.

expiry date /ɪkˈspɔːri ˌdeɪt/ noun a date when something will end.

exponent /ɪkˈspɔːnənt/ noun a number or variable placed to the upper right of a number or mathematical expression that indicates the number of times the number or expression is to be multiplied by itself, as in $2^3$ which equals 8.

exponential smoothing /ɪkˈspɔːnəl ˌsmoʊrɪn/ noun a technique for working out averages while allowing for recent changes in values by moving forward the period under consideration at regular intervals.

export /ɪkˈspɔːrt/ the practice or business of sending goods to foreign countries to be sold. 50% of the company’s profits come from the export trade or the export market. Exports are verb (ɪkˈspɔːrt/ to send goods to foreign countries for sale. 50% of our production is exported. The company imports raw materials and exports the finished products.

exportation /ɪkˈspɔːrəʃ(ə)n/ noun the act of sending goods to foreign countries for sale.

Export Credit Guarantee Department /ɛkˈspɔːrt ˈkrediːt ɡərəntiː dɪ ˈpɑːrtmənt/ noun a British government department which insures sellers of exports sold on credit against the possibility of non-payment by the purchasers. Abbreviation ECGD.

export department /ɛkˈspɔːrt dɪ ˈpɑːrtmənt/ noun the section of a company which deals in sales to foreign countries.

export duty /ɪkˈspɔːrt ˈdjuːtɪ/ noun a tax paid on goods sent out of a country for sale.

exporter /ɪkˈspɔːrtər/ noun a person, company, or country that sells goods in foreign countries or a major furniture exporter. Canada is an important exporter of oil or an important oil exporter.

export house /ɪkˈspɔːst ˌhauz/ noun a company which specialises in the export of goods manufactured by other companies.

export licence /ɪkˈspɔːst ˈlæsɪs/ noun a government permit allowing something to be exported. The government has refused an export licence for computer parts.

export manager /ɪkˈspɔːst ˌmenədʒər/ noun the person in charge of an export department in a company. The export manager planned to set up a sales force in Southern Europe. Sales managers from all export markets report to our export manager.

exports /ɪkˈspɔːrts/ plural noun goods sent to a foreign country to be sold. Exports to Africa have increased by 25%.

ex post /ɛkˈspɔst/ adverb a Latin phrase meaning ‘after the event’. Compare ex ante (NOTE: An ex post budget, or standard, is set after the end of a period of activity, when it can represent the optimum achievable level of performance in the conditions which were experienced. Thus the budget can be flexible, and standards can reflect factors such as unanticipated changes in technology and in price levels.)

exposure /ɪkˈspɔrəs/ noun 1. publicity given to an organisation or product. Our company has achieved more exposure since we decided to advertise nationally. 2. the amount of risk which a lender or investor runs. He is trying to limit his exposure in the property market.

...it attributed the poor result to the bank’s high exposure to residential mortgages, which showed a significant slowdown in the past few months. [South China Morning Post]

exposure draft /ɪkˈspɔrəs d्रɔːft/ noun a document produced by a body before a new authoritative pronunciation is published. It invites accountants and other interested parties to comment on matters raised by the draft. Abbreviation ED.

expressly /ɪkˈspresli/ adverb clearly in words. The contract expressly forbids sales to the United States.
ex-rights /ˌɛksˈraɪts/ adjective referring to a share price where the share is sold without a recent rights issue.

extend /ɪkˈstend/ verb 1. to offer something to extend credit to a customer; 2. to make something longer. Her contract of employment was extended for two years. We have extended the deadline for making the appointment by two weeks.

extended credit /ɪkˈstendd ˈkredɪt/ noun 1. credit allowing the borrower a very long time to pay; 2. US an extra long credit used by commercial banks borrowing from the Federal Reserve

Extensible Business Reporting Language /ɪkˈstensəbl ˈbaɪzɪns ˈrɛpərtɪŋ ˈlʌŋgwɪdɪ/ noun full form of XBRL

extension /ɪkˈstɛnʃən/ noun an additional period of time allowed for something, e.g. the repayment of a debt

extensive /ɪkˈstensɪv/ adjective very large or covering a wide area; 2. an extensive network of sales outlets; 3. an extensive recruitment drive

external /ɪkˈstɛrnl/ adjective 1. outside a country. Opposite internal 2. outside a company

external account /ɪkˈstɛrnl ˈəʊnt/ noun an account in a British bank belonging to someone who is living in another country

external audit /ɪkˈstɛrnl ˈɔːdɪt/ noun 1. an audit carried out by an independent auditor who is not employed by the company; 2. an evaluation of the effectiveness of a company’s public relations carried out by an outside agency

extraordinary item /ɪkˈstrɔːrdɪnəri ˈɪtəm/ noun an irregular or unusual in nature and also occurs very infrequently

external auditing /ɪkˈstɛrnl ˈɔːdɪtɪŋ/ noun an action of auditing a set of accounts by an external auditor

external auditor /ɪk, ˌstɛrnl ˈɔːdɪtər/ noun an independent person who audits the company’s accounts

external debt /ɪk, ˌstɛrnl ˈdɛt/ noun money which a company has borrowed from outside sources such as a bank, as opposed to money raised from shareholders. Also called external funds

external failure costs /ɪk, ˌstɛrnl ˈfeɪlər ˈkəsts/ plural noun costs incurred as a result of products proving faulty, e.g. the cost of replacements and lost sales

external funds /ɪk, ˌstɛrnl ˈfʌndz/ plural noun same as external debt

external growth /ɪk, ˌstɛrnl ˈɡrəʊθ/ noun the growth of a firm by buying other companies, rather than by expanding existing sales or products. Opposite internal growth

external liabilities /ɪk, ˌstɛrnl ˈlɪəblɪtiz/ plural noun money owed to lenders and other creditors outside a company

external trade /ɪk, ˌstɛrnl ˈtreɪd/ noun trade with foreign countries. Opposite internal trade

extract /ˈɛkstrækt/ noun a printed document which is part of a larger document. He sent me an extract of the accounts.

extraordinary item /ɪkˈstrɔːrdɪnəri ˈɪtəm/ noun a large item of income or expenditure entered into accounts that is unusual in nature and also occurs very infrequently
face value /ˈfeɪs ˈveɪljuː/ noun the value written on a coin, banknote or share certificate.

facility /ˈfelɪsiti/ noun the total amount of credit which a lender will allow a borrower to produce another number by a factor of ten ten times.

facility fee /ˈfelɪsiti fɪ/ noun a charge made to a borrower by a bank for arranging credit facilities.

facilitating activities /ˈfelɪsitɪ əˈstɪltɪ nsɪˈtrɪtvɪtɪz/ plural noun activities undertaken to support the organisation as a whole, which cannot be logically linked to individual units of output. Accounting is a facility-sustaining activity.

facial /ˈfeɪʃəl/ noun 1. something which is important, or which is taken into account when making a decision. The drop in sales is an important factor in the company’s lower profits. Motivation was an important factor in drawing up the new pay scheme. 2. a number used in multiplication to produce another number by a factor of ten ten times.

factor /ˈfæktər/ noun 1. something which is important, or which is taken into account when making a decision. The drop in sales is an important factor in the company’s lower profits. Motivation was an important factor in drawing up the new pay scheme. 2. a number used in multiplication to produce another number by a factor of ten ten times.

factorial /ˈfæktɔrɪəl/ noun the product of all the numbers below a number or example: 4 factorial = 1x2x3x4 = 24 (NOTE: 4 factorial is written 4!)

factor generating /ˈfæktər ˈgɛnɜrɪŋ/ noun the business of buying debts from a firm at a discount and then enforcing the payment of the debt.

factoring charge /ˈfæktərɪŋ ˈtʃɑrɪdʒ/ noun the cost of selling debts to a factor for a commission.

factoring charges /ˈfæktərɪŋ ˈfæktrɪŋ ˈtʃɑrɪdʒz/ plural noun the cost of selling debts to a factor for a commission.

factors of production /ˈfæktər əv prəˈduːktʃərəl ˈnʊər lænd, ˈlɔːbr ənd ˈkæpɪtəl, i.e. the three things needed to produce a product.

factor cost /ˈfæktər kɔst/ noun the actual cost of manufacturing goods before any mark-up is added to give profit. The factory gate price includes direct costs such as labour, raw materials and energy, and indirect costs such as interest on loans, plant maintenance or rent.

factory gate price /ˈfæktər ˈgæt prɪs/ noun the actual cost of manufacturing goods before any mark-up is added to give profit. The factory gate price includes direct costs such as labour, raw materials and energy, and indirect costs such as interest on loans, plant maintenance or rent.

factory overhead /ˈfæktər ˈəʊvərheɪd/ noun same as production overhead.

FAE abbreviation Final Admitting Exam.

fail /fɛl/ verb to be unsuccessful. The prototype failed its first test.

failure /ˈfeɪltʃər/ noun an act of breaking down or stopping. The failure of the negotiations.

failure costs /ˈfeɪltʃər ˈkɒstz/ plural noun costs that include external failure costs as well as associated costs, e.g. the cost of running a complaints department.

fair /fɛə/ adjective reasonable, with equal treatment.

fair dealing /ˈfɛə dɪˈliŋ/ noun the legal buying and selling of shares.

fair market value /ˈfɛə ˈmɑrkt ˈveɪljuː/ noun same as fair value.

fair price /ˈfɛə ˈprɪs/ noun a good price for both buyer and seller.

fair trade /ˈfɛə ˈtreɪd/ noun an international business system where countries agree not to charge import duties on some items imported from their trading partners.

fair value /ˈfɛə ˈveɪljuː/ noun 1. a price paid by a buyer who knows the value of what he or she is buying, to a seller who also knows the value of what is being sold, i.e.,
neither is cheating the other. a method of valuing the assets and liabilities of a business based on the amount for which they could be sold to independent parties at the time of valuation.

**fair wear and tear** /'fɔ/lengthmarklsifi complement noun a sudden reduction or loss of value o a fall in the exchange rate o a fall in the price of gold o a fall in the Stock Exchange o Profits showed a 10% fall. ■ verb 1. to be reduced suddenly to a lower price or value o Shares fell on the market today. o Gold shares fell 10% or fell 45 cents on the Stock Exchange. o The price of gold fell for the second day running. o The pound fell against the euro. 2. to happen or to take place o The public holiday falls on a Tuesday.

‘...market analysts described the falls in the second half of last week as a technical correction to the market’ [Australian Financial Review]

‘...for the first time since mortgage rates began falling in March a financial institution has raised charges on homeowner loans’ [Globe and Mail (Toronto)]

‘...interest rates were still falling as late as June, and underlying inflation remains below the government’s target of 2.5 per cent’ [Financial Times]

**fall behind** /'fɔ/lengthmarklsifi phrasal verb to be late in doing something o They fell behind with their mortgage repayments.

**falling** /'fɔ/lengthmarklsifi adjective becoming smaller or dropping in price

‘...falling profitability means falling share prices’ [Investors Chronicle]

**false** /'fɔ/lengthmarklsifi adjective not true or not correct o to make a false claim for a product o to make a false entry in the balance sheet

false accounting /'fɔ/lengthmarklsifi plural noun the criminal offence of changing, destroying, or hiding accounting records for a dishonest purpose

false market /'fɔ/lengthmarklsifi noun a market in shares caused by persons or companies conspiring to buy or sell and so influence the share price to their advantage

** falsification** /'fɔ lensəfiʃiʃn/ plural noun the act of making false entries in accounts

false identify /'fɔ/lengthmarklsifi verb to change something to make it wrong o They were accused of falsifying the accounts.
Federal Reserve Bank

supply, prints money, fixes the discount rate and issues government bonds.

Federal Reserve Bank /fed(ə)ral rɪ\ˈzəv \ˈbenk/ noun any one of the twelve federally-owned regional banks in the US, which are directed by the Federal Reserve Board. Abbreviation FRB

Federal Reserve Board /fed(ə)ral rɪ\ˈzəv \ˈboʊd/ noun a government organisation which runs the central banks in the US. Abbreviation FRB

‘...pressure on the Federal Reserve Board to ease monetary policy mounted yesterday with the release of a set of pessimistic economic statistics’ [Financial Times]

federation /fəˈfərēzhən/ noun a group of societies, companies or organisations which have a central organisation which represents them and looks after their common interests or a federation of trades unions or the employers' federation.

Fédération des Experts-Comptables Européen noun same as European Federation of Accountants

Fed Funds /ˈfed fənz/ plural noun US same as Federal Funds (informal)

federal funds rate /ˈfed fənz ˈreɪt/ noun the rate charged by banks for lending money deposited with the Federal Reserve to other banks.

fee /fɪː/ noun money paid for work carried out by a professional person such as an accountant, a doctor or a lawyer. We charge a small fee for our services. Our consultant's fee was much higher than we expected.

fee work /ˈfɪə wɜːk/ noun any work on a project carried out by independent workers or contractors, rather than by the organisation's employees.

fellow /ˈfɛləʊ/ noun a title given to senior members of a professional association. Junior members are usually called 'associates'.

flat money /ˈflæt \ˈmən-ı/ noun coins or notes which are not worth much as paper or metal, but are said by the government to have a value and are recognised as legal tender.

fictitious assets /ˈfɪktɪʃəs \ˈæsəts/ plural noun assets which do not really exist, but are entered as assets to balance the accounts.

fiddle /ˈfɪdl/ (informal) noun an act of cheating. It's all a fiddle. verb to cheat He tried to fiddle his tax returns. The salesman was caught fiddling his expense account.

fiduciary /ˈfɪdʒərəri/ noun, adjective (a person) in a position of trust. Directors have fiduciary duty to act in the best interests of the company.

fiduciary deposits /ˌfɪdʒərərɪ ˈdɪpzɪt/ plural noun bank deposits which are managed for the depositor by the bank.

FIFO /ˈfɪfəʊ/ abbreviation first in first out fifty-fifty /ˈfɪfti ˈfɪfti/ adjective, adverb half

figure /ˈfɪgər/ noun 1. a number, or a cost written in numbers. The figure in the accounts for heating is very high. 2. his income runs into six figures or he has a six-figure income his income is more than £100,000.

figures /ˈfɪgərz/ plural noun 1. written numbers 2. the results for a company or the figures for last year or last year's figures

file /ˈfæl/ noun 1. documents kept for reference 2. to register something officially to file an application for a patent or to file a return to the tax office.

file copy /ˈfæl ˈkɒpi/ noun a copy of a document which is kept for reference in an office.

filling date /ˈfɪlɪŋ dɛt/ noun the date by which income tax return must be filed with the Inland Revenue.

final accounts /ˈfaɪnaɪl əˈkaʊntz/ plural noun the accounts produced at the end of an accounting period, including the balance sheet and profit and loss account.

Final Admitting Exam /ˈfaɪnaɪl edəˌmɪtɪŋ əxˈɛm/ noun a final examination set by the ICAEW to admit student accountants as chartered accountants. Abbreviation FAE

final closing date /ˈfaɪnaɪl ˈkloʊsɪŋ ˈdeɪt/ noun the last date for acceptance of a takeover bid, when the bidder has to announce how many shareholders have accepted his or her offer.

final demand /ˈfaɪnaɪl dɛmənd/ noun a last reminder that payment of a debt is due, after which a supplier normally sues for payment.

final discharge /ˈfaɪnaɪl drəˈdʒɪʃ/ noun a final payment which completes the repayment of a debt.

final dividend /ˈfaɪnaɪl ˈdɪvɪndənd/ noun a dividend paid at the end of a year's trading, which has to be approved by the shareholders at an AGM.
way ance sheet and to depreciate it in the usual way. Where will they get the necessary money used by a company, provided by the shareholders or by loans. We hope to finalise the agreement tomorrow. After six weeks of negotiations the loan was finalised yesterday.

**finalise** /fənalɪzaɪ/ verb to agree final details. We hope to finalise the agreement tomorrow.

**final settlement** /fənəl sɛltəmənt/ the last payment which settles a debt.

**finance** /fənəns/ noun 1. money used by a company, provided by the shareholders or by loans. Where will they get the necessary money used to finance these loans diminished? [Globe and Mail]

**Finance Act** /fənəns əkt/ noun an annual Act of Parliament which gives the government the power to obtain money from taxes as proposed in the Budget.

**Finance and Tax Tribunals** /fənəns ənd tæx tɪbruːnlz/ plural noun a collective name for four tribunals established in 2006 to hear appeals against decisions of HM Customs and Excise and the Inland Revenue laid to adjudicate on matters relating to certain decisions of the Financial Services Authority and the Pensions Regulator.

**Finance Bill** /fənəns ˈbɪl/ noun 1. a bill that lists the proposals in a Chancellor’s budget and that is debated before being voted into law as the Finance Act 2. US a short-term bill of exchange which provides credit for a corporation so that it can continue trading.

**finance controller** /fənəns kənˈtrəʊlə/ noun an accountant whose main task is to manage the company’s monetary resources.

**finance lease** /fənəns ˈlɪəs/ noun a lease which requires the lessee company to show the asset acquired under the lease in its balance sheet and to depreciate it in the usual way.

**finance leasing** /fənəns ˈlɪzɪŋ/ noun leasing a property under a finance lease.

**finances** /fənənsɪz/ plural noun money or cash which is available or the bad state of the company’s finances.

**financial** /fə'nænʃəl/ adjective relating to money.

**Financial Accountant** /fə'nænʃəl əˈkaʊntənt/ noun a qualified accountant, a member of the Institute of Financial Accountants, who advises on accounting matters or who works as the financial director of a company.

**financial accounting** /fə'nænʃəl əˈkɒntərɪŋ/ noun 2. money (used by a club, local authority, etc.) She is the secretary of the local authority finance committee.

verb to provide money to pay for something. They plan to finance the operation with short-term loans.

‘…an official said that the company began to experience a sharp increase in demand for longer-term mortgages at a time when the flow of money used to finance these loans diminished.' [Globe and Mail]

**Financial Assistance Board** /fə'nænʃəl əˈsɪstəns bɔd/ noun the body which regulates accounting standards in the USA. Abbreviation FAB

**financial adviser** /fə'nænʃəl əˈdvaɪzər/ noun a person or company that gives financial advice to clients for a fee.

**financial aid** /fə'nænʃəl əɪd/ noun monetary assistance given to an individual, organisation or nation. International financial aid, that is from one country to another, is often used to fund educational, health-related or other humanitarian activities.

**financial analysis software** /fə'nænʃəl əˈnæləsɪs ˈsɔftweər/ noun software that can produce information on trends and calculate ratios using information from an online database.

**financial assistance** /fə'nænʃəl əˈsɪstəns/ noun help in the form of money.

**financial calendar** /fə'nænʃəl ˈkæləndər/ noun a list of significant events and dates in a company’s financial reporting year.

**financial correspondent** /fə'nænʃəl kənˈrɪspənt/ noun a journalist who writes articles on money matters for a newspaper.

**financial director** /fə'nænʃəl ˈdɪərət/ noun the member of a board of directors who is responsible for a company’s financial operations. Abbreviation FD

**financial engineering** /fə'nænʃəl ˌendʒɪnɪəriŋ/ noun the act of converting one type of financial instrument into another.

**financial futures** /fə'nænʃəl ˈfjuːtəz/ noun a financial futures contract.
financial futures market

financial instrument

financial future

financial information system

financial intermediary

financial leverage

financial management

financial position

financial projection

financial report

Financial Reporting Council

Financial Reporting Review Panel

financial futures noun contract for the purchase of gilt-edged securities for delivery at a date in the future. Also called financial futures market financial institution whose work involves lending or investing large sums of money financial information system a computer-based system that analyses and gathers financial information for use in running a business financial institution a bank, investment trust or insurance company whose work involves lending or investing large sums of money financial instrument a document showing that money has been lent or borrowed, invested or passed from one account to another, e.g. a bill of exchange, share certificate, certificate of deposit or IOU. any form of investment in the stock market or in other financial markets, e.g. shares, government stocks, certificates of deposit or bills of exchange financial intermediary an institution which takes deposits or loans from individuals and lends money to clients financial leverage financial management financial position financial projection financial report

Financial Reporting Council a UK body that receives and investigates complaints about the annual accounts of companies in which it is claimed that the accounting requirements of the Companies Act have not been fulfilled. Abbreviation FRRP Financial Reporting Standards a series of accounting standards issued by the Accounting Standards Board outlining common accounting practice. Abbreviation FRSSs financial resources the supply of money for something. a company with strong financial resources financial review an examination of an organisation’s finances financial risk the possibility of losing money. The company is taking a considerable financial risk in manufacturing 25 million units without doing any market research. There is always some financial risk in selling on credit. financials plural noun same as financial futures financial services financial services such as banking and insurance the main business of which is the management and transfer of money Financial Services Act an Act of the British Parliament which regulates the offering of financial services to the general public and to private investors Financial Services Authority an independent non-governmental body formed in 1997 as a result of reforms in the regulation of financial services in the United Kingdom. The Securities and Investments Board (SIB) became responsible for the supervision of banking and investment services and changed its name to become the Financial Services Authority. The FSA’s four statutory objectives were specified by the Financial Services and Markets Act 2000: maintaining market confidence; increasing public knowledge of the finance system; ensuring appropriate protection for consumers; and reducing financial crime. Abbreviation FSA financial statement a document which shows the financial situation of a company. The
accounts department has prepared a financial statement for the shareholders.

**financial statement analysis** /faɪnɪʃəl ˌstɛtmənt/ noun any of various methods used for evaluating the past, current and projected performance of a company

**financial supermarket** /faɪnɪʃəl ˈswɑːmpərkit/ noun a company which offers a range of financial services, e.g. a bank offering loans, mortgages, pensions and insurance as well as the usual personal banking services

**Financial Times** /faɪnɪʃəl ˈtɜːmz/ noun an important British financial daily newspaper (printed on pink paper). Abbreviation FT

**financial year** /faɪnɪʃəl ˈjɪər/ noun the twelve-month period for which a company produces accounts. A financial year is not necessarily the same as a calendar year.

**financier** /faɪnənsiər/ noun a person who lends large amounts of money to companies or who buys shares in companies as an investment

**financing** /faɪnænsɪŋ/ noun the act of providing money for a project. The financing of the project was done by two international banks.

**finder's fee** /ˈfɪndərz ˈfiː/ noun a fee paid to a person who finds a client for another, e.g., someone who introduces a client to a stockbroking firm

**fine** /faɪn/ noun money paid because of something wrong which has been done. She was asked to pay a £25,000 fine. We had to pay a £50 parking fine.

**fine-tuning** /ˈfaɪn ˈtaɪnɪŋ/ noun the act of making of small adjustments in areas such as interest rates, tax bands or the money supply, to improve a nation's economy

**finished goods** /ˈfɪnɪʃt ˈɡʊdz/ plural noun manufactured goods which are ready to be sold

**fire insurance** /faɪər ɪnʃərəns/ noun insurance against damage by fire

**firm** /fɜːm/ noun a company, business or partnership. a manufacturing firm. an important publishing firm. She is a partner in a law firm. adjective 1. unchangeable. to make a firm offer for something. to place a firm order for two aircraft. not dropping in price and possibly going to rise. Sterling was firmer on the foreign exchange markets. Shares remained firm. verb to remain at a price and seem likely to rise. The shares firm at £1.50.

'...some profit-taking was noted, but underlying sentiment remained firm' [Financial Times]

**firm up** phrasal verb to agree on the final details of something. We expect to firm up the deal at the next trade fair.

**firmness** /faɪrnəs/ noun the fact of being steady at a particular price, or likely to rise. the firmness of the dollar on foreign exchanges

'Toronto failed to mirror New York's firmness as a drop in gold shares on a falling bullion price left the market closing on a mixed note' [Financial Times]

**firm price** /ˈfɜːm ˈprɑːs/ noun a price which will not change. They are quoting a firm price of $1.23 a unit.

**firm sale** /ˈfɜːm ˈsɛl/ noun a sale which does not allow the purchaser to return the goods

first in first out /ˈfaɪəst ɪn ˈfaɪəst ˈaʊt/ phrase an accounting policy in which it is assumed that stocks in hand were purchased last, and that stocks sold during the period were purchased first. Abbreviation FIFO. Compare last in first out

**first option** /ˈfaɪəst ˈɒpʃən/ noun allowing someone to be the first to have the possibility of deciding something

**first quarter** /ˈfaɪəst ˈkwɔːrtər/ noun the period of three months from January to the end of March. The first quarter's rent is payable in advance.

**first year allowance** /ˈfaɪəst ˈjɪər ə ˈləʊəns/ noun an allowance which can be claimed on capital expenditure by a business or self-employed person during the year in which the purchase was made. After the first year, the written-down allowance (WDA) applies. Abbreviation FYA.

**fiscal** /ˈfɪskəl/ adjective referring to tax or to government revenues

**fiscal drag** /ˈfɪskəl ˈdredʒ/ noun 1. the effect of inflation on a government's tax revenues. As inflation increases so do prices and wages, and tax revenues rise proportionately. Even if inflation is low, increased earnings will give the government increased revenues anyway. 2. the negative effect of higher personal taxation on an individual's work performance

**fiscal measures** /ˈfɪskəl ˈmiːriz/ plural noun tax changes made by a government to improve the working of the economy

**fiscal year** /ˈfɪskəl ˈjɪər/ noun a twelve-month period on which taxes are calculated. In the UK this is April 6th to April 5th.
fittings /fɪtɪŋz/ plural noun items which are sold with a property but are not permanently fixed, e.g. carpets or shelves. 0 fix-
tures
fixed assets /fɪkst əˈsetz/ plural noun property or machinery which a company owns and uses, but which the company does not buy or sell as part of its regular trade, including the company’s investments in shares of other companies
fixed asset turnover /fɪkst ˈæset ˈtuərn/ noun a measure of how efficient a company’s property and equipment is in generating revenue
fixed asset unit /fɪkst ˈæset ˈjuːnɪt/ noun a single item of the fixed assets of a company, e.g. a specific piece of equipment
fixed budget /fɪkst ˈbʌdʒɪt/ noun a budget which refers to a specific level of business, i.e., a sales turnover which produces a specific level of profit
fixed capital /fɪkst ˈkeɪpɪt(ə)l/ noun capital in the form of buildings and machinery
fixed charge /fɪkst ˈʃɑːdʒ/ noun a charge over a particular asset or property
fixed costs /fɪkst ˈkɒsts/ plural noun business costs which do not change with the quantity of the product made
fixed deduction /fɪkst ˈdɪdʒɪfɪntʃən/ noun a deduction agreed by the Inland Revenue and a group of employees, such as a trade union, which covers general expenditure on clothes or tools used in the course of employment
fixed deposit /fɪkst ˈdɪpɔzɪt/ noun a deposit which pays a stated interest over a set period
fixed exchange rate /fɪkst ˈeksərʃiːz ˈrɛt/ noun a rate of exchange of one currency against another which cannot fluctuate, and can only be changed by devaluation or revaluation
fixed expenses /fɪkst ˈɛksəpənsɪz/ plural noun expenses which do not vary with different levels of production, e.g. rent, staff salaries and insurance
fixed income /fɪkst ˈɪnmən/ noun income which does not change from year to year, as from an annuity
fixed-interest /fɪkst ˈɪntrəst/ adjective having an interest rate which does not vary
fixed-interest investments /fɪkst ˈɪntrəst ɪnˈvestmənts/ plural noun investments producing a level of interest which does not change
fixed-interest securities /fɪkst ˈɪntərst srˈkjuərətiz/ plural noun securities such as government bonds which produce a level of interest which does not change
fixed-price /fɪkst ˈprɔs/ adjective having a price which cannot be changed
fixed-price agreement /fɪkst ˈprɔs ə ˈgrɪmənt/ noun an agreement where a company provides a service or a product at a price which stays the same for the whole period of the agreement
fixed rate /fɪkst ˈreɪt/ noun a rate, e.g. an exchange rate, which does not change
fixed rate loan /fɪkst ˈreɪt ˈloʊn/ noun a loan on which the rate of interest stays the same for the duration of the loan
fixed scale of charges /fɪkst ˈskɛl əv tʃeɪndʒ əv kəs/ noun a set of charges that do not vary according to individual circumstances but are applied consistently in all cases of a particular kind
fixed yield /fɪkst ˈjɪld/ noun a percentage return which does not change
fixtures /fɪkstʃəz/ plural noun items in a property which are permanently attached to it, e.g. sinks and lavatories
fixtures and fittings /fɪkstʃəz ən tʃeɪndʒz ən fɪtʃəz/ noun an objects in a property which are sold with the property, both those which cannot be removed and those which can. Abbreviation f. & f.
flash report /flæʃ rɪˈpɔːt/ noun an interim financial report produced before the full accounts have been drawn up, and used to identify or resolve potential problems
flat /flæt/ adjective 1. used to describe market prices which do not fall or rise, because of low demand 0 The market was flat today. 2. not changing in response to different conditions 0 a flat rate 0 flat rate …the government revised its earlier reports for July and August. Originally reported as flat in July and declining by 0.2% in August, industrial production is now seen to have risen by 0.2% and 0.1% respectively in those months’ [Sunday Times]
flat rate /flæt ˈreɪt/ noun a charge which always stays the same 0 a flat-rate increase of 10% 0 We pay a flat rate for electricity each quarter.
flat tax /flæt ˈtæks/ noun a tax levied at one fixed rate whatever an individual’s income
sterling float. by this period to the drawer of a cheque payee, or the financial advantage provided as payment and the actual payment to the period between the presentation of a cheque to be easily changed without any government intervention complete failure. selling shares in it on the Stock Exchange 2. float uncertain securities when the economic outlook is a tendency of investors to buy safe blue-chip flight to quality country’s economic future because of lack of confidence in that country because of force majeure changes in sales turnover or output flexible budget a budget which changes in response to changes in sales turnover or output flight of capital a rapid movement of capital out of one country because of lack of confidence in that country’s economic future flight to quality a tendency of investors to buy safe blue-chip securities when the economic outlook is uncertain float cash taken from a central supply and used for running expenses The sales reps have a float of £100 each, the process of starting a new company by selling shares in it on the Stock Exchange The float of the new company was a complete failure. the process of allowing a currency to settle at its own exchange rate, without any government intervention, the period between the presentation of a cheque as payment and the actual payment to the payee, or the financial advantage provided by this period to the drawer of a cheque to let a currency settle at its own exchange rate on the international markets and not be fixed The government has let sterling float. The government has decided to float the pound. floating adjective not fixed floating exchange rates the floating pound ‘...in a world of floating exchange rates the dollar is strong because of capital inflows rather than weak because of the nation’s trade deficit’ [Duns Business Month] floating capital the portion of capital invested in current assets, as distinct from that invested in fixed assets or capital assets floating charge a charge linked to any of the company’s assets in a category, but not to any specific item floating rate same as variable rate an exchange rate for a currency, which can vary according to market demand, and is not fixed by the government floating-rate notes a variable rate 2. an exchange rate for a variable rate 2. an exchange rate for a currency, which can vary according to market demand, and is not fixed by the government Eurocurrency loans the bottom level of something, e.g. the lowest exchange rate which a government will accept for its currency or the lower limit imposed on an interest rate The government will impose a floor on wages to protect the poor. floor the lowest price, a price which cannot go any lower floor space an area of floor in an office or warehouse We have 3,500 square metres of floor space to let. flop a failure, or something which has not been successful The new model was a flop. flow chart a description or a chart which shows the arrangement of work processes in a series fluctuate move up and down Prices fluctuated between £1.10 and £1.25. The pound fluctuated all day on the foreign exchange markets. fluctuation the fluctuations of the yen the fluctuations of the exchange rate FOB, f.o.b. free on board folio a page with a number, especially two facing pages in an account book which have the same number to put a number on a page forced sale a sale which takes place because a court orders it or because it is the only way to avoid a financial crisis forecast a description or calculation of what will probably happen in
accounting

production.

own currency and pay its debts. Also called
gion country

son or incorporated company based in a for-

future.

the sales director’s forecast of higher turno-

account in a UK bank

currency of another country, e.g. a dollar

property as security

property because the owner cannot repay money

/vertstrokesuperiork/vinvertedrənsi ri

/vertstrokesuperiork/vinvertedrənsi ə

rates.

branch of a company in another country. The

/vertstrokesuperiork/vinvertedmp

foreclosing

foreclosure

foreclose

forecasting /fɔrˈkɑʊstɪŋ/ noun the process of
calculating what will probably happen in the future

forecast dividend /fɔrˈkɑʊstɪn/ noun a dividend which a company expects
to pay at the end of the current year. Also called
prospective dividend

forecaster /fɔrˈkɑʊstər/ noun a person who says what he or she thinks will happen in the future

forecasting /fɔrˈkɑʊstɪn/ noun the process of calculating what will probably happen in the future. Manpower planning will depend on forecasting the future levels of production.

foreclose /fɔrˈkluːz/ verb to sell a property because the owner cannot repay money which he or she has borrowed, using the property as security ☛ to foreclose on a mortgaged property

foreclosure /fɔrˈkluːzər/ noun an act of foreclosing

foreign banks /fɔrˈmiŋ bæŋks/ plural noun banks from other countries which have branches in a country

foreign branch /fɔrˈmiŋ bɾɑntʃ/ noun a branch of a company in another country. The accounts of foreign branches may cause problems because of varying exchange rates.

foreign company /fɔrˈmiŋ kɑmpəni/ noun a company that is registered in a foreign country

foreign currency /fɔrˈmiŋ kərənsi/ noun money of another country

foreign currency account /fɔrˈmiŋ kərənsi əˈkaʊnt/ noun a bank account in the currency of another country, e.g. a dollar account in a UK bank

foreign currency reserves /fɔrˈmiŋ kərənsi ˈriːzɜːvz/ plural noun foreign money held by a government to support its own currency and pay its debts. Also called foreign exchange reserves, international reserves

the treasury says it needs the cash to rebuild its foreign reserves which have fallen from $19 billion when the government took office to $7 billion in August. [Economist]

foreign earnings /fɔrˈmiŋ ˈɛərnɪŋz/ plural noun earnings received from employment in a foreign country

foreign entity /fɔrˈmiŋ ˈɛntəti/ noun a person or incorporated company based in a foreign country

foreign exchange /fɔrˈmiŋ ɪksˈtʃeɪndʒ/ noun 1. the business of exchanging the money of one country for that of another 2. foreign currencies ‘…the dollar recovered a little lost ground on the foreign exchanges yesterday’ [Financial Times]

foreign exchange broker /fɔrˈmiŋ ɪksˈtʃeɪndʒ dɪˈlər/ noun a person who deals on the foreign exchange market

foreign exchange dealing /fɔrˈmiŋ ɪksˈtʃeɪndʒ dɪˈlɪŋ/ noun the business of buying and selling foreign currencies

foreign exchange market /fɔrˈmiŋ ɪksˈtʃeɪndʒ maːkɪt/ noun 1. a market where people buy and sell foreign currencies ☛ She trades on the foreign exchange market. 2. dealings in foreign currencies ☛ Foreign exchange markets were very active after the dollar devalued.

foreign exchange reserves /fɔrˈmiŋ ɪksˈtʃeɪndʒ rɪˈzɜːvz/ plural noun same as foreign currency reserves

foreign exchange transfer /fɔrˈmiŋ ɪksˈtʃeɪndʒ ˈtɜːnsfɜːr/ noun the sending of money from one country to another

foreign income /fɔrˈmiŋ ˈɪnkʌm/ noun income derived from sources in a foreign country

foreign investments /fɔrˈmiŋ ɪnˈvestmənts/ plural noun money invested in other countries

foreign money order /fɔrˈmiŋ ˈmʌnəri ˈɔrdər/ noun a money order in a foreign currency which is payable to someone living in a foreign country

foreign tax credit /fɔrˈmiŋ ˈtæks ˈkredɪt/ noun a tax advantage that applies in the case of taxes paid to or in another country

foreign trade /fɔrˈmiŋ ˈtrɛɪd/ noun a trade with other countries

forensic /fɔrˈɛnsɪk/ adjective referring to the courts or to the law in general

forensic accounting /fɔrˈɛnsɪk əˈkaʊntɪŋ/ noun the scrutiny of an entity’s past financial activities in order to discover whether illegal practices have been used at any time

forensic partner /fɔrˈɛnsɪk ˈpɑːtnər/ noun a partner in an accountancy firm who deals with litigation

foreseeable loss /fɔrˈsiːəbəl lɒs/ noun a loss which is expected to occur during a long-term contract

forfaiting /fɔrˈfætɪŋ/ noun the action of providing finance for exporters, where an agent or forfaiter accepts a bill of exchange
from an overseas customer; he or she buys the full at a discount, and collects the payments from the customer in due course.

Forfeited /ˈfɔːftɪd/ verb to have something taken away as a punishment to forfeit shares to be forced to give back shares if money called up is not paid on time.

Forfeiture /ˈfɔːftʃər/ noun the act of forfeiting a property.

Form /fɔːm/ noun 1. a form of words correctly laid out for a legal document. 2. a properly written receipt in due form a correctly written receipt. 3. an official printed paper with blank spaces which have to be filled in with information. 4. a pad of order forms You have to fill in from A20. Each passenger was given a customs declaration form. The reps carry pads of order forms.

Formal /ˈfɔːm(ə)l/ adjective clearly and legally written to make a formal application to send a formal order. Is this a formal job offer? The factory is prepared for the formal inspection by the government inspector.

Formal documents /fɔːm(ə)l /ˈdʒʌməntz plural noun documents giving full details of a takeover bid.

Formality /fɔːˈmeɪltri/ noun something which has to be done to obey the law.

Form letter /fɔːmˌletə/ noun a letter which can be sent without any change to several correspondents, e.g. a letter chasing payment.

Forward /ˈfɔːwərd/ adjective in advance or to be paid at a later date.

Forward accounting /ˈfɔːwərd əˈkauəntɪŋ/ noun the practice of using accounting procedures to forecast a business’s future performance.

Forwardation /ˈfɔːwərdəˈteɪnɪŋ/ noun a situation in which the cash price is lower than the forward price (note: the opposite is backwardation.)

Forward contract /ˈfɔːwərdˌkəntrəkt/ noun a one-off agreement to buy currency, shares or commodities for delivery at a later date at a specific price.

Forward cover /ˈfɔːwərd ˌkævər/ noun an arrangement to cover the risks on a forward contract.

Forward delivery /ˈfɔːwərd ˈdrɪlvɪ(ə)ri/ noun a delivery at some date in the future which has been agreed between the buyer and seller.

Forward exchange rate /ˈfɔːwərd ɪksˌ ˈfɔːrmdʒ ˈrɛtɪŋ/ noun a rate for purchase of foreign currency at a fixed price for delivery at a later date. Also called forward rate.

Forward financial statement /ˈfɔːwərd ˈfiərənˌstɛmənt/ noun an estimate of a company’s future financial position.

Forwarding agent /ˈfɔːwərdɪŋ ˈeɪdʒənt/ noun a person or company which arranges shipping and customs documents.

Forward integration /ˈfɔːwərd ˌɪntɪˈgræʃən/ noun a process of expansion in which a company becomes its own distributor or takes over a company in the same line of business as itself. Forward integration will give the company greater control over its selling. Forward integration has brought the company closer to its consumers and has made it aware of their buying habits. Compare backward integration.

Forward margin /ˈfɔːwərd ˈmɑrʤən/ noun the difference between the current price and the forward price.

Forward market /ˈfɔːwərd ˈmɑrkt/ noun a market for purchasing foreign currency, oil or commodities for delivery at a later date.

Forward price /ˈfɔːwərd ˈprɑs/ noun a price of goods which are to be delivered in the future.

Forward rate /ˈfɔːwərd ˈreɪt/ noun same as forward exchange rate.

Forward sales /ˈfɔːwərd ˈsɛlz/ plural noun sales of shares, commodities or foreign exchange for delivery at a later date.

Forwards spreading /ˈfɔːwədz ˈspredɪŋ/ noun the act of spreading lump sum income over several years in the future.

Forward trading /ˈfɔːwərd ˈtreɪdɪŋ/ noun the activity of buying or selling commodities for delivery at a later date.

Founder /ˈfəʊndəra/ noun a person who starts a company.

401(k) plan /ˌfɔː.əʊ wənˈkeɪ plən/ noun US a personal pension plan arranged by an employer for a member of staff, invested in bonds, mutual funds or stock (the employee contributes a proportion of salary, on which tax is deferred; the employer can also make contributions).

Fourth quarter /ˈfɔːrθ ˈkwɔrtər/ noun a period of three months from 1st October to the end of the year.

Fraction /ˈfrendʒən/ noun a very small amount. Only a fraction of the new share issue was subscribed.
fractional /ˈfrækʃənl/ adjective very small.

fractional certificate /ˈfrækʃənl ˌsəˌtərɪt/ noun a certificate for part of a share.

fictitious /ˈfɪkʃəs/ noun. a false or not true arrangement.

free /fri/ adjective, adverb 1. not costing any money ○ I have been given a free ticket to the exhibition. ○ The price includes free delivery. ○ All goods in the store are delivered free. ○ A catalogue will be sent free on request. 2. with no restrictions ○ free of tax with no tax having to be paid ○ Interest is paid free of tax. ○ free of duty with no duty to be paid ○ to import wine free of duty □ verb to make something available or easy ○ The government’s decision has freed millions of pounds for investment.

‘American business as a whole is increasingly free from heavy dependence on manufacturing’ (Sunday Times).

free cash flow /ˈfriː ˈkeɪʃ flɔʊ/ noun the level of cash flow after the deduction of interest payments, tax payments, dividends and ongoing capital expenditure.

free competition /ˈfriː ˈkɒmpətərən/ noun the act of being free to compete without government interference.

free currency /ˈfriː ˈkərənsi/ noun a currency which is allowed by the government to be bought and sold without restriction.

free enterprise /ˈfriː ˈəntrəprəz/ noun a system of business free from government interference.

freeholder /ˈfriːhəʊldər/ noun a person who owns a freehold property.

freehold property /ˈfriːhəʊld ˌprɒpətɪ/ noun property which the owner holds for ever and on which no rent is paid.

free issue /ˈfriː ˈɪʃ/ noun same as bonus issue.

free market /ˈfriː ˈmɑːkɪt/ noun a market in which there is no government control of supply and demand, and the rights of individuals and organisations to physical and intellectual property are upheld.

free market economy /ˈfriː ˈmɑːkɪt ˈeɪkənɔmɪ/ an economic system where the government does not interfere in business activity in any way.

free on board /ˈfriː əˈbɔːrd/ adjective 1. including in the price all the seller’s costs until the goods are on the ship for transportation. Abbreviation f.o.b. 2. including in the price all the seller’s costs until the goods are delivered to a place.

free reserves /ˈfriː ˈrɛzəvəz/ plural noun the part of a bank’s reserves which is above the statutory level and so can be used for various purposes as the bank wishes.

free-standing additional voluntary contribution /ˈfriː ˈstændɪŋ ədˌvɔlərəri kənˈtrɪbdʒʃən/ noun a payment made by an individual into an independent pension fund to supplement an occupational pension scheme. The anticipated benefits from the two schemes together must be less than the maximum.
permitted under the rules laid down by the Inland Revenue. Abbreviation FSAVC

free trade /friː/ noun a system where goods can go from one country to another without any restrictions

free trade area /Ιriː/ noun a group of countries practising free trade

free trader /friːdʒə/ noun a person who is in favour of free trade

free trade zone /Ιriː/ noun an area where there are no customs duties

freeze /friːz/ noun □ to freeze on wages and prices period when wages and prices are not allowed to be increased □ verb to keep something such as money or costs at their present level and not allow them to rise □ to freeze wages and prices □ to freeze credits □ to freeze company dividends □ We have frozen expenditure at last year’s level. (NOTE: freezing – froze – frozen)

freight /friːt/ noun the cost of transporting goods by air, sea, or land □ At an auction, the buyer pays the freight.

freightage /friːtdʒɪ/ noun the cost of transporting goods

freight costs /friːt kəsts/ plural noun money paid to transport goods

freight forward /friːt ‘fɔːrward/ noun a deal where the customer pays for transporting the goods

friendly society /‘frendli sə,kənti/ noun a group of people who pay regular subscriptions which are used to help members of the group when they are ill or in financial difficulties.

fringe benefit /‘frɪŋg,bɛnɪt/ noun an extra item given by a company to employees in addition to a salary, e.g. company cars or private health insurance □ The fringe benefits make up for the poor pay. □ Use of the company recreation facilities is one of the fringe benefits of the job.

FRNs abbreviation floating-rate notes

front /fɔːnt/ noun □ money up front payment in advance □ They are asking for £10,000 up front before they will consider the deal. □ He had to put money up front before he could clinch the deal.

front-end /fɔːnt ‘end/ adjective referring to the start of an investment or insurance

front-end loaded /fɔːnt end, ‘laʊdɪd/ adjective used to describe an insurance or investment scheme in which most of the management charges are incurred in the first year of the investment or insurance, and are not spread out over the whole period. Compare back-end loaded

front-end loading /fɔːnt end ‘laʊdɪŋ/ noun the practice of deducting commission and administrative costs relating to an investment or insurance plan from the early payments the customer makes

frozen /‘frəʊzn/ adjective not allowed to be changed or used □ Wages have been frozen at last year’s rates.

frozen account /‘frəʊzn əˈkaʊnt/ noun a bank account where the money cannot be moved or used because of a court order

frozen assets /‘frəʊzn æˈsetz plural noun a company’s assets which by law cannot be sold because someone has a claim against them

frozen credits /‘frəʊzn ɪˈkredɪts plural noun credits in an account which cannot be moved

FRRP abbreviation Financial Reporting Review Panel

FRSs abbreviation Financial Reporting Standards

frustrate /frʌstreɪt/ verb to prevent something, especially the terms of a contract, being fulfilled

FSA abbreviation Financial Services Authority

FSAVC abbreviation free-standing additional voluntary contribution

FT abbreviation Financial Times

FTASI abbreviation FTSE Actuaries Share Indices

FTSE 100 /fʌtsi ˈwʌn ‘hændrəd/ noun an index based on the prices of one hundred leading companies (this is the main London index)

...the benchmark FTSE 100 index ended the session up 94.3 points. (Times)

FTSE Actuaries Share Indices /fʌtsi ˌæk,tɔriəz ‘ɛɪə, mʌndɪzɪs plural noun several indices based on prices on the London Stock Exchange, which are calculated by and published in the Financial Times in conjunction with the Actuaries Investment Research Committee. Abbreviation FTASI.

Financial Times full /ˈfɪnəʃl/ adjective 1. with as much inside it as possible □ The train was full of commuters. □ Is the container full yet? □ We sent a lorry full of spare parts to our warehouse. □ When the disk is full, don’t forget to make a backup copy. 2. complete, including everything

‘...a tax-free lump sum can be taken partly in lieu of a full pension’ [Investors Chronicle]
full cost recovery /fol ˈkɒst ri,kəˈvɔːri/ noun the category of item for which costs are incurred
function cost /ˈfʌŋkʃən ˈkɒst/ noun the cost of services provided by a financial adviser
fund /fʌnd/ noun 1. money set aside for a special purpose 2. money invested in an investment trust as part of a unit trust, or given to a financial adviser to invest on behalf of a client. 3. funds /ˈfʌndz/ verb to provide money for a purpose  O The company does not have enough resources to fund its expansion programme.
full-service banking /fol ˈsɜːrvɪs ˈbæŋkɪŋ/ noun banking that offers a whole range of services including mortgages, loans, pensions, etc.
fully paid-up capital /fol ˈfjuːli pɛdˈʌp kæpɪtəl/ noun all money paid for the issued capital shares
fully diluted earnings per share /ˌfoli ˈdɪlɪtɪd ˈɛərnɪŋz ˈpɜːr ˈʃeəri/ noun earnings per share calculated over the whole number of shares assuming that convertible shares have been converted to ordinary shares
fully paid-up capital /ˌfoli ˈpɛdˈʌp kæpɪtəl/ noun all money paid for the issued capital shares
function /ˈfʌŋkʃən/ noun a mathematical formula, where a result is dependent upon several other numbers
fundamental assumptions /ˈfʌndəməntəl əˈsʌmpʃənz/ plural noun the basic assumptions on which the preparation of financial statements for an entity such as a non-profit-making organisation, in order to show how money has been spent rather than how much profit has been made
fundamental analysis /ˈfʌndəməntəl əˈnæləsɪs/ noun an examination of the effects of the external and internal influences on a company's activities that affect investment decisions
fundamental research /ˈfʌndəməntəl ˈrɪsərچ/ noun an assessment of how the basic research affecting a market takes place and can be affected
fundamentals /ˈfʌndəməntəls/ plural noun the basic realities of a stock market or of a company, e.g. its assets, profitability and dividends
funded /ˈfʌndɪd/ adjective backed by long-term loans  O long-term funded capital funded scheme /ˈfʌndɪd ˈskɪrn/ noun a pension scheme where money is invested in securities to create a fund from which the pension is later paid
fund accounting /ˈfʌnd əˈkʌntrɪŋ/ noun the preparation of financial statements for an entity such as a non-profit-making organisation, in order to show how money has been spent rather than how much profit has been made
fundamental issues /ˈfʌndəməntəl əˈɪzəs/ plural noun matters relating to a company’s profits or assets
fundamental research /ˈfʌndəməntəl ˈrɪsərچ/ noun an assessment of how the basic research affecting a market takes place and can be affected
fundamental analysis /ˈfʌndəməntəl əˈnæləsɪs/ noun an examination of the basic factors which affect a market
fundamentals /ˈfʌndəməntəls/ plural noun the basic realities of a stock market or of a company, e.g. its assets, profitability and dividends
funded /ˈfʌndɪd/ adjective backed by long-term loans  O long-term funded capital funded scheme /ˈfʌndɪd ˈskɪrn/ noun a pension scheme where money is invested in securities to create a fund from which the pension is later paid
function /ˈfʌŋkʃən/ noun 1. money set aside for a special purpose 2. money invested in an investment trust as part of a unit trust, or given to a financial adviser to invest on behalf of a client. 3. funds /ˈfʌndz/ verb to provide money for a purpose  O The company does not have enough resources to fund its expansion programme.
...the S&L funded all borrowers' development costs, including accrued interest' [Barrons]
full repair costs /fol ˈfjuːl ˈrɪpər kɒsts/ noun the cost of repairs to the property
full-time /fol ˈtɜːmi/ adjective, adverb working all the usual working time, i.e. about eight hours a day, five days a week  O She’s in full-time work or She works full-time or She’s in full-time employment.  O He is one of our full-time staff.
full repairing lease /ˌfoli ˈrɪpərɪŋ ˈliːs/ noun a lease where the tenant has to pay for all repairs to the property
full-service banking /ˌfoli ˈsɜːrvɪs ˈbæŋkɪŋ/ noun banking that offers a whole range of services including mortgages, loans, pensions, etc.
full-time /fol ˈtɜːmi/ adjective, adverb working all the usual working time, i.e. about eight hours a day, five days a week  O She’s in full-time work or She works full-time or She’s in full-time employment.  O He is one of our full-time staff.
full repairs /ˌfoli ˈrɪpərz/ plural noun all repairs to the property
full repair costs /ˌfoli ˈrɪpər kɒsts/ noun the cost of repairs to the property
full employment /ˌfoli ˈɪm pɔɪlmənt/ noun a situation where all the people who can work have jobs
The capital expenditure programme requires long-term funding.

**fund management** noun the business of dealing with the investment of sums of money on behalf of clients

**funds** plural noun 1. money which is available for spending 2. the Funds government stocks and securities

**Federal Funds**

‘…small innovative companies have been hampered for lack of funds’ [Sunday Times]

‘…the company was set up with funds totalling NorKr 145m’ [Lloyd’s List]

**funds flow** a plan of anticipated incoming funds and the use to which they will be put  a budgeted funds flow statement a statement which shows the amount of funds (cash and working capital) which have come into a business during the last financial period, the sources of these funds, and the use made of the funds (see FRS1, formerly SSAP10)

**fungibility** noun a measure of how easily an asset can be exchanged for something similar

**fungible** adjective referring to a security which can be exchanged for another of the same type

**funny money** noun an unusual type of financial instrument created by a company

**future delivery** delivery at a later date

**futures** shares, currency or commodities that are bought or sold for now for delivery at a later date

**futures contract** a contract for the purchase of commodities for delivery at a date in the future

**futures exchange** a commodity market which only deals in futures

**future value** the value to which a sum of money will increase if invested for a certain period of time at some rate of interest. Abbreviation FV

**FV** abbreviation future value

**FYA** abbreviation first year allowance
GAAP abbreviation Generally Accepted Accounting Principles
gain /ˈgeɪn/ noun 1, an increase, or the act of becoming larger 2; an increase in profit, price, or value  Oil shares showed gains on the Stock Exchange; Property shares put on gains of 10%-15%. 3. money made by a company which is not from the company’s usual trading  to gain control of a business to buy more than 50% of the shares so that you can direct the business  to gain in value to rise in value  She gained some useful experience working in a bank.  
gearing /ˈgɛərɪŋ/ noun any ratio that compares equity to borrowing  
gearing ratio /ˈgɛərɪŋ ,rɛʃɪŋ/ noun any ratio that compares equity to borrowing  
general audit /ˈdʒenərəl əˈdʒɪt/ noun the process of examining all the books and accounts of a company  
general average /ˈdʒenərəl əˈvɛri/ noun a process by which the cost of lost goods is shared by all parties to an insurance policy, such as in cases where some goods have been lost in an attempt to save the rest of the cargo  
general balance sheet /ˈdʒenərəl ˈbælsətʃi/ noun the standard form of balance sheet used by non-commercial organisations such as charities and government departments  
general Commissioners /ˈdʒenərəl ˈkɒmɪʃənərz/ plural noun a body of unpaid individuals appointed by the Lord Chancellor in England, Wales and Northern Ireland, and the Secretary of State for Scotland in Scotland, to hear appeals on tax matters  
general damages /ˈdʒenərəl ˈdæmɪdʒɪz/ plural noun damages awarded by court to compensate for a loss which cannot be calculated, such as an injury  
general expenses /ˈdʒenərəl ɪk ˈspensz/ plural noun minor expenses of various kinds incurred in the running of a business  
general fund /ˈdʒenərəl ˈfʌnd/ noun a unit trust with investments in a variety of stocks  
general insurance /ˈdʒenərəl ɪnˈɡuərəns/ noun insurance relating to various potential losses, e.g. theft or damage, but excluding life insurance  
general ledger /ˈdʒenərəl ˈledʒər/ noun a book which records a company’s income and expenditure in general  
general lien /ˈdʒenərəl ˈlaɪən/ noun 1. a right to hold goods or property until a debt has been paid 2. a lien against the personal possessions of a borrower, but not against his or her house or land  
government accountancy service /ˈɡeɪvmənt əˈkaʊntənsi ˈsɜːvəs/ noun Government Accountancy Service  
gross domestic product /ɡrɑːs ˈdɒməstɪk ˈprɒdʌkt/ noun GDP abbreviation gross domestic product  
Gear /ɡiːər/ verb to link something to something else  
gearing /ˈgɛərɪŋ/ noun 1, the ratio of capital borrowed by a company at a fixed rate of interest to the company’s total capital. Also called leverage 2, the act of borrowing money at fixed interest which is then used to produce more money than the interest paid  
nearby /ˈnɪərbi/ adjective nearby  
government fund /ˈɡeɪvmənt ˈfʌnd/ noun 1. a fund which is used to support government activities 2. any government fund.
Generally Accepted Accounting Principles (GAAP) set out the auditor’s responsibilities designed to inform the work of auditors and set out the auditor’s responsibilities.

**general manager** noun a manager in charge of the administration of a company

**general partnership** noun the relationship of a general partner to his or her company

**general undertaking** noun an undertaking signed by the directors of a company applying for a Stock Exchange listing, promising to work within the regulations of the Stock Exchange

**gift aid** noun payment above some limit made to a registered charity, meaning that the charity is able to reclaim the basic rate tax which you have paid on the gift

**gift inter vivos** noun a gift given to another living person. Abbre-viation GIV

**gift tax** noun a tax on gifts. Only gifts between husband and wife are exempt.

**gift-edged** adjective used to describe an investment which is very safe

**gift-edged securities** plural noun investments in British government stock
goods /gudz/ plural noun items which can be moved and are for sale goods received goods which have been sent by a seller and received by a purchaser during an accounting period goods received note an internal note within a company which shows the date when goods were received, by whom and in what quantities

...profit margins are lower in the industries most exposed to foreign competition – machinery, transportation equipment and electrical goods' [Sunday Times] ...the minister wants people buying goods ranging from washing machines to houses to demand facts on energy costs' [Times]

goods and chattels /gudz æn 'tʃætlz/ plural noun movable personal possessions

Goods and Services Tax /gudz æn 'gɔːsɪvzɪz tæks/ noun a Canadian tax on the sale of goods or the provision of services, similar to VAT. Abbreviation GST
goodwill /gʊd'wɪl/ noun the good reputation of a business, which can be calculated as part of a company’s asset value, though separate from its tangible asset value ○ He paid £10,000 for the goodwill of the shop and £4,000 for the stock. [NOTE: The goodwill can include the trading reputation, the patents, the trade names used, the value of a ‘good site’, etc., and is very difficult to establish accurately.)
go private /gəʊ 'prɑːvət/ verb to become a private company again, by concentrating all its shares in the hands of one or a few shareholders and removing its stock exchange listing

go public /gəʊ 'pʌblɪk/ phrasal verb to become a public company by placing some of its shares for sale on the stock market so that anyone can buy them
govern /gəʊvərn/ verb to rule a country ○ The country is governed by a group of military leaders.
governance /ˈɡʌvənəns/ noun the process of managing a company, especially with respect to the soundness or otherwise of its management

...the chairman has committed the cardinal sin in corporate governance – he acted against the wishes and interests of the shareholders' [Investors Chronicle]...in two significant decisions, the Securities and Exchange Board of India today allowed trading of shares through the Internet and set a deadline for companies to conform to norms for good corporate governance' [The Hindu]

government Accountancy Service /ˌgʌvərnmənt ˈækwəntənsi ˌgʌvərnənt/ noun part of HM Treasury, a service whose remit it is to ensure that best accounting practice is observed and conducted across the whole of the Civil Service. Abbreviation GAS
governmental /ˌgʌvərnmənt(ə)l/ adjective referring to a government
goVERNMENT-BACKED /ˌgʌvərnəmnt 'bæk/ adjective backed by the government
goVERNMENT BONDS /ˌgʌvərnəmnt 'bɒndz/ plural noun bonds or other securities issued by the government on a regular basis as a method of borrowing money for government expenditure
goVERNMENT CONTRACTOR /ˌgʌvərnəmnt ˈkɑːntrəktə/ noun a company which supplies the government with goods by contract
goVERNMENT-CONTROLLED /ˌgʌvərnəmnt ˈkɔntrəuld/ adjective under the direct control of the government ○ Advertisements cannot be placed in the government-controlled newspapers.
goVERNMENT ECONOMIC INDICATORS /ˌgʌvərnəmnt ˌɪkənəmɪk ˈɪndɪkətəz/ plural noun statistics which show how the country’s economy is going to perform in the short or long term
goVERNMENT GRANT /ˌgʌvərnəmnt ˈgrænt/ noun a grant of money or assets given by a central government, a local government or a government agency ○ The laboratory has a government grant to cover the cost of the development programme
goVERNMENT LOAN /ˌgʌvərnəmnt ˈləʊn/ noun money lent by the government
goVERNMENT-REGULATED /ˌgʌvərnəment ˈregjʊleɪtɪd/ adjective of which the affairs are subject to government regulation
goVERNMENT SECTOR /ˌgʌvərnəmnt ˈsektə/ noun same as public sector
goVERNMENT SECURITIES /ˌgʌvərnmənt ˌsɜːkjʊrətiz/ plural noun same as government bonds
goVERNMENT-SPONSORED /ˌgʌvərnəmnt ˌspɔːndəd/ adjective encouraged by the government and backed by government money ○ She is working in a government-sponsored scheme to help small businesses.
goVERNMENT STOCK /ˌgʌvərnəmnt ˈstʌk/ noun same as government bonds
goVERNMENT SUPPORT /ˌgʌvərnəmnt ˈsə pórt/ noun a financial help given by the government ○ The aircraft industry relies on government support.
governor /'ɡəvənər/ noun 1. a person in charge of an important institution 2. US one of the members of the Federal Reserve Board
grace /ɡreɪs/ noun a favour shown by granting a delay o to give a creditor a period of grace or two weeks' grace
graduate /'ɡrædʒjʊəst/ noun a person who has obtained a degree
graduated /'ɡrædʒjʊətɪd/ adjective changing in small regular stages
graduated income tax /'ɡrædʒjʊətɪd ɪnˈkærəntz/ tax/ noun a tax which rises in steps, with those having the highest income paying the highest percentage of tax
graduated pension scheme /'ɡrædʒjʊətɪd 'pɛnʃən skɪm/ noun a pension scheme where the benefit is calculated as a percentage of the salary of each person in the scheme
graduated taxation /'ɡrædʒjʊətɪd tæk'seiʃn/ noun same as progressive taxation
grand /ɡrænd/ noun one thousand pounds or dollars (informal) o They offered him fifty grand for the information. o She's earning fifty grand plus car and expenses.
grand total /ɡrænd 'tɔt(ə)l/ noun the final total made by adding several subtotals
grant /ɡrænt/ noun money given by the government to help pay for something o The laboratory has a government grant to cover the cost of the development programme. o The government has allocated grants towards the costs of the scheme. n verb to agree to give someone something o to grant someone a loan or a subsidy o to grant someone three weeks' leave of absence o The local authority granted the company an interest-free loan to start up the new factory.
...the budget grants a tax exemption for $500,000 in capital gains' [Toronto Star]
grantor /'ɡræntər/ noun a person who grants a property to another
graph /ɡrɑːf/ noun a diagram which shows the relationship between two sets of quantities or values, each of which is represented on an axis o A graph was used to show salary increases in relation to increases in output. o According to the graph, as average salaries have risen so has absenteeism.
gratis /'ɡræts/ adverb free or not costing anything o We got into the exhibition gratis.
greenback /'ɡrɛnbaɪk/ noun US a dollar bill (informal)
after goods sold have been paid for by the company. The goods sold, i.e. without deducting any calculated as sales income less the cost of between actual profit and budgeted profit or will eventually need. Buyers seem to be ordering more than they before the deduction of tax. Our ground landlord is an insur-

gross interest /ˈgræs ɪntrəst/ noun the interest earned on a deposit or security before the deduction of tax. \net interest\, abbreviated GM

gross margin /ˈgræs ˈmædʒɪn/ noun the percentage difference between the received price and the unit manufacturing cost or purchase price of goods for resale. Abbreviation GM

gross margin pricing /ˈgræs ˈmædʒɪn ˈprɛsɪŋ/ noun pricing that takes into account the total production costs of a product

gross margin ratio /ˈgræs ˈmædʒɪn ˈrɛtɪʃəʊ/ noun same as gross profit margin

gross national product /ˈgræs ˈnæʃənl ˈprɒdʌkt/ noun the annual value of goods and services in a country including income from other countries. Abbreviation GNP

gross profit /ˈgræs ˈprɒfɪt/ noun a profit calculated as sales income less the cost of the goods sold, i.e. without deducting any other expenses

gross profit analysis /ˈgræs ˈprɒfɪt əˌnæləsɪs/ noun analysis of the discrepancy between actual profit and budgeted profit or previous year’s profit

gross profit margin /ˈgræs ˈprɒfɪt ˈmædʒɪn/ noun the percentage of each pound of income from sales that remains after goods sold have been paid for by the producer or retailer

gross profit method /ˈgræs ˈprɒfɪt ˈmɛθəd/ noun a method of estimating inventory at the point of preparing an interim report

gross receipts /ˈgræs ˈrɪtsɪts/ plural noun the total amount of money received before expenses are deducted

gross salary /ˈgræs ˈsɛləri/ noun same as gross income

gross sales /ˈgræs ˈsɛlz/ plural noun money received from sales before deductions for goods returned, special discounts, etc. A Gross sales are impressive since many buyers seem to be ordering more than they will eventually need.
gross turnover /ˈgræs ˈtɜrənərv/ noun the total turnover including VAT and discounts

gross yield /ˈgræs ˈjɪld/ noun a profit from investments before tax is deducted

ground landlord /ˈgrænd ˌlandlərd/ noun a person or company that owns the freehold of a property which is then let and

ground rent /ˈgrænd rɛnt/ noun a rent paid by the main tenant to the ground landlord

group /grʊp/ noun 1. several things or people together ○ A group of managers has sent a memo to the chairman complaining about noise in the office. ○ The respondents were interviewed in groups of three or four, and then singly. 2. several companies linked together in the same organisation ○ the group chairman or the chairman of the group ○ group turnover or turnover for the group ○ the Granada Group

group accounts /ˈgrʊp ˌəˈkaʊnts/ plural noun accounts for a holding company and its subsidiaries

group balance sheet /ˈgrʊp ˈbæləns ʃiːt/ noun same as consolidated balance sheet

group depreciation /ˈgrʊp dɪˈprɪʃən ˈeɪtʃən/ noun a way of calculating depreciation for multiple assets that are similar in nature and have a similar useful life

group financial statement /ˈgrʊp fəˈniːʒənl ˈstɛmtmənt/ noun same as consolidated financial statement

group results /ˈgrʊp ˈrɪzəltz/ plural noun the end-of-year financial statements and accounts of a group of companies

growth /ɡrʊəθ/ noun the fact of becoming larger or increasing ‘…a general price freeze succeeded in slowing the growth in consumer prices’ [Financial Times]

‘…growth in demand is still coming from the private rather than the public sector’ [Lloyd’s List]

‘…population growth in the south-west is again reflected by the level of rental values’ [Lloyd’s List]

growth index /ˈɡrʊəθ ɪndɪks/ noun an index showing the growth in a company’s revenues, earnings, dividends or other figures

growth prospects /ˈɡrʊəθ ˈprɒspektz/ plural noun potential for growth in a share

growth rate /ˈɡrʊəθ rɛt/ noun the speed at which something grows

…because the GST is applied only to fees for brokerage and appraisal services, the new tax does not appreciably increase the price of a resale home” [Toronto Globe & Mail]

guarantee /ˈɡærənti/ noun 1. a legal document in which the producer agrees to compensate the buyer if the product is faulty or becomes faulty before a specific date after
purchase a certificate of guarantee or a guarantee certificate. The guarantee lasts for two years. It is sold with a twelve-month guarantee. 2. a promise that someone will pay another person’s debts. company limited by guarantee company where each member stated in the memorandum of association how much money he will contribute to the company if it becomes insolvent (as opposed to a company limited by shares). 3. something given as a security to leave share certificates as a guarantee. • verb to give a promise that something will happen.

guaranteed bond /ˌɡærəntidˌbɒnd/ noun in the United States, a bond or stock on which the principal and interest are guaranteed by a company that is not the issuing company.

guaranteed wage /ˌɡærəntidˈweɪdʒ/ noun a wage which a company promises will not fall below a specific figure.

guarantor /ˌɡærəntoʊr/ noun a person who promises to pay another person’s debts if he or she should fail to. • She stood guarantor for her brother.
half-year /ˈhaːf ˈjɛə/ noun six months of an accounting period

half-yearly /ˈhaːf ˈjɛəli/ adjective happening every six months, or referring to a period of six months ○ half-yearly accounts ○ half-yearly payment ○ half-yearly statement ○ a half-yearly meeting ■ adverb every six months ○ We pay the account half-yearly.

handling charge /ˈhændlɪŋ ˈʃændʒ/ noun money to be paid for packing, invoicing and dealing with goods which are being shipped

hard cash /ˈhɑːrd ˈkæʃ/ noun money in notes and coins, as opposed to cheques or credit cards

hard currency /ˈhɑːrd ˈkʌrənsi/ noun the currency of a country which has a strong economy, and which can be changed into other currencies easily ○ to pay for imports in hard currency ○ to sell raw materials to earn hard currency Also called scarce currency

hardening /ˈhɑːrd(ə)nɪŋ/ adjective (of a market) slowly moving upwards

hard landing /ˈhɑːrd ˈlændɪŋ/ noun a change in economic strategy to counteract inflation which has serious results for the population such as high unemployment, rising interest rates, etc.

head and shoulders /ˈhed ən ˈʃəʊldəz/ noun a term used by chartists showing a share price which rises to a peak, then falls slightly, then rises to a much higher peak, then falls sharply and rises to a lower peak before falling again, looking similar to a person’s head and shoulders when shown on a graph

headlease /ˈhedlɪs/ noun a lease from the freehold owner to a tenant

headline inflation rate /ˈhedləm ɪnˌˈtɜːnl ɪnˌˈtɜːnl/ noun a British inflation figure which includes items such as mortgage interest and local taxes, which are not included in the inflation figures for other countries. Compare underlying inflation rate

head office /ˈhed ˈɒfɪs/ noun an office building where the board of directors works and meets

headquarters /ˈhedəkˌwɔːtəz/ plural noun the main office, where the board of directors meets and works ○ The company’s head-quarters are in New York.

heads of agreement /ˈhedz əv əˈɡriːmənt/ plural noun 1. a draft agreement with not all the details complete 2. the most important parts of a commercial agreement

health insurance /ˈhelθ ɪnˈʃʊərəns/ noun insurance which pays the cost of treatment for illness, especially when travelling abroad

healthy /ˈhelθi/ adjective a healthy balance sheet a balance sheet which shows a good profit

heavy industry /ˈhevi ˈɪndəstri/ noun an industry which deals in heavy raw materials such as coal or makes large products such as ships or engines

hedge /ˈhɛdʒ/ noun a protection against a possible loss, which involves taking an action which is the opposite of an action taken earlier ■ to protect against the risk of a loss □ to hedge your bets to make investments in several areas so as to be protected against loss in one of them ○ to hedge against inflation to buy investments which will rise in value faster than the increase in the rate of inflation

…during the 1970s commercial property was regarded by investors as an alternative to equities, with many of the same inflation-hedge qualities [Investors Chronicle].

‘…the move saved it from having to pay its creditors an estimated $270 million owed in connection with hedge contracts which began working against the company when the price of gold rose unexpectedly during September’ [Business in Africa]

hedge fund /ˈhedʒ ˈfʌnd/ noun a partnership open to a small number of rich investors, which invests in equities, currency...
futures and derivatives and may produce high returns but carries a very high risk

‘...much of what was described as near hysteria was the hedge funds trying to liquidate bonds to repay bank debts after losing multi-million dollar bets on speculations that the yen would fall against the dollar’ [Times]

‘...hedge funds generally have in common an ability to sell short (that is, sell stocks you do not own), and to increase growth prospects – and risk – by borrowing to enhance the fund’s assets’ [Money Observer]

‘...the stock is a hedge fund – limited by the Securities and Exchange Commission to only wealthy individuals and qualified institutions’ [Smart Money]

hedging /ˈhedʒɪŋ/ noun the act of buying investments at a fixed price for delivery later, so as to protect against possible loss

hereditament /ˈhɛrɪdɪˌmənt/ noun a property, including land and buildings

hidden asset /ˈhɪdnəst/ noun an asset which is valued much less in the company’s accounts than its true market value

hidden economy /ˈhɪdnəsi/ noun the act of buying or renting goods or services in a way that avoids paying tax

hidden reserves /ˈhɪdnərz/ plural reserves which are illegally kept hidden are not easy to identify in the company’s balance sheet. Reserves which are illegally kept hidden are called ‘secret reserves’. 2. illegal reserves which are not declared in the company’s balance sheet

hidden tax /ˈhɪdnət/ noun a tax that is not immediately apparent. For example, while a consumer may be aware of a tax on retail purchases, a tax imposed at the wholesale level, which consequently increases the cost of items to the retailer, will not be apparent.

hierarchy of activities /hɪərəˈrɛskʌv əkˈtrɪvətɪz/ noun a diagrammatic representation of the relative importance of activities undertaken in the running of a business

high /haɪ/ adjective large, not low ○ High overhead costs increase the unit price. ○ They are budgeting for a high level of expenditure. ○ High interest rates are crippling small businesses. ■ noun a point where prices or sales are very large ○ Prices have dropped by 10% since the high of January 2nd.

‘American interest rates remain exceptionally high in relation to likely inflation rates’ [Sunday Times]

historical cost concept

‘...in a leveraged buyout the acquirer raises money by selling high-yielding debentures to private investors’ [Fortune]

higher-rate tax /ˈhɪdrət rɛt ˈteks/ noun in the United Kingdom, the highest of the three bands of income tax. Most countries have bands of income tax with different rates applicable to income within each band.

high finance /ˈhæfiəns/ noun the lending, investing and borrowing of very large sums of money organised by financiers

high gearing /ˈhægiəri/ noun a situation where a company has a high level of borrowing compared to its share price

high-income /ˈhæiˈɪnməʊn/ adjective used for referring to a fund that yields a high rate of return ○ high-income shares ○ a high-income portfolio

highly geared company /ˈhaɪli ɡərd/ ™ noun a company which has a high proportion of its funds from fixed-interest borrowings

highly-paid /ˈhaɪli ˈpeɪd/ adjective earning a large salary

high yield /ˈhai jɪld/ ™ noun a dividend yield which is higher than is usual for the type of company

hire /ˈhɪr/ noun an arrangement whereby one person agrees to give work to another in return for payment of wages or salary

hire purchase /ˈhɪrpəs/ ™ noun a system of buying something by paying a sum regularly each month ○ to buy a refrigerator on hire purchase [NOTE: The US term is installment credit, installment plan or installment sale.]

hire purchase agreement /ˈhɪrpəs əˈɡrɪmənt/ ™ noun a contract to pay for something by instalments

hire-purchase company /ˈhɪrpəs ˈkʌmpənɪ/ ™ noun a company which provides money for hire purchase

historical cost /ˈhɪstrəkəl kɑːst/ ™ noun the actual cost of purchasing something which was bought some time ago

historical cost accounting /ˈhɪstroʊkəl kəntəˈɛntʃɪŋ/ ™ noun the preparation of accounts on the basis of historical cost, with assets valued at their original cost of purchase. Compare current cost accounting

historical cost concept /ˈhɪstrəkəl kənˈsɛpt/ ™ noun
historical cost depreciation

**1.** The action of keeping something 

**2.** A basis for the treatment of assets in financial statements where they are recorded at their historical cost, without adjustment for inflation or other price variations (Note: Use ‘historical cost convention’ not ‘historic cost convention’).

**3.** The action of keeping something, such as of a ship or aircraft, in which cargo is carried.

---

**Historical figures** figures that were correct at the time of purchase or payment, as distinct from, e.g., a current saleable value or market value.

**Historical pricing** a method of setting prices for a good or service that is based on prices previously set. Sometimes revised prices may take into account the effects of inflation.

**Historical summary** in the United Kingdom, an optional synopsis of a company’s results over a period of time, often five or ten years, featured in the annual accounts.

**Historical trading range** the difference between the highest and lowest price for a share or bond over a period of time.

**Hive** to buy and store goods in case of need.

**Hoard** a person who buys and stores goods in case of need.

**Hold** 1. The bottom part of a ship or aircraft, in which cargo is carried. 2. The action of keeping something.

**Hold harmless letter** a letter issued by parties to a business deal reporting accountants stating that the accountants will not be held responsible for any losses suffered on the deal.

**Holding** a group of shares owned. She has sold all her holdings in the German manufacturing companies.

**Holding company** a company which owns more than 50% of the shares in another company.

**Holding company** a company which exists only or mainly to own shares in subsidiary companies.

**Holding cost** the cost of keeping items of stock including warehousing and handling costs, insurance, losses through deterioration, wastage, theft, etc. and the cost of capital used to acquire the stock measured in terms of the interest lost on the money which was spent on purchasing the stock in the first place or the interest paid on the loans which were needed to finance the purchase of the stock.

**Home banking** a system of banking using a personal computer in your own home to carry out various financial transactions.
financial transactions such as paying invoices or checking your bank account. **home loan** /haʊm ˈloʊn/ noun a loan by a bank or building society to help someone buy a house. **home trade** /haʊm ˈtreɪd/ noun trade in the country where a company is based. **honorarium** /ˌɒnərəriəm/ noun money paid to a professional person such as an accountant or a lawyer when a specific fee has not been requested. **honorarium** /ˌɒnərəriəm/ noun money paid to a professional person such as an accountant or a lawyer when a specific fee has not been requested. **honorarium** /ˌɒnərəriəm/ noun money paid to a professional person such as an accountant or a lawyer when a specific fee has not been requested. **honorarium** /ˌɒnərəriəm/ noun money paid to a professional person such as an accountant or a lawyer when a specific fee has not been requested. **honorarium** /ˌɒnərəriəm/ noun money paid to a professional person such as an accountant or a lawyer when a specific fee has not been requested.

**Honorary treasurer** /ˌɒnərəri ˈtɛrizər/ noun a treasurer who does not receive any fee.

**Honorary secretary** /ˌɒnərəri ˈsektræri/ noun a person who keeps the minutes and official documents of a committee or club, but is not paid a salary.

**honour** /ˈɔːnər/ verb to pay something because it is owed and is correct. **Honour** is pronounced like **honor**. **Honour** is pronounced like **honor**.

**horizontal integration** /ˌhɒrɪzəntəl ɪnˈtegриʃən/ noun the process of joining similar companies or taking over a company in the same line of business as yourself.

**hostile bid** /ˈhɒstɪl ˈbɪd/ noun same as contested takeover.

**hot money** /ˈhot ˈməni/ noun 1. money which is moved from country to country to get the best returns. 2. money that has been obtained by dishonest means. **hot money** /ˈhot ˈməni/ noun 1. money which is moved from country to country to get the best returns. 2. money that has been obtained by dishonest means.

**hour** /ˈaʊər/ noun 1. a period of time lasting sixty minutes. 2. sixty minutes of work. **hour** /ˈaʊər/ noun 1. a period of time lasting sixty minutes. 2. sixty minutes of work.

**hurdle rate** /ˈhaɪdəl ˈreɪt/ noun a minimum rate of return needed by a bank to fund a loan, the rate below which a loan is not profitable for the bank.

**human capital accounting** /hjuːmən ˈkeɪpɪt(ə)l ˈækʊntɪŋ/ noun an attempt to place a financial value on the knowledge and skills possessed by the employees of an organisation. Also called **human asset accounting**, **human resource accounting**.

**household goods** /ˈhaʊstəld ˈgʊdz/ plural noun items which are used in the home.

**human resource accounting** /ˌhjuːmən ˈresɔːrəs ˈækʊntɪŋ/ noun a combination of financial instruments, e.g., a bond with warrants attached, or a range of cash and derivative instruments designed to mirror the performance of a financial market.

**hyperinflation** /ˌhaɪpərɪnˈflæʃən/ noun inflation which is at such a high percentage rate that it is almost impossible to reduce.

**hypothecation** /ˌhaɪpəˈtekteɪʃən/ noun an arrangement in which property such as securities is used as collateral for a loan but without transferring legal ownership to the lender, as opposed to a mortgage, where the lender holds the title to the property. **hypothecation** /ˌhaɪpəˈtekteɪʃən/ noun an arrangement in which property such as securities is used as collateral for a loan but without transferring legal ownership to the lender, as opposed to a mortgage, where the lender holds the title to the property.
Accountants in Ireland

Standards

for that is lower than that forecast or budgeted

World Bank)

Assurance Standards Board

ing Standards Committee

IBRD abbreviation International Bank for Reconstruction and Development (the World Bank)

ICAES abbreviation Institute of Chartered Accountants in Engand and Wales

ICAS abbreviation Institute of Chartered Accountants in Scotland

ICSID abbreviation International Centre for Settlement of Investment Disputes

ICTA abbreviation Income and Corporation Taxes Act

ideal capacity /i′dɛrl kə,′pɛrsti/ noun the greatest volume of output possible, which would be produced only in ideal conditions in which optimum capacity was maintained constantly

idle capacity /′i,′dɛrl kə,′pɛrsti/ noun 1. the existence of unused capacity 2. a situation in which a given market will not absorb all of the goods produced in that sector

idle capacity variance /′i,′dɛrl kə,′pɛrsti,′vɛrstriən/ noun a level of capacity that is lower than that forecast or budgeted for

idle capital /′i,′dɛrl ′kɛpti/ noun capital which is not being used productively

idle time /′i,′dɛrl tɛm/ noun the time for which employees are paid although they are unable to work because of factors beyond their control  

Idle time in January was attributed to the temporary closing down of one of the company’s factories.  

Workers were laid off to avoid excessive idle time.

IFA abbreviation 1. independent financial adviser 2. Institute of Financial Accountants

IFAC abbreviation International Federation of Accountants

IFRIC abbreviation International Financial Reporting Interpretations Committee

IFRS abbreviation International Financial Reporting Standards

IHT abbreviation inheritance tax

illegal /′i,′lɪg(ə)l/ adjective not legal or against the law

illegally /′i,′lɪgəli/ adverb against the law  

He was accused of illegally laundering money.

illicit /′i,′lɪsɪt/ adjective not legal or not permitted  

the illicit sale of alcohol

illiquid /′i,lɪkwɛd/ adjective 1. referring to an asset which is not easy to change into cash  

2. used to describe a person or business that lacks cash or assets such as securities that can readily be converted into cash

IMF abbreviation International Monetary Fund

immovable /′i,mu:vəb(ə)l/ adjective impossible to move

immovable property /′i,mu:vəb(ə)l ′propətri/ noun houses and other buildings on land

impact /′im,pækt/ noun a shock or strong effect  

the impact of new technology on the cotton trade  

The new design has made little impact on the buying public.

impact statement /′im,pækt ′stɛmtnts/ noun a written statement outlining the effects of something on an individual or company

impairment of capital /′im,pɛrment əv ′kɛpti/ noun the extent to which the value of a company is less than the par value of its shares
impartial of value /imˌpərəmant/ a decline in the value of an asset such that its original cost can never be recovered

impersonal account /imˌpɜːrsəl/ any account other than a personal account, being classified as either a real account, in which property is recorded, or a nominal account, in which income, expenses and capital are recorded.

implement /ɪmˈpləment/ verb to put into action 〇 to implement an agreement 〇 to implement a decision

implementation /ɪmplɪˈmenʃən/ the process of putting something into action 〇 the implementation of new rules

import /ɪmˈpɔːrt/ verb to bring goods from abroad into a country for sale 〇 The company imports television sets from Japan.

importation /ɪmˈpɔːrtəʃən/ the act of importing 〇 The importation of arms is forbidden. 〇 The importation of livestock is subject to very strict controls.

import ban /ɪmˈpɔːrt bæn/ a government order forbidding imports of a particular kind or from a particular country 〇 The government has imposed an import ban on arms.

import duty /ɪmˈpɔːrt dʒiˈvəri/ a tax on goods imported into a country

importer /ɪmˈpɔːrtər/ a person or company that imports goods 〇 a cigar importer 〇 The company is a big importer of foreign cars.

import-export /ɪmˈpɔːrt ˈekspɔːrt/ adjective, noun referring to business which deals with both bringing foreign goods into a country and sending locally made goods abroad 〇 Rotterdam is an important centre for the import-export trade. 〇 She works in import-export.

import levy /ɪmˈpɔːrt lɛˈvi/ a tax on imports, especially in the EU a tax on imports of farm produce from outside the EU

import quota /ɪmˈpɔːrt kwəˈura/ a fixed quantity of a particular type of goods which the government allows to be imported 〇 The government has imposed a import quota on cars.

import restrictions /ɪmˈpɔːrt riˈstrɪkʃən/ plural noun actions taken by a government to reduce the level of imports by imposing quotas, duties, etc.

imports /ɪmˈpɔːrtz/ plural noun goods brought into a country from abroad for sale

〇 Imports from Poland have risen to $1m a year. (NOTE: Usually used in the plural, but the singular is used before a noun.)

import surcharge /ɪmˈpɔːrt ˈsɜːtʃər/ noun the extra duty charged on imported goods, to try to stop them from being imported and to encourage local manufacture

impose /ɪmˈpəʊz/ verb to give orders for something regarded as unpleasant or unwanted, such as a tax or a ban 〇 to impose a tax on bicycles 〇 They tried to impose a ban on smoking. 〇 The government imposed a special duty on oil.

imposition /ɪmˈpəʊziʃən/ noun the act of imposing something

impond /ɪmˈpɔnd/ verb to take something away and keep it until a tax is paid 〇 Customs impounded the whole cargo.

impounding /ɪmˈpɔndɪŋ/ noun an act of taking something and keeping it until a tax is paid

impress account /ɪmˈpɜːrəs əˈkaʊnt/ a UK term for a record of the transactions of a type of petty cash system. An employee is given an advance of money, an impress, for incidental expenses and when most of it has been spent, he or she presents receipts for the expenses to the accounts department and is then reimbursed with cash to the total value of the receipts.

impress system /ɪmˈpɜːrəs ˈsɪstəm/ a system of controlling petty cash, where cash is paid out against a written receipt and the receipt is used to get more cash to bring the float to the original level

improved offer /ɪmˈpruːv əˈofer/ an offer which is larger or has better terms than the previous offer

imputation system /ɪmˈpjuːʃən ˈsɪstəm/ a former system of taxation of dividends, where the company paid Advance Corporation Tax on the dividends it paid to its shareholders, and the shareholders paid no tax on the dividends received, assuming that they paid tax at the standard rate

inactive account /ɪnˈæktɪv əˈkaʊnt/ a bank account which is not used over a period of time

inactive market /ɪnˈæktɪv əˈmeɪkət/ a stock market with few buyers or sellers

incentive /ɪnˈsɛntɪv/ noun something which encourages a customer to buy, or employees to work better

‘…some further profit-taking was seen yesterday as investors continued to lack
incentive bonus

fresh incentives to renew buying activity’ [Financial Times]
‘...a well-designed plan can help companies retain talented employees and offer enticing performance incentives – all at an affordable cost’ [Fortune]
‘...the right incentives can work when used strategically’ [Management Today]
‘...an additional incentive is that the Japanese are prepared to give rewards where they are due’ [Management Today]

incentive bonus /ɪnˈsentɪv, bəʊnəs/,
incentive payment /ɪnˈsentɪv ˌpərimənt/ noun an extra payment offered to employees to make them work better

incentive scheme /ɪnˈsentɪv skɪtʃ/ noun a plan to encourage better work by paying higher commission or bonuses ○ Incentive schemes are boosting production.
incentive stock option /ɪnˈsentɪv ˈstɒk ˌɒpʃən/ noun (in the United States) a plan that gives each qualifying employee the right to purchase a specific number of the corporation’s shares at a set price during a specific time period (NOTE: Tax is only payable when the shares are sold.)
inchoate /ɪnˈkɔʊət/ adjective referring to an instrument which is incomplete

incidence of tax /ɪnˈsɪdəns ˌtæks/ noun the point at which a tax is ultimately paid. For example, although a retailer pays any sales tax to the tax collecting authority, the tax itself is ultimately paid by the customer.
incidental expenses /ɪnˈsidəntəl ˈɛksəpənz/ plural noun small amounts of money spent at various times in addition to larger amounts
include /ɪnˈkljuːs/ verb to count something along with other things ○ The charge includes VAT ○ The total is £140 not including insurance and freight. ○ The account covers services up to and including the month of June.
inclusive /ɪnˈkljuːsɪv/ adjective counting something in with other things ○ inclusive of tax ○ not inclusive of VAT

income /ˈɪnkəm/ noun 1. money which a person receives as salary or dividends ○ lower income bracket, upper income bracket the groups of people who earn low or high salaries considered for tax purposes 2. money which an organisation receives as gifts or from investments ○ The hospital has a large income from gifts.
‘...there is no risk-free way of taking regular income from your money much higher than the rate of inflation’ [Guardian]

income account /ˈɪnkəm əˈkaʊnt/ noun an account that lists revenue and expenses, as distinct from a balance sheet account
income bond /ˈɪnkəm bənd/ noun a bond that pays a rate of return in proportion to the issuer’s income

income distribution /ˈɪnkəm dɪsˈtrɪʃən/ noun the UK term for the payment to investors of the income generated by a collective investment, less management charges, tax and expenses. It is distributed in proportion to the number of units or shares held by each investor.

income gearing /ˈɪnkəm ˈgiərɪŋ/ noun the ratio of the interest a company pays on its borrowing shown as a percentage of its pretax profits before the interest is paid

income per head /ˈɪnkəm pəˈhed/, income per capita noun same as per capita income

income recognition /ˈɪnkəm ˌrekəˈnaɪʒən/ noun the policy under which income is shown in an account

income shares /ˈɪnkəm ʃeərz/ plural noun shares in an investment trust that receive income from the investments, but do not benefit from any rise in capital value of the investments

income smoothing /ˈɪnkəm ˈsmɔːrɪŋ/ noun a UK term for a form of creative accounting that involves the manipulation of a company’s financial statements to show steady annual profits rather than large fluctuations

income summary /ˈɪnkəm ˌsʌməri/ noun a summary showing a company’s net profit or net loss for the year

income support /ˈɪnkəm ˈsəpɔrt/ noun a government benefit paid to low-income earners who are working less than 16 hours per week, provided they can show that they are actively looking for jobs. Abbreviation IS

income tax /ˈɪnkəm ˈtæks/ noun 1. the tax on a person’s income, both earned and unearned 2. the tax on the profits of a corporation

income tax form /ˈɪnkəm ˈtæks ˌfɔrm/ noun a form to be completed which declares all income to the tax office

income tax return /ˈɪnkəm ˈtæks ˈrɛtərn/ a completed tax form, with details of income and allowances. Also called declaration of income, tax return

income units /ˈɪnkəm ˈjuːnɪts/ plural noun units in a unit trust, from which the
costs and revenues that occur when business activity changes.

incremental budgeting /ˌɪŋkriˈment(ə)l/ˈbʌdʒɪntɪŋ/ noun a method of setting budgets in which the prior period budget is used as a base for the current budget, which is set by adjusting the prior period budget to take account of any anticipated changes.

incremental cost /ˌɪŋkriˈment(ə)l/ˈkɒst/ noun the cost of making extra units above the number already planned. This may then include further fixed costs.

incremental increase /ˌɪŋkriˈment(ə)l/ˈɪŋkri/ noun an increase in salary according to an agreed annual increment.

incremental scale /ˌɪŋkriˈment(ə)l/ˈskɛl/ noun a salary scale with regular annual salary increases.

incur /ɪnˈkɜːr/ verb to make yourself liable to something.

‘…the company blames fiercely competitive market conditions in Europe for a £1.4m operating loss last year, incurred despite a record turnover’ [Financial Times]

indebted /ɪnˈdɛtɪd/ adjective owing money to someone to be indebted to a company.

indemnification /ˌɪndəmniˈfɪkeɪʃn/ noun payment for damage.

indemnify /ɪnˈdɛmnaɪf/ verb to pay for damage to indemnify someone for a loss.

indemnity /ɪnˈdɛmnaɪti/ noun 1. a guarantee of payment after a loss. 2. She had to pay an indemnity of £100. 2. compensation paid after a loss.

indent /ɪnˈdent/ noun an order placed by an importer for goods from overseas.

indenture /ɪnˈdentʃər/ noun US a formal agreement showing the terms of a bond issue.

independent company /ˌɪndɪˈpɛndənt/ˈkʌmpəni/ noun a company which is not controlled by another company.

independent financial adviser /ˌɪndɪˈpɛndənt/ˈfɪnænsjələˈɛdʒəsər/ noun a person who gives impartial advice on financial matters, who is not connected with any financial institution. Abbreviation IFA.

independent variable /ˌɪndɪˈpɛndənt/ˈvɛəriəb(ə)l/ noun a factor whose value, when it changes, influences one or more other variables called ‘dependent variables’.

In this model personal income is the independent variable and expenditure the dependent variable.
index /ɪnˈdɛks/ noun 1. a list of items classified into groups or put in alphabetical order 2. a regular statistical report which shows rises and falls in prices, values, or levels 3. a figure based on the current market price of shares on a stock exchange (NOTE: all noun senses) The plural is indexes or indices. ■ verb to link a payment to an index ○ salaries indexed to the cost of living ’...the index of industrial production sank 0.2 per cent for the latest month after rising 0.3 per cent in March’ [Financial Times] ‘...an analysis of the consumer price index for the first half of the year shows that the rate of inflation went down by 12.9 per cent’ [Business Times (Lagos)]

indexation /ɪnˈdɛksəˈteɪʃən/ noun the linking of something to an index

index number /ɪnˈdɛks nʌmbr/ noun a number showing the percentage rise of something over a period

index tracker /ɪnˈdɛks trəˈkær/ noun an investor or fund manager who tracks an index

index-tracking /ɪnˈdɛks trəˈkætn/ adjective adjusted to follow changes in a particular index, e.g. the Bank of England’s base rate

indicator /ɪnˈdɛkstər/ noun a factor of a situation that gives an indication of a general trend ‘...it reduces this month’s growth in the key M3 indicator from about 19% to 12%’ [Sunday Times]

indirect costs /ɪnˈdɛrkt kəsts/ indirect expenses /ɪnˈdɛrkt ɪkˈspɛnsz/ plural noun costs which are not directly related to the making of a product, e.g. cleaning, rent or administration

indirect labour costs /ɪnˈdɛrkt ləbər kəsts/ plural noun the cost of paying employees not directly involved in making a product, such as cleaners or administrative staff. Such costs cannot be allocated to a cost centre.

indirect liability /ɪnˈdɛrkt lɪˈabləti/ noun an obligation that may arise in future, e.g., if a lawsuit is brought against the company.

indirect material costs /ɪnˈdɛrkt məˈtɪəriəl kəsts/ indirect materials cost /ɪnˈdɛrkt məˈtɪəriəlz kəst/ noun the cost of materials which cannot be allocated to the production of a particular product.

indirect tax /ɪnˈdɛrkt tæks/ noun a tax such as VAT paid to someone who then pays it to the government

indirect taxation /ɪnˈdɛrkt tækˈsətʃən/ noun taxes which are not paid direct to the government, e.g. sales tax ○ The government raises more money by indirect taxation than by direct.

Individual Retirement Account /ɪnˈdɪvidʒʊəl rɪˈtɑːrment əˈkaʊnt/ noun US a tax-deferred pension scheme, that allows individuals to make contributions to a personal retirement fund. Abbreviation IRA

Individual Savings Account /ɪnˈdɪvidʒʊəl ˈsɜːvɪŋz əˈkaʊnt/ noun a British scheme by which individuals can invest by putting a limited amount of money each year in a tax-free account. Abbreviation ISA

Individual Voluntary Arrangement /ˌɪnˈdɪvidʒʊəl ˈvɒləntæri əˈrɪndʒmənt/ noun a legally binding arrangement between a debtor and creditors by which the debtor offers the creditors the best deal he or she can afford by realising his assets, and so the expense of bankruptcy proceedings is avoided. Abbreviation IVA

indemnity /ɪnˈdɛmni ti/ noun something which helps to persuade someone to do something ○ They offered her a company car as an indemnity to stay.

industrial arbitration tribunal /ˈɪndɪstrɪəl ərˈtɛrɪtʃən trəˈbjuːnəl/ noun a court which decides in industrial disputes

industrial tribunal /ˌɪndɪstrɪəl trəˈbjuːnəl/ noun a court which can decide in disputes about employment
inflation accounting noun an accounting system in which inflation is taken into account when calculating the value of assets and the preparation of accounts.

inflationary adjective tending to increase inflation or inflationary trends in the economy.

inflation-proof noun a capital protected against inflation.

inflow noun the act of coming in or being brought in.

influx noun an inflow, especially one where people or things come in in large quantities or an influx of foreign currency into the country or an influx of cheap labour into the cities.

inshopping verb to get something from a person who has died or to start a business.

inventor noun a person appointed officially to supervise the collection of taxes, including income tax, capital gains tax and corporation tax, but not VAT. Abbreviation: IRC.

input cost noun the cost of overhead items such as labour and material used in the production of goods or services.
inputs /ˈɪnptɪz/ plural noun goods or services bought by a company and which may be liable to VAT
input tax /ˈɪnpt tæks/ noun VAT which is paid by a company on goods or services bought
insider /ˈɪnˌsaʊdər/ noun a person who works in an organisation and therefore knows its secrets
insider trading /ˈɪnˌsaʊdər ˈtrɛdɪŋ/, insider buying /ˈɪnˌsaʊdər ˈbɛriŋ/, insider dealing /ˈɪnˌsaʊdər ˈdiːlɪŋ/ noun the illegal buying or selling of shares by staff of a company or other persons who have secret information about the company’s plans
insolvency /ˈɪnˌsɒlvənsi/ noun the fact of not being able to pay debts. Opposite solvency [NOTE: A company is insolvent when its liabilities are higher than its assets; if this happens it must cease trading. Note that insolvency is a general term, but is usually applied to companies; individuals or partners are usually described as bankrupt once they have been declared so by a court.]  “...hundreds of thrifts found themselves on the brink of insolvency after a deregulation programme prompted them to enter dangerous financial waters” [Times]
insolvency practitioner /ˈɪnˌsɒlvənsi præktrənt/ noun a person who advises insolvent companies
insolvent /ˈɪnˌsɒlvənt/ adjective not able to pay debts  ○ The company was declared insolvent. (NOTE: see note at insolvency)
inspect /ɪnˈspekt/ verb to examine in detail ○ to inspect a machine or an installation  ○ Officials from the DTI have come to inspect the accounts.
inspection /ɪnˈspekʃən/ noun the close examination of something ○ to make an inspection or to carry out an inspection of a machine or an installation
inspector /ɪnˈspektər/ noun an official who inspects ○ The inspectors will soon be round to make sure the building is safe.
inspectorate /ɪnˈspektərət/ noun an authority to which inspectors are responsible
inspector of taxes /ɪnˌspektər əv ˈtæksɪz/ noun in the United Kingdom, an official who reports to HM Revenue & Customs and is responsible for issuing tax returns and assessments, agreeing tax liabilities and conducting appeals on matters of tax
inspector of weights and measures /ɪnˌspektər əv ˈweɪts əv ˈmeʒʊz/ noun a government official who inspects weighing machines and goods sold in shops to see if the quantities and weights are correct
instalment /ɪnˈstælmənt/ noun a part of a payment which is paid regularly until the total amount is paid  ○ The first instalment is payable on signature of the agreement. (NOTE: The US spelling is installment)  ○ to pay £25 down and monthly instalments of £20 to pay a first payment of £25 and the rest in payments of £20 each month
institute /ɪnˈstiːtjuːt/ noun a society or organisation which represents a particular profession or activity ○ the Institute of Chartered Accountants
Institute of Chartered Accountants in England and Wales /ɪnˈstiːtjuːt əv ˈɛnɡlənd ən ˈweɪts/ noun the largest professional accountancy body in Europe, providing qualification by examinations, ensuring high standards of education and training, and supervising professional conduct. Abbreviation ICAEW
Institute of Chartered Accountants in Ireland /ɪnˈstiːtjuːt əv ˈɪərlænd ən ˈweɪts/ noun the oldest and largest professional body for accountants in Ireland, founded in 1888 with the aims of in promoting best practice in chartered accountancy and maintaining high standards of professionalism among its members. Abbreviation ICAI
Institute of Chartered Accountants in Scotland /ɪnˈstiːtjuːt əv ˈskeɪntənd ən ˈweɪts/ noun the world’s oldest professional body for accountants, based in Edinburgh. Abbreviation ICAS
Institute of Chartered Accountants of New Zealand /ɪnˈstiːtjuːt əv ˈnjʊərənz ən ˈweɪts/ noun the largest professional accounting body in New Zealand, representing over 26,000 members in that country and abroad. Abbreviation ICANZ
Institute of Financial Accountants /ɪnˈstiːtjuːt əv ˌfaɪ.ənˈsəʊrəntes/ noun a professional body, established in 1916, which aims to set technical and ethical standards in UK financial accountancy. Abbreviation IFA
institution /ɪnˈstiːtʃən/ noun an organisation or society set up for a particular purpose  ○ financial institution institutional /ɪnˈstiːtʃənəl/ adjective relating to an institution, especially a financial institution
intercompany profit

by a person or a company to an insurance company

insurance premium tax /ɪn'ʃuəraʊns ɪn'tɹɪmɪzm ˌtæks/ noun a tax on household, motor vehicle, travel and other general insurance

insurance rates /ɪn'ʃuəraʊns rɛts/ plural noun the amount of premium which has to be paid per £1000 of insurance

insurer /ɪn'ʃuəraʊ/ noun a company which insures (NOTE: For life insurance, UK English prefers to use assurer.)

intangible /ɪn'tændʒəb(ə)l/ adjective not possible to touch

intangible assets /ɪn'tændʒəb(ə)l 'æsɛts/, intangible fixed assets /ɪn'tændʒəb(ə)l ˈfɪkst 'æsɛts/, intangibles /ɪn'tændʒəb(ə)lz/ plural noun assets that have a value but which cannot be seen, e.g. goodwill or a trademark

intangible value /ɪn'tændʒəb(ə)l ˈvælju/ noun a value of an organisation equal to its total value minus the value of its tangible assets

integrate /ɪntɪgreɪt/ verb to link things together to form one whole group

integrated accounts /ɪntɪgreɪtd ə ˈkɑʊntz/ plural noun accounting records that show both financial and cost accounts

integration /ɪn'tɪgrəʃ(ə)n/ noun the act of bringing several businesses together under a central control

inter-bank /ɪnt əˈbæŋk/ adjective between banks

inter-bank loan /ɪnt əˈbæŋk ˈloun/ noun a loan from one bank to another

intercompany account /ɪntə ˈkeɪntəpəˈraʊn ə ˈkɑʊnt/ noun an account that records transactions between companies that are affiliated to each other

inter-company dealings /ɪntə ˈkeɪntəpəˈraʊn ˈdiːlɪŋz/, inter-company transactions /ɪntə ˈkeɪntəpəˈraʊn ˈtræns/ plural noun dealings or transactions between two companies in the same group

intercompany profit /ɪntəˌkeɪntəpəˈraʊn ˈprɒfɪt/ noun the profit on services provided to a related company
interest /ɪnˈtɜːst/ noun 1. payment made by a borrower for the use of money, calculated as a percentage of the capital borrowed.
2. high interest, low interest interest at a high or low percentage.
3. money paid as income on investments or loans to receive interest at 5% or deposit which yields or gives or produces or bears 5% interest on account which earns interest at 10% or which earns 10% interest on deposits.
4. The loan pays 10% interest.
5. a part of the ownership of something, e.g. if you invest money in a company you acquire a financial share or interest in it.

interest-bearing deposits /ɪnˈtɜːst ˈbɛrɪŋ dɪˈpɔzɪts/ plural noun a deposit of money with a financial institution that pays interest on the deposit.

interest charges /ɪnˈtɜːst ˈtʃɑːrʒz/ plural noun money paid as interest on a loan.

interest coupon /ɪnˈtɜːst ˈkʊpɔn/ noun a slip of paper attached to a government bond certificate which can be cashed to provide the annual interest.

interest cover /ɪnˈtɜːst ˈkʌvər/ noun the ability to pay interest payments on a loan.

interested party /ɪnˈtɜːstɪd ˈpɑrti/ noun a person or company with a financial interest in a company.

interest expense /ɪnˈtɜːst ɪkˈspɛns/ noun the cost of the interest payments on borrowed money.

interest-free credit /ɪnˈtɜːst friˈkredɪt/ noun a credit or loan where no interest is paid by the borrower.

interest rate /ɪnˈtɜːst ˈreɪt/ noun a figure which shows the percentage of the capital sum borrowed or deposited which is to be paid as interest. Also called rate of interest.

interest rate margin /ɪnˈtɜːst ˈreɪt ˈmɑrɡɪn/ noun the difference between the interest a bank pays on deposits and the interest it charges on loans.

interest rate swap /ɪnˈtɜːst ˈreɪt ˈswɑp/ noun an agreement between two companies to exchange borrowings. A company with fixed-interest borrowings might swap them for variable interest borrowings of another company. Also called plain vanilla swap.

interest sensitive /ɪnˈtɜːst ˈsɛnsvɪt/ adjective used to describe assets, generally purchased with credit, that are in demand when interest rates fall but considered less attractive when interest rates rise.

interest yield /ɪnˈtɜːst ˈjɪld/ noun a yield on a fixed-interest investment.

interim /ɪnˈtɜːrm/ adjective made, measured or happening in the middle of a period, such as the financial year, and before the final result for the period is available.

interim audit /ɪnˈtɜːrm ˈɔːdɪt/ noun an audit carried out for a period within a full accounting year, often for a half year.

interim dividend /ɪnˈtɜːrm ˈdɪvɪdend/ noun a dividend paid at the end of a half-year.

interim financial statement /ɪnˈtɜːrm ˈfɪnənʃɪəl ˈstɛtmənt/ noun a financial statement that covers a period other than a full financial year. Although UK companies are not legally obliged to publish interim financial statements, those listed on the London Stock Exchange are obliged to publish a half-yearly report of their activities and a profit and loss account which may either be sent to shareholders or published in a national newspaper. In the United States, the practice is to issue quarterly financial statements.

interim payment /ɪnˈtɜːrm ˈpɛmənt/ noun a payment of part of a dividend.

interim receiver /ɪnˈtɜːrm ˈrɪsɪvər/ noun a receiver appointed to deal with a person’s affairs until a bankruptcy order is made.

intermediate debt /ɪnˈtɜːmɪdɪət dɪˈfɔːnt/ noun a form of debt which has to be repaid between four and ten years’ time.

interim dividend /ɪnˈtɜːrm ˈdɪvɪdend/ noun an audit carried out by a department inside the company.

interim auditor /ɪnˈtɜːrm ˈɔːdɪtər/ noun a member of staff who audits a company’s accounts.

interim control /ɪnˈtɜːrm ˈkəntrəl/ noun a system set up by the management of a company to monitor and control the company’s activities.

interim growth /ɪnˈtɜːrm ˈɡrəʊθ/ noun the development of a company by growing its existing business with its own finances, as opposed to acquiring other businesses. Also called organic growth.

interim rate of return /ɪnˈtɜːrm ˈrɛt ər/ noun an average annual yield of an investment, where the interest earned over a period of time is the same as the origi-
has close links to the World Bank. It is an international investment. Although ICSID could help to promote increased flows of governments and private foreign investors. 

- **International Centre for Settlement of Investment Disputes (ICSID)**: an independent organisation established to set international standards for accounting procedures. Abbreviation IASC.

- **International Accounting Standards Committee (IASC)**: a London-based independent organisation established to set international standards for accounting procedures. It was made part of the International Accounting Standards Board in 2001. Abbreviation IASB.

- **International Bank for Reconstruction and Development (IBRD)**: the operation of a bank account over the Internet.

- **International Financial Reporting Standards (IFRS)**: a type of bank which is part of the United Nations and helps member states in financial difficulties, gives financial advice to members and encourages world trade. Abbreviation IMF.

- **Internet banking**: the operation of a bank account over the Internet.

- **International Money Markets (IMM)**: a type of bank which is part of the United Nations and helps member states in financial difficulties, gives financial advice to members and encourages world trade. Abbreviation IMF.

- **Internet and set a deadline for companies**.

- **International Reserve Account (IRA)**: a type of bank which is part of the United Nations and helps member states in financial difficulties, gives financial advice to members and encourages world trade. Abbreviation IMF.

- **International reserves**: a type of bank which is part of the United Nations and helps member states in financial difficulties, gives financial advice to members and encourages world trade. Abbreviation IMF.

- **Internet banking**: the operation of a bank account over the Internet.

- **International Money Markets (IMM)**: a type of bank which is part of the United Nations and helps member states in financial difficulties, gives financial advice to members and encourages world trade. Abbreviation IMF.

- **International Reserve Account (IRA)**: a type of bank which is part of the United Nations and helps member states in financial difficulties, gives financial advice to members and encourages world trade. Abbreviation IMF.

- **Internet and set a deadline for companies**.

- **International Reserve Account (IRA)**: a type of bank which is part of the United Nations and helps member states in financial difficulties, gives financial advice to members and encourages world trade. Abbreviation IMF.

- **Internet banking**: the operation of a bank account over the Internet.

- **International Money Markets (IMM)**: a type of bank which is part of the United Nations and helps member states in financial difficulties, gives financial advice to members and encourages world trade. Abbreviation IMF.

- **Internet and set a deadline for companies**.

- **International Reserve Account (IRA)**: a type of bank which is part of the United Nations and helps member states in financial difficulties, gives financial advice to members and encourages world trade. Abbreviation IMF.

- **Internet banking**: the operation of a bank account over the Internet.
**intervention mechanism**

**intervention mechanism** /ˌɪntəˈvɛnʃən ˌmeɪkənmən/ noun a method used by central banks in maintaining exchange rate parities, e.g., buying or selling foreign currency.

**inter vivos trust** /ˌɪntə ˈvɪvəʊs trʌst/ noun a trust set up by one person for another living person.

**invalid** /ɪnˈvælid/ adjective not valid or not legal ○ This permit is invalid. ○ The claim has been declared invalid.

**invalidation** /ɪnˌvælɪˈdeɪʃən/ noun the act of making invalid. ○ Because the company has been taken over, the contract has been invalidated.

**invent** /ɪnˈvɛst/ verb 1. to put money into shares, bonds, a building society, etc., hoping that it will produce interest and increase in value ○ He invested all his money in unit trusts. ○ She was advised to invest in real estate or in government bonds. 2. to spend money on something which you believe will be useful ○ to invest money in new machinery ○ to invest capital in a new factory; …we have substantial venture capital to invest in good projects.” [Times] 3. to carry a high inventory ○ to draw up an inventory of fixtures and fittings ○ to make a list of stock or contents

**investment bank** /ɪnˈvɛstmənt ˌbæŋk/ noun US a bank which deals with the underwriting of new issues, and advises corporations on their financial affairs (Note: The UK term is **issuing house**.)

**investment company** /ɪnˈvɛstmənt ˈkʌmpəni/ noun the company whose shares can be bought on the Stock Exchange, and whose business is to make money by buying and selling stocks and shares.

**investment grant** /ɪnˈvɛstmənt ɡrænt/ noun a government grant to a company to help it to invest in new machinery.

**investment income** /ɪnˈvɛstmənt ˈɪnkəm/ noun income from investments, e.g., interest and dividends. Compare **earned income**

**Investment Management Association** /ɪnˈvɛstmənt ˈmeɪnstriŋmeɪnt əˌsəʊsɪəˈʃən/ noun the trade body for the UK investment industry, formed in February
2002 following the merger of the Association of Unit Trusts and Investment Funds (AUTIF) and the Fund Manager’s Association. Abbreviation IMA

investment property /ɪnˈvestmənt ˈprɒpəti/ noun property which is held for letting

investment revaluation reserve /ɪnˈvestmənt riˌveɪljuˈeɪʃən riˌzævəl/ noun the capital reserve where changes in the value of a business’s investment properties are disclosed when they are revalued

investment trust /ɪnˈvestmənt trəst/ noun a company whose shares can be bought on the Stock Exchange and whose business is to make money by buying and selling stocks and shares

investment turnover /ɪnˈvestmənt ˈtɜːnəvər/ noun income earned on capital invested in a business

investor /ɪnˈvestər/ noun a person who invests money

investor protection /ɪnˈvestə prəˈtekʃən/ noun legislation to protect small investors from unscrupulous investment brokers and advisers

Investors in Industry /ɪnˈvestəz ɪnˈɪndəstrɪ/ plural noun a finance group partly owned by the big British High Street banks, providing finance especially to smaller companies. Abbreviation 3i

invisible assets /ɪnˈvizəbl əˈsetz/ plural noun same as intangible assets

invisible earnings /ɪnˈvizəbl əˈɪnwaɪnərɪŋz/ plural noun foreign currency earned by a country by providing services, receiving interests or dividends, but not by selling goods

invisible exports /ɪnˈvizəbl ekˈspɔːrts/ plural noun services, e.g. banking, insurance and tourism, that are provided to customers overseas and paid for in foreign currency. Opposite visible imports

invisible imports /ɪnˈvizəbl ɪˈmɔːpɔːrts/ plural noun services that overseas companies provide to domestic customers who pay for them in local currency. Opposite visible exports

invisibles /ɪnˈvizəbl əˈɪnwaɪnərɪŋz|z/ plural noun invisible imports and exports

invisible trade /ɪnˈvizəbl ˈtrɛd/ noun trade involving invisible imports and exports. Opposite visible trade

invoice /ɪnˈvɔɪs/ noun a note asking for payment for goods or services supplied; your invoice dated November 10th is to make out an invoice for £250 or to settle or to pay an invoice; They sent in their invoice six weeks late. I sent to send an invoice to someone or to invoice a customer

invoice discounting /ɪnˈvɔɪs ˌdɪskæntɪŋ/ noun a method of obtaining early payment of invoices by selling them at a discount to a company which will receive payment of the invoices when they are paid. The debtor is not informed of this arrangement, as opposed to factoring, where the debtor is informed.

invoice price /ɪnˈvɔɪs prəs/ noun the price as given on an invoice, including any discount and VAT

invoice register /ɪnˈvɔɪs ˌredʒɪstr/ noun a list of purchase invoices recording the date of receipt of the invoice, the supplier, the invoice value and the person to whom the invoice has been passed to ensure that all invoices are processed by the accounting system

invoicing /ɪnˈvɔɪsɪŋ/ noun the work of sending invoices; All our invoicing is done by computer.

invoicing department /ɪnˈvɔɪsɪŋ ˌdɪpərtmənt/ noun the department in a company which deals with preparing and sending invoices

involuntary bankruptcy /ɪnˈvɔɪsəl ˈbæŋkrʌpti/ noun US an application by creditors to have a person or corporation made bankrupt (Note: The UK term is compulsory winding up.)

inward /ˈɪnwaːd/ adjective towards the home country

inward bill /ˈɪnwaːd ˈbil/ noun a bill of landing for goods arriving in a country

IR/US abbreviation Initial public offering

IRA /ˈɛərə/ abbreviation US Individual Retirement Account

IRC abbreviation Inland Revenue Commissioner

IRR abbreviation Internal rate of return

irrecoverable debt /ɪrˌkəˈvɛərəbl ˈdet/ noun a debt which will never be paid

irredeemable bond /ɪrˌredɪˈmiəbl ˈbɔnd/ noun a government bond which has no date of maturity and which therefore provides interest but can never be redeemed at full value

irrevocable /ɪrˈvɛrəkəbl/ adjective unchangeable
irrevocable letter of credit 128

Irrevocable letter of credit /ɪˌrɪvəkəb(ə)l/ noun a letter of credit which cannot be cancelled or changed, except if agreed between the two parties involved

IRS abbreviation US Internal Revenue Service

IS abbreviation income support

ISA /ˈɪndɪvɪdʒuəl/ abbreviation Individual Savings Account

issue /ˈɪʃuː/ noun an act of offering new shares for sale
‘…the company said that its recent issue of 10.5 per cent convertible preference shares at A$8.50 a share has been oversubscribed’ [Financial Times]

issued capital /ɪˈʃʊd̩ ˈkeptə(ə)/ noun an amount of capital which is given out as shares to shareholders

issued price /ɪˈʃʊd̩ prəs/ noun the price of shares in a new company when they are offered for sale for the first time

issuer /ˈɪʃuər/ noun a financial institution that issues credit and debit cards and maintains the systems for billing and payment

issuing /ˈɪʃuɪŋ/ adjective organising an issue of shares

Itemise /ˈɪtəməˌzaɪ/ verb to make a detailed list of things. Itemising the sales figures will take about two days.

IVA abbreviation Individual Voluntary Arrangement
J curve /ˈdʒer/ˈkaʊv/ noun a line on a graph shaped like a letter ‘J’, with an initial short fall, followed by a longer rise, used to describe the effect of a falling exchange rate on a country’s balance of trade

JIT abbreviation just-in-time

job card /dʒəb ˈkaːd/ noun a record card relating to a job and giving details of the time taken to do a piece of work and the materials used. This is used to allocate direct labour and materials costs.

job costing /dʒəb ˈkɒstɪŋ/ noun the process of calculating the cost of a single job or batch of work. Also called specific order costing

job order /dʒəb ˈɔrdə/ noun an authorised order for the production of goods or services

job order costing /dʒəb ˈɔrdə ˈkɒstɪŋ/ noun the accumulation of costs incurred by fulfilling specific orders for goods or services

joint /dʒɔɪnt/ adjective 1. carried out or produced together with others o a joint undertaking 2. one of two or more people who work together or who are linked o They are joint beneficiaries of the will. o The two countries are joint signatories of the treaty.

joint account /dʒɔɪnt ˈəʊkənt/ noun a bank or building society account shared by two people o Many married couples have joint accounts so that they can pay for household expenses.

joint and several liability /dʒɔɪnt ən ˈsɛvrəl ˌlɛstəˈbɪlitɪ/ noun a situation where someone who has a claim against a group of people can sue them separately or together as a group

joint cost /dʒɔɪnt ˈkɒst/ noun the cost of which can be allocated to more than one product, project or service

joint-life annuity /dʒɔɪnt laɪf ˈʃɑːljuəni/ noun an annuity that continues until both parties have died. They are attractive to married couples as they ensure that the survivor has an income for the rest of his or her life.

jointly /dʒɔɪntli/ adverb together with one or more other people o to own a property jointly o to manage a company jointly o They are jointly liable for damages.

joint management /dʒɔɪnt ˈmænɪdʒmənt/ noun management done by two or more people

joint ownership /dʒɔɪnt ˈəʊnəʃɪp/ noun the owning of a property by several owners

joint products /dʒɔɪnt ˈprɒdzʌktɪz ˈpljuːral ˈnəʊn/ noun two or more products that are produced as a unit but are sold separately and each have a saleable value high enough for them to be regarded as a main product

joint return /dʒɔɪnt ˈrɪtərn/ noun a tax return that is filed jointly by a husband and wife

joint-stock bank /dʒɔɪnt ˈstɒk ˈbæŋk/ noun a bank which is a public company quoted on the Stock Exchange

joint-stock company /dʒɔɪnt ˈstɒk ˈkæmpəni/ noun formerly, a public company in the UK whose shares were owned by very many people. Now called a Public Limited Company or Plc.

joint venture /dʒɔɪnt ˈventʃə/ noun a situation where two or more companies join together for one specific large business project

journal /dʒɔɪnl/ noun a book with the account of sales and purchases made each day

journal entry /dʒɔɪnl ˈɛntrɪ/ noun a record of the accounting information for a business transaction, made at first in a journal and later transferred to a ledger

judgment /dʒʊdʒmənt/ noun a legal decision or official decision of a court o to pronounce judgment. to give your judgment on something to give an official or legal decision about something

judgment creditor /dʒʊdʒmənt ˈkredətə/ noun a person who has been given a court order making a debtor pay him a debt
judgment debtor noun a debtor who has been ordered by a court to pay a debt

junior capital noun capital in the form of shareholders’ equity, which is repaid only after secured loans called ‘senior capital’ have been paid if the firm goes into liquidation

junior mortgage noun a second mortgage

junior partner noun a person who has a small part of the shares in a partnership

junior security noun a security which is repaid after other securities

just-in-time noun a system in which goods are made or purchased just before they are needed, so as to avoid carrying high levels of stock. Abbreviation JIT
K

abbreviation one thousand £20K+ salary more than £20,000 per annum
Keogh plan Keogh plan noun US a private pension plan allowing self-employed businesspeople and professionals to set up pension and retirement plans for themselves
key-person insurance key-person insurance noun an insurance policy taken out to cover the costs of replacing an employee who is particularly important to an organisation if he or she dies or is ill for a long time
key rate key rate noun an interest rate which gives the basic rate on which other rates are calculated, e.g. the former bank base rate in the UK, or the Federal Reserve’s discount rate in the USA
kickback kickback noun an illegal commission paid to someone, especially a government official, who helps in a business deal
kicker kicker noun a special inducement to buy a bond, e.g. making it convertible to shares at a preferential rate (informal)
kite kite kite verb 1. US to write cheques on one account which may not be able to honour them and deposit them in another, withdrawing money from the second account before the cheques are cleared. 2. to use stolen credit cards or cheque books
kitty kitty kitty noun money which has been collected by a group of people to be used later, such as for an office party ○ We each put £5 into the kitty.
Know How Fund Know How Fund noun formerly, a fund created by the UK government to provide technical training and advice to countries of Eastern Europe. This function is now carried out by the Department for International Development.
knowledge management knowledge management noun the task of co-ordinating the specialist knowledge possessed by employees so that it can be exploited to create benefits and competitive advantage for the organisation
labour /ˈleɪbər/ noun 1. heavy work (NOTE: The US spelling is labor.) 2. labour is charged at £15 an hour each hour of work costs £15. workers, the workforce. 3. We will need to employ more labour if production is to be increased. 4. The costs of labour are rising in line with inflation. (NOTE: The US spelling is labor.)

‘…the possibility that British goods will price themselves back into world markets is doubtful as long as sterling labour costs continue to rise faster than in competitor countries’ [Sunday Times]

labour costs /ˈleɪbər kəʊsts/ plural noun the cost of the employees employed to make a product, not including materials or overheads

labour efficiency variance /ˈleɪbər ɪˈfɪʃənsɪ vərəriəns/ noun the discrepancy between the usual or expected labour time used to produce something and the actual time used

labour force /ˈleɪbər fɔːs/ noun all the employees in a company or in an area. The management has made an increased offer to the labour force. 3. We are opening a new factory in the Far East because of the cheap local labour force.

‘70 per cent of Australia’s labour force is employed in service activity’ [Australian Financial Review]

labour market /ˈleɪbər mɑrkɪt/ noun the number of people who are available for work. 2. 25,000 school-leavers have just come on to the labour market.

labour rate (price) variance /ˈleɪbər ræt ˈprɪs ɪˈfɪʃənsɪ vərəriəns/ noun any change to the normal hourly rate paid to workers

labour relations /ˈleɪbər ˈreɪʃənz/ plural noun relations between management and employees. The company has a history of bad labour relations.

labour turnover /ˈleɪbər ˈtɜːrnəuvər/ noun the movement of employees with some leaving their jobs and others joining. Also called turnover of labour

labour variance /ˈleɪbər ɪˈfɪʃənsɪ vərəriəns/ noun any discrepancy between the actual cost of labour in an organisation and the standard industry cost

Laffer curve /ˈlæfə kərvi/ noun a chart showing that cuts in tax rates increase output in the economy. Alternatively, increases in tax rates initially produce more revenue and then less as the economy slows down.

lag /læg/ verb to be behind or to be slower than something

lagging indicator /ˈlægɪŋ ɪndɪkətər/ noun an indicator which shows a change in economic trends later than other indicators, e.g. the gross national product. Opposite leading indicator

landlord /ˈlaɪndlɔrd/ noun a person or company which owns a property which is let

land register /ˈlaɪnd nəˈdʒɪstrɪ/ noun a list of pieces of land, showing who owns each and what buildings are on it

land registration /ˈlaɪnd nəˈdʒɪstrəʃən/ a system of registering land and its owners

Land Registry /ˈlaɪnd nəˈdʒɪstrəʃən/ a government office where details of land ownership and sales are kept

land tax /ˈlaɪnd tæks/ noun a tax on the amount of land owned

lapse /leɪps/ verb to stop being valid, or to stop being active. The guarantee has lapsed.

lapsed option /ˈleɪpst ˈɔpʃən/ noun an option which has not been taken up, and now has expired

last in first out /ˈlaːst ɪn ˈfɜːrst ˈaʊt/ phrase an accounting method where stock is valued at the price of the earliest purchases. Abbreviation LIFO. Compare first in first out

last quarter /ˈlaːst ˈkwɔrət/ noun a period of three months at the end of the financial year

last will and testament /ˈlaːst wɪl ən ˈtestaments/ noun a will, a document by
which a person says what he or she wants to happen to their property when they die.

lead /led/ verb to pass illegal profits, money from selling drugs, money which has not been taxed, etc., into the banking system or to launder money through an offshore bank.

‘...it has since emerged that the bank was being used to launder drug money and some of its executives have been given lengthy jail sentences’ [Times]

LAUTRO /ˈlɔətrəʊ/ abbreviation Life Assurance and Unit Trust Regulatory Organisation

law /laʊ/ noun 1. the laws 2. inside or within the law obeying the laws of a country or against or outside the law not according to the laws of a country The company is possibly operating outside the law. or to break the law to do something which is not allowed by law He is breaking the law by trading without a licence.

3. a rule governing some aspect of human activity made and enforced by the state.

lawful /ˈlɔʊfl/ adjective acting within the law.

law of supply and demand /ˈlaʊ ɒv ˈdeɪmd/ noun a general rule that the amount of a product which is available is related to the needs of potential customers.

lay out phrasal verb to spend money or We had to lay out half our cash budget on equipping the new factory.

LBO abbreviation leveraged buyout

L/C abbreviation letter of credit.

LCM abbreviation lower of cost or market

LDT abbreviation licensed deposit-taker

lead bank /led ˈbærk/ noun the main bank in a loan syndicate.

leading indicator /ˈlɛdɪŋ ˈɪndɪkətə/ noun an indicator such as manufacturing order books which shows a change in economic trends earlier than other indicators. Opposite lagging indicator.

lead manager /ˈlɛd maɪndʒə/ noun a person who organises a syndicate of underwriters for a new issue of securities.

leads and lags /lɛdz ən ˈlægz/ plural noun in businesses that deal in foreign currencies, the practice of speeding up the receipt of payments (leads) if a currency is going to weaken, and slowing down the payment of costs (lags) if a currency is thought to be about to strengthen, in order to maximise gains and reduce losses.

lead time /ˈlɛd tʌm/ noun the time between deciding to place an order and receiving the product The lead time on this item is more than six weeks.

lead underwriter /ˈlɛd ˈʌndəraʊtə/ noun an underwriting firm which organises the underwriting of a share issue (Note: The US term is managing underwriter.)

learning curve /ˈlɛrnɪŋ ˈkɜəv/ noun 1. a process of learning something that starts slowly and then becomes faster 2. a line on a graph which shows the relationship between experience in doing something and competence at carrying it out 3. a diagram or graph that represents the way in which people gain knowledge or experience over time. (Note: A steep learning curve represents a situation where people learn a great deal in a short time; a shallow curve represents a slower learning process. The curve eventually levels out, representing the time when the knowledge gained is being consolidated.) 4. the decrease in the effort required to produce each single item when the total number of items produced is doubled (Note: The concept of the learning curve has its origin in productivity research in the aircraft industry of the 1930s, when it was discovered that the time and effort needed to assemble an aircraft decreased by 20% each time the total number produced doubled.)

lease /leɪs/ noun a written contract for letting or renting a building, a piece of land or a piece of equipment for a period against payment of a fee or to rent office space on a twenty-year lease or the lease runs out next year the lease comes to an end next year to verb 1. to let or rent offices, land or machinery for a period or to lease offices to small firms or to lease equipment 2. to use an office, land or machinery for a time and pay a fee or to lease an office from an insurance company or. All our company cars are leased.

lease back phrasal verb to sell a property or machinery to a company and then take it back on a lease. They sold the office building to raise cash, and then leased it back on a twenty-five year lease.

leasehold /ˈliːʃəʊld/ noun, adjective possessing property on a lease, for a fixed time or to buy a property leasehold. We are currently occupying a leasehold property. The company has some valuable leaseholds.

leasehold /ˈliːʃəʊld/ noun a property held on a lease from a freeholder. The company has some valuable leaseholds.
leaseholder  /lɪˈʃeɪ.əldər/ noun a person who holds a property on a lease

leasing /ˈlɛsɪŋ/ noun the use of a lease or of equipment under a lease ○ an equipment-leasing company ○ The company has branched out into car leasing. ○ lessee

leasing agreement /ˈlɛsɪŋ əˈɡreɪ.mənt/ noun a contract between an owner and a lessee, by which the lessee has the exclusive use of a piece of equipment for a period of time, against payment of a fee

ledger /ˈledʒər/ noun a book in which accounts are written

legacy /ˈleɡəsi/ noun a piece of property given by someone to someone else in a will

legal /ˈlɛɡl/ adjective 1. according to the law or allowed by the law ○ The company’s action in sacking the accountant was completely legal. 2. referring to the law

legal capital /ˈlɛɡl kæpɪtl/ noun the amount of shareholders’ equity in a company that is not reduced when dividends are paid

legal charge /ˈlɛɡl ˈtʃɑrʒ/ noun a legal document held by the Land Registry showing who has a claim on a property

legal claim /ˈlɛɡl klem/ noun a statement that someone owns something legally ○ He has no legal claim to the property.

legal costs /ˈlɛɡl kɔsts/ plural noun money spent on fees to lawyers ○ The clerk could not afford the legal expenses involved in suing her boss.

legal currency /ˈlɛɡl kʌrənsi/ noun money which is legally used in a country

legal tender /ˈlɛɡl ˈtendər/ noun coins or notes which can be legally used to pay a debt

legatee /ˈlɛgətɪ/ noun a person who receives property from someone who has died

lend /lend/ verb to allow someone to use something for a period ○ to lend something to someone ○ to lend someone something ○ to lend money against security ○ He lent the company money or He lent money to the company. ○ The bank lent her £50,000 to start her business. (NOTE: lending – lent)

lender /ˈlendər/ noun a person who lends money

lender of the last resort /ˈlendər əv də loudt rɪˈzaʊt/ noun a central bank which lends money to commercial banks

lending limit /ˈlendɪŋ ˈlɪmɪt/ noun a restriction on the amount of money a bank can lend

lending margin /ˈlendɪŋ ˈmærdʒɪn/ noun an agreed spread for lending, based on the LIBOR

less /les/ adjective smaller than, of a smaller size or of a smaller value ○ We do not grant credit for sums of less than £100. ○ He sold it for less than he had paid for it.

legal charge /ˈlɛɡl ˈtʃɑrʒ/ noun a legal document held by the Land Registry showing who has a claim on a property

legal currency /ˈlɛɡl kʌrənsi/ noun money which is legally used in a country

legal tender /ˈlɛɡl ˈtendər/ noun coins or notes which can be legally used to pay a debt

legal transfer /ˈlɛɡl ˈtɜːfr ər/ noun a letter promising payment

legal transfer /ˈlɛɡl ˈtɜːfr ər/ noun a letter which says that something has been received

letter of credit /ˈlɛtər əv kredɪt/ noun a document issued by a bank on behalf of a customer authorising payment to a supplier when the conditions specified in the document are met. Abbreviation L/C

letter of indemnity /ˈlɛtər əv ˈɪndəmənti/ noun a letter promising payment as compensation for a loss

letter of intent /ˈlɛtər əv ˈɪntent/ noun a letter which states what a company intends to do if something happens

letter of licence /ˈlɛtər əv ˈlaɪs(ə)ns/ noun a letter from a creditor to a debtor who is having problems repaying money owed, giving the debtor a certain period of time to raise the money and an undertaking not to bring legal proceedings to recover the debt during that period

letters patent /ˈlɛtərs ˈpɛntənt/ plural noun the official term for a patent

level /ˈlev(ə)l/ verb to level off or to level out to stop rising or falling ○ Prices have levelled off over the last few years. ○ Prices are levelling out.

leverage /ˈlevərdʒ/ noun 1. same as gearing 2. the act of borrowing money at a fixed interest which is then used to produce more money than the interest paid

leveraged /ˈlevərdʒd/ adjective borrowing relatively large sums of money in order to finance assets

leveraged buyout /ˈlevərdʒd ˈbɔːtu/ noun see takeover /ˈteɪkəʊər/
...the offer came after management had offered to take the company private through a leveraged buyout for $825 million [Fortune].

Life expectancy /ˈlaɪf ɪnˈsɛktrəns/ noun the number of years a person is likely to live.

Life insurance /ˈlaɪf ɪnˈʃʊərəns/ noun US same as life assurance.

Life interest /ˈlaɪf ɪnˈtræst/ noun a situation where someone benefits from a property as long as he or she is alive.

Life tables /ˈlaɪf ɪnˈtɛbəlz/ plural noun same as actuarial tables.

LIFO /ˈlaɪfoʊ/ abbreviation last in first out.

limit /ˈlɪmɪt/ noun the point at which something ends or the point where you can go no further. Verb 1. to stop something from going beyond a specific point, to restrict the number or amount of something 2. to restrict the number or amount of something.

...the biggest surprise of 1999 was the rebound in the price of oil. In the early months of the year commentators were talking about a fall to $5 a barrel but for the first time in two decades, the oil exporting countries got their act together, limited production and succeeded in pushing prices up [Financial Times].

Limitation /ˈlɪmɪteɪʃən/ noun the act of allowing only a specific quantity of something. The contract imposes limitations on the number of cars which can be imported.

Limited company /ˈlaɪmɪttɪd ˈkæmpəni/ noun a company in which each shareholder is responsible for the company’s debts only to the amount that he or she has invested in the company. Limited companies must be formed by at least two directors. Abbreviation Ltd. Also called limited liability company.

Limited liability /ˈlaɪmɪttɪd ˈlaɪəˈbɪləti/ noun a situation where someone’s liability for debt is limited by law.

Limited liability company /ˈlaɪmɪttɪd ˈlaɪəˈbɪləti ˈkæmpəni/ noun same as limited company.

Limited partner /ˈlaɪmɪttɪd ˈpɑrtnər/ noun a partner who is responsible for the debts of the firm only up to the amount of money which he or she has provided to the business.

Limited partnership /ˈlaɪmɪttɪd ˈpɑrtnərʃɪp/ noun a registered business where the liability of the partners is limited to the amount of capital they have each provided to the business.

Limiting factor /ˈlaɪmɪttɪŋ ˈfæktər/ noun a factor which limits a company’s ability to achieve its goals, e.g. sales demand being too low for the company to make enough...
line item budget

profit ○ The short holiday season is a limiting factor on the hotel trade.

line item budget /ˈlaɪn ɪtəm ˈbʌdʒɪt/ noun a well-established budget layout that shows the costs of a cost object analysed by their nature in a line-by-line format.

line of credit /ˈlaɪn əv ˈkredɪt/ noun 1. the amount of money made available to a customer by a bank as an overdraft ○ to open a line of credit or a credit line to make credit available to someone 2. the borrowing limit on a credit card.

link /lnk/ verb to join or to attach to something else ○ to link pensions to inflation ○ to link bonus payments to productivity ○ His salary is linked to the cost of living; ○ index-linked.

liquid /ˈlɪkwɪd/ adjective easily converted to cash, or containing a large amount of cash.

liquid assets /ˈlɪkwɪd ˈæsɛts/ plural noun cash, or investments which can be quickly converted into cash.

liquidity /ˈlɪkwɪdɪti/ noun the amount of money that would be yielded by a quick sale of all of a company’s assets.

liquidator /ˈlɪkwɪdətər/ noun a person named to supervise the closing of a company which is in liquidation.

liquidation /ˈlɪkwɪdəʃən/ noun the sale of assets for cash, usually in order to pay debts ○ liquidation of a debt payment of a debt 2. the winding up or closing of a company and selling of its assets ○ the company went into liquidation.

liquidation value /ˈlɪkwɪdəʃən ˈvæljuː/ noun the amount of money that would be yielded by a quick sale of all of a company’s assets.

local /ˈləʊkəl/ adjective located in or providing a service for a restricted area.

local authority /ˈləʊkəl əˈθɜːrti/ noun an elected section of government which runs a small area of the country.

local currency /ˈləʊkəl ˈkærənsi/ noun the currency of a particular country where a transaction is being carried out ○ Because of the weakness of the local currency, all payments are in dollars.

local government /ˈləʊkəl ˈgʌvərnənt/ noun elected authorities and administrative organisations which deal with the affairs of small areas of a country.

lock into /lnk ˈɪntə, ˈləʊk ˈɪn/ verb to be fixed to an interest rate or exchange rate ○ By buying francs forward the company is in effect locking itself into a pound-franc exchange rate of 10.06.
bond
making a profit
having less money than before or of not
something which is losing money
do not have to be repaid for some years
years' time. Also called
long period of time in the future
months' time
bill which is payable in more than three
£25,000 in his father's computer company.
loss
money in coins
loose change
loans that are not repaid within a year
long-term debt
loans that are not repaid within a year
long-term borrowings
borrowings which do not have to be repaid for some years
long-term debt
loans that are not repaid within a year
lose
verb 1. not to have something any more 2. to have less money  ○ He lost £25,000 in his father's computer company.
loss
noun 1. the state or process of not having something any more 2. the state of having less money than before or of not making a profit  ○ the car was written off as a dead loss or a total loss the car was so badly damaged that the insurers said it had no value  ○ to cut your losses to stop doing something which is losing money
loss
noun a person who calculates how much insurance should be paid on a claim
loss
noun the process of applying a net operating loss to a previous accounting year
loss
noun the process of applying a net operating loss to a previous accounting year
loss
noun an amount of tax not to be paid on one year's profit to offset a loss in the previous year
lot
noun 1. a group of items sold together at an auction  ○ to bid for lot 23  ○ At the end of the auction half the lots were unsold. 2. a group of shares which are sold  ○ to sell a lot of shares  ○ to sell shares in small lots
lottery
noun a game where numbered tickets are sold and prizes given for some of the numbers
lower of cost or market
noun a stock-accounting method in which a manufacturing or supply firm values items of stock either at their original cost or the current market price, whichever is lower. Abbreviation LCM
low gearing
noun the fact of not having much borrowing in proportion to your capital
low yield
noun a yield on the share price which is low for the sector, suggesting that investors anticipate that the company will grow fast, and have pushed up the share price in expectation of growth
loyalty bonus
noun a special privilege given to shareholders who keep their shares for a long period of time, used especially to attract investors to privatisation issues
Ltd
abbreviation limited company
lump sum
noun money paid in one single amount, not in several small sums  ○ When he retired he was given a lump-sum bonus.  ○ She sold her house and invested the money as a lump sum.
luncheon voucher
noun ticket given by an employer to an employee in addition to their wages, which can be exchanged for food in a restaurant
luxury tax
noun a tax on goods or services that are considered non-essential
machine hour rate /ˌmeɪʃin houə reɪt/ noun a method of calculating production overhead absorption rate, where the number of hours the machines are expected to work is divided into the budgeted production overhead to give a rate per hour

macro- /ˈmeɪkrəʊ/ prefix very large, covering a wide area

macroeconomics /ˌmærəʊəˈkɒmɪkəs/ plural noun a study of the economics of a whole area, a whole industry, a whole group of the population or a whole country, in order to help in economic planning. Compare microeconomics (NOTE: takes a singular verb)

majority shareholder /ˈmeɪdʒərɪti ʃeərholədə/ noun a person who owns more than half the shares in a company

majority shareholding /ˈmeɪdʒərɪti ʃeəhəʊldɪŋ/ noun a group of shares which are more than half the total

majority vote /ˈmeɪdʒərɪti ˈvəʊt/ noun a decision which represents the wishes of the largest group as shown by a vote

make /meɪk/ verb 1. to produce or to manufacture □ The factory makes three hundred cars a day. 2. to earn money □ He makes £50,000 a year or £25 an hour. 3. to increase in value □ The shares made £2.92 in today’s trading. 4. □ to make a profit to have more money after a deal □ to make a loss to have less money after a deal □ to make a killing to make a very large profit

make over phrasal verb to transfer property legally □ to make over the house to your children

make up phrasal verb to compensate for something □ to make up a loss or difference to pay extra so that the loss or difference is covered

make-or-buy decision /meɪk @ˈbeɪ di ˈstreɪʃ(ə)n/ noun a choice between manufacturing a product or component and buying it in

maladministration /ˌmeɪdʒədəˌmænɪdɪˈstrɪʃ(ə)n/ noun incompetent administration

manage /ˈmeɪndʒər/ verb to direct or to be in charge of something □ to manage a branch office □ A competent and motivated person is required to manage an important department in the company.

…the research director will manage and direct a team of graduate business analysts reporting on consumer behaviour throughout the UK’ [Times]

managed earnings /ˈmeɪndʒəd ˈɛənɪŋz/ plural noun the use of any of various accounting devices to make profits appear higher or lower than they actually were in a given accounting period

managed fund /ˈmeɪndʒəd fʌnd/ noun a unit trust fund which is invested in specialist funds within the group and can be switched from one specialised investment area to another. Also called managed unit trust

managed rate /ˈmeɪndʒəd rēt/ noun a rate of interest charged by a financial institution for borrowing that is not prescribed as a margin over base rate but is set from time to time by the institution

managed unit trust /ˈmeɪndʒəd ˈjuːnt ˈtrʌst/ noun same as managed fund

management /ˌmeɪndʒəmənt/ noun 1. the process of directing or running a business □ a management graduate □ Good management or efficient management is essential in a large organisation. □ Bad management or inefficient management can ruin a business. 2. a group of managers or directors □ The management has decided to give everyone a pay increase. (NOTE: Where management refers to a group of people it is sometimes followed by a plural verb.)

‘…the management says that the rate of loss-making has come down and it expects further improvement in the next few years’ [Financial Times]
management accountant /ˌmænɪdʒmənt əˌkaʊntənt/ plural noun an accountant who prepares financial information for managers so that they can take decisions

management accounting /ˌmænɪdʒmənt əˌkaʊntɪŋ/ noun a branch of accounting that is specially designed to assist with management tasks and decision-making. Abbreviation MIS

management audit /ˌmænɪdʒmənt əˈdʒʊlt/ noun an audit that is specially designed to assist with management tasks and decision-making. Abbreviation MIS

management buy-in /ˌmænɪdʒmənt ˈbʌɪɪn/ noun the purchase of a subsidiary company by a group of employees, usually senior managers and directors. Abbreviation MBO

management buyout /ˌmænɪdʒmənt ˈbʌɪəʊt/ noun the takeover of a company by a group of employees, usually senior managers and directors. Abbreviation MBO

management charge /ˌmænɪdʒmənt ˈʃɑːrdʒ/ noun same as annual management charge

management consultant /ˌmænɪdʒmənt kənˈsʌltənt/ noun a person who gives advice on how to manage a business

management control system /ˌmænɪdʒmənt kənˈtrəʊl ˈsɪstəm/ noun a system for controlling and monitoring the performance of an organisation's resources

management decision cycle /ˌmænɪdʒmənt dɪˈsɜːʃn ˈsiːkl/ noun a model for decision-making, following the process from the identification of a need or problem to an accountant's analysis of the effect of the decisions taken

management information system /ˌmænɪdʒmənt ˌɪnfəˈmeɪʃn ˈsɪstəm/ noun a computer-based information system that is specially designed to assist with management review /ˌmænɪdʒmənt ˈriːvjuː/ noun an external auditor's evaluation of the performance of the managers of an organisation. Also called management letter

management team /ˌmænɪdʒmənt ˈtiːm/ noun all the managers who work in a particular company

manager /ˈmænɪdʒər/ 1. the head of a department in a company ○ Shé's a department manager in an engineering company. ○ Go and see the human resources manager if you have a problem. ○ The production manager has been with the company for only two weeks. 2. the person in charge of a branch or shop ○ Mr Smith is the manager of our local Lloyds Bank. ○ The manager of our Lagos branch is in London for a series of meetings.

manufacturing profit /ˌmænjuːərɪŋ ˈprɒfɪt/ noun the difference between the cost of buying a product from another supplier and the cost to the company of manufacturing it itself
margin

manufacturing resource planning
an integrated computerised information system that integrates all aspects of a company’s manufacturing business

margin
the difference between the money received when selling a product and the money paid for it, extra space or time allowed is the difference between interest paid to depositors and interest charged to borrowers by a bank, building society, etc.

marginal
adjective hardly worth the money paid

marginal analysis
an assessment of the impact of minor changes on a company, industry or economy

marginal cost
the cost of making a single extra unit above the number already planned

marginal costing
the costing of a product on the basis of its variable costs only, excluding fixed costs

marginal rate of tax
the percentage amount of tax which a taxpayer pays at the top rate, which he or she therefore pays on every further pound or dollar he or she earns.

marginal tax rate
in the second half of last week as a technical correction to a market which had been pushed by demand to over the 900 index level.

marginal analysis
the detailed examination and report of a market

market capitalisation
the total market value of a company, calculated by multiplying the price of its shares on the Stock Exchange by the number of shares issued.

marketable
adjective easily sold

market analysis
the detailed examination and report of a market

market
an area where a product might be sold or the group of people who might buy a product is called.

marketability
the fact of being able to be sold easily.

market analysis
the detailed examination and report of a market

margin call
a request for a purchaser of a futures contract or an option to pay more margin, since the fall in the price of the securities or commodity has removed the value of the original margin deposited

margin of safety
the units produced or sales of such units which are above the break-even point

mark down phrasal verb to make the price of something lower

mark up phrasal verb to make the price of something higher

mark-down
a reduction in the price of something to less than its usual price

market
an area where a product might be sold or the group of people who might buy a product is called.

marginal
adjective hardly worth the money paid
Exchange by the number of shares outstanding of a company with a £1m capitalisation.

**market economist** /mɑ:ktik/ noun a person who specialises in the study of financial structures and the return on investments in the stock market.

**market forces** /mɑ:kt fɔ:səz/ plural noun the influences on the sales of a product which bring about a change in prices.

**marketing** /mɑ:ktɪŋ/ noun the business of presenting and promoting goods or services in such a way as to make customers want to buy them.

‘…reporting to the marketing director, the successful applicant will be responsible for the development of a training programme for the new sales force’ [Times]

**marketing agreement** /mɑ:ktɪŋ ə grɪmənt/ noun a contract by which one company will market another company’s products.

**marketing cost** /mɑ:ktɪŋ kɔst/ noun the cost of selling a product, including advertising, packaging, etc.

**marketing department** /mɑ:ktɪŋ dət/ noun the section of a company dealing with marketing and sales.

**marketing manager** /mɑ:ktɪŋ mænɪdʒər/ noun a person in charge of a marketing department. The marketing manager has decided to start a new advertising campaign.

**market leader** /mɑ:kt lɪdər/ noun 1. a product which sells most in a market. 2. the company with the largest market share.

We are the market leader in home computers.

‘…market leaders may benefit from scale economies or other cost advantages; they may enjoy a reputation for quality simply by being at the top, or they may actually produce a superior product that gives them both a large market share and high profits’ [Accountancy]

**marketmaker** /mɑ:ktmækə/ noun a person or firm that buys and sells shares on the stock market and offers to do so (Note: Marketmakers list the securities they are willing to buy or sell and their bid and offer prices. If the prices are met, they immediately buy or sell and make their money by charging a commission on each transaction. Marketmakers play an important part in maintaining an orderly market.)

**market opportunities** /mɑ:kt ˈɒpə /plural noun the possibility of finding new sales in a market.

**market price** /mɑ:kt prɪs/ noun 1. the price at which a product can be sold. 2. the price at which a share stands in a stock market.

**market rate** /mɑ:kt rɛt/ noun the usual price in the market.

We pay the market rate for temporary staff or We pay temporary staff the market rate.

‘…after the prime rate cut yesterday, there was a further fall in short-term market rates’ [Financial Times]

**market research** /mɑ:kt rɪˈsɜːtʃ/ noun the process of examining the possible sales of a product and the possible customers for it before it is put on the market.

**market risk premium** /mɑ:kt rɪsk ˈprɛmɪəm/ noun the extra return required from a high-risk share to compensate for its higher-than-average risk.

**market trends** /mɑ:kt ˈtrendz/ plural noun gradual changes taking place in a market.

**market value** /mɑ:kt ˈvljuː/ noun the value of an asset, a share, a product or a company if sold today.

**mass production** /mæs prəˈdækʃən/ noun the manufacture of large quantities of identical products.

**master budget** /mɑ:stə bɪˈdʒʌt/ noun a plan that assesses an organisation’s proposed activities in terms of assets, equities, revenues and costs.

**matching** /mætʃɪŋ/ noun the process of comparing costs to sales in order to calculate profits during an accounting period.

**matching concept** /mætʃɪŋ ˈkɒnsəpt/ noun the basis for preparing accounts which says that profits can only be recognised if sales are fully matched with costs accrued during the same period.

**material facts** /məˈtʃʊərəl ˈfækts/ plural noun 1. in an insurance contract, information that the insured has to reveal at the time that the policy is taken out, e.g., that a house is located on the edge of a crumbling cliff. Failure to reveal material facts can result in the contract being declared void. 2. information that has to be disclosed in a prospectus.

**listing requirements**
materiality

materiality /ˈmətəriələtɪ/ noun the seriousness of an omission or misstatement in accounts

material news /ˈmətəriəl nɪˈnjuːs/ plural noun price sensitive developments in a company, e.g., proposed acquisitions, mergers, profit warnings and the resignation of directors, that most stock exchanges require a company to announce immediately to the exchange. (NOTE: The US term is material information.)

material requirement planning /ˈmətəriəl rɪˈkwɛrənt plənɪŋ/ a computer-based system that deals with the ordering and processing of component parts and materials. Abbreviation MRP

materials price variance /ˈmətəriəlz prɪˈveɪrəns/ noun the discrepancy between the price actually paid for materials and the price that it was expected would be paid

materials quantity (usage) variance /ˈmətəriəlz ˈkwɒntɪtɪ vərərəns/ noun the discrepancy between the actual quantity of materials used in production and the quantity of materials normally allowed

materials variance /ˈmətəriəlz vərərəns/ noun a combination of materials price variance and materials quantity (usage) variance

maternity benefit /ˈmætərniətɪ bɪˈnefɪt/ noun money paid by the National Insurance to a mother when she has her child

maternity pay period /ˈmætərniəti pɛriˈod/ noun a period of eighteen weeks when statutory maternity pay is paid. Abbreviation MPP

maturity /ˈmætərɪti/ noun the time at which something becomes due for payment or repayment

maturity date /ˈmætərɪti dɛt/ noun a date when a government stock, an assurance policy or a debenture will become due for payment. Also called date of maturity

maturity value /ˈmætərɪti vælju/ noun the amount payable when a bond or other financial instrument matures

maxi ISA /ˈmæksɪ ˈɪəsə/ noun an ISA that offers the opportunity to invest on the stock market, with a limit on combined cash and stock market investments of £7000 per year.

mini ISA

maximisation /ˈmæksɪˌmeɪʃən/ maximization noun the process of making something as large as possible

maximise /ˈmæksɪˌmʌsɪ/ maximize verb to make something as large as possible

Our aim is to maximise profits. She is paid on results, and so has to work flat out to maximise her earnings.

maximum /ˈmeɪksɪməm/ noun the largest possible number, price or quantity

MBI abbreviation management buyin

MBO abbreviation management buyout

MD abbreviation managing director

mean /ˈmiːn/ adjective average. The mean annual increase in sales is 3.20%

mean /ˈmiːn/ noun the average or number calculated by adding several quantities together and dividing by the number of quantities added. Unit sales are over the mean for the first quarter or above the first-quarter mean.

means /ˈmiːnz/ noun a way of doing something. Do we have any means of copying all these documents quickly?

Medical insurance /ˈmeɪdɪkl ɪnʃuərəns/ noun insurance which pays the cost of medical treatment, especially when someone is travelling abroad

medium of exchange /ˈmiːdiəm əv ɪks/ noun anything that is used to pay for goods. Nowadays, this usually takes the form of money (banknotes and coins), but in
ancient societies, it included anything from cattle to

**mediums** /ˈmɪdɪəms/ plural noun government stocks which mature in seven to fifteen years’ time

**medium-sized company** /ˈmɪdɪəm saɪzd/ noun a company which has an annual turnover of less than £22.8m and does not employ more than 250 staff ○ a medium-sized engineering company

**medium-term bond** /ˈmɪdɪəm tɜːrm ˈbrʌnd/ noun a bond which matures within five to fifteen years

**member** /ˈmembə/ noun 1, a person who belongs to a group, society or organisation ○ Committee members voted on the proposal. ○ They were elected members of the board. ○ Every employer is a member of the employers’ federation. 2, a shareholder in a company 3, an organisation which belongs to a larger organisation ○ the member states of the EU ○ the members of the United Nations ○ the member companies of a trade association

…it will be the first opportunity for party members and trade union members to express their views on the tax package [Australian Financial Review]

**member bank** /ˈmembər ˈbæŋk/ noun a bank which is part of the Federal Reserve system

**member firm** /ˈmembər ˈfɜːrm/ noun a stockbroking firm which is a member of a stock exchange

**membership** /ˈmembəʃɪp/ noun 1, the fact of belonging to a group, society or organisation ○ membership qualifications ○ conditions of membership ○ membership of the EU 2, all the members of a group ○ The membership was asked to vote for the new president.

…the bargaining committee will recommend that its membership ratify the agreement at a meeting called for June [Toronto Star]

**members’ voluntary winding up** /ˈmembərz, ˈvaːnldɪŋ ˈap/ noun the winding up of a company by the shareholders themselves

**memorandum and articles of association** /ˈmɛmərəndəm ənd ˈɑːtɪkərəl əˌsəʊʃiən/ noun, memorandum of association ○ memorandum the legal documents which set up a limited company and give details of its name, aims, authorised share capital, conduct of meetings, appointment of directors and registered office

**merchant** /ˈmɛrtʃənt/ noun 1, a businessperson who buys and sells, especially one who buys imported goods in bulk for retail sale ○ a coal merchant ○ a wine merchant 2, a company, shop or other business which accepts a credit card for purchases

**merchant bank** /ˈmɛrtʃənt ˈbæŋk/ noun 1, a bank which arranges loans to companies, deals in international finance, buys and sells shares and launches new companies on the Stock Exchange, but does not provide banking services to the general public 2, US a bank which operates a credit card system, accepting payment on credit cards from retailers or ‘merchants’

**merchant banker** /ˈmɛrtʃənt ˈbæŋkə/ noun a person who has a high position in a merchant bank

**merchant number** /ˈmɛrtʃənt ˈnʌmbə/ noun a number of the merchant, printed at the top of the report slip when depositing credit card payments

**merge** /mɜːrdʒ/ verb to join together ○ The two companies have merged. ○ The firm merged with its main competitor

**merger** /mɜːrdʒər/ noun the joining together of two or more companies ○ As a result of the merger, the company is now the largest in the field.

**merger accounting** /mɜːrdʒər ˈɛnkəntʃərɪŋ/ noun, merger the accounting of a newly acquired company within the group accounts, so as to show it in the best possible light

**mezzanine finance** /ˌmiːzəˈnæni fəˌsnaɪn/ noun finance provided to a company after it has received start-up finance

**microeconomics** /maɪkroʊ ˌɛkənəmiʃənz/ noun, microeconomics the study of the economics of people or single companies. Compare **macroeconomics** (NOTE: takes a singular verb)

**middle management** /ˈmɪdl ˈmænɪdʒmənt/ noun department managers in a company, who carry out the policy set by the directors and organise the work of a group of employees

**middle price** /ˈmɪdl ˈprɪs/ noun a price between the buying and selling price, usually shown in indices

**mid-month** /ˈmɪd ˈmʌnθ/ adjective happening in the middle of the month ○ mid-month accounts

**mid-week** /ˈmɪd ˈwik/ adjective happening in the middle of a week ○ the mid-week lull in sales
millionaire

millionaire /ˈmiːlɪənər/ noun a person who has more than one million pounds or dollars

mini ISA /ˈmiːni ɪˈseɪə/ noun an ISA in which either up to £4000 can be invested in stocks and shares, or up to £3000 cash can be invested, in a given year. □ maxi ISA

minimisation /ˈmɪnɪmɪˌzeɪʃən/ noun making as small as possible

minimum /ˈmɪnɪməm/ noun the smallest possible quantity, price or number □ to keep expenses to a minimum □ to reduce the risk of a loss to a minimum (NOTE: The plural is minima or minimums.) □ adjective smallest possible

minimum cash balance /ˈmɪnɪməm ˈkæʃ ˌbiːlənz/ noun a reserve cash fund held to offset unexpected cash shortages

minimum lending rate /ˈmɪnɪməm ˈlendɪŋ ˈrɛt/ noun the lowest rate of interest formerly charged by the Bank of England to discount houses, now replaced by the base rate

minimum reserves /ˈmɪnɪməm ˈriːzərz/ plural noun the smallest amount of reserves which a commercial bank must hold with a central bank

minimum wage /ˈmɪnɪməm ˈweɪdʒ/ noun the lowest hourly wage which a company can legally pay its employees

minority interest /ˈmɪnərətɪ ˈɪntrəst/ noun the nominal value of those shares in a subsidiary company that are held by members other than the parent company or its nominees

minority shareholder /ˈmɪnərətɪ ˈʃɛəhəʊldər/ noun a person who owns a group of shares but less than half of the shares in a company

minority shareholding /ˈmɪnərətɪ ˈʃɛəhəʊldɪŋ/ noun a group of shares which are less than half the total □ He acquired a minority shareholding in the company.

minus /ˈmʌnəs/ preposition, adverb less, without □ Net salary is gross salary minus tax and National Insurance deductions. □ Gross profit is sales minus production costs.

minus factor /ˈmʌnəs ˌfæktaʊ/ noun a factor that is unfavourable in some way, e.g. because it reduces profitability □ To have lost sales in the best quarter of the year is a minus factor for the sales team.

MIS abbreviation management information system

misappropriate /ˌmɪsəˈprɒprɪət/ verb to use illegally money which is not yours, but with which you have been trusted

misappropriation /ˌmɪsəˈprɒprɪəʃən/ noun the illegal use of money by someone who is not the owner but who has been trusted to look after it

miscalculate /ˌmɪsəˈkæltjuət/ verb to calculate wrongly, or to make a mistake in calculating something □ The salesmen miscalculated the discount, so we hardly broke even on the deal.

miscalculation /ˌmɪsəˈkæltjuəʃən/ noun a mistake in calculating

discount noun /ˈdɪskənt/ a mistake in counting □ verb /ˈdɪskənt/ to count wrongly, or to make a mistake in counting something

mismanage /ˌmɪsmənɪdʒ/ verb to manage something badly □ The company had been badly mismanaged under the previous MD.

mismanagement /ˌmɪsmənɪdʒmənt/ noun bad management □ The company failed because of the chairman’s mismanagement.

misrepresent /ˌmɪsɪrˈprɛzent/ verb to report facts or what someone says wrongly □ Our spokesman was totally misrepresented in the Sunday papers.

misrepresentation /ˌmɪsɪrˈprɛzentəʃən/ noun the act of using something, e.g. invested money, for a wrong purpose □ the misuse of funds or of assets □ verb /ˌmɪsɪrˈprɛzent/ to misuse something □ to misuse funds to use funds in a wrong way (especially funds which do not belong to you)

mixed /mɪkst/ adjective 1. made up of different sorts or of different types of things together 2. neither good nor bad ‘…prices closed on a mixed note after a moderately active trading session’ [Financial Times]

mixed economy /ˈmɪkst ˈɪkənəmɪ/ noun a system which contains both nationalised industries and private enterprise

modified accounts /ˈmɒdɪfaɪd əˌkoʊntz/ plural noun □ abbreviated accounts

monetarism /ˈmɑnətərəzɪzəm/ noun a theory that the amount of money in the economy affects the level of prices, so that inflation can be controlled by regulating money supply

monetarist /ˈmɑnətərɪst/ noun a person who believes in monetarism and acts
accounting

monetary /ˈmæntəri/ adjective referring to money or currency

monetary assets /ˈmæntərippi ˈæsetz/ plural noun assets, principally accounts receivable, cash and bank balances, that are realisable at the amount stated in the accounts. Other assets, e.g., facilities and machinery, inventories, and marketable securities will not necessarily realise the sum stated in a business’s balance sheet.

monetary items /ˈmæntərippi ˈaitəmz/ plural noun monetary assets such as cash or debtors, and monetary liabilities such as an overdraft or creditors, whose values stay the same in spite of inflation.

monetary standard /ˈmæntərippi ˈstændəd/ noun a fixed exchange rate for a currency.

monetary targets /ˈmæntərippi ˈtærəts/ plural noun figures which are given as targets by the government when setting out its budget for the forthcoming year, e.g. the money supply or the PSBR.

monetary unit /ˈmæntərippi ˈjuːnt/ noun a main item of currency of a country.

money /ˈmæni/ noun coins and notes used for buying and selling or money up front payment in advance. They are asking for £10,000 up front before they will consider the deal. He had to put money up front before he could clinch the deal.

money at call /ˈmæni ət ˈkɔl/ noun same as call money.

money at call and short notice /ˈmæni ət ˈkɔl ənd ˈʃɔrt nətʃiz/ an atfˈɔrtītˈɔriz in the United Kingdom, balances in an account that are either available upon demand (call) or within 14 days (short notice).

money broker /ˈmæni ˈbrəʊkər/ noun a dealer operating in the interbank and foreign exchange markets.

money laundering /ˈmæni ˌlændərəŋ/ noun the act of passing illegal money into the banking system.

money lender /ˈmæni ˈlendər/ noun a person who lends money at interest.

money lying idle /ˈmæni, lʌɪŋ ˈaɪdl/ noun money which is not being used to produce interest, which is not invested in business.

money-making /ˈmæni ˈmeɪkɪŋ/ adjective able to turn over a profit or a money-making plan.

money market fund /ˈmæni ˈmeɪkət ˈfʌnd/ noun an investment fund, which only invests in money market instruments.

money market instruments /ˈmæni ˌmeɪkət ˌɪnstrəmənts/ plural noun short-term investments which can be easily turned into cash and are traded on the money markets, e.g. CDs.

money on call /ˈmæni ən ˈkɔl/ noun same as call money.

money order /ˈmæni ˈɔrdər/ noun a document which can be bought as a way of sending money through the post.

money rates /ˈmæni ˈreɪts/ plural noun rates of interest for borrowers or lenders.

money supply /ˈmæni ˈsəpli/ noun the amount of money in a country’s economy, consisting mainly of the money in circulation and that held in savings and cheque accounts.

monies /ˈmæniز/ plural noun sums of money or monies owing to the company or to collect monies due.

monopoly /ˌmɔnəˈpi/ noun a situation where one person or company is the only supplier of a particular product or service or to be in a monopoly situation or The company has the monopoly of imports of Brazilian wine. The factory has the absolute monopoly of jobs in the town.

Monte Carlo method /ˈmɔntə karəl ˈmeθəd/ noun a statistical analysis technique for calculating an unknown quantity which has an exact value by using an extended series of random trials. (Note: The name refers to the fact that a roulette wheel in a casino, as in Monte Carlo, continually generates random numbers.)

month /mɔnθ/ noun one of twelve periods which make a year or bills due at the end of the current month or The company pays him £1600 a month. She earns £2,000 a month. month end /ˌmɔnθ ˈɛnd/ noun the end of a calendar month, when accounts have to be drawn up or The accounts department are working on the month-end accounts.

monthly /ˈmɔnθli/ adjective happening every month or which is received every month or We get a monthly statement from the bank. She makes monthly payments to the credit card company. or He is paying for
moonlight

146

his car by monthly instalments. ☺ My
monthly salary cheque is late. ☺ monthly
statement a statement sent to a customer at
the end of each month, itemising transac-
tions which have taken place in his or her
account ☺ monthly every month ☺ She asked
if she could pay monthly by direct debit. ☺ The account is credited monthly.

moonlight /ˈmʌnlɪt/ verb to do a second
job for cash, often in the evening, as well as
a regular job (informal).
moral hazard /ˈmorəl ‘haləd/ noun a
risk that someone will behave immorally
because insurance, the law or some other
agency protects them against loss that the
immoral behaviour might otherwise cause.
moratorium /ˌmɔːrətɔrɪəm/ noun a tem-
porary stop to repayments of interest on
loans or capital owed ☺ The banks called for
a moratorium on payments. (NOTE: The plu-
ral is moratoria or moratoriums.)
mortality tables /mɔːˈtɛləti_, tɛrɪb(ə)ləz/ plural noun same as actuarial tables.
mortgage /ˈmɔrədʒ/ noun a legal agree-
ment where someone lends money to
another person so that he or she can buy a
property, the property being the security ☺
to take out a mortgage on a house.

...mortgage payments account for just 20
per cent of the average first-time buyer’s
gross earnings against an average of 24 per
cent during the past 15 years [Times].
...mortgage money is becoming tighter.
Applications for mortgages are running at
a high level and some building societies
are introducing quotas [Times].

...for the first time since mortgage rates
began falling a financial institution has
raised charges on homeowner loans’ [Globe and Mail (Toronto)].
mortgage bond /ˈmɔrədʒ bɔnd/ noun a
certificate showing that a mortgage exists
and that property is security for it.
mortgage debenture /ˈmɔrədʒ dənt/ noun a
debenture where the lender can be repaid by selling the company’s prop-
erty.
mortgagee /ˈmɔrədʒi/ noun a person or
company which lends money to someone
for a property.
mortgage famine /ˈmɔrədʒ ˈfæmɪn/ noun a situation where there is not enough
money available to offer mortgages to house
buyers.
mortgager /ˈmɔrədʒər/ noun a person who borrows money to buy a property.
movable /ˈmʌrvəbl/ movable adjective
possible to move ☺ All the movable
property has been seized by the bailiffs.
movable property /ˈmʌrvəbl ˈprɒpətɪ/ noun chattels and other objects
which can be moved, as opposed to land.
movables /ˈmʌrvəblz/ plural noun movable property.
moving average /ˈmʌvɪŋ ˈevərɪdʒ/ noun an average of share prices on a stock
market, where the calculation is made over a
period which moves forward regularly.

MPP abbreviation maternity pay period.
MRP abbreviation material requirement
planning.
multi- /ˈmʌltɪ/ prefix referring to many
things or many of one thing.
multicurrency /ˌmʌltɪˈkærənɪ/ adjective
in several currencies.
multifunctional card /ˌmʌltɪfʌŋkʃənl/ noun a plastic card that may be used for two or more pur-
poses, e.g., as a cash card, a cheque card and
a debit card.
multilateral /ˌmʌltɪlɪtərəl/ adjective
between several organisations or countries.

a multilateral agreement.
multilateral netting /ˌmʌltɪlɪtərəl ‘netɪŋ/ noun a method of putting together
sums from various sources into one cur-
rency, used by groups of banks trading in
several currencies at the same time.
multimillion /ˌmʌltɪmɪlˈeɪn/ adjective
referring to several million pounds or dollars.

They signed a multimillion pound deal.
multimillionaire /ˌmʌltɪmɪlˈeɪnɪər/ noun a person who owns property or investments
worth several million pounds or dollars.
multiple exchange rate /ˌmʌltɪplɛxˈeɪn/ noun a two-tier rate of
exchange used in certain countries where the
more advantageous rate may be for tourists
or for businesses proposing to build a fac-
tory.
multiple ownership /ˌmʌltɪpləˈəʊən/ noun a situation where something
is owned by several parties jointly.
multiplication sign /ˌmʌltɪplɪˈkeɪʃən/ noun a sign (x) used to show that
a number is being multiplied by another
multiplier /ˌmʌltɪplɪər/ noun 1, a number
which multiplies another, or a factor which
tends to multiply something, as the effect of
new expenditure on total income and
reserves 2, same as uniform business rate.
multiply /ˌmʌltɪplɪ/ verb 1, to calculate
the sum of various numbers added together.
If you multiply twelve by three you get thirty-six.

Square measurements are calculated by multiplying length by width.

2. to grow or to increase

Profits multiplied in the boom years.

**municipal bond** /mjuˈnɪspəl bənd/ noun US a bond issued by a town or district

( NOTE: The UK term is **local authority bond**.)

**mutual** /ˈmjʊʃəl/ adjective owned by members, not by shareholders

**mutual fund** /ˈmjʊʃəl fʌnd/ noun US a bond issued by a town or district same as **unit trust**
naked /'nektid/ adjective used for describing investment that is not protected from risks inherent in a particular position or market

named /ˈnɛmd/ adjective the person named in the policy the person whose name is given on an insurance policy as the person insured

NAO abbreviation National Audit Office

narration /nərəʃən/ noun a series of notes and explanations relating to transactions in the accounts

national /ˈnæʃənl/ adjective referring to the whole of a particular country

National Audit Office /ˈnæʃənl ˈɔfdɪt ˌɒfs/ noun a body which investigates the use of public money by central government departments. It acts on behalf of the Parliamentary Public Accounts Committee. Abbreviation NAO

national bank /ˈnæʃənl ˈbæŋk/ noun in the US, a bank which is chartered by the federal government and is part of the Federal Reserve system. Compare state bank

national income /ˈnæʃənl inˈkəm/ noun the value of income from the sales of goods and services in a country

national income accounts /ˈnæʃənl ˈinkəm əˈkʌunts/ plural noun economic statistics that show the state of a nation's economy over a given period of time, usually a year. Cf gross domestic product, gross national product

National Insurance /ˈnæʃənl inˈʃūərəns/ noun state insurance in the United Kingdom, organised by the government, which pays for medical care, hospitals, unemployment benefits, etc. Abbreviation NI

National Insurance contribution /ˈnæʃənl inˈʃūərəns ˈkɒntrɪˌbjuːʃən/ noun a proportion of income paid each month by an employee and the employee’s company to the National Insurance scheme, which pays for medical care, hospitals, unemployment benefits, etc. Abbreviation NIC

National Insurance number /ˈnæʃənl ˈɪnʃuərəns ˈnʌmbə/ noun a number given to each British citizen, which is the number by which he or she is known to the social security services

National Savings and Investments /ˈnæʃənl ˈsərvɪŋz ənd ˈɪnvestmənts/ noun a part of the Exchequer, a savings scheme for small investors including savings certificates and premium bonds. Abbreviation NS&I

National Savings Bank /ˈnæʃənl ˈsərvɪŋz ˈbæŋk/ noun in the United Kingdom, a savings scheme established in 1861 as the Post Office Savings Bank and now operated by National Savings and Investments. Abbreviation NSB

National Savings certificates /ˈnæʃənl ˈsərvɪŋz ˈsətɪvɪtɪz ənd ˈɪnvestmənts/ plural noun certificates showing that someone has invested in National Savings and Investments. The NS&I issues certificates with stated interest rates and stated maturity dates, usually five or ten years

National Savings Stock Register /ˈnæʃənl ˈsərvɪŋz ˈstɒk ˈredɪstər/ noun an organisation, run by National Savings and Investments, which gives private individuals the opportunity to buy British government stocks by post without going through a stockbroker

NAV abbreviation net asset value

NBV abbreviation net book value

negative carry /ˈnægətɪv ˈkeəri/ noun a deal where the cost of finance is more than the return on the capital used

negative cash flow /ˈnægətɪv ˈkeɪf ləʊ/ noun a situation where more money is going out of a company than is coming in

negative confirmation /ˈnægətɪv ˈkɒnfrəˈmeɪʃən/ noun an auditor’s request to have financial information confirmed as accurate, to which a reply need only be sent in the case of a discrepancy
negative equity /ˌnegətɪv ˈekwəti/ noun a situation where a house bought with a mortgage becomes less valuable than the money borrowed to buy it because of falling house prices.

negative goodwill /ˌnegətɪv ˈgudwəl/ noun the position of a company that has assets with a market value that is greater than the price the company paid for them.

negative yield curve /ˌnegətɪv ˈjɪld kərv/ noun a situation where the yield on a long-term investment is less than that on a short-term investment.

negligence /ˈnegliʤəns/ noun a lack of proper care or failure to carry out a duty (with the result that a person or property is harmed).

negotiable instrument /ˈnɪɡətəbəl ɪnˈstrəʊmənt/ noun a document which can be exchanged for cash, e.g. a bill of exchange or a cheque.

negotiable paper /ˈnɪɡətəbəl ˈpeɪpər/ noun a document which can be transferred from one owner to another for cash.

negotiate /ˈnɪɡətɪteɪt/ verb 1. to negotiate terms and conditions or a contract to discuss and agree the terms of a contract. 2. he negotiated a £250,000 loan with the bank; he came to an agreement with the bank for a loan of £250,000. 3. to transfer financial instruments, e.g. bearer securities, bills of exchange, cheques and promissory notes, to another person in return for a consideration.

negotiation /ˈnɪɡətəʃən/ noun the discussion of terms and conditions in order to reach an agreement to enter into or to start negotiations to start discussing a problem.

...after three days of tough negotiations, the company reached agreement with its 1,200 unionized workers [Toronto Star].

nerst egg /ˈnest ɛɡ/ noun money which someone has saved over a period of time, usually kept in an interest-bearing account and intended for use after retirement.

net /net/ adjective referring to a price, weight, pay, etc., after all deductions have been made to make a true profit to net a profit of £10,000. [NOTE: netting – netted]

...out of its earnings a company will pay a dividend. When shareholders receive this it will be net, that is it will have had tax deducted at 30 per cent [Investors Chronicle].

net assets /ˌnet ˈæsets/ plural noun the amount by which the value of a company’s assets is greater than its liabilities.

net asset value /ˌnet ˈæset ˈveɪlju/ noun the total value of a company after deducting the money owed by it (it is the value of shareholders’ capital plus reserves and any money retained from profits). Abbreviation NAV. Also called net worth.

net asset value per share /ˌnet ˈæset ˈveɪlju ˈpeər ˈʃeər/ noun the value of a company calculated by dividing the shareholders’ funds by the number of shares issued.

net book value /ˌnet ˈbʊk ˈveɪlju/ noun the historical cost of an asset less any accumulated depreciation or other provision for diminution in value, e.g., reduction to net realisable value, or asset value which has been revalued downwards to reflect market conditions. Abbreviation NBV. Also called written-down value.

net borrowings /ˌnet ˈbɔːrənzungz/ plural noun a company’s borrowings, less any cash the company is holding in its bank accounts.

net cash flow /ˌnet ˈkeɪʃ, ˈfləʊ/ noun the difference between the money coming in and the money going out of a firm.

net cash inflow /ˌnet ˈkeɪʃ, ˈɪnfləʊ/ noun a situation in which cash receipts exceed cash payments.

net current assets /ˌnet ˈkərənt ˈæsets/ plural noun the current assets of a company, i.e. cash and stocks, less any liabilities. Also called net working capital.

net current liabilities /ˌnet ˈkərənt ˈləɪtablɪtiz/ plural noun current liabilities of a company less its current assets.

net dividend per share /ˌnet ˈdɪvɪndend ˈpeər ˈʃeər/ noun the dividend per share after deduction of personal income tax.

net income /ˌnet ˈɪnkəm/ noun a person’s or organisation’s income which is left after taking away tax and other deductions.

net interest /ˌnet ˈɪntrəst/ noun a figure equal to gross interest minus tax paid on it.

net liquid funds /ˌnet ˈlɪŋkwɪd ˈfændz/ plural noun an organisation’s cash plus its marketable investments less its short-term borrowings, such as overdrafts and loans.

net loss /ˌnet ˈlɒs/ noun an actual loss, after deducting overheads.

net margin /ˌnet ˈmærjən/ noun the percentage difference between received price and all costs, including overheads.

net present value /ˌnet ˈprɛzənt ˈveɪlju/ noun the present value of the project. Abbreviation NPV.
net price

net price /ˌnet ˈprais/ noun the price of goods or services which cannot be reduced by a discount

net price method /ˌnet ˈprais ˌmɛθəd/ noun an approach that records the cost of purchases after discounts have been deducted

net proceeds /ˌnet prəʊˈsɛdz/ plural noun a figure equal to the amount realised from a transaction minus the cost of making the transaction

net profit /ˌnet ˈprɒfɪt/ noun the amount by which income from sales is larger than all expenditure. Also called profit after tax

net profit ratio /ˌnet ˈprɒfɪt ˌreɪʃəʊ/ noun the ratio of an organisation’s net profit to its total net sales. Comparing the net profit ratios of companies in the same sector shows which are the most efficient.

net realisable value /ˌnet riˈləzəbəl(ə)l/ ˈveɪlju/ noun the price at which goods in stock could be sold, less any costs incurred in making the sale. Abbreviation NRV

net receipts /ˌnet riˈsɛtʃz/ plural noun receipts after deducting commission, tax, discounts, etc.

net relevant earnings /ˌnet ˌrɛləˈvɑːnt(ə)nt ˈʃəmnpəl/ plural noun earnings which qualify for calculating pension contributions and against which relief against tax can be claimed. Such earnings can be income from employment which is not pensionable, profits of a self-employed sole trader, etc.

net residual value /ˌnet rɪˈzɪdjuəl ˈveɪlju/ noun the anticipated proceeds of an asset at the end of its useful life, less the costs of selling it, e.g., transport and commission. It is used when calculating the annual charge for the straight-line method of depreciation. Abbreviation NRV

net return /ˌnet rɪˈtɜːzn/ noun a return on an investment after tax has been paid

net salary /ˌnet ˈseɪləri/ noun the salary which is left after deducting tax and National Insurance contributions

net sales /ˌnet ˌsetlz/ plural noun the total amount of sales less damaged or returned items and discounts to retailers

net turnover /ˌnet tɜːnˈəʊvə/ noun turnover before VAT and after trade discounts have been deducted

net working capital /ˌnet wɜːkɪŋ ˈkeɪpət(ə)l/ noun same as net current assets

net worth /ˌnet ˈwɜːθ/ noun the value of all the property of a person or company after taking away what the person or company owes. The upmarket product is targeted at individuals of high net worth.

net yield /ˌnet ˈjɪld/ noun the profit from investments after deduction of tax

new issue /njuː/ ˈʃəz/ noun an issue of new shares to raise finance for a company

new issues department /njuː ˈʃəz ˌdi:pərtmənt/ noun the section of a bank which deals with issues of new shares

NI abbreviation National Insurance
NIC abbreviation National Insurance contribution

NIF abbreviation note issuance facility

night safe /ˈnait seɪf/ noun a safe in the outside wall of a bank, where money and documents can be deposited at night, using a special door

nil /nɛl/ noun zero or nothing. The advertising budget has been cut to nil.

nil paid shares /nɪl ˈpeɪd ˈʃeəz/ plural noun new shares which have not yet been paid for

nil return /nɪl rɪˈtɜːzn/ noun a report showing no sales, income, tax, etc.

no-claims bonus /nəʊ ˈkleɪmz ˈbʌnəz/ noun 1. a reduction of premiums on an insurance policy because no claims have been made. 2. a lower premium paid because no claims have been made against the insurance policy

nominal /ˈnɒmɪnəl/ adjective (of a payment) very small. The stockholder is paying a nominal rent. The employment agency makes a nominal charge for its services.

nominal account /ˈnɒmɪnəl əˈkaʊnt/ noun an account for recording transactions relating to a particular type of expense or receipt

nominal capital /ˈnɒmɪnəl ˈkeɪpət(ə)l/ noun the total of the face value of all the shares which a company is authorised to issue

nominal interest rate /ˈnɒmɪnəl ɪnˈtrəst rət/ noun an interest rate expressed as a percentage of the face value of a bond, not on its market value

nominal ledger /ˈnɒmɪnəl ˈledʒə/ noun a book which records a company’s transactions in the various accounts

nominal share capital /ˈnɒmɪnəl ʃeə ˈkeɪpət(ə)l/ noun the nominal value of all the shares which a company is authorised to issue according to its memorandum of association

nominal value /ˈnɒmɪnəl ˈvælju/ noun same as face value
nominee /ˈnɒmɪnɪ/ noun a person who is nominated, especially someone who is appointed to deal with financial matters on your behalf

nominee account /ˈnɒmɪnɪ əˈkaʊnt/ an account held on behalf of someone.

non-acceptance /ˈnɑːnstəʊnt/ a situation in which the person who is to pay a bill of exchange does not accept it

noncash items /ˈnɑːns kæʃ/ plural noun cheques, drafts and similar items which are not in the form of cash

noncontrollable cost /ˈnɒnkəntrəbəl ˈkəʊst/ a business cost that the management team cannot influence, e.g. the level of rent payable on buildings occupied

non-coterminous period ends /ˈnɒnkətəmənəs ˈprɪərd ˈendz/ noun a point at which separate and related accounts cease to cover different accounting periods and begin to run coterminously

non-cumulative preference share /ˈnɒnkjuːmjuːlətɪv ˈprɛfərəns ʃeə/ noun a preference share where, if the dividend is not paid in the current year, it is lost

non-current assets /ˈnɑːns kəˈrɑːnt ˈæsetz/ plural noun fixed assets

non-executive director /ˈnɑːns ɪkˈsiːktɪv ˈdɛktər/ noun a director who attends board meetings and gives advice, but does not work full-time for the company. Also called outside director

non-historic /ˈnɑːnhɪˈstɔrɪk/ adjective not calculated on a historical cost basis

non-monetary /ˈnɑːnmənətri/ adjective used for describing items or assets that are not money and can be valued at a higher value than their original purchase price

non-negotiable instrument /ˈnɑːnn ɪɡˈnɛtəbəl ˈɪnstrəmənt/ noun a document which cannot be exchanged for cash, e.g. a crossed cheque

non-performing loan /ˈnɑːn ˈpɜːrəfərmɪŋ ˈləʊn/ noun US a loan where the borrower is not likely to pay any interest nor to repay the principal, as in the case of loans to Third World countries by western banks

nonproductive capacity /ˈnɒnprəˈdʌktɪv ˈkæpətɪs/ noun capacity that produces no net production, e.g. because production needs to be repeated owing to defects in earlier products

nonprofit accounting /ˈnɒnprəˈfɪt əˈkaʊntɪŋ/ noun the accounting policies and methods employed by nonprofit organisations such as charities

normalise /ˈnɔrməlaɪz/ normalize verb to store and represent numbers in a pre-agreed form, usually to provide maximum precision
normal loss /ˈnɔrml ˈloʊs/ noun loss which is usual in the type of business being carried on, e.g. the loss of small quantities of materials during the manufacturing process.

normal spoilage /ˈnɔrml ˈspɔlɪdʒ/ noun the deterioration of products that will take place, even under the best operating conditions.

notary public /ˈnɔtəri ˈpʌblɪk/ noun a lawyer who has the authority to witness documents and spoken statements, making them official (note: The plural is notaries public.)

note /ˈnəʊt/ noun 1. ○ to send someone a note ○ I left a note on her desk. ○ notes to the accounts notes attached to a company’s accounts by the auditors to explain items in the accounts or to explain the principles of accounting used 2. paper showing that money has been borrowed.

note issuance facility /ˈnəʊt əˌɪssənθ ˈfælətɪ/ noun a credit facility where a company obtains a loan underwritten by banks and can issue a series of short-term Eurocurrency notes to replace others which have expired. Abbreviation NIF.

note of hand /ˈnəʊt əv ˈhaʊnd/ noun a document stating that someone promises to pay an amount of money on an agreed date.

note payable /ˈnəʊt əˈpeiəbl/ noun a document that gives a guarantee to pay money at a future date.

note receivable /ˈnəʊt ɪrˈsɪvəbl/ noun a document that gives a guarantee to receive money at a future date.

notice of coding /ˈnəʊtɪs əv ˈkɒdɪŋ/ noun an official notice from a tax authority of someone’s tax code, which indicates the level of tax allowance he or she is entitled to receive.

notice of default /ˈnəʊtɪs əv ˈdeɪfɔlt/ noun US same as default notice.

notional /ˈnəʊʃənl/ adjective probable but not known exactly or not quantifiable.

notional income /ˈnəʊʃənl ˈɪnʌmənt/ noun an invisible benefit which is not money or goods and services.

notional rent /ˈnəʊʃənl ˈrɛnt/ noun a sum put into accounts as rent where the company owns the building it is occupying and so does not pay an actual rent.

not negotiable /ˈnɒt ˈnɛɡətʃəbl/ phrase used for referring to a cheque that must be deposited in an account and cannot therefore be immediately exchanged for cash.

crossed cheque, negotiable instrument

novation /ˈnəʊʃən/ noun an agreement to change a contract by substituting a third party for one of the two original parties.

NPV abbreviation net present value.

NRV abbreviation 1. net realisable value 2. net residual value.

NS&I abbreviation National Savings and Investments.

NSB abbreviation National Savings Bank.

NSF abbreviation not sufficient funds or non-sufficient funds.

NTBs abbreviation non-tariff barriers.

number /ˈnʌmbər/ noun 1. a quantity of things or people ○ The number of persons on the payroll has increased over the last year. ○ The number of days lost through strikes has fallen. 2. a printed or written figure that identifies a particular thing ○ Please write your account number on the back of the cheque. ○ If you have a complaint to make, always quote the batch number. ○ She noted the cheque number in the ledger. 3. verb to put a figure on a document ○ to number an order ○ I refer to your invoice numbered 1234.

numbered account /ˈnʌmbəd əˈkaʊnt/ noun a bank account, usually in Switzerland, which is referred to only by a number, the name of the person holding it being kept secret.

numeral /ˈnjuːmərəl/ noun a character or symbol which represents a number.
O & M abbreviation organisation and methods

OAP abbreviation old age pensioner

objectivity /ɒbjɛktɪvɪtɪ/ noun the fact that an accounting item can be verified by supporting evidence, e.g. by a voucher of some kind

obligation /əˈblɪɡeɪʃn/ noun 1. a duty to do something ○ There is no obligation to help out in another department ○ There is no obligation to buy. □ to fulfil your contractual obligations to do what is stated in a contract 2. a debt □ to meet your obligations to pay your debts

obsolescence /əˈbɒlsəsəns/ noun the process of a product going out of date because of progress in design or technology, and therefore becoming less useful or valuable

obsolete /əˈbɒlsət/ adjective no longer used ○ Computer technology changes so fast that hardware soon becomes obsolete.

occupational pension /əˈkɒmpəʃənl ˈpenʃən/ noun a pension which is paid by the company by which an employee has been employed

occupational pension scheme /əˈkɒmpəʃənl ˈpenʃən skɪm/ noun a pension scheme where the employee gets a pension from a fund set up by the company he or she has worked for, which is related to the salary he or she was earning. Also called company pension scheme

occupier /əˈkʌpjər/ noun a person who lives in a property

O/D abbreviation overdraft

odd lot /ɒd ˈlʌt/ noun 1. a group of miscellaneous items for sale at an auction 2. US a group of less than 100 shares of stock bought or sold together

OEIC /əˈɛərɪs/ abbreviation open-ended investment company

off /ɒf/ adjective not working or not in operation ○ to take three days off ○ The agreement is off. ○ They called the strike off. ○ We give the staff four days off at Christmas. ■ adverb 1. taken away from a price ○ We give 5% off for quick settlement. 2. lower than a previous price ○ The shares closed 2% off.

preposition 1. subtracted from ○ to take £25 off the price ○ We give 10% off our usual prices. 2. not included ○ items off balance sheet or off balance sheet assets financial items which do not appear in a company’s balance sheet as assets, such as equipment acquired under an operating lease

‘…its stock closed Monday at $21.875 a share in NYSE composite trading, off 56% from its high last July’ [Wall Street Journal]

off-balance sheet asset /əˈfɒf ˈbæləns ʃi/lengthmarkt /əˈfɒf ˈbæləns ʃi/lengthmarkt noun an item that is a valuable resource but does not feature on the balance sheet, e.g. an expected rebate of some sort

off-balance-sheet financing /əˈfɒf ˈbæləns ʃi ˈfeɪnənsiŋ/ noun a way of raising finance through a long-term lease that does not qualify as a capital lease and therefore does not appear on the balance sheet

off-balance sheet liability /əˈfɒf ˈbæləns ʃi ˈlɪbjələti/ noun a potential liability that does not feature on the balance sheet

offer /ˈɒfər/ noun 1. a statement that a company is prepared to pay a specific amount of money to buy something ○ to make an offer for a company ○ We made an offer of £10 a share. □ or near offer US, or best offer or an offer of a price which is slightly less than the price asked ○ The car is for sale at £2,000 or near offer. 2. a statement that you are willing to sell something 3. a statement that you are willing to employ someone □ she received six offers of jobs or six job offers six companies told her she could have a job with them 4. a statement that a company is prepared to buy another company’s shares and take the company over ■ verb 1. to say that you are willing to pay a specific amount of money for something ○ to offer someone
offer document

£100,000 for their house. She offered £10 a share.

Offer document /ˈɒfər dəkəment/ noun a formal document where a company offers to buy shares at some price as part of a takeover bid.

Offered market /ˈɒfərd ˈmɑrkɪt/ noun a market where there are more sellers than buyers.

Offer for sale /ˈɒfər fɔr ˈsell/ noun a situation in which a company advertises new shares for sale to the public as a way of launching itself on the Stock Exchange. (NOTE: The other ways of launching a company are a 'tender' or a 'placing.')

Offering circular /ˈɑfərɪŋ ˈsɜrkjʊlər/ noun a document which gives information about a company whose shares are being sold to the public for the first time.

Offer period /ˈɒfər ˈpəriəd/ noun a time during which a takeover bid for a company is open.

Offer price /ˈɒfər prɑːs/ noun the price at which investors buy new shares or units in a unit trust. The opposite, i.e., the selling price, is called the 'bid price', the difference of the highest and lowest prices recorded for marketable securities. (NOTE: The other ways of launching a company are a 'tender' or a 'placing.')

Offer document /ˈɑfər dəkəment/ noun an official report

Offerload /ˈɑfələd/ verb to pass something which you do not want to someone else.

Offer /ˈɑfər/ verb to balance one thing against another so that they cancel each other out. Offer losses against tax. Foreign exchange losses more than offer profits in the domestic market. (NOTE: offerback – offerload)

Offer account /ˈɑfər əˈkaʊnt/ noun an account established to allow the gross amount of another account to be reduced.

Offering error /ˈɑfərɪŋ ˈɛrər/ noun an accounting error that cancels out another error.

Offshore /ˈɑfʃɔ/ adjective, adverb 1. on an island or in the sea near to land. 2. an offshore oil field. 3. an offshore oil platform.

Offshore banking /ˈɑfʃɔr ˈbæŋkɪŋ/ banking in a tax haven.

Offshore financial subsidiary /ˈɑfʃɔr ˈfænʃəl ˈsɪdɪərɪ/ a company created in another country to handle financial transactions, giving the owning company certain tax and legal advantages in its home country. (NOTE: The US term is offshore financial subsidiary.)

Offshore financial centre /ˈɑfʃɔr ˈfænʃəl ˈsentə/ a country or other political unit that has banking laws intended to attract business from industrialised nations.

Offshore fund /ˈɑfʃɔr ˈfʌnd/ a fund that is based overseas, usually in a country that has less strict taxation regulations.

Off-the-shelf company /ˈɑfʃɔ ˈθiːʃɛl ˈkʌmpənɪ/ noun a company which has already been registered by an accountant or lawyer, and which is ready for sale to someone who wants to set up a new company quickly.

OFF abbreviation Office of Fair Trading.

Old age pension /ˈɑld ˈeɪdʒ ˈpɛnsən/ noun a state pension given to people over some age (currently to a man who is 65 or to a woman who is 60).

Old age pensioner /ˈɑld ˈeɪdʒ ˈpɛnsənər/ noun a person who receives the retirement pension. Abbreviation OAP.

OMB abbreviation Office of Management and Budget.
ombudsmen /ˈɒmbədzmən/ noun an official who investigates complaints by the public against government departments or other large organisations (NOTE: The plural is ombudsmen.)

‘…radical changes to the disciplinary system, including appointing an ombudsman to review cases where complainants are not satisfied with the outcome, are proposed in a consultative paper the Institute of Chartered Accountants issued last month’ [Accountancy]

on account phrase paid in part in advance

oncosts /ˈɒnkɒstz/ plural noun business costs that cannot be charged directly to a particular good or service and must be apportioned across the business

on demand /ˌɒn dɪˈmɑnd/ adjective used to describe an account from which withdrawals may be made without giving a period of notice

one-man business /ˌwʌn mɛn ˈbaɪznɪs/, one-man firm /ˌwʌn mɛn ˈfɜːrm/ one-man company /ˌwʌn mɛn ˈkæmpənɪ/ noun a business run by one person alone with no staff or partners

one-off /ˌwʌn əˈfʊ/ adjective done or made only once ○ one-off item ○ one-off deal ○ one-off payment

one-sided /ˌwʌn ˈsaɪdɪd/ adjective favouring one side and not the other in a negotiation

one-year money /ˌwʌn jɪər ˈmʌni/ noun money invested for one year

open /ˈɔːpən/ adjective 1. at work, not closed ○ The store is open on Sunday mornings. ○ Our offices are open from 9 to 6. ○ They are open for business every day of the week. 2. ready to accept something ■ verb 1. to start a new business ○ She has opened a shop in the High Street. ○ We have opened a branch in London. 2. to start work, to be at work ○ The office opens at 9 a.m. ○ We open for business on Sundays. 3. to begin something 4. to set something up or make something available ○ to open a bank account ○ to open a line of credit ○ to open a loan 5. to shares opened lower share prices were lower at the beginning of the day’s trading ‘…after opening at 79.1 the index touched 78.8’ [Financial Times]

open account /ˈɔːpən əˈkaʊnt/ noun an account where the supplier offers the purchaser credit without security

open book management /ˈɔːpən ˈbʊk, mænɪdʒmənt/ noun a management method that gives staff open access to finan-
cial and operational information, with the aim of giving everyone a stake in increasing production

open cheque /ˈɔːpən ˈtʃek/ noun same as uncrossed cheque

open credit /ˈɔːpən ˈkredɪt/ noun credit given to good customers without security

open-ended /ˈɔːpən ˈɛndɪd/ adjective with no fixed limit or with some items not specified ○ They signed an open-ended agreement. ○ The candidate was offered an open-ended contract with a good career plan. (NOTE: The US term is open-end.)

open-ended credit /ˈɔːpən ˈɛndɪd ˈkredɪt/ noun same as revolving credit

open-ended fund /ˈɔːpən ˈɛndɪd ˈfʌnd/ noun a fund such as a unit trust where investors buy units, the money paid being invested in a range of securities. This is as opposed to a closed fund, such as an investment trust, where the investor buys shares in the trust company, and receives dividends.

open-ended investment company /ˌɔːpən ɛndɪd ɪnˈvestmənt ˈkæmpənɪ/ noun a form of unit trust, in which the investor purchases shares at a single price, as opposed to the bid-offer pricing system used by ordinary unit trusts. Abbreviation OEIC

open-ended management company /ˌɔːpən ɛndɪd ˈmænɪdʒmənt ˈkæmpənɪ/ noun a company that sells unit trusts. (NOTE: The US term is open-end management company.)

open-ended trust /ˈɔːpən ˈɛndɪd ˈtræst/ noun a fund in which investors can freely buy and sell units at any time

opening balance /ˈɔːpənɪŋ ˈbæləns/ noun a balance at the beginning of an accounting period

opening balance sheet /ˈɔːpənɪŋ ˈbæləns ʃi/ noun an account showing an organisation’s opening balances

opening entry /ˈɔːpənɪŋ ˈɛntrɪ/ noun the first entry in an account

opening price /ˈɔːpən prɑːs/ noun a price at the start of a day’s trading

opening stock /ˈɔːpən ˈstɒk/ noun on a balance sheet, the closing stock at the end of one accounting period that is transferred forward and becomes the opening stock in the one that follows (NOTE: The US term is beginning inventory.)

open market /ˈɔːpən ˈmɑːrkɪt/ noun a market where anyone can buy or sell

open-market value /ˌɔːpən ˈmɑːrkɪt, ˈvælju/ noun the price that an asset or secu-
operate /əˈpærət/ verb to be in force ○ The new terms of service will operate from January 1st ○ The rules operate on inland postal services only.

‘…the company gets valuable restaurant locations which will be converted to the family-style restaurant chain that it operates and franchises throughout most parts of the US’ [Fortune]

operating /əˈpærətɪŋ/ noun the general running of a business or of a machine ○ ‘…the company blamed over-capacity and competitive market conditions in Europe for a £14m operating loss last year’ [Financial Times]

operating activities /əˈpærətɪŋ ˈæktɪvɪtɪz/ plural noun those activities that a business engages in by reason of its being the type of business it is, as opposed to non-operating activities such as investment

operating budget /əˈpærətɪŋ ˈbʌdʒɪt/ noun a forecast of income and expenditure over a period of time

operating budget sequence /əˈpærətɪŋ ˈbʌdʒɪt ˈsiːkwəns/ noun a part of a master budget that records the acquisition and use of resources

operating costing /əˈpærətɪŋ ˈkɒstɪŋ/ noun costing which is based on the costs of services provided

operating costs /əˈpærətɪŋ ˈkɒsts/ plural noun the costs of the day-to-day activities of a company. Also called operating expenses, running costs

operating cycle /əˈpærətɪŋ ˈsɜːk(ə)l/ noun the time it takes for purchases of materials for production to generate revenue from sales

operating expenses /əˈpærətɪŋ ˈɛksəpenzɪz/ plural noun same as operating costs

operating lease /əˈpærətɪŋ ˈliːs/ noun a lease which does not require the lessee company to show the asset acquired under the lease in its balance sheet, but the annual rental charge for such assets must be disclosed in a note to the accounts

operating leverage /əˈpærətɪŋ ˈləvərædʒ/ noun the ratio of a business’s fixed costs to its total costs. As the fixed costs have to be paid regardless of output, the higher the ratio, the higher the risk of losses in an economic downturn.

operating loss /əˈpærətɪŋ ˈlɒs/ noun a loss made by a company in its usual business

operating margin /əˈpærətɪŋ ˈmɑːrɪn/ noun a measurement of the proportion of a company’s revenue that is left over after variable costs of production have been met

operating performance ratio /əˈpærətɪŋ ˈpɜːrəmənəns ˈreɪʃənəl/ noun a ratio of profitability to sales

operating profit /əˈpærətɪŋ ˈprɒfɪt/ noun the difference between a company’s revenues and any related costs and expenses, not including income or expenses from any sources other than its normal methods of providing goods or a service

operating revenue /əˈpærətɪŋ ˈrɪvərənʃ/ noun the amount of income generated as a result of a company’s normal business operations

operating risk /əˈpærətɪŋ ˈrɪsk/ noun the risk of having a high operating leverage

operating statement /əˈpærətɪŋ ˈsteɪtɪmənt/ noun a financial statement which shows a company’s expenditure and income, and consequently its final profit or loss ○ The operating statement shows unexpected electricity costs. ○ Let’s look at the operating statement to find last month’s expenditure.

operation /əˈpɑːrəʃən/ noun 1. an activity or a piece of work, or the task of running something ○ the company’s operations in West Africa ○ He heads up the operations in Northern Europe. 2. in operation working or being used ○ The system will be in operation by June. ○ The new system came into operation on January 1st.

…a leading manufacturer of business, industrial and commercial products requires a branch manager to head up its mid-western Canada operations based in Winnipeg [Globe and Mail (Toronto)]

operational /əˈpɑːrəʃ(ə)n/ adjective referring to the day-to-day activities of a business or to the way in which something is run

operational audit /əˈpɑːrəʃ(ə)n ˈæudɪt/ noun a systematic review of the systems and procedures used in an organisation in order to assess whether they are being carried out efficiently and effectively. Also known as management audit, operations audit

operational budget /əˈpɑːrəʃ(ə)n ˈbʌdʒɪt/ noun same as operating budget

operational costs /əˈpɑːrəʃ(ə)n ˈkɒsts/ plural noun the costs of running a business
**operational gearing** /ˌɒpərəˈtiːʃənəl ˈɡeərɪŋ/ noun a situation where a company has high fixed costs which are funded by borrowings

**operational planning** /ˌɒpərəˈtiːʃənəl ˈpleɪnɪŋ/ noun the planning of how a business is to be run

**operational research** /ˌɒpərəˈtiːʃənəl riˈsɛrʧ/ noun a study of a company’s way of working to see if it can be made more efficient and profitable

**operations review** /ˌɒpəˈreɪʃənz riˈvjuː/ noun an act of examining the way in which a company or department works to see how it can be made more efficient and profitable

**operation time** /ˌɒpəˈreɪʃən tɜːm/ noun the time taken for a business operation to be completed

**opportunity cost** /ˌɒpəˈtjuːəti ˈkɒst/ noun the cost of a business initiative in terms of profits that could have been gained through an alternative plan. It’s a good investment plan and we will not be deterred by the opportunity cost. Also called `alternative cost`.

**opportunity cost approach** /ˌɒpəˈtjuːəti ˈkɒst əˈprəʊʃ/ noun the use of the concept of opportunity cost in business decision-making

**optimal capital structure** /ˌɔptɪˈmɔːl ˈkæpɪtəl ˈstrʌktʃər/ noun the optimal range for a company’s capital structure

**optimise** /ˌɔptəˈmaɪz/ or `optimize` verb to allocate such things as resources or capital as efficiently as possible

**optimum** /ˌɔptəˈmjuːm/ adjective best /ˈðə ˈmjuːm/ noun the highest or most desirable level of performance or potential

**option** /ˈɔpʃən/ noun the right to buy or sell something, such as a security, at a fixed price

**option contract** /ˈɔpʃən ˈkɔntrakt/ noun a right to buy or sell a specific number of shares at a fixed price

**option dealing** /ˈɔpʃən ˈdiːlɪŋ/ noun the activity of buying and selling share options

**option trading** /ˈɔpʃən ˈtreɪdɪŋ/ noun the business of buying and selling share options

**order** /ˈɔrəd/ noun 1. the way in which records such as filing cards or invoices are arranged /ˈɔrəd/ in alphabetical or numerical order. 2. an official request for goods to be supplied /ˈɔrəd/ to give someone an order or to place an order with someone for twenty filing cabinets /ˈɔrəd/ The management ordered the workforce to leave the factory. 3. to fill an order to supply items which have been ordered /ˈɔrəd/ We are so understaffed we cannot fulfil any more orders before Christmas. 4. items available to order only items which will be manufactured only if someone orders them /ˈɔrəd/ on order ordered but not delivered /ˈɔrəd/ This item is out of stock, but is on order. 5. to pay to Mr Smith /ˈɔrəd/ or order money to Mr Smith or as he orders /ˈɔrəd/ to the order of Mr Smith pay money directly to Mr Smith or to his account

**order book** /ˈɔrəd bʊk/ noun a book which records orders received

**order-driven system** /ˈɔrəd ˈdraɪvən ˈsɪstəm/ noun a system which drives the process of entering information on orders into a processing system

**order entry** /ˈɔrəd ˈentri/ noun the process of entering information on orders into a processing system

**order fulfilment** /ˈɔrəd ˈfʊrflɪmənt/ noun the process of supplying items which have been ordered

**ordering costs** /ˈɔrədɪŋ ˈkɒsts/ plural noun the total of the costs involved in making a purchase order, including telephone and stationery costs

**order processing** /ˈɔrəd ˈprəʊsesɪŋ/ noun the work of dealing with orders

**order receipt time** /ˈɔrəd ˈrɪˈsiːt tɜːm/ noun the interval between the receipt of an order and the point at which it is ready to be despatched

**ordinarily resident** /ˈɔrədərɪli ˈresɪdənt/ adjective normally living in a country /ˈɔrədərɪli ˈresɪdənt/ Mr Schmidt is ordinarily resident in Canada
ordinary activities 158

ordinary activities /ˌɔːdɪərɪ əˈæk.tɪvɪti/ plural noun the usual trading of a company, that is, what the company usually does

ordinary interest /ˌɔːdɪərɪ ɪnˈtɜːrst/ noun annual interest calculated on the basis of 360 days, as opposed to 'exact interest' which is calculated on 365 days

ordinary resolution /ˌɔːdɪərɪ əˈfrəʊzən/ noun a resolution put before an AGM, usually referring to some general procedural matter, and which requires a simple majority of votes to be accepted

ordinary share capital /ˌɔːdɪərɪ ʃeəkæpɪˈteɪʃ(ə)n/ noun the capital of a company in the form of money paid for ordinary shares

ordinary shareholder /ˌɔːdɪərɪ ʃeəˈshaʊldə/ noun a person who owns ordinary shares in a company

ordinary shares /ˌɔːdɪərɪ ʃeəz/ plural noun shares that entitle the holder to receive a dividend after the dividend on preference shares has been paid (NOTE: The US term is common stock.)

ordinary stock noun same as ordinary shares

organic growth /ˈɔrɡənɪk ˈɡrəʊθ/ noun same as internal growth

organisation /ˌɔrgənəˈzeɪʃ(ə)n/ plural noun 1. a way of arranging something so that it works efficiently ○ the organisation of the head office into departments ○ The chairman handles the organisation of the AGM. ○ The organisation of the group is too centralised to be efficient. 2. a group or institution which is arranged for efficient work ○ …working with a client base which includes many major commercial organizations and nationalized industries' [Times]

organisational /ˌɔrgənəˈzeɪʃ(ə)nəl/ adjective referring to the way in which something is organised ○ The paper gives a diagram of the company’s organisational structure.

organisational chart /ˌɔrgənəˈzeɪʃ(ə)n ˈtʃɑːt/ noun a chart that shows the relationships of people in an organisation in terms of their areas of authority and responsibility

organisation and methods /ˌɔrgənəˌzeɪʃ(ə)n ʌnd ˈmeθədiz/ plural noun a process of examining how an office works, and suggesting how it can be made more efficient. Abbreviation O & M

organisation chart /ˌɔrgənəˈzeɪʃ(ə)n ˈtʃɑːt/ noun same as organisational chart

organisation costs /ˌɔrgənəˈzeɪʃ(ə)n ˈkɒstz/ plural noun the costs associated with setting up a business, e.g. legal fees and business filing fees

organise /ˌɔrgənəsaɪz, ˌɔrgənəˌzaɪz/ organise verb 1. to set up a system for doing something ○ The company is organised into six profit centres. ○ The group is organised by sales areas. 2. to arrange something so that it works ○ …we organize a rate with importers who have large orders and guarantee them space at a fixed rate so that they can plan their costs’ [Lloyd’s List]

original cost /ˌɔrɪdʒənəl ˈkɒst/ noun the total cost of acquiring an asset

original entry /ˌɔrɪdʒənəl ˈentri/ noun the act of recording a transaction in a journal

out of pocket /ˈaʊt əv pɒkit/ adverb out of pocket ○ The deal has left me out of pocket.

out of pocket /ˈaʊt əv pɒkit/ noun money which is paid out

outlay /ˈaʊtleɪ/ noun money spent, expenditure

outlook /ˈaʊtləʊk/ noun a view of what is going to happen in the future ○ The economic outlook is not good. ○ The stock market outlook is worrying.

out of date cheque /ˌaʊt əv ˈdeɪt/ noun a cheque which has not been crossed because its date is too old, normally more than six months

out of pocket /ˈaʊt əv pɒkit/ adjective, adverb having paid out money personally ○ The deal has left me out of pocket.

out of pocket expenses /ˈaʊt əv pɒkit ɪkˈspensz/ plural noun an amount of money paid back to an employee who has...
spent his or her personal money on company business.

output /əˈaʊt.pʌt/ noun the amount which a company, person, or machine produces. 

Overhead has increased by 10%. 

Output has increased by 10%. 

25% of our output is exported.

Outside a company or business, to do the work that is needed.

outsourcing /ˌaʊtsəˈsəʊrɪŋ/ noun 1. the practice of obtaining services from specialist bureaux or other companies, rather than employing full-time staff members to provide them & the transfer of work previously done by employees of an organisation to another organisation, usually one that specialises in that type of work (NOTE: Things that have usually been outsourced in the past include legal services, transport, catering, and security, but nowadays IT services, training, and public relations are often added to the list.)

outstanding /əˈaut.stændɪŋ/ adjective not yet paid or completed.

outstanding cheque /əˈaut.stændɪŋ ˈtʃeɪk/ noun a cheque which has been written and therefore has been entered in the company’s ledgers, but which has not been presented for payment and so has not been debited from the company’s bank account.

overabsorbed /ˌəvər.əbˈsɔːbd/ˈəvər.əbˈsed/ˈəvər.əbˈsɔd/ adjective having not been debited from the company’s bank account.

overabsorbed overhead which ends up by being higher than the actual overhead incurred.

overabsorption /ˌəvər.əbˈsɔr.pʃən/ noun a situation where the actual overhead incurred is less than the absorbed overhead.

Opposite: underabsorption.

overall /əˈvɔr.əl/ adjective covering or including everything. 

the company reported an overall fall in profits the company reported a general fall in profits.

overall balance of payments /əˈvɔr.əl ˈbæləns ə ˈpɜːr.mənts/ noun the total of current and long-term balance of payments.

overall capitalisation rate /əˈvɔr.əl ˌkæp.təˈləɪzaʃən ˈreɪt/ noun net operating income, other than debt service, divided by value.

overall return /əˈvɔr.əl ˈrɪt̩.ərn/ noun the aggregate of all the dividends received over an investment’s life together with its capital gain or loss at the date of its realisation, calculated either before or after tax. It is one of the ways an investor can look at the performance of an investment.

overborrowed /əˈvɔr.əbˈrɔʊrd/ adjective referring to a company which has very high borrowings compared to its assets, and has difficulty in meeting its interest payments.

overcapitalised /ˌəvər.əkˈteɪp.əliːzd/ adjective referring to a company with more capital than it needs.

overcharge noun /əʊvərˌtʃɑːdʒ/ a charge which is higher than it should be. 

We asked for a refund because we’d been overcharged.

overdraft /əʊvərdraʊt/ noun 1. an amount of money which a company or person can withdraw from a bank account, with the bank’s permission, despite the fact that the account is empty. 

The bank has allowed me an overdraft of £5,000. 

Abbreviation O/D. (NOTE: The US term is overdraft protection.)

We have exceeded our overdraft facilities we have taken out more than the overdraft allowed by the bank. 

2. a negative amount of money in an account, i.e. a situation where a cheque is more than the money in the account on which it is drawn.

overdraw /ˌəvərˈd्रɔː/ verb to take out more money from a bank account than there is in it.

overdue /əˈvɔr.ədjuː/ adjective not having not been paid on time.
overdue account

Accounting.fm Page 160 Tuesday, February 13, 2007 1:40 PM

overdue account /ˌɔːvədʒuːt ˈkaʊnt/ noun an account whose holder owes money that should have been paid earlier

overestimate /ˌɔvərˈɛstɪmət/ verb to think something is larger or worse than it really is ○ They overestimated the amount of time needed to fit out the factory. ○ They overestimated the costs of moving the offices to central London.

overcharged /ˌɔvərˈtʃɑrd/ adjective referring to a company which has high borrowings in comparison to its assets

overhang /ˌɔvərˈhæŋ/ noun a large quantity of shares or of a commodity or of unsold stock available for sale, which has the effect of depressing the market price

overhead absorption rate /ˌɔvərˈhɛd əˈbɜrʒərənt/ noun a rate at which production costs are increased to absorb higher overhead costs

overhead budget /ˌɔvərˈhɛd ˈbʌdzɪt/ noun a plan of probable overhead costs

overhead cost variance /ˌɔvərˈhɛd kɒst ˈvɛəriəns/ noun the difference between the overhead cost absorbed and the actual overhead costs incurred, both fixed and variable

overhead expenditure variance /ˌɔvərˈhɛd ɪˈskɛndʒərənt ˈvɛəriəns/ noun the difference between the budgeted overhead costs and the actual expenditure

overheads /ˌɔvərˈhɛd/ plural noun the indirect costs of the day-to-day running of a business, i.e. not money spent of producing goods, but money spent on such things as renting or maintaining buildings and machinery ○ The sales revenue covers the manufacturing costs but not the overheads. (NOTE: The US term is overhead.)

overlap profit /ˌɔvələp ˈprəʊfɪt/ noun a profit which occurs in two accounting periods, i.e. when two accounting periods overlap, and on which overlap relief can be claimed

overpaid /ˌɔvərˈpeɪd/ adjective paid too much ○ Our staff are overpaid and under-worked.

overpay /ˌɔvərˈpeɪ/ verb to pay too much to someone or for something ○ We overpaid the invoice by $245.

overpayment /ˌɔvərˈpeɪmənt/ noun an act of paying too much

overrider /ˌɔvərərɪdər/ noun an overriding commission /ˌɔvərəˈrɪdəŋ ˈkəmɪʃn/ noun a special extra commission which is above all the other commissions

overseas /ˌɔvərˈsiːz/ plural noun foreign countries ○ The profits from overseas are far higher than those of the home division.

overseas division /ˌɔvərˈsiːz ˈdiːvɪʒn/ noun the section of a company dealing with trade with other countries

overseas funds /ˌɔvərˈsiːz ˈfʌndz/ plural noun investment funds based in other countries

overseas markets /ˌɔvərˈsiːz ˈmɑːkɪts/ plural noun markets in foreign countries

overseas taxation /ˌɔvərˈsiːz ˈteɪʃən/ noun double taxation, double taxation agreement

overseas trade /ˌɔvərˈsiːz ˈtreɪd/ noun same as foreign trade

overspend /ˌɔvərˈspænd/ verb to spend too much ○ to overspend your budget to spend more money than is allowed in your budget

overspending /ˌɔvərˈspændɪŋ/ noun the act of spending more than is allowed ○ The board decided to limit the overspending by the production departments.

overstate /ˌɔvərˈstɛt/ verb to enter in an account a figure that is higher than the actual figure ○ The company accounts overstate the real profit

overstatement /ˌɔvərˈstɛtəment/ noun the fact of entering in an account a figure that is higher than the actual figure

overstock /ˌɔvərˈstɒk/ verb to have a bigger stock of something than is needed ○ ‘Cash paid for your stock: any quantity, any products, overstocked lines, factory seconds’ [Australian Financial Review]

overstocks /ˌɔvərˈstɑːks/ plural noun US a surplus of stock ○ We will have to sell off the overstocks to make room in the warehouse.

over-the-counter market /ˌɔvərˌðiː ˈkɒntɜːr/ noun a secondary market in shares which are not listed on the main Stock Exchange

over-the-counter sales /ˌɔvərˌðiː ˈsɛlz/ plural noun the legal selling of shares that are not listed in the official Stock Exchange list, usually carried out by telephone

overtime /ˌɔvərtɜːm/ plural noun hours worked in addition to your usual working hours ○ to work six hours’ overtime ○ The overtime rate is one and a half times normal pay.

overtime pay /ˌɔvərtɜːm pei/ noun pay for extra time worked

overtrading /ˌɔvərtredɪŋ/ noun a situation where a company increases sales and
production too much and too quickly, so that it runs short of cash

**overvalue** /ˌəʊvəˈvæljuː/ verb to give a higher value to something or someone than is right  □ **these shares are overvalued at £1.25** the shares are worth less than the £1.25 for which they are selling

‘...the fact that sterling has been overvalued for the past three years shows that currencies can remain above their fair value for very long periods’ [Investors Chronicle]

**owe** /əʊ/ verb to have to pay money  
He owes the bank £250,000. □ **they still owe the company for the stock they purchased last year** they have still not paid for the stock

**owner-occupier** /ˌəʊnər ˈɒkjʊəriə/ noun a person who owns the property in which he or she lives

**owners’ equity** /ˌəʊnərz ‘ɛkwɪti/ noun the value of the shares in a company owned by the owners of the company
A package deal is an agreement which covers several different things at the same time. They agreed a package deal which involves the construction of the factory, training of staff, and purchase of the product.

When the price of a commodity, foreign currency or security is the same in different countries, whatever tax regime is in force, and that a small percentage of a total value of trade or resources. Also called a Pareto eightieth-twenty law or an eighty-twenty law.

A foreign exchange rate is the state of being equal, at the same price.
part exchange / ˈpart ɪsk ˈfɛrndʒ / noun the act of giving an old product as part of the payment for a new one ○ to take a car in part exchange
partial /ˈpærə tiəl/ adjective not complete
participate /ˈpɑrtɪsɪpeɪt / verb to take part in an activity or enterprise ○ The staff are encouraged to participate actively in the company’s decision-making processes.
participating preference shares /ˈpɑrtɪsɪpeɪtɪŋ priˈfɜːrəns ʃeəz / noun preferred stock ○ The company was able to sell its preference shares with an investment
partly-paid capital /ˈpɑrtlɪ peɪd ˈkæpət(ə)l / noun a capital which represents partly-paid shares
partnership agreement /ˈpɑrtnərʃɪp əˈɡrɛmənt / noun a document setting up a partnership, giving the details of the business and the amount each partner is contributing to it. Also called articles of partnership
partnership accounts /ˈpɑrtnərʃɪp əˈkounəts / noun the capital and current accounts of each partner in a partnership, or the accounts recording the partnership’s business activities
partnership accounts /ˈpɑrtnərʃɪp əˈkounəts / noun the capital and current accounts of each partner in a partnership, or the accounts recording the partnership’s business activities
partnership agreement /ˈpɑrtnərʃɪp əˈɡrɛmənt / noun a document setting up a partnership, giving the details of the business and the amount each partner is contributing to it. Also called articles of partnership
partnership accounts /ˈpɑrtnərʃɪp əˈkounəts / noun the capital and current accounts of each partner in a partnership, or the accounts recording the partnership’s business activities
partnership agreement /ˈpɑrtnərʃɪp əˈɡrɛmənt / noun a document setting up a partnership, giving the details of the business and the amount each partner is contributing to it. Also called articles of partnership
partner-owner /ˈpɑrtər ˈəʊnər / noun a person who owns something jointly with one or more other people ○ I am part-owner of the restaurant.
partner-ownership /ˈpɑrtər ˈəʊnərʃɪp / noun a situation where two or more persons own the same property
paid-up shares /ˈpeɪdˌʌp ʃeəz / noun shares in which the shareholders have not paid the full face value
partly-paid capital /ˈpɑrtlɪ peɪd ˈkæpət(ə)l / noun a capital which represents partly-paid shares
partly-paid up shares /ˈpɑrtli peɪd up ʃeəz / noun partly-paid capital ○ to participate in a company ○ to buy a car with a part payment ○ to buy a car for £1,000 with a part payment ○ to pay £1,000 for a car ○ How much did you pay to have the office cleaned? (NOTE: paying – paid) ○ ‘pay cash’ words written on a crossed cheque to show that it can be paid in cash if necessary ○ to produce or distribute money (NOTE: paying – paid) ○ to give an
participating preference shares /ˈpartɪsɪpatɪŋ priˈfɜːrəns ʃeəz / noun preference shares which get an extra bonus dividend if company profits reach a high level
partnership /ˈpɑrtnərʃɪp / noun a business where two or more people work in a business and have an equal share in it with other partners ○ I became a partner in a firm of solicitors.
participation budgeting /ˈpɑrtɪsɪpətʃən ˈbʌdʒɪtɪŋ / noun a budgeting system in which all budget holders are given the opportunity to participate in setting their own budgets. Also called bottom-up budgeting
part pay /ˈpɑrt ˈpeɪ / noun a partial payment that leaves a balance to pay at some future time ○ I gave him £250 as part payment for the car.
part-time /ˈpɑrt ˈtaɪm / adjective, adverb not working for the whole working week ○ a part-time employee
participate /ˈpɑrtɪsɪpeɪt / verb to take part in an activity or enterprise ○ The staff are encouraged to participate actively in the company’s decision-making processes.
participative budgeting /ˈpɑrtɪsɪpatɪv ˈbʌdʒɪtɪŋ / noun a budgeting system
paternity leave /ˈpætərnti ˈliːv / noun a short period of leave given to a father to be away from work when his partner has a baby
patent /ˈpeɪtənt / noun an official document showing that a person has the exclusive right to make and sell an invention ○ to take out a patent for a new invention ○ to apply for a patent for a new invention ○ ‘patent applied for’, ‘patent pending’ words on a product showing that the inventor has applied for a patent for it
patent agent /ˈpeɪtənt əˈɛrdʒənt / noun a person who advises on patents and applies for patents on behalf of clients
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
paternity leave /ˈpætərnti ˈliːv / noun a short period of leave given to a father to be away from work when his partner has a baby
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
paternity leave /ˈpætərnti ˈliːv / noun a short period of leave given to a father to be away from work when his partner has a baby
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpeɪtənt ˈraɪts / plural noun the rights which an inventor holds because of a patent
patent office /ˈpeɪtənt ˈəfɪs / noun a government office which grants patents and supervises them
patent rights /ˈpe
payable

employee money for work done ○ The workforce has not been paid for three weeks. ○ We pay good wages for skilled workers. ○ How much do they pay you per hour? (NOTE: paying – paid) to be paid at piecework rates to get money for each piece of work finished 4. to give money which is owed or which has to be paid ○ He was late paying the bill. ○ We phoned to ask when they were going to pay the invoice. ○ You will have to pay duty on these imports. ○ She pays tax at the highest rate. (NOTE: paying – paid) ○ please pay the sum of £10 please give £10 in cash or by cheque ‘...recession encourages communication not because it makes redundancies easier, but because it makes low or zero pay increases easier to accept’ [Economist]' ...the yield figure means that if you buy the shares at their current price you will be getting 5% before tax on your money if the company pays the same dividend as in its last financial year’ [Investors Chronicle].

pay back phrasal verb to give money back to someone ○ Banks are warning students not to take out loans which they cannot pay back. ○ I lent him £50 and he promised to pay me back in a month. ○ She has never paid me back the money she borrowed.

pay off phrasal verb 1. to finish paying money which is owed for something ○ He won the lottery and paid off his mortgage. ○ She is trying to pay off the loan by monthly instalments. 2. to terminate somebody’s employment and pay all wages that are due ○ When the company was taken over the factory was closed and all the employees were paid off.

pay out phrasal verb to give money ○ The company pays out thousands of pounds in legal fees. ○ We have paid out half our profits in dividends.

pay up phrasal verb to give money which is owed ○ The company only paid up when we sent them a letter from our solicitor. ○ She finally paid up six months late.

payable /ˈpeɪəb(ə)l/ adjective due to be paid payable to order /ˈpeɪəb(ə)l təˈɔrdə/ adjective words written on a bill of exchange or cheque to indicate that it may be transferred

payback /ˈpeɪbæk/ noun 1. the act of paying back money which has been borrowed 2. the time required for the cash inflows from a capital investment project to equal the cash outflows

payback clause /ˈpeɪbæk kləuʒ/ noun a clause in a contract which states the terms for repaying a loan

payback period /ˈpeɪbæk prəˈpiərd/ noun 1. a period of time over which a loan is to be repaid or an investment is to pay for itself 2. the length of time it will take to earn back the money invested in a project

pay day /ˈpeɪ dɛd/ noun a day on which wages are paid to employees, usually Friday for employees paid once a week and during the last week of the month for employees who are paid once a month

pay differentials /ˈpeɪ dɪfrəntjələs/ noun the difference in salary between employees in similar types of jobs. Also called salary differentials, wage differentials

paydown /ˈpeɪdaʊn/ noun a repayment of part of a sum which has been borrowed

payee /ˈpeɪi/ noun a person who receives money from someone, or the person whose name is on a cheque

payer /ˈpeɪər/ noun a person who gives money to someone

pay hike /ˈpeɪ hɪk/ noun an increase in salary

paying /ˈpeɪɪŋ/ adjective 1. making a profit ○ It is a paying business. 2. producing money, source of money ○ noun the act of giving money

paying agent /ˈpeɪɪŋ əˈdʒent/ noun a bank which pays dividend or interest to a bondholder

paying-in book /ˈpeɪiŋ ˈɪn bʊk/ noun a book of forms for paying money into a bank account or a building society account

paying-in slip /ˈpeɪiŋ ˈɪn slɪp/ noun a printed form which is filled in when money is being deposited in a bank (NOTE: The US term is deposit slip.)

paymaster /ˈpeɪməsta(r)/ noun the person responsible for paying an organisation’s employees

payment /ˈpeɪmənt/ noun 1. the act of giving money in exchange for goods or a service ○ We always ask for payment in cash or credit card payment and not payment by cheque. ○ The payment of interest or the interest payment should be made on the 22nd of each month. 2. money paid

payment terms /ˈpeɪmənt tərˈmz/ plural noun the conditions laid down by a business regarding when it should be paid for goods or services that it supplies, e.g. cash with order, payment on delivery, or payment within a particular number of days of the invoice date
Accounting

pay negotiations /ˈpɛɪ ˈnɛɡəreɪʃən/ noun discussions between management and employees about pay increases.

payoff /ˈpɛɪ ˈɔʊf/ noun money paid to finish something which is owed, such as money paid to an employee when his or her employment is terminated.

pay scale /ˈpɛɪ ˈskeɪl/ noun a hierarchy of wage levels, typically varying according to job title, salary or length of service. Also called salary scale, wage scale.

pay packet /ˈpɛɪ ˈpækkt/ noun the amount of money paid to an employee for their work.

pay period /ˈpɛɪ ˈpɛrɪd/ noun the time period over which earnings are calculated and paid.

pay rise /ˈpɛɪ ˈrɪz/ noun an increase in pay.

payroll /ˈpɛɪ ˈrəʊl/ noun 1. the list of people employed and paid by a company. 2. The company only exists on payouts.

payroll giving scheme /ˈpɛɪ ˈrəʊl ˈgɪvɪŋ ˈʃeɪm/ a scheme by which an employee pays money to a charity directly.

payoff /ˈpɛɪ ˈɔʊf/ verb to provide a financial reward or compensation.

penalise /ˈpɛnəlizaɪ/ verb to punish or fine someone.

penal tax /ˈpɛnəl ˈteks/ noun a tax imposed for bad time-keeping.

penalty /ˈpɛnəlti/ noun 1. a punishment, often a fine, which is imposed if something is not done or is done incorrectly or illegally. 2. an arbitrary pre-arranged sum that becomes payable if one party breaks a term of a contract or an undertaking.

penetration pricing /ˈpɛnətrəʃən ˈprɪŋktʃən/ noun the practice of pricing a product low enough to achieve market penetration.

pension /ˈpɛnʃən/ noun money paid regularly to someone who no longer works.

pension fund /ˈpɛnʃən fʌnd/ noun a large sum of money made up of contributions from employees and their employer.
pension funds

which provides pensions for retired employees

pension funds /ˈpenʃən fʌndz/ plural noun investments managed by pension companies to produce pensions for investors

pension income /ˈpenʃən ɪnˈkʌm/ noun income which you receive from a pension scheme

pension scheme /ˈpenʃən skɪm/ noun an arrangement by which an employer and, usually, an employee put into a fund that is invested to provide the employee with a pension on retirement

PEP abbreviation Personal Equity Plan

per /ˈpɜːr/ preposition 1. as per according to 2. for each 3. per head we pay £10 per hour 4. per the earnings per share the dividend received for each share 5. per the average sales per representative the average sales achieved by one representative

‘...a 100,000 square-foot warehouse generates £600 in sales per square foot of space’ [Duns Business Month]

PER abbreviation price/earnings ratio

per annum /ˈpɜːr əˈnʌnm/ adverb in a year 1. What is their turnover per annum? 2. What is his total income per annum? She earns over £100,000 per annum.

P/E ratio /piː ˈiːˌriːʃəʊ/ noun same as price/earnings ratio

per capita /ˈpɜːr ˈkæpɪtə/ adjective, adverb for each person

per capita income /ˈpɜːr ˈkæpɪtə ɪnˈkʌm/ noun 1. the average income of one person. Also called income per capita, income per head 2. the average income of each member of a particular group of people, e.g., the citizens of a country

per cent /ˈpɜːr ˈsɛnt/ adjective, adverb out of each hundred, or for each hundred

‘...this would represent an 18 per cent growth rate – a slight slackening of the 25 per cent turnover rise in the first half’ [Financial Times]

‘...buildings are depreciated at two per cent per annum on the estimated cost of construction’ [Hong Kong Standard]

percentage /ˈpɜːr ˈsɛntɪdʒ/ noun an amount shown as part of one hundred

‘...state-owned banks cut their prime rates a percentage point to 11.5%’ [Wall Street Journal]

‘...a good percentage of the excess stock was taken up during the last quarter’ [Australian Financial Review]

...the Federal Reserve Board, signalling its concern about the weakening American economy, cut the discount rate by one-half percentage point to 6.5%’ [Wall Street Journal]

percentage discount /ˈpɜːr ˈsɛntɪdʒ ˈdɪskɔːnt/ noun a discount calculated at an amount per hundred

percentage increase /ˈpɜːr ˈsɛntɪdʒ ˈɪnkrəs/ noun an increase calculated on the basis of a rate for one hundred

percentage point /ˈpɜːr ˈsɛntɪdʒ ˈpɔɪnt/ noun 1 per cent

percentile /ˈpɜːr ˈsɛntɪli/ noun one of a series of ninety-nine figures below which a percentage of the total falls

per day /ˈpɜːr ˈdeɪ/ per diem /ˈpɜːr ˈdiːm/ adverb for each day

perform /ˈpɜːrmər/ verb to do well or badly

performance /ˈpɜːrmərəns/ noun 1. the way in which someone or something acts. Last year saw a dip in the company’s performance. 2. performance of staff against objectives how staff have worked, measured against the objectives set 2. the way in which a share increases in value

‘...inflation-adjusted GNP edged up at a 1.3% annual rate, its worst performance since the economic expansion began’ [Fortune]

performance audit /ˈpɜːrmərəns, əˈdʌt/ noun an investigation into the efficiency of a particular area of an organisation, or of the organisation as a whole

performance rating /ˈpɜːrmərəns ˈreɪtɪŋ/ noun a judgment of how well a share or a company has performed

performance report /ˈpɜːrmərəns ˈrɔrt/ noun a report of the findings of a performance audit

per head /ˈpɜːr ˈhed/ adverb for each person 1. Allow £15 per head for expenses. 2. Representatives cost on average £50,000 per head per annum.

period bill /ˈprɪriəd bil/ noun a bill of exchange payable on a certain date rather than on demand. Also known as term bill

period cost /ˈprɪriəd kɒst/ noun a fixed cost, such as rent or insurance, which is related to a period of time

period end /ˈprɪriəd ənd/ noun the date which marks the end of a particular accounting period, e.g., the end of the financial year

periodicity concept /ˌprɪriəˈdɪsɪti kənˈsept/ noun a legal requirement that states that entities must produce required financial documentation at agreed times
amounts receivable from or payable to a person and in addition has all sorts of perks.

short- and long-term financial planning by an individual, either independently or with the assistance of a professional adviser. It will include the use of tax efficient schemes such as Individual Savings Accounts, ensuring adequate provisions are being made for retirement, and examining short- and long-term borrowing requirements such as overdrafts and mortgages.

Personal Identification Number /'pərsənl ɪn'dentɪfɪkeɪʃn ˈnʌmə(r)/ noun a unique number allocated to the holder of a cash card or credit card, by which he or she can enter an automatic banking system, as e.g., to withdraw cash from a cash machine or to pay in a store. Abbreviation PIN

personal income /'pərsənl ɪnkəm/ noun the income received by an individual person before tax is paid

Personal Investment Authority /'pərsənəl ɪn'vestmənt ɔ(r)/'θrəʊtɪ/ noun a self-regulatory body which regulates the activities of financial advisers, insurance brokers and others who give financial advice or arrange financial services for small clients. Abbreviation PIA

personal loan /'pərsənl ˈləʊn/ noun a loan to a person for household or other personal use, not for business use

personal pension plan /'pərsənl ˈpenʃən plən/ noun a pension plan which applies to one employee only, usually a self-employed person, not to a group. Abbreviation PPP

personal property /'pərsənl ˈprɒprəti/ noun things which belong to a person. The fire caused considerable damage to personal property.

personal representative /'pərsənl ˈreprɪzəntətɪv/ noun a person who is the executor of a will or the administrator of the estate of a deceased person

PERS /'pɜːrɪs/ abbreviation programme evaluation and review technique

petroleum revenues /ˈpɛtroljuəm ˈrɪvənjuːs/ noun income from selling oil

petroleum revenue tax /ˈpɛtroljuəm ˈrɪvənjuː tɛks/ noun a British tax on revenues from companies extracting oil from the North Sea. Abbreviation PRT

petty cash /ˈpeti ˈkef/ noun a small amount of money kept in an office to pay small debts. Abbreviation P/C

petty cash voucher /ˈpeti ˈkef ˈvɑːvɜː/ noun a piece of paper on which cash expenditure is noted so that an
employee can be reimbursed for what he or she has spent on company business

petty expenses /ˈpeti ɪˈspɛnsɪz/ plural noun small sums of money spent

phase /fæs/ noun a period or part of something which takes place ○ the first phase of the expansion programme

phase in phrasal verb to bring something in gradually ○ The new invoicing system will be phased in over the next two months.

phase out phrasal verb to remove something gradually ○ Smith Ltd will be phased out as a supplier of spare parts.

phoenix company /ˌfɪnmɪks.ˈkæmpnəni/ noun a company formed by the directors of a company which has gone into receivership, which trades in the same way as the first company, and in most respects (except its name) seems to be exactly the same as the first company

the prosecution follows recent calls for a reform of insolvency legislation to prevent directors from leaving behind a trail of debt while continuing to trade in phoenix companies – businesses which fold only to rise again, often under a slightly different name in the hands of the same directors and management’ [Financial Times]

physical asset /ˈfɪzikəl ˈæsɛt/ noun an asset that is a physically existing thing, as opposed to cash or securities

physical inventory /ˈfɪzikəl ɪnˈventərɪ/ noun US same as physical stock

physical market /ˈfɪzikəl ˈmɑrkt/ noun a commodity market where purchasers actually buy the commodities, as opposed to the futures market, where they buy and sell the right to purchase commodities at a future date

physical price /ˈfɪzikəl ˈprɑs/ noun a current cash price for a commodity for immediate delivery

physicals /ˈfɪzikəlz/ plural noun actual commodities which are sold on the current market, as opposed to futures

physical stock /ˈfɪzikəl ˈstɔŋk/ noun the actual items of stock held in a warehouse

PIA abbreviation Personal Investment Authority

piece rate /ˈpiːs ˈreɪt/ noun a rate of pay calculated as an amount for each product produced or for each piece of work done, and not as an amount for each hour worked ○ to earn piece rates

does work or for each piece of work done and not as an amount for each hour worked ○ to earn piece rates

piecework /ˈpiːzˌwɜːk/ noun work for which employees are paid in accordance with the number of products produced or pieces of work done and not at an hourly rate

pie chart /ˈpaɪ ˈtɑːt/ noun a diagram where information is shown as a circle cut up into sections of different sizes

pilferage /ˈpɪlfərɪdʒ, ˈpɪlfərɪŋ/ noun the stealing of small amounts of money or small items from an office or shop

PIN /ˈpɪn/ abbreviation Personal Identification Number

PIS abbreviation perpetual inventory system

placement /ˈplɛsmənt/ noun 1. the act of finding work for someone ○ The bureau specialises in the placement of former executives. 2. US the act of finding buyers for an issue of new shares (NOTE: The UK term is placing.)

placing /ˈplɛsmɪŋ/ noun the act of finding a single buyer or a group of institutional buyers for a large number of shares in a new company or a company that is going public

plain vanilla swap /ˈplɛn vəˌnɪlə ˈswɑp/ noun same as interest rate swap

plan /plæn/ noun 1. an organised way of doing something ○ an investment plan ○ a pension plan ○ a savings plan 2. a way of saving or investing money ■ verb to organise carefully how something should be done in the future

…the benefits package is attractive and the compensation plan includes base, incentive and car allowance totalling $50,000+ [Globe and Mail (Toronto)]

plan comptable /plæn kɒmpˈtɜːbl/ noun in France, a uniformly structured and detailed bookkeeping system that companies are required to comply with

planned economy /ˈplænd ɪˈkɒnəmi/ noun a system where the government plans all business activity, regulates supply, sets production targets and itemises work to be done. Also called command economy, central planning

planned obsolescence /ˈplænd, ˈplæd əˈbɔləsəns/ noun same as built-in obsolescence ○ Planned obsolescence was condemned by the consumers organisation as a cynical marketing ploy.

plant and machinery /ˈplænt ən ˈmərə ˈplænt/ noun equipment used to help someone do trade such as trucks, tools, office furniture, computers, ladders, etc.
plant asset /ˈplɑːnt əˈses/ noun any fixed asset such as machinery
plant ledger /ˈplɑːnt ˈlɛdʒər/ noun a ledger that records information relating to specific items of plant, including information on replacements and repairs
plastic /ˈplæstɪk/ noun plastic cards and charge cards (informal)
Plc, PLC, plc abbreviation public limited company
plus /plaʊs/ preposition added to ○ Her salary plus commission comes to more than £45,000. ○ Production costs plus overheads are higher than revenue. • adjective more than □ houses valued at £100,000 plus houses valued at over £100,000
pocket /ˈpɒkt/ noun □ to be £25 in pocket to have made a profit of £25 □ to be £25 out of pocket to have lost £25
point /pɔɪnt/ noun 1. a place or position 2. a unit for calculations ○ government stocks rose by one point they rose by £1
poison pill /ˈpɔzɪzn ˈpɪl/ noun an action taken by a company to make itself less attractive to a potential takeover bid
policy cost /ˈpɔlɪsi ˈkɒst/ noun a fixed cost, such as advertising cost, which is governed by the management’s policy on the amount of advertising to be done
portable pension /ˈpɔrtəbl ˈpɛnsən/ noun a pension entitlement which can be moved from one company to another without loss as an employee changes jobs
portfolio investments /ˈpɔrtfəluə inˈvestments/ plural noun investments in shares and government stocks, as opposed to investments in property, etc.
portfolio management /ˈpɔrtfəluə ˈmænədʒmənt/ noun the systematic buying and selling shares in order to make the highest possible profits for a single investor
portfolio theory /ˈpɔrtfəluə ˈθiərɪ/ noun a basis for managing a portfolio of investments, i.e. a mix of safe stocks and more risky ones
position /ˈpəʊzɪʃən/ noun 1. a situation or state of affairs 2. a point of view 3. a job or paid work in a company ○ to apply for a position as manager ○ We have several positions vacant. 4. the state of a person’s current financial holding in a stock
position audit /ˈpəʊzɪʃən əˈdʒʊst/ noun part of the planning process which examines the current state of an entity in respect of the following: resources of tangible and intangible assets and finance; products, brands and markets; operating systems such as production and distribution; internal organisation; current results; and returns to stockholders
positive carry /ˈpəʊzɪtɪv ˈkærɪ/ noun a situation in which the cost of financing an investment is less than the return obtained from it
positive cash flow /ˈpəʊzɪtɪv ˈkæʃ fləʊ/ noun a situation in which more money is coming into a company than is going out
positive confirmation /ˈpəʊzɪtɪv kərnənʃən/ noun an auditor’s request to have financial information confirmed as accurate, to which a reply must be sent, not only in the case of a discrepancy
positive goodwill /ˈpəʊzɪtɪv ˈɡʊdwl/ noun the position of a company that has assets for which the acquisition costs exceed the values of the identifiable assets and liabilities
positive yield curve /ˈpəʊzɪtɪv ˈjɪəld kər/ noun a situation where the yield on a short-term investment is less than that on a long-term investment
possess /pəˈzɛs/ verb to own something ○ The company possesses property in the centre of the town. ○ He lost all he possessed in the collapse of his company. Compare repossess
possessions /pəˈzɛʃənz/ plural noun property, things owned ○ They lost all their possessions in the fire. Compare repossessions
post-acquisition /pəʊst əkˈkwɪziʃən/ adjective taking place after a company has been acquired
post-acquisition profit /pəʊst əkˈkwɪziʃən ˈprɒfɪt/ noun a profit of a subsidiary company in the period after it has been acquired, which is treated as revenue and transferred to the consolidated reserves of the holding company
post a credit /pəʊst a ˈkredɪt/ verb to enter a credit item in a ledger
post-balancing sheet /post ˈbæləns ˈʃiːt/ noun something which happens after the date when the balance sheet is drawn up, and before the time when the balance sheet is officially approved by the directors, which affects a company’s financial position
post-balancing sheet event /pəʊst ˈbæləns ɪnˈvɛnt/ noun something which happens after the date when the balance sheet is drawn up, and before the time when the balance sheet is officially approved by the directors, which affects a company’s financial position
Accounting.fm  Page 170  Tuesday, February 13, 2007  1:40 PM

postdate

postdate /paʊstˈdeɪt/ verb to put a later
date on a document ○ He sent us a postdated cheque. ○ Her cheque was postdated to June.

post-purchase costs /paʊstˈpoʊtʃər/ plural noun costs incurred after a
capital expenditure decision has been imple-
mented and facilities acquired. These costs
may include training, maintenance and the cost
of upgrades.

pound /paʊnd/ noun 1. a measure of
weight (=0.45 kilos) ○ to sell oranges by the
pound ○ a pound of oranges ○ Oranges cost
50p a pound. (NOTE: Usually written lb after
a figure: 25lb. Note also that the pound is
now no longer officially used in the UK 2. a
unit of currency used in the UK and many
other countries including Cyprus, Egypt,
Lebanon, Malta, Sudan, Syria and, before
the euro, Ireland.

poundage /paʊnddʒ/ noun a rate
charged per pound in weight

pound-cost averaging /paʊnd kɔst 
ˈeɪvərɪŋ/ noun the practice of buying
securities at different times, but always
spending the same amount of money

pound sterling /paʊnd ˈstɜːrniŋ/ noun
the official term for the UK currency

power /paʊər/ noun 1. strength or ability
2. a force or legal right 3. a mathematical term
describing the number of times a number is
to be multiplied by itself ○ 5 to the power 2
is equal to 25 (NOTE: written as small figures
in superscript: 10². Say: ‘ten to the power
five’)

power of attorney /paʊər və ˈətərnəri/ noun
a legal document which gives someone
the right to act on someone’s behalf in legal
matters

PPI abbreviation producers’ price index

PPP abbreviation personal pension plan

pre-acquisition profits /prɪˈdɛəkərəʃən/ plural noun profits of
a company in the part of its accounting
period before it was acquired by another
company. Under acquisition accounting
methods, the holding company deducts
these profits from the combined reserves of
the group.

pre-acquisition write-down /prɪˈdɛəkərəʃən 
ˈrɪtədn/ noun a reduction in the fair value of a new subsidiary in the
balance sheet of a holding company against
the potential future costs or the possible
revaluation of the subsidiary’s assets after
acquisition

prebilling /prɪˈbɪlɪŋ/ noun the practice of
submitting a bill for a product or service
before it has actually been delivered

preceding year /prɪˈsɛdɪŋ/ noun the
year before the accounting year in question

pre-emptive right /prɪˈemptɪv/ adjective
done before anyone else takes action in
order to stop something happening

preference shares /prɪˈfɜːrəns ʃeəz/ plural noun shares, often with no voting
rights, which receive their dividend before
all other shares and are repaid first at face
value if the company goes into liquidation
(NOTE: The US term is preferred stock.)

preference dividend /prɪˈfɜːrəns 
dɪˈvɪndən/ noun a dividend paid on prefer-
ence shares

preference shares /prɪˈfɜːrəns ʃeəz/ plural noun shares, often with no voting
rights, which receive their dividend before
all other shares and are repaid first at face
value if the company goes into liquidation. Also
called preferred creditor

preference debt /prɪˈfɜːrəns ˈdɜːt/ noun
a debt which is paid before all others

preference payment /prɪˈfɜːrəns 
ˈpɛrnənt/ noun a payment to a preferential
creditor

preference shares /prɪˈfɜːrəns ʃeəz/ plural noun shares which are part of a
new issue and are set aside for the employ-
ee of the company

preferred creditor /prɪˈfɜːrəns ˈkredɪtər/ noun
a creditor who must be paid first if a company is in liquidation. Also
called preferred creditor

pre-financing /prɪˈfɛnʃən/ noun
money paid in advance by customers to help
finance a project the future products of
which the customer contracts to buy by mak-
ing additional payments

preliminary announcement /prɪˈlɪmərəni 
ˈænəmaʊnənt/ noun an announcement of a company’s full-year
results, given out to the press before the
detailed annual report is released

preliminary audit /prɪˈlɪmərəni 
ˈæudɪt/ noun audit fieldwork carried out before
the end of the accounting period in question

preliminary prospectus /prɪˈlɪmərəni 
ˈprɒspektəs/ noun same as pathfinder prospectus
1. Someone to buy a flat to let with a premium of £10,000.

2. An amount to be paid to a landlord or a tenant for the right to take over a lease. Annual rent: £8,500, premium: £25,000.

3. An extra sum of money in addition to a usual charge, wage, price or other amount. A gift, discount or other incentive to encourage someone to buy.

4. A government bond, part of the National Savings and Investment scheme, which pays no interest, but gives the owner the chance to win a weekly or monthly prize.

Premium bond /ˈprɪzmɪəm bɔnd/ noun a government bond, part of the National Savings and Investment scheme, which pays no interest, but gives the owner the chance to win a weekly or monthly prize.

Premium income /ˈprɪzmɪəm ˈɪnmən/ noun income which an insurance company derives from premiums paid by insured persons.

Premium on redemption /ˈprɪzmɪəm ɒn riˈdɛmptʃən/ noun an extra amount above the nominal value of a share or debenture paid to the holder by a company buying back its share or loan stock.

Prepaid expenses /ˈprɪz,perd ɪkˈspɛnsz/ plural noun expenditure on items such as rent, which is made in one accounting period but covers part of the next period also.

Prepaid interest /ˈprɪz,perd ˈɪntrəst/ noun interest paid in advance of its due date.

Prepay /ˈprɪz,peɪt/ verb to pay something in advance (NOTE: prepaying – prepaid).

Prepayment /ˈprɪz,peɪmənt/ noun 1. A payment in advance, or the act of paying in advance. 2. US the repayment of the principal of a loan before it is due.

Prepayment penalty /ˈprɪz,peɪmənt,peɪˈpɛnəlti/ noun US a charge levied on someone who repays a loan such as a mortgage before it is due.

Present value /ˈprɛz(ə)nt ˈvɛljuː/ noun 1. The value something has now. 2. In 1984 the pound was worth five times its present value. 3. The value now of a specified sum of money to be received in the future, if invested at current interest rates. Abbreviation PV 3. A price which a share must reach in the future to be the equivalent of today’s price, taking inflation into account.

Preservation of capital /ˌprɛzəˈverʃən əv ˈkæpɪt(ə)l/ noun an approach to financial management that protects a person’s or company’s capital by arranging additional forms of finance.

Pretax /ˈprɪteɪks/, pre-tax adjective before tax has been deducted or paid.

171 price/earnings ratio

‘...the company’s goals are a growth in sales of up to 40 per cent, a rise in pre-tax earnings of nearly 35 per cent and a rise in after-tax earnings of more than 25 per cent’ [Citizen (Ottawa)]

‘EC regulations which came into effect in July insist that customers can buy cars anywhere in the EC at the local pre-tax price’ [Financial Times]

Pretax profit /ˌprɪtəkst ˈprɒft/ noun the amount of profit a company makes before taxes are deducted. The dividend paid is equivalent to one quarter of the pretax profit. Also called profit before tax. Profit on ordinary activities before tax.

Pretax profit margin /ˌprɪtəkst ˌmɔrdʒərn/ noun the pretax profit shown as a percentage of turnover in a profit and loss account.

Preventive costs /prɪˈventɪv ˈkɒsts/ plural noun those costs incurred in seeking to prevent defects in products and services supplied, e.g. the cost of training programmes.

Previous balance /prɪˈvɪəs ˈbæləns/ noun a balance in an account at the end of the accounting period before the current one.

Price /prɑs/ noun which has to be paid to buy something.

Price controls /prɑs ˈkɔntroʊlz/ plural noun legal measures to prevent prices rising too fast.

Price cutting /prɑs kəˈtɪŋ/ noun a sudden lowering of prices. ‘...in today’s circumstances, price-cutting is inevitable in an attempt to build up market share’ [Marketing Week]

Price-cutting war /prɑs kəˈtɪŋ ˈwɔːr/ noun same as price war.

Price differential /prɑs ˈdɪfərəntʃəl/ noun the difference in price between products in a range.

Price/earnings ratio /prɑs ˈɛərnɪŋz ˈreɪʃən/ noun a ratio between the current market price of a share of stock and the earnings per share (the current dividend it produces), calculated by dividing the market price by the earnings per share. These
price fixing

shares sold at a P/E ratio of 7 Also called P/E ratio. Abbreviation PER.

price fixing /ˈprɑːskɪstrɪŋ/ noun an illegal agreement between companies to charge the same price for competing products

price-insensitive /ˈprɑːs ɪˌsɛnsɪstrɪv/ adjective used to describe a good or service for which sales remain constant no matter what its price because it is essential to buyers.

price range /ˈprɑːsrɛndʒ/ noun a series of prices for similar products from different suppliers

price-to-sales ratio /ˈprɑːstrəˈseɪlz/ noun the ratio of the total value of a company’s shares to its sales for the previous twelve months.

price variance /ˈprɑːs ˈvɛəriəns/ noun the discrepancy between the actual price of a unit produced and the standard price.

price war /ˈprɑːswɔr/ noun a competition between companies to get a larger market share by cutting prices. Also called price-cutting war.

pricing /ˈprɑːsplɪŋ/ noun the act of giving a price to a product.

pricing model /ˈprɑːsplɪŋ,ˈmɒdəl/ noun a computerised system for calculating a price, based on costs, anticipated margins, etc.

pricing policy /ˈprɑːspɔlˈnaɪəli/ noun a company’s policy in giving prices to its products. Our pricing policy aims at producing a 35% gross margin.

primary commodities /ˈprɑːsriːmərədiˈkɒmədɪtɪz/ plural noun farm produce grown in large quantities, e.g. corn, rice or cotton.

primary industry /ˈprɑːsriːməriˈɪndəstri/ noun an industry dealing with basic raw materials such as coal, wood, or farm produce.

prime /ˈprɑːm/ adjective 1. most important 2. basic. noun same as prime rate.

prime bills /ˈprɑːmbɪlz/ plural noun bills of exchange which do not involve any risk.

prime cost /ˈprɑːmcɒst/ noun the cost involved in producing a product, excluding overheads.

prime rate /ˈprɑːrm rɛt/ noun US the best rate of interest at which a bank lends to its customers. Also called prime.

prime sites /ˈprɑːm ˈsaɪts/ plural noun the most valuable commercial sites, i.e. in main shopping streets. Compare secondary sites.

priming /ˈprɑːmɪŋ/ noun a) pump priming principal /ˈprɪnsəpl/ noun 1. a person or company that is represented by an agent. The agent has come to London to see his principals. 2. a person acting for him or herself, such as a merchantbuying securities on his or her own account. 3. money invested or borrowed on which interest is paid. 4. to repay principal and interest. © We try to repay part of principal each month. (NOTE: Do not confuse with principle.) ■ adjective most important. © The principal shareholders asked for a meeting. © The country’s principal products are paper and wood. © The company’s principal asset is its design staff.

…the company was set up with funds totalling Nkr 145m with the principal aim of making capital gains on the second-hand market. [Lloyd’s List]
private banking /ˈprɑːvɪt ˈbæŋkɪŋ/ noun a service offered by certain financial institutions to high net worth individuals. In addition to standard banking services, it will typically include portfolio management and advisory services on taxation, including estate planning.

private company /ˈprɑːvɪt ˈkʌmpərəni/ noun a registered company whose shares are not offered for sale to the public/private sector (firms owned by private shareholders), not to the public/private property which belongs to a private person, not to the public/private practice /ˈprɑːvɪt ˈpræktɪs/ noun accounting services offered to clients, as opposed to accounting work carried out as an employee of a company/private sector /ˈprɑːvɪt ˈsɛktər/ noun one of the parts of the economy of a country, which itself is made up of the corporate sector (firms owned by private shareholders), the personal sector (individuals and their income and expenditure), and the financial sector (banks and other financial institutions to high net worth individuals. In addition to standard banking services, it will typically include portfolio management and advisory services on taxation, including estate planning/private debt /ˈprɑːvɪt ˈdɛt/ noun money owed by individuals and organisations other than governments/private enterprise /ˈprɑːvɪt ˈɪntəprərəz/ noun businesses that are owned privately, not nationalised ○ The project is completely funded by private enterprise/private income /ˈprɑːvɪt ˈɪnkəm/ noun income from dividends, interest or rent which is not part of a salary/private investor /ˈprɑːvɪt ˈɪnvɛstər/ noun an ordinary person with money to invest/private limited company /ˌprɑːvɪt ˈlɪmɪtɪd ˈkʌmpərəni/ noun 1. a company with a small number of shareholders, whose shares are not traded on the Stock Exchange 2. a subsidiary company whose shares are not listed on the Stock Exchange, while those of its parent company are ○ abbreviation Pty Ltd/private placement /ˌprɑːvɪt ˈpleɪsment/ noun the sale of securities for the purpose of investment, not for resale/private placement /ˌprɑːvɪt ˈpleɪsment/ noun the act of placing a new issue of shares with a group of selected financial institutions/private practice /ˌprɑːvɪt ˈprækts/ noun accounting services offered to clients, as opposed to accounting work carried out as an employee of a company/private property /ˌprɑːvɪt ˈprəʊpəti/ noun property which belongs to a private person, not to the public/private sector /ˌprɑːvɪt ˈsɛktər/ noun one of the parts of the economy of a country, which itself is made up of the corporate sector (firms owned by private shareholders), the personal sector (individuals and their income and expenditure), and the financial sector (banks and other financial institutions to high net worth individuals. In addition to standard banking services, it will typically include portfolio management and advisory services on taxation, including estate planning/private treaty /ˈtrɪtɪ/ noun an agreement between individual persons/probability /prəˈbɪlətɪ/ noun the likelihood that something will happen, expressed mathematically/probability distribution /prəˈbɪlətɪ ˈdɪstrı�jʊʃən/ noun a mathematical formula that shows the probability for each value of a variable in a statistical study/probate /prəˈboʊt/ noun legal acceptance that a document, especially a will, is valid ○ the executor was granted probate or obtained a grant of probate the executor was told officially that the will was valid/procedural audit /ˈprɔsɪdʊərəl ˈædɪt/ noun the process of evaluating all policies, controls and other procedures of a business/procedure /prəˈsɪdʒər/ noun a way in which something is done ○ The inquiry found that the company had not followed the approved procedures/proceeds /prəˈsɪdz/ plural noun money received from selling something/process /prəˈsɛs/ verb to deal with something in the usual routine way ○ It usually takes at least two weeks to process an insurance claim ○ Orders are processed in our warehouse/process costing /prəˈsɛsɪŋ ˈkɒstɪŋ/ noun a method of costing something which is manufactured from a series of continuous processes, where the total costs of those processes are divided by the number of units produced/process cost report /prəˈsɛsɪŋ kɔst ˈrɛpt/ noun a set of schedules that managers use to track costs in a process costing system/processing /prəˈsɛsɪŋ/ noun the act of sorting information ○ the processing of information or of statistics by a computer/product /prəˈdʌt/ noun the private placement of new house starts was 3 per cent higher than in the corresponding period last year, while public sector starts were 23 per cent lower [Financial Times]/private banking /ˈprɑːvɪt ˈbæŋkɪŋ/ noun a service offered by certain financial institutions to high net worth individuals. In addition to standard banking services, it will typically include portfolio management and advisory services on taxation, including estate planning/private company /ˈprɑːvɪt ˈkʌmpərəni/ noun a registered company whose shares are not offered for sale to the public/private debt /ˈprɑːvɪt ˈdɛt/ noun money owed by individuals and organisations other than governments/private enterprise /ˈprɑːvɪt ˈɪntəprərəz/ noun businesses that are owned privately, not nationalised ○ The project is completely funded by private enterprise/private income /ˈprɑːvɪt ˈɪnkəm/ noun income from dividends, interest or rent which is not part of a salary/private investor /ˈprɑːvɪt ˈɪnvėstər/ noun an ordinary person with money to invest/private limited company /ˌprɑːvɪt ˈlɪmɪtɪd ˈkʌmpərəni/ noun 1. a company with a small number of shareholders, whose shares are not traded on the Stock Exchange 2. a subsidiary company whose shares are not listed on the Stock Exchange, while those of its parent company are ○ abbreviation Pty Ltd/private placement /ˌprɑːvɪt ˈpleɪsment/ noun the sale of securities for the purpose of investment, not for resale/private placement /ˌprɑːvɪt ˈpleɪsment/ noun the act of placing a new issue of shares with a group of selected financial institutions/private practice /ˌprɑːvɪt ˈprækts/ noun accounting services offered to clients, as opposed to accounting work carried out as an employee of a company/private property /ˌprɑːvɪt ˈprəʊpəti/ noun property which belongs to a private person, not to the public/private sector /ˌprɑːvɪt ˈsɛktər/ noun one of the parts of the economy of a country, which itself is made up of the corporate sector (firms owned by private shareholders), the personal sector (individuals and their income and expenditure), and the financial sector (banks and other financial institutions to high net worth individuals. In addition to standard banking services, it will typically include portfolio management and advisory services on taxation, including estate planning/private treaty /ˈtrɪtɪ/ noun an agreement between individual persons/probability /prəˈbɪlətɪ/ noun the likelihood that something will happen, expressed mathematically/probability distribution /prəˈbɪlətɪ ˈdɪstrı�jʊʃən/ noun a mathematical formula that shows the probability for each value of a variable in a statistical study/probate /prəˈboʊt/ noun legal acceptance that a document, especially a will, is valid ○ the executor was granted probate or obtained a grant of probate the executor was told officially that the will was valid/procedural audit /ˈprɔsɪdʊərəl ˈædɪt/ noun the process of evaluating all policies, controls and other procedures of a business/procedure /prəˈsɪdʒər/ noun a way in which something is done ○ The inquiry found that the company had not followed the approved procedures/proceeds /prəˈsɪdz/ plural noun money received from selling something/process /prəˈsɛs/ verb to deal with something in the usual routine way ○ It usually takes at least two weeks to process an insurance claim ○ Orders are processed in our warehouse/process costing /prəˈsɛsɪŋ ˈkɒstɪŋ/ noun a method of costing something which is manufactured from a series of continuous processes, where the total costs of those processes are divided by the number of units produced/process cost report /prəˈsɛsɪŋ kɔst ˈrɛpt/ noun a set of schedules that managers use to track costs in a process costing system/processing /prəˈsɛsɪŋ/ noun the act of sorting information ○ the processing of information or of statistics by a computer/product /prəˈdʌt/ noun the private placement of
producers’ price index

producers’ price index /ˈprədʒəˌpraisˈɪndəks/ noun US a measure of the annual increase in the prices of goods and services charged by producers which is used to indicate the rate of inflation in the US economy. Abbreviation PPI

product /ˈprɒdʌkt/ noun 1. something which is made or manufactured 2. a manufactured item for sale

product advertising /ˈprɒdʌkt əˌdɛvəˈtɑːtɪŋ/ noun the advertising of a particular named product, not the company which makes it

product analysis /ˈprɒdʌkt əˌnɛsəs/ noun an examination of each separate product in a company’s range to find out why it sells, who buys it, etc.

product cost /ˈprɒdʌkt ˈkɒst/ noun the total cost of goods produced but not yet sold

product costing system /ˈprɒdʌkt ˈkɒstɪŋ ˈsɪstəm/ noun a set of procedures that provides information on unit cost

product design /ˈprɒdʌkt ˈdezən/ noun the design of consumer products

product development /ˈprɒdʌkt ˈdɪˌvələpmənt/ noun the process of improving an existing product line to meet the needs of the market

production /ˈprədʒəkʃən/ noun 1. the act of showing something 2. the work of making or manufacturing goods for sale ○ We are hoping to speed up production by installing new machinery. ○ Higher production is rewarded with higher pay.

production budget /ˈprədʒəkʃən ˈbʌdʒɪt/ noun a plan of the level of manufacturing required to satisfy budgeted sales and inventory expectations

production cost /ˈprədʒəkʃən ˈkɒst/ noun the cost of making a product

production department /ˈprədʒəkʃən ˈdiˌpɑːmənt/ noun the section of a company which deals with the making of the company’s products

production line /ˈprədʒəkʃən ˈlaɪn/ noun a system of making a product, where each item such as a car moves slowly through the factory with new sections added to it as it goes along ○ He works on the production line. ○ She is a production-line employee.

production manager /ˈprədʒəkʃən ˈmænədʒər/ noun the person in charge of the production department

production overhead /ˈprədʒəkʃən ˈəʊvərˌheɪd/ noun the indirect costs of production which are absorbed into the cost of goods produced. Also called factory overhead

production target /ˈprədʒəkʃən ˈtɑːɡt/ noun the number of units a business is expected to produce

production unit /ˈprədʒəkʃən ˈjuːnɪt/ noun a separate small group of employees producing a product

production yield variance /ˈprədʒəkʃən ˈjɪərəvərəns/ noun a discrepancy between expected levels of productivity and actual levels, for a given amount of input

productive capital /ˈprədʒətɪv ˈkæpɪtəl/ noun capital which is invested to give interest

productivity /ˈprɒdʒətɪvɪtɪ/ noun the rate of output per employee, or per item of equipment, in a business ○ Bonus payments are linked to productivity. ○ The company is aiming to increase productivity. ○ Productivity has fallen or risen since the company was taken over.

‘...though there has been productivity growth, the absolute productivity gap between many British firms and their foreign rivals remains’ [Sunday Times]

productivity agreement /ˈprədʒətɪvɪtɪ əˌɡrɪmənt/ noun an agreement to pay a productivity bonus

productivity bonus /ˈprədʒətɪvɪtɪ ˈbʌnəs/ noun an extra payment made to employees because of increased production per employee

productivity drive /ˈprədʒətɪvɪtɪ ˈdraɪv/ noun an extra effort to increase productivity

product life cycle /ˈprədʒətɪvɪtɪ ˈlaɪf ˈsɑːkl/ noun stages in the life of a product in terms of sales and profitability, from its launch to its decline ○ Growth is the first stage in the product life cycle. ○ The machine has reached a point in its product life cycle where we should be thinking about a replacement for it.

product management /ˈprədʒətɪvɪtɪ ˌmænɪdʒmənt/ noun the process of overseeing the making and selling of a product as an independent item

product mix /ˈprədʒətɪvɪtɪ ˈmɪks/ noun the range of different products which a company has for sale

product mix decisions /ˈprədʒətɪvɪtɪ ˈmɪks dɪˈzɪʃənz/ noun decisions about which products or services to concentrate on in order to maximise total profits

product unit cost /ˈprədʒətɪvɪtɪ ˈjuːnɪt ˈkɒst/ noun the cost of manufacturing a single unit of product
profession /prəˈfeʃən/ noun 1. an occupation which is often made a lifelong career ○ The managing director is an accountant by profession. ○ HR management is now more widely recognised as a profession. 2. a group of specialised workers ○ the accounting profession ○ the legal profession

sessions such as a lawyer, doctor or accountant or woman who works in one of the professions

profitably /ˈprɒfɪtəbli/ adverb making a profit ○ The aim of every company must be to trade profitably.

profit after tax /ˈprɒfɪt əˈʃɔrənts/ noun same as net profit

profit and loss account /ˈprɒfɪt ənd ˈlns, ˈstɛmtənt/ noun the accounts for a company showing expenditure and income over a period of time, usually one calendar year, balanced to show a final profit or loss.

Also called consolidated profit and loss account. P&L statement

profit before interest and tax /ˈprɒfɪt ˈbɪfəst, ˈɪntrəst ən ˈtæks/ noun operating profit shown before deducting interest on borrowings and tax due to the Inland Revenue. Abbreviation PBIT

profit before tax /ˈprɒfɪt ˈbɪfəst ˈtæks/ noun same as pretax profit

profit centre /ˈprɒfɪt ,ˈsentəl/ noun a person, unit or department within an organisation which is considered separately for the purposes of calculating a profit ○ We count the kitchen equipment division as a single profit centre.

profit distribution /ˈprɒfɪt ˌdɪstribjuʃən/ noun the allocation of profits to different recipients such as shareholders and owners, or for different purposes such as research or investment

profit fee /ˈprɒfɪt ˈfri/ noun fees paid to lawyers, accountants, architects, etc.

Also called professional fees

profit-related bonus /ˈprɒfɪt riˌdʒuːəl bəˈnəʊs/ noun a bonus paid which is related to the amount of profit a company makes
profit-related pay

profit-related pay /prəˈfɪt rɪˈleɪtɪd/ noun pay including bonuses which is linked to profit

profit retained for the year /prəˈfɪt rɪˈtɛnt fɔr ðə /noun same as retained earnings

profit-sharing /prəˈfɪt ˈʃærɪŋ/ noun a division whereby employees get a share of the profits of the company they work for. The company runs a profit-sharing scheme.

project planning /prəˈdʒekt ˈpleɪnɪŋ/ noun the process of planning a project, concentrating on scheduling and completion on time.

progress noun /prəˈgres/ the movement of work towards completion. To report on the progress of the work or of the negotiations.
proportion of the pre-tax profit is evidence which shows that something is true

property company noun a company which buys buildings to lease them

proportion noun a part of a total A proportion of the pre-tax profit is set aside for contingencies. Only a small proportion of our sales comes from retail shops.

proportional adjective increasing or decreasing at the same rate as something else The increase in profit is proportional to the reduction in overheads.

proportionally adverb in a way that is proportional

proportional taxation noun a tax system in which the tax collected is in constant proportion to the income being taxed, i.e. as income rises so tax rises proportionately

proprietary noun a drug which is made by a particular company and marketed under a brand name

proprietary drug noun a drug which is made by a particular company and marketed under a brand name

proprietary interest noun the amount which the owners of a business have invested in the business

proprietary company noun US a company formed to invest in stock of other companies so as to control them. Abbreviation pty

proprietary drug noun a drug which is made by a particular company and marketed under a brand name

proprietary company noun US a company formed to invest in stock of other companies so as to control them. Abbreviation pty

prospect noun a chance or possibility that something will happen in the future or be job prospects are good she is very likely to find a job

prospective adjective possibly happening in the future

prospective dividend noun same as forecast dividend

prospective P/E ratio noun a P/E ratio expected in the future on the basis of forecast dividends

prospects noun the possibilities for the future

prospectus noun a document which gives information to attract buyers or customers The restaurant has people handing out prospectuses in the street.

protest noun an official document which proves that a bill of exchange has not been paid
provide /prəˈvəːrd/ verb 1. to give or supply something 2. to put money aside in accounts to cover expenditure or loss in the future o £25,000 is provided against bad debts.

provident /prəˈvrid(ə)n/ adjective providing benefits in case of illness, old age or other cases of need o a provident fund o a provident society

provider of capital /prəˈvəːdər ɔvˈkæpɪt(ə)l/ noun a person or company which provides capital to a business, usually by being a shareholder

provision /prəˈvɪʒ(ə)n/ noun an amount of money put aside in accounts for anticipated expenditure where the timing or amount of expenditure is uncertain, often for doubtful debts o The bank has made a £2m provision for bad debts or a $5bn provision against Third World loans.

‘...landlords can create short lets of dwellings which will be free from the normal security of tenure provisions’ [Times]

provisional /prəˈvɪʒ(ə)n(ə)l/ adjective temporary, not final or permanent o The sales department has been asked to make a provisional forecast of sales. o The provisional budget has been drawn up for each department.

provisionally /prəˈvɪʒ(ə)n(ə)li/ adverb not finally o The contract has been accepted provisionally.

provisions /prəˈvɪʒ(ə)niz/ plural noun money put aside in accounts for anticipated expenditure where the timing or amount of expenditure is uncertain. If the expenditure is not certain to occur at all, then the money set aside is called a ‘contingent liability’.

proxy /ˈprɒksi/ noun 1. a document which gives someone the power to act on behalf of someone else o to sign by proxy 2. a person who acts on behalf of someone else o She asked the chairman to act as proxy for her.

proxy form /ˈprɒksi fɔrm/ proxy card /ˈprɒksi kɑr/ noun a form that shareholders receive with their invitations to attend an AGM, and that they fill in if they want to appoint a proxy to vote for them on a resolution

proxy statement /ˈprɒksi ˌstɛtəmənt/ noun a document, filed with the SEC, outlining executive pay packages, option grants and other perks, and also giving details of dealings by executives in shares of the company

proxy vote /ˈprɒksi vɔt/ noun a vote made on behalf of someone who is not present o The proxy votes were all in favour of the board’s recommendation.

PRT abbreviation petroleum revenue tax

prudence /ˈprədəns/ noun an accounting approach that, in cases where there are alternative procedures or values, favours choosing the one that results in a lower profit, a lower asset value and a higher liability value

prudential ratio /ˌpruˈdənʃəl ˈreɪʃəl/ noun a ratio of capital to assets which a bank feels it is prudent to have, according to EU regulations

PSBR abbreviation Public Sector Borrowing Requirement

Pty abbreviation proprietary company

Pty Ltd abbreviation private limited company

public /ˈpʌblɪk/ adjective 1. referring to all the people in general 2. referring to the government or the state

Public Accounts Committee /ˈpʌblɪk ˈɑːkaʊnts ˌkɑrmɪt/ noun a committee of the House of Commons which examines the spending of each department and ministry

public company /ˈpʌblɪk ˈkʌmpəni/ noun same as public limited company

public debt /ˈpʌblɪk ˈdɛt/ noun the money that a government or a set of governments owes

public deposits /ˈpʌblɪk dɪˈpɔzɪts/ plural noun in the United Kingdom, the government’s credit monies held at the Bank of England

public expenditure /ˈpʌblɪk ˈɛxpendɪtʃər/ noun money spent by the local or central government

public finance /ˈpʌblɪk ˈfɪnəns/ noun the raising of money by governments by taxes or borrowing, and the spending of it

public funds /ˈpʌblɪk ˈfʌndz/ plural noun government money available for expenditure

publicity budget /ˈpʌblɪti ˈbʌdʒɪt/ noun money allowed for expenditure on publicity

public limited company /ˈpʌblɪk ˈlɪmɪtɪd ˈkʌmpəni/ noun a company whose shares can be bought on the Stock Exchange. Abbreviation Plc, PLC, plc. Also called public company

publicly held company /ˈpʌblɪkli ˈhɛld ˈkʌmpəni/ noun US a company controlled by a few shareholders or its directors, but which is quoted on the Stock Exchange and which allows the public to hold a few shares
public offering /ˈpʌblɪk ˈɒf(ə)rin/ noun an offering of new shares in a corporation for sale to the public as a way of launching the corporation on the Stock Exchange

public ownership /ˈpʌblɪk ˈɔːrəʊʃɪp/ noun a situation in which the government owns a business, i.e. where an industry is nationalised

public placing /ˈpʌblɪk ˈpleɪsɪŋ/, public placement /ˈpʌblɪk ˈpleɪsmənt/ noun an act of offering a new issue of shares to investing institutions, though not to private investors in general

public sector /ˈpʌblɪk ˈsɛktə/ noun nationalised industries and services ○ a report on wage rises in the public sector or on public-sector wage settlements Also called government sector

Public Sector Borrowing Requirement /ˈpʌblɪk ˈsɛktər ˈbɔːriŋ ˈrɪkwərənt/ noun the amount of money which a government has to borrow to pay for its own spending. Abbreviation PSBR

public spending /ˈpʌblɪk ˈspendɪŋ/ noun spending by the government or by local authorities

Public Trustee /ˈpʌblɪk ˈtrʌstɪ/ noun an official who is appointed as a trustee of an individual’s property

published accounts /ˈpʌblɪdʒənts/ plural noun the accounts of a company which have been prepared and audited and then must be published by sending to the shareholders and other interested parties

pump priming /ˈpʌmp ˈpræmɪŋ/ noun government investment in new projects which it hopes will benefit the economy

purchase book /ˈpɜːtʃəs bʊk/ noun a book in which purchases are recorded

purchase daybook /ˈpɜːtʃəs dɪˈbʊk/, purchases daybook /ˈpɜːtʃəs ˈdeɪbʊk/ noun a book which records the purchases made each day

purchase invoice /ˈpɜːtʃəs ˈɪnvərs/ noun an invoice received by a purchaser from a seller

purchase ledger /ˈpɜːtʃəs ˈledʒər/ noun a book in which purchases are recorded

purchase order /ˈpɜːtʃəs ˈɔrər/ noun an official order made out by a purchasing department for goods which a company wants to buy ○ We cannot supply you without a purchase order number.

purchase order lead time /ˈpɜːtʃəs ˈɔrər ˈlɛd tɜːm/ noun the interval between the placing of an order for raw materials or parts and their being delivered

purchase price /ˈpɜːtʃəs ˈprɑːs/ noun a price paid for something

purchase requisition /ˈpɜːtʃəs ˈrekwɪziʃən/ noun an instruction from a department within an organisation to its purchasing department to buy goods or services, stating the kind and quantity required, and forming the basis of a purchase order

purchase tax /ˈpɜːtʃəs ˈteɪks/ noun a tax paid on things which are bought

purchasing department /ˈpɜːtʃəsɪŋ ˈdɪpɑːmənt/ noun the section of a company which deals with the buying of stock, raw materials, equipment, etc.

purchasing manager /ˈpɜːtʃəsɪŋ ˈmænɪdʒər/ noun the head of a purchasing department

purchasing officer /ˈpɜːtʃəsɪŋ ˈɒfɪsə/ noun a person in a company or organisation who is responsible for buying stock, raw materials, equipment, etc.

purchasing power /ˈpɜːtʃəsɪŋ ˈpauə/ noun the quantity of goods which can be bought by a particular group of people or with a particular sum of money ○ The purchasing power of the school market ○ The purchasing power of the pound has fallen over the last five years.

pure endowment /ˈpjuːr ɪnˈdɔ:ment/ noun a monetary gift the use of which is strictly prescribed by the donor

put down phrasal verb 1, to make a deposit ○ to put down money on a house 2, to write an item in a ledger or an account book ○ to put down a figure for expenses

put up phrasal verb 1, ○ who put up the money for the shop? who provided the investment money for the shop to start? ○ to put something up for sale to advertise that something is for sale ○ When he retired he decided to put his town flat up for sale, 2, to increase something, to make something higher ○ The shop has put up all its prices by 5%.

put option /ˈpʊt ˌɒpʃən/ noun an option to sell a specified number of shares at a specified price within a specified period of time. Also called put

PV abbreviation present value

pyramid selling /ˈpraɪəmɪd ˈsɛlɪŋ/ noun an illegal way of selling goods or investments to the public, where each selling agent pays for the franchise to sell the product or service, and sells that right on to other agents together with stock, so that in the end the person who makes the most money is the original franchiser, and sub-agents or investors may lose all their investments
pyramid selling

...much of the population had committed their life savings to get-rich-quick pyramid investment schemes – where newcomers pay the original investors until the money runs out – which inevitably collapsed' [Times]
qualification /ˌkwɒlɪfɪˈkeɪʃən/ noun  a document or some other formal proof of the fact that someone has successfully completed a specialised course of study or has acquired a skill. ○ You must have the right qualifications for the job. ○ Job-hunting is difficult if you have no qualifications.

qualified /ˌkwɒlɪfɪd/ adjective
1. having passed special examinations in a subject. ○ She is a qualified accountant. ○ We have appointed a qualified designer to supervise the decorating of the new reception area.
2. with some reservations or conditions ○ qualified acceptance of a contract. ○ The plan received qualified approval from the board.

qualified acceptance of a bill /ˌkwɒlɪfɪd əˈbaɪl/ noun an agreement to pay a bill of exchange provided that certain conditions are met

qualified accounts /ˌkwɒlɪfɪd əˈkaʊnts/ plural noun  accounts which have been noted by the auditors because they contain something with which the auditors do not agree

qualified domestic trust /ˌkwɒlɪfɪd ˈdeɪməstɪk trʌst/ noun  a trust for the non-citizen spouse of a US citizen, affording tax advantages at the time of the citizen’s death

qualified valuer /ˌkwɒlɪfɪd ˈvɛljuər/ noun  a person conducting a valuation who holds a recognised and relevant professional qualification and has recent post-qualification experience, and sufficient knowledge of the state of the market, with reference to the location and category of the tangible fixed asset being valued

qualifying distribution /ˌkwɒlɪfɪˈdeɪʃən/ noun  a payment of a dividend, or other distribution of profits, that was subject, in the UK, to advance corporation tax before it was scrapped in 1999

qualifying period /ˌkwɒlɪfɪˈpiərɪəd/ noun  a time which has to pass before something or someone qualifies for something, e.g. a grant or subsidy. ○ There is a six-month qualifying period before you can get a grant from the local authority.

qualifying shares /ˌkwɒlɪfɪˈʃeəz/ plural noun  the number of shares you need to earn to get a bonus issue or to be a director of the company, etc.

qualitative factors /ˌkwɒlɪtətɪv ˈfæktəz/ plural noun  factors that inform a business decision but cannot be expressed numerically

quality assurance /ˌkwɒlɪtɪˈɔːsɑːrəns/ noun  the procedures that a company uses to ensure compliance with a quality standard

quality control /ˌkwɒlɪtɪ ˈkɒntrəˈleɪ/ noun  the process of making sure that the quality of a product is good

quality costs /ˌkwɒlɪtɪ ˈkɒsts/ plural noun  costs incurred when goods produced or services delivered fail to meet quality standards

quango /ˈkwɒŋɡəʊ/ noun  an official body, set up by a government to investigate or deal with a special problem (NOTE: The plural is quangos.)

quantifiable /ˌkwɒntɪˈfiəbl/ adjective  possible to quantify. ○ The effect of the change in the discount structure is not quantifiable.
quantitative factors

quantitative factors  /ˌkwɔntətɪˈtɪfɪv/ noun factors that inform a business decision but cannot be expressed numerically

quantity discount  /ˌkwɔntətiˈdɪskɑːnt/ noun a discount given to people who buy large quantities

quantum meruit  /ˌkwɔntəm ˈmɜrət/ noun a Latin phrase meaning ‘as much as has been earned’

quarter  /ˈkwɔːtər/ noun 1. one of four equal parts (25%) ○ She paid only a quarter of the list price. 2. a period of three months ○ The instalments are payable at the end of each quarter.

‘...corporate profits for the first quarter showed a 4 per cent drop from last year’s final three months’ [Financial Times]

‘...economists believe the economy is picking up this quarter and will do better still in the second half of the year’ [Sunday Times]

quarter day  /ˈkwɔːtər deɪ/ noun a day at the end of a quarter, when rents, fees etc. should be paid

quarterly  /ˈkwɔːtərli/ adjective, adverb happening once every three months ○ There is a quarterly charge for electricity. ○ The bank sends a quarterly statement. ○ We agreed to pay the rent quarterly or on a quarterly basis.

quarterly report  /ˈkwɔːtərly rɪˈpɔːt/ noun the results of a corporation, produced each quarter

quartile  /ˈkwɔːrtɪl/ noun one of a series of three figures below which 25%, 50% or 75% of the total falls

quasi–  /ˈkwæzɪ–/ prefix almost or which seems like ○ a quasi-official body

quasi-loan  /ˈkwæzləʊn/ noun an agreement between two parties where one agrees to pay the other’s debts, provided that the second party agrees to reimburse the first at some later date

quasi-public corporation  /ˌkwæzɪˈpʌblɪk ˌkwɔsɪpəˈtɜːrɪŋ/ noun a US institution which is privately owned, but which serves a public function, such as the Federal National Mortgage Association

queue  /kjuː/ noun 1. a line of people waiting one behind the other ○ to form a queue or to join a queue ○ Queues formed at the doors of the bank when the news spread about its possible collapse. (NOTE: The US term is line.) 2. a series of documents such as orders or application forms which are dealt with in order ○ verb to form a line one after the other for something ○ When food was rationed, people had to queue for bread.

○ We queued for hours to get tickets. ○ A list of companies queuing to be launched on the Stock Exchange. ○ The candidates queued outside the interviewing room.

quick asset  /ˈkwɪk ˈæsɛt/ noun an asset that can be converted into cash relatively quickly

quick ratio  /ˈkwɪk ˈriːʃəl/ noun same as liquidity ratio

quid  /kwɪd/ noun one pound Sterling (slang)

quid pro quo  /ˈkwɪd prəʊ ˈkwɒ/ noun money paid or an action carried out in return for something ○ She agreed to repay the loan early, and as a quid pro quo the bank released the collateral.

quorum  /ˈkwɔːrəm/ noun a minimum number of people who have to be present at a meeting to make it valid

quota  /ˈkwɒtə/ noun a limited amount of something which is allowed to be produced, imported, etc.

‘Canada agreed to a new duty-free quota of 600,000 tonnes a year’ [Globe and Mail (Toronto)]

quota system  /ˈkwɔːtə ˌsɪstəm/ noun 1. a system where imports or supplies are regulated by fixed maximum amounts 2. an arrangement for distribution which allows each distributor only a specific number of items

quotation  /ˈkwɒtə ˈteɪʃən/ noun an estimate of how much something will cost ○ They sent in their quotation for the job. ○ Our quotation was much lower than all the others. ○ We accepted the lowest quotation.

quote  /ˈkwɒt/ verb 1. to repeat words or a reference number used by someone else ○ He quoted figures from the annual report. ○ She replied, quoting the number of the account. 2. to estimate what a cost or price is likely to be ○ to quote a price for something ○ Their prices are always quoted in dollars. ○ He quoted me a price of £1,026. ○ noun an estimate of how much something will cost (informal) ○ to give someone a quote for supplying computers ○ We have asked for quotes for refurbishing the shop. ○ Her quote was the lowest of three.

quoted company  /ˈkwɑːtəd ˈkʌmpərni/ noun a company whose shares can be bought or sold on the Stock Exchange

quoted investments  /ˌkwɑːtɪd ˌɪnˈvestmənts/ plural noun investments which are listed on a stock exchange

quote-driven system  /ˈkwɑːt ˈdrɪvən ˌsɪstəm/ noun a system of work-
ing a stock market, where marketmakers quote a price for a stock. Compare order-driven system quoted shares quoted stocks plural noun shares which can be bought or sold on the Stock Exchange
**racket** /ˈrækkt/ noun an illegal deal which makes a lot of money ○ She runs a cut-price ticket racket.

**rack rent** /ˈræk rent/ noun a very high rent

raise /rɛz/ noun US an increase in salary ○ He asked the boss for a raise. ○ She got her raise last month. (NOTE: The UK term is rise.)  ■ verb 1. to increase or to make higher ○ The government has raised the tax levels. ○ The company raised its dividend by 10%. ○ This increase in production will raise the standard of living in the area. 2. to obtain money or to organise a loan ○ The company is trying to raise the capital to fund its expansion programme. ○ The government raises more money by indirect taxation than by direct.

...the company said yesterday that its recent share issue has been oversubscribed, raising £225.5m’ [Financial Times]

...investment trusts can raise capital, but this has to be done as a company does, by a rights issue of equity’ [Investors Chronicle]

...over the past few weeks, companies raising new loans from international banks have been forced to pay more’ [Financial Times]

**rally** /ˈrɛli/ noun a rise in price when the trend has been downwards ○ Shares staged a rally on the Stock Exchange. ○ After a brief rally shares fell back to a new low.  ■ verb to rise in price, when the trend has been downwards ○ Shares rallied on the news of the latest government figures.

...when Japan rallied, it had no difficulty in surpassing its previous all-time high, and this really stretched the price-earnings ratios into the stratosphere’ [Money Observer]

...bad news for the US economy ultimately may have been the cause of a late rally in stock prices yesterday’ [Wall Street Journal]

**R&D** abbreviation research and development

**random check** /ˈrɛndom ˈtʃek/ noun a check on items taken from a group without any special selection

**random sample** /ˈrɛndom ˈsʌmppl/ noun a sample taken without any selection

**range** /rɛndʒ/ noun 1. a series of items ○ Their range of products or product range is too narrow. ○ There are a whole range of alternatives for the new salary scheme. 2. a scale of items from a low point to a high one ○ range of prices the difference between the highest and lowest price for a share or bond over a period of time

**rank** /rɛŋk/ noun a position in a company or an organisation, especially one which shows how important someone is relative to others ○ All managers are of equal rank. ○ Promotion means moving up from a lower rank.  ■ verb 1. to classify in order of importance ○ Candidates are ranked in order of their test results. 2. to be in a position ○ The non-voting shares rank equally with the voting shares. ○ Deferred ordinary shares do not rank for dividend.

**rate** /rɛt/ noun 1. the money charged for time worked or work completed 2. an amount of money paid, e.g. as interest or dividend, shown as a percentage 3. the value of one currency against another ○ What is today’s rate or the current rate for the dollar? 4. an amount, number or speed compared with something else ○ the rate of increase in redundancies ○ The rate of absenteeism or The absenteeism rate always increases in fine weather.

**rateable value** /ˈrɛtəbl ˈvælju/ noun the value of a property as a basis for calculating local taxes

**rate of exchange** /ˈrɛt əv ˈɛksəm ˈɛxəndʒ/ noun same as exchange rate ○ The current rate of exchange is $1.60 to the pound.

**rate of interest** /ˈrɛt əv ˈɪntərst/ noun same as interest rate
...on top of the cost of real estate, the investment in inventory and equipment to open a typical warehouse comes to around $5 million’ [Duns Business Month]

real estate agent /reit əst eit ˌɛntɪ/ noun US a person who sells property for customers

real estate investment trust /reit əst ivnˈɛstmənt trʌst/ noun a public trust company which invests only in property. Abbreviation REIT

real exchange rate /reɪl ɪkˈʂeɪn ˌreɪt/ noun an exchange rate that has been adjusted for inflation

real income /riˈɑl ˈɪnkəm/ noun same as real earnings

real interest rate /riˈɑl ɪnˈtɜːrəst ˌreɪt/ noun an interest rate after taking inflation into account

real investment /riˈɑl ɪnˈvɛstmənt/ noun the purchase of assets such as land, property, and plant and machinery as opposed to the acquisition of securities

realisation /riˈɑləz əˈlɪzaʃən/ noun, realization a method of analysing the performance of a company by showing the figures in its accounts as ratios and comparing them with those of other companies

real materials /ˈriːəl ˈmɔːtəriəlz/ plural noun basic materials which have to be treated or processed in some way before they can be used, e.g. wood, iron ore or crude petroleum

R/D abbreviation refer to drawer

RDPR abbreviation refer to drawer please represent
realty  /ˈreɪlti/  noun property or real estate
real value  /ˈreɪl ˈvæljuː/  noun a value of an investment which is kept the same, e.g. by index-linking
real wages  /ˈreɪl ˈweɪndʒz/  plural noun same as real earnings
reassess  /ˌriːsəˈses/  verb to assess again ○ The manager was asked to reassess the department staff, after the assessments were badly done by the supervisors.
reassessment  /ˌriːsəˈsesment/  noun a new assessment
rebeate  /ˈrɪbət/  noun 1. a reduction in the amount of money to be paid ○ We are offering a 10% rebate on selected goods. 2. money returned to someone because they have paid too much ○ She got a tax rebate at the end of the year.
recapitalisation  /ˈrɛkəpəlɪtɪˈzeɪʃən/  noun a change in the capital structure of a company as when new shares are issued, especially when undertaken to avoid the company going into liquidation
receipt  /ˈrɛsɪt/  noun 1. a piece of paper showing that money has been paid or that something has been received ○ He kept the customs receipt to show that he had paid duty on the goods. ○ She lost her taxi receipt. ○ Keep the receipt for items purchased in case you need to change them later. 2. the act of receiving something ○ Goods will be supplied within thirty days of receipt of order. ○ Invoices are payable within thirty days of receipt. ○ On receipt of the notification, the company lodged an appeal. 1 verb to stamp or to sign a document to show that it has been received, or to stamp an invoice to show that it has been paid ○ Receipted invoices are filed in the ring binder.
receipts  /ˈrɛsɪts/  plural noun money taken in sales ○ to itemise receipts and expenditure ○ Receipts are down against the same period of last year. ○ ...the public sector borrowing requirement is kept low by treating the receipts from selling public assets as a reduction in borrowing [Economist] ○ gross wool receipts for the selling season to end June appear likely to top $2 billion [Australian Financial Review]
receipts and payments account  /ˈrɛsɪts ənd ˈpeɪmənts əˈkaʊnt/  noun a report of cash transactions during a period. It is used in place of an income and expenditure account when it is not considered appropriate to distinguish between capital and revenue transactions or to include accruals.
receipts and payments basis  /ˈrɛsɪts ənd ˈpeɪmənts ˈbeɪsɪs/  noun an accounting method in which receipts and payments are accounted for when the money is actually received or paid out, not necessarily when they are entered in the books. Also called cash basis
receiveable  /ˈrɛsɪvəb(ə)l/  adjective able to be received
receivables  /ˈrɛsɪvəb(ə)lz/  plural noun money which is owed to a company
receive  /ˈrɛsɪv/  verb to get something which is given or delivered to you ○ We received the payment ten days ago. ○ The employees have not received any salary for six months.
receiver  /ˈrɛsɪvər/  noun same as official receiver
Receiver of Revenue  /ˈrɛsɪvər əv ˈrevənju/  noun an informal term for the South African Revenue Service as a whole
receiving  /ˈrɛsɪvɪŋ/  verb an act of getting something which has been delivered
recognition  /ˌrɛkənˈɪzəʃən/  noun an official who works in a receiving office
receiving clerk  /ˌrɛsɪvɪŋ klərk/  noun an official who works in a receiving office
receiving department  /ˌrɛsɪvɪŋ dɪˈpærtnmənt/  noun a section of a company which deals with incoming goods or payments
receiving office  /ˌrɛsɪvɪŋ ˈəfɪs/  noun an office where goods or payments are received
receiving order  /ˌrɛsɪvɪŋ ˈɔrdər/  noun an order from a court appointing an official receiver to a company
recession  /ˈrɛskəʃən/  noun a period where there is a decline in trade or in the economy ○ The recession has reduced profits in many companies. ○ Several firms have closed factories because of the recession.
reciprocal  /ˌrɛskəpˈrækəl/  adjective done by one person, company, or country to another one, which does the same thing in return ○ We signed a reciprocal agreement or a reciprocal contract with a Russian company.
reciprocal allocation method  /ˌrɛskəpˈrækəl əˈləskələtər ˈmeθəd/  noun a method by which service department costs are allocated to production departments
reciprocal holdings  /ˌrɛskəpˈrækəl ˈhɔldənz/  plural noun a situation in which two companies own shares in each other
reciprocate  /ˈrɛskərəkət/  verb to do the same thing for someone as that person has

reckon the insurance costs to be too high.

1. for the company.

thing before

thing which has happened

statement of total recognised gains and losses financial statement showing changes in shareholders' equity during an accounting period (see FRS 3)

recognised professional body

recognised qualification

recognise/recognised

reconcile

reconciliation

reconciliation statement

reconstruction

record book

record date

recording

recourse

recover

recoverable amount

recovery

rectification

rectify

recurrent

recurring payments

recycle

They offered us an exclusive agency for their cars and we reciprocated with an offer of the agency for our buses.

reckon /rekən/ verb to calculate something ○ to reckon the costs at £25,000 ○ We reckon the loss to be over £1m. ○ They reckon the insurance costs to be too high.

recognise /rekənɪz/ verb to record an item in an account or other financial statement ○ statement of total recognised gains and losses financial statement showing changes in shareholders' equity during an accounting period (see FRS 3)

recognised professional body /,rekəɡnaɪzd prəˈfeʃənəlˈbɒdi/ noun a professional body which is in charge of the regulation of the conduct of its members and is recognised by the FSA. Abbreviation RPB

recognised qualification /,rekəɡnaɪzd kəˈwɛlɪfɪkəʃən/ noun a qualification that employers and professional bodies accept as worthwhile and valid

reconcile /rekənˈsaɪl/ verb to make two financial accounts or statements agree ○ She is trying to reconcile one account with another or to reconcile the two accounts.

reconciliation /,rekənsɪliˈeɪʃən/ noun the act of making two accounts or statements agree

reconciliation statement /,rekənsɪliˈɛʃən (stɛmˈtəmənt/ noun a statement which explains how two accounts can be made to agree

reconstruction /,rɛkˈstrækʃən/ noun 1. the process of building again ○ The economic reconstruction of an area after a disaster. 2. a new way of organising

record /rekɔːd/ noun 1. a report of something which has happened ○ The chairman signed the minutes as a true record of the last meeting. ○ She has a very poor time-keeping record. ○ for the record or to keep the record straight ○ in order that everyone knows what the real facts of the matter are ○ For the record, I should like to say that these sales figures have not yet been checked by the sales department. 2. a description of what has happened in the past ○ the salesperson's record of service or service record ○ the company's record in industrial relations ○ a success which is better than anything before ○ Last year was a record year for the company. ○ Our top sales rep has set a new record for sales per call.

record book /rekɔːd bʊk/ noun a book in which minutes of meetings are kept

done for you ○ They offered us an exclusive agency for their cars and we reciprocated with an offer of the agency for our buses.

For the record, I should like to say that these figures have not yet been checked by the sales department.

Last year was a record year for sales per call.

recognised qualification ○ employers and professional bodies accept as worthwhile and valid

They offered us an exclusive agency for their cars and we reciprocated with an offer of the agency for our buses.
red /red/ noun the colour of debit or overdraft balances in some bank statements ○ in the red showing a debit or loss ○ My bank account is in the red. ○ The company went into the red in 1998. ○ The company is out of the red for the first time since 1980.

Red Book /ˈred bʊk/ noun a document published on Budget Day, with the text of the Chancellor of the Exchequer’s financial statement and budget

redeem /rɪˈdiːm/ verb to pay off a loan or a debt ○ to redeem a mortgage ○ to redeem a debt

redeemable /rɪˈdiːməb(ə)l/ adjective referring to a bond which can be sold for cash

redeemable government stock /rɪˈdiːməb(ə)l ˌgʌvərnment ˈstɒk/ noun stock which can be redeemed for cash at some time in the future. In the UK, only the War Loan is irredeemable.

redeemable preference share /rɪˈdiːməb(ə)l ˈprɛfərəns ʃeə/ noun a preference share which must be bought back by the company at an agreed date and for an agreed price

redeemable security /rɪˈdiːməb(ə)l ˈsekrəti/ noun a security which can be redeemed at its face value at a specific date in the future

redemption /rɪˈdɛmpʃən/ noun the repayment of a loan

redemption date /rɪˈdɛmpʃən deɪt/ noun a date on which a loan or debt is due to be repaid

redemption value /rɪˈdɛmpʃən ˈvæljuː/ noun the value of a security when redeemed

redemption yield /rɪˈdɛmpʃən ˈjɪld/ noun a yield on a security including interest and its redemption value

redistribute /rɪˈdɪstrɪbjuːt/ verb to move items, work or money to different areas or people ○ The government aims to redistribute wealth by taxing the rich and giving grants to the poor. ○ The orders have been redistributed among the company’s factories.

redistributed cost /rɪˈdɪstrɪbjuːtɪd kɒst/ noun a cost that has been reassigned to a different department within an organisation

redistribution of wealth /rɪˈdɪstrɪbjuːʃən av ′welθ/ noun the process of sharing wealth among the whole population

reduce /rɪˈdʒʊdʒ/ verb to make something smaller or lower ○ They have reduced prices in all departments. ○ We were expecting the government to reduce taxes not to increase them. ○ The company reduced output because of a fall in demand. ○ The government’s policy is to reduce inflation to 5%.

reduced /rɪˈdʒʊdʒt/ adjective lower ○ Reduced prices have increased unit sales. ○ Prices have fallen due to a reduced demand for the goods.

reducing balance method /rɪˈdʒʊdʒɪŋ ˈbæləns ˈmeθəd/ noun a method of depreciating assets, where the asset is depreciated at a constant percentage of its cost each year. Also called declining balance method

redundancy /rɪˈdʌndænsi/ noun the dismissal of a person whose job no longer needs to be done

redundancy payment /rɪˈdʌndænsi ˈpeɪmənt/ noun a payment made to an employee to compensate for losing his or her job

redundancy rebate /rɪˈdʌndænsi ˈreɪbət/ noun a payment made to a company to compensate for redundancy payments made

redundant /rɪˈdʌndənt/ adjective more than is needed, useless ○ a redundant clause in a contract. ○ The new legislation has made clause 6 redundant. ○ Retraining can help employees whose old skills have become redundant.

redundant staff /rɪˈdʌndənt ˈʃtæf/ noun staff who have lost their jobs because they are not needed any more

re-export /rɪˈɪkspɔːt/ verb to export something which has been imported

re-exportation /ˌrɪˌɛkspɔːˈteiʃən/ noun the exporting of goods which have been imported

refer /rɪˈfɛr/ verb ○ to refer to drawer’ words written on a cheque which a bank refuses to pay and returns it to the person who wrote it. Abbreviation R/D

reference /ˈrefərəns/ noun 1, the process of mentioning or dealing with something ○ with reference to your letter of May 25th
2, a series of numbers or letters which make it possible to find a document which has been filed ○ our reference: PC/MS 1234 ○ Thank you for your letter (reference 1234).
3, a written report on someone’s character or ability ○ to write someone a reference ○ to give someone a reference ○ to ask applicants to supply references ○ to ask a company for trade references or for bank references to ask for reports from traders or a bank on the company’s financial status and reputation.
accounting

referral /rɪˈfɜːrəl/ noun an action of referring or recommending someone to someone refer to drawer please represent /rɪˈfɜːr, drɔʊər plɪz, rɪˈprɛnt/ noun in the United Kingdom, written on a cheque by the paying banker to indicate that there are currently insufficient funds to meet the payment, but that the bank believes sufficient funds will be available shortly. ○ refer to drawer: Abbreviation RDRP refinancing /rɪˈfænʃɪŋ/ verb to replace one source of finance with another refund /rɪˈfʌnd/ noun rɪˈfʌnd/ money paid back ○ The shoes don’t fit – I’m going to ask for a refund. ○ She got a refund after complaining to the manager. ○ verb rɪˈfʌnd/ 1. to pay back money ○ to refund the cost of postage ○ All money will be refunded if the goods are not satisfactory. 2. to borrow money to repay a previous debt refundable /rɪˈfʌndəb(ə)l/ adjective possible to pay back ○ We ask for a refundable deposit of £20. register /rɪˈdʒɪstr/ noun an official list ○ to enter something in a register ○ to keep a register up to date ○ people on the register of electors ○ verb 1. to write something in an official list ○ to register a fall in the number of unemployed teenagers ○ To register a company you must pay a fee to Companies House. ○ When a property is sold, the sale is registered at the Land Registry. 2. to send a letter by registered post ○ I registered the letter, because it contained some money. registered /rɪˈdʒɪstrd/ adjective having been noted on an official list ○ a registered share transaction registered cheque /rɪˈdʒɪstrd tʃek/ noun a cheque written on a bank account on behalf of a client who does not have a bank account registered company /rɪˈdʒɪstrd _ˈkæmpəni/ noun a company which has been officially set up and registered with the Registrar of Companies registered office /rɪˈdʒɪstrd _ˈɔfɪs/ noun the address of a company which is officially registered with the Companies House registered security /rɪˈdʒɪstrd _ˈʃərəti/ noun a security such as a share in a quoted company which is registered with Companies House and whose holder is listed in the company’s share register registered trademark /rɪˈdʒɪstrd _ˈtræmdɔrk/ noun a name, design or symbol which has been registered by the manufacturer and which cannot be used by other manufacturers. It is an intangible asset. ○ You can’t call your bed ‘Soft’n kumf’ – it is a registered trademark.

Registrar of companies /ˌrɛdʒɪstrər əv _ˈrɛktəbz/ noun in the United Kingdom, the list of companies maintained at Companies House Registrar of directors /ˌrɛdʒɪstrər əv _ˈrɛktərizətəs/ noun an official list of the directors of a company which has to be sent to the Registrar of Companies registrant /ˌrɛdʒɪstrənt/ noun US company applying to register with the Securities and Exchange Commission registration /ˌrɛdʒɪstrəʃən/ noun the act of having something noted on an official list ○ the registration of a trademark or of a share transaction registration fee /ˌrɛdʒɪstrəʃən ˈfiː/ noun 1. money paid to have something registered 2. money paid to attend a conference registration statement /ˌrɛdʒɪstrəʃən _ˈstɛrmtmənt/ noun US a document which gives information about a company when it is registered and listed on a stock exchange (NOTE: The UK term is listing particulars.) regression analysis /rɪˈgresʃən əˌneɪləsɪs, regression model /rɪˈgresʃən əˌmɒdəl/ noun 1. a method of discovering the ratio of one dependent variable and one or more independent variables, so as to give a value to the dependent variable 2. a forecasting technique that identifies trends by establishing the relationship between quantifiable variables.

progressive tax /rɪˈgresɪv ˈtæk/ noun a tax with a rate that decreases as income, or the value of the taxed item, rises progressive taxation /rɪˈgresɪv ˈtæk_ˌtæksɪˈseɪʃən/ noun a system of taxation in which tax gets progressively less as income rises. Compare regressive taxation regular income /rɪˌdʒɪkjʊlər _ˈɪŋkəm/ noun an income which comes in every week or month ○ She works freelance so she does not have a regular income.

regulate /rɪˈɡeɪleɪt/ verb 1. to adjust something so that it works well or is correct 2. to change or maintain something by law
regulated consumer credit agreement /ˈregjəld ˈkonsə rər ˈkredit ə greemənt/ noun a credit agreement as defined by the Consumer Credit Act
regulation /ˈregjəleɪʃən/ noun 1. a law or rule ○ the new government regulations on housing standards ○ Regulations concerning imports and exports are set out in this leaflet.
2. the use of laws or rules stipulated by a government or regulatory body, such as the FSA, to provide orderly procedures and to protect consumers and investors ○ government regulation of trading practices

‘EC regulations which came into effect in July insist that customers can buy cars anywhere in the EC at the local pre-tax price [Financial Times].’

‘…a unit trust is established under the regulations of the Department of Trade, with a trustee, a management company and a stock of units’ [Investors Chronicle].

‘…fear of audit regulation, as much as the rules which govern the treatment of arbitration awards, is behind the increasing number of small accountancy firms deciding to sell their practices or merge with another firm’ [Accountancy].

Regulation S-X /ˈregjəleɪʃən ˌsɪks ˈeks/ noun the rule of the US Securities and Exchange Commission which regulates annual reports from companies
regulator /ˈregjələtər/ noun a person whose job it is to see that regulations are followed

‘…the regulators have sought to protect investors and other market participants from the impact of a firm collapsing’ [Banking Technology].

regulatory body /ˈregjələtri ˈboʊdi/ noun an independent organisation, usually established by a government, that makes rules and sets standards for an industry and oversees the activities of companies within it.

‘Management of PharmaPlus is facing opposition from the regulatory body of pharmacists, which has authority over a pharmacy’s operations and the stakeholders in the current industry structure.’ [Harvard Business Review]

regulatory powers /ˈregjələtri ˈpaʊərz/ noun powers to enforce government regulations
reimburse /ˌrɛim ˈbɛrs/ verb ○ to reimburse someone their expenses to pay someone back for money which they have spent ○ You will be reimbursed for your expenses or Your expenses will be reimbursed.

reimbursement /ˌrɛim ˈbazmənt/ noun the act of paying back money ○ reimbursement of expenses

reinvest /ˌrɪzin vɛst/ verb to invest money again ○ She sold her shares and reinvested the money in government stocks.

reinvestigation /ˌrɪzin vɛstɪˌmeɪʃən/ noun 1. the act of investigating money again in the same securities 2. the act of investigating a company’s earnings in its own business by using them to create new products for sale

‘…many large US corporations offer shareholders the option of reinvesting their cash dividend payments in additional company stock at a discount to the market price. But to some big securities firms these discount reinvestment programs are an opportunity to turn a quick profit’ [Wall Street Journal].

REIT abbreviation US real estate investment trust

reject /rɪˈdʒekt/ verb to refuse to accept something, or to say that something is not satisfactory ○ The board rejected the draft budget.

related company /rɪ,leɪtɪd ˈkæmpəni/ noun a company in which another company makes a long-term capital investment in order to gain control or influence

related party /rɪ,leɪtɪd ˈpərti/ noun any person or company which controls or participates in the policy decisions of an accounting entity

relative error /rɪˈlɛtv ˈɛrə/ noun the difference between an estimate and its correct value

release /rɪˈleɪs/ noun the act of setting someone free or of making something or someone no longer subject to an obligation or restriction ○ release from a contract ○ the release of goods from customs ○ She was offered early release so that she could take up her new job.

‘…pressure to ease monetary policy mounted yesterday with the release of a set of pessimistic economic statistics’ [Financial Times].

‘…the national accounts for the March quarter released by the Australian Bureau of Statistics showed a real increase in GDP [Australian Financial Review].

relevant benefits /rɪˈleɪvənt bəˈnɪfɪts/ plural noun benefits such as pension, endowment insurance, etc. provided by a pension scheme

relevant range /rɪˈleɪvənt rɪndʒ/ noun the levels of business activity within
which assumptions about cost behaviour remain valid

relocation /riːləˈkeɪʃn/ noun the act of moving to a different place. We will pay all the staff relocation costs.

relocation package /riːləˈkeɪʃn/ noun payments made by an employer to an employee when the employee is asked to move to a new area in order to work. Payments up to a minimum level are exempt from tax.

reminder /ˌrɛməˈnɑːdə/ noun a letter to remind a customer that he or she has not paid an invoice. Please send someone a reminder.

remission of taxes /ˌremɪʃn əv tæksz/ noun a refund of taxes which have been overpaid.

remit /riːˈmɪt/ verb to send money to remit by cheque (NOTE: remitting – remitted).

remittance /riːˈmɪtns/ noun money which is sent to pay back a debt or to pay an invoice. Please send remittances to the treasurer. The family lives on a weekly remittance from their father in the United States.

remittance advice /ˌrɛmɪtns ədˌvɛrs/ noun an advice note sent with payment, showing why it is being made, i.e. quoting the invoice number or a reference number.

remitting bank /ˌrɛmɪtɪŋ ˈbæŋk/ verb a bank into which a person has deposited a cheque, and which has the duty to collect the money from the account of the writer of the cheque.

remortgage /ˌrɛmərˈɡæt/ verb to mortgage a property which is already mortgaged. The bank offered him better terms than the building society, so he decided to remortgage the house.

remunerate /ˌrɛmənəˈreɪt/ verb to pay someone for doing something. The company refused to remunerate them for their services.

remuneration /ˌrɛmənəˈreɪʃn/ noun payment for services. The job is interesting but the remuneration is low. She receives a small remuneration of £400 a month.

renegotiate /ˌrɛnəˈɡeɪt/ verb to negotiate something again. The company was forced to renegotiate the terms of the loan.

renew /rɪˈnuː/ verb to continue something for a further period of time. We have asked the bank to renew the bill of exchange.

Her contract was renewed for a further three years.

renewal /rɪˈnuːəl/ noun the act of renewing or renewal of a lease or of a subscription or of a bill. Her contract is up for renewal. When is the renewal date of the bill?

renewal notice /ˌrɪˌnuːəl ˈnɔːts/ noun a note sent by an insurance company asking the insured person to renew the insurance.

renewal premium /ˌrɪˌnuːəl ˈprɪmɪəm/ noun a premium to be paid to renew an insurance.

rent /rɛnt/ noun money paid to use an office, house or factory for a period of time.

rent 1. to pay money to hire an office, house, factory or piece of equipment for a period of time. To rent an office or a car.

He rents an office in the centre of town. They were driving a rented car when they were stopped by the police.

2. US same as let. A rent a room a scheme by which a taxpay er can let a room in his or her house and be exempt from tax on the rental income below a certain level.

rental /ˈrent(ə)l/ noun money paid to use an office, house, factory, piece of equipment, etc., for a period of time. To rent a car.

rental bill comes to over £1000 a quarter. An office, house, factory.

rent control /ˈrent kənˈtrəʊl/ noun a premium to be paid to renew an insurance.

rental value /ˈrent(ə)l ˈvɜːlju/ noun a full value of the rent for a property if it were charged at the current market rate, i.e. calculated between rent reviews.

rent control /ˈrent kanˌtrəʊl/ noun government regulation of rents.

rent review /ˈrent riˌnuːv/ noun an increase in rents which is carried out during the term of a lease. Most leases allow for rents to be reviewed every three or five years.

rent tribunal /ˈrent ˈtraɪbəl/ noun a court which can decide if a rent is too high or low.

renunciation /ˌrɛnəˈsyənjən/ noun an act of giving up ownership of shares.

reorder /rɪˈɔːdər/ noun a further order for something which has been ordered before.

The product has only been on the market ten
reorder level noun a minimum amount of an item which a company holds in stock, such that, when stock falls to this amount, the item must be reordered, especially the economic order quantity (EOQ)

repay verb to pay something back, or to pay back money to someone. Also called repayable to pay back a loan which is repayable over ten years

repayment noun the act of paying money back or money which is paid back. Also The loan is due for repayment next year.

repayment mortgage noun a mortgage where the borrower pays back both interest and capital over the period of the mortgage. This is opposed to an endowment mortgage, where only the interest is repaid, and an insurance is taken out to repay the capital at the end of the term of the mortgage.

replacement cost noun the cost of an item to replace an existing asset. Also called cost of replacement

cost accounting noun the process of organising a company in a different way, as in the US when a bankrupt company applies to be treated under Chapter 11 to be protected US when a bankrupt company applies to be protected

reorder verb 1. to make a statement describing something. Also The sales force reported an increased demand for the product. 2. to publish the results of a company for a period and declare the dividend

reorder level 192 days and we are already getting reordered. We must reorder these items because stock is getting low.

reorder quantity noun a quantity of a product which is reordered, especially the economic order quantity (EOQ)

reorganization noun the process of reorganising a company in a different way, as in the US when a bankrupt company applies to be treated under Chapter 11 to be protected

repayment mortgage noun a mortgage where the borrower pays back both interest and capital over the period of the mortgage. This is opposed to an endowment mortgage, where only the interest is repaid, and an insurance is taken out to repay the capital at the end of the term of the mortgage.

replacement cost noun the cost of an item to replace an existing asset. Also called cost of replacement

cost accounting noun the process of organising a company in a different way, as in the US when a bankrupt company applies to be treated under Chapter 11 to be protected

report form noun a balance sheet laid out in vertical form. It is the opposite of 'account' or 'horizontal' form. Also called vertical form

reporting period noun the amount of time covered by a particular financial report, be it a whole financial year or a shorter amount of time.

repurchase verb to buy something again, especially something previously sold.
which you have recently bought and then sold.

**require** /riˈkwaɪə/ verb to ask for or to demand something ○ to require a full explanation of expenditure ○ The law requires you to submit all income to the tax authorities.

**required rate of return** /rɪˈkwaɪərd rɛt əv riˈtɑːn/ noun the minimum return for a proposed project investment to be acceptable.

**discounted cash flow**

**required reserves** /rɪˈkwaɪərd rɪˈzɑːvz/ plural noun reserves which a US bank is required to hold in cash in its vaults or as deposit with the Federal Reserve. Compare excess reserves.

**resale** /ˈrɪsɛl/ noun the selling of goods which have been bought ○ to purchase something for resale ○ The contract forbids resale of the goods to the US.

**resale price maintenance** /ˈrɪsɛl ˈprɑːs ˈmɛntənəns/ noun a system in which the price for an item is fixed by the manufacturer, and the retailer is not allowed to sell it at a lower price. Abbreviation RPM.

**reschedule** /rɪˈʃedʒul/ verb 1. to arrange a new timetable for something ○ She missed her plane, and all the meetings had to be rescheduled. 2. to arrange new credit terms for the repayment of a loan ○ Companies which are unable to keep up the interest payments on their loans have asked for their loans to be rescheduled.

**rescind** /rɪˈsɪnd/ verb to annul or to cancel something ○ to rescind a contract or an agreement.

**research and development** /rɪˈsɜːrkJənd ˈdɛvələpmənt/ noun activities that are designed to produce new knowledge and ideas and to develop ways in which these can be commercially exploited by a business (NOTE: Research and development activities are often grouped together to form a separate division or department within an organisation.)

**research and development expenditure** /rɪˈsɜːrkJənd ˈdɛvələpmənt ɪkˈspəndərt/ noun money spent on R & D.

**resell** /rɪˈsɛl/ verb to sell something which has just been bought ○ The car was sold in June and the buyer resold it to a dealer two months later. (NOTE: reselling – resold)

**reserve currency** /rɪˈzɑːvz ˌkɜːrənəsi/ noun a strong currency used in international finance, held by other countries to support their own weaker currencies.

**reserve for fluctuations** /rɪˈzɑːvz ˈfʌlɪkʃən/ noun money set aside to allow for changes in the values of currencies.

**reserve fund** /rɪˈzɑːvz ˈfʌnd/ noun profits in a business which have not been paid out as dividend but have been ploughed back into the business.

**reserve price** /rɪˈzɑːvz ˈprɑːs/ noun the lowest price which a seller will accept, e.g. at an auction or when selling securities through a broker ○ The painting was withdrawn when it failed to reach its reserve price.

**reserves** /rɪˈzɑːvz/ plural noun money from profits not paid as dividend, but kept back by a company in case it is needed for a special purpose.

**residence** /rɪˈzɪdəns/ noun 1. a house or flat where someone lives ○ He has a country residence where he spends his weekends. 2. the fact of living or operating officially in a country.

**residence permit** /rɪˈzɪdəns ˈpɜːmat/ noun an official document allowing a foreigner to live in a country ○ He has applied for a residence permit. ○ She was granted a residence permit for one year or a one-year residence permit.

**resident** /rɪˈzɪdənt/ noun, adjective a person or company considered to be living or operating in a country for official or tax purposes ○ The company is resident in France.

**residential property** /ˌrɪzɪdənˈtrɪəl ˈprɑːpərtri/ noun houses or flats owned or occupied by individual residents.

**residual** /rɪˈzɪdjuəl/ adjective remaining after everything else has gone.

**residual income** /rɪˈzɪdjuəl ˈɪnmənkən/ noun a performance measure for businesses, calculated as net operating income minus a figure equal to minimum return on investment times operating assets.

**residual value** /rɪˈzɪdjuəl ˈvæljuː/ noun a value of an asset after it has been depreciated in the company’s accounts.

**residue** /rɪˈzɪdjuː/ noun money left over ○ After paying various bequests the residue of his estate was split between his children.

**resource cost assignment** /rɪˈzɜːrkJəs ˈkɔst ˌəˌsɛnˌmənt/ noun the process of assigning costs to business activities.

**resource costs** /rɪˈzɜːrkJəs ˈkɔstz/ plural noun the costs of all elements used to carry out business activities, including such elements as workers’ salaries and the cost of materials.
resource driver

resource driver /ˈrizəs drahvə/ noun a type of cost driver which is used to quantify the resources involved in creating a product or service

resource cost driver /ˈrizəs kast drahvə/ noun a type of cost driver which is used to quantify the resources involved in creating a product or service

responsibility accounting /rɪ,spənsɪbɪlɪtɪ kəˈkaʊntɪŋ/ noun the keeping of financial records with an emphasis on who is responsible for each item

responsibility centre /rɪ,spənsɪˈbɪltɪ ˈsentə/ noun a department of an organisation with responsibility for a particular financial aspect of business, e.g. costs, revenues or investment funds

restructured balance sheet /ˈriːstrɛktɪd bæləns ˈʃiːt/ noun a balance sheet with information presented in a way that serves a particular purpose, such as highlighting depreciation on assets

restate /rɪ,steɪt/ verb to state again or to make a report or account of something which is already known

restate /ˈrestɛit/ verb to state again or to make a report or account of something which is already known

reconstruction /rɪ,rekstrʌkʃən/ noun the process of reorganising the financial basis of a company

reconstruct /rɪ,rekstrʌkt/ verb to reorganise the financial basis of a company

result /rɪˈzʌlt/ noun 1. a profit or loss account for a company at the end of a trading period ○ The company's results for last year were an improvement on those of the previous year. 2. something which happens because of something else ○ What was the result of the price investigation? ○ The company doubled its sales force with the result that the sales rose by 25%.

...the company has received the backing of a number of oil companies who are willing to pay for the results of the survey' [Lloyd's List]

...some profit-taking was noted, but underlying sentiment remained firm in a steady stream of strong corporate results' [Financial Times]

revalue /ˈriːvəl/ verb to change the way something is valued for financial purposes

revalue /ˈriːvəl/ verb to change the way something is valued for financial purposes

retail /ˈriːtel/ noun the sale of small quantities of goods to the general public ○ the goods in stock have a retail value of £1m

the value of the goods if sold to the public is £1m, before discounts and other factors are taken into account. ○ He buys wholesale and sells retail.

retail and sells retail he buys goods in bulk at a wholesale discount and sells in small quantities to the public ○ He sells for a price ○ These items retail at £2.50 the retail price of these items is £2.50

retail banking /ˈriːtel bæŋknɪŋ/ noun services provided by commercial banks to individuals as opposed to business customers, e.g. current accounts, deposit and savings accounts, as well as credit cards, mortgages and investments. Compare wholesale banking (NOTE: In the United Kingdom, although this service was traditionally provided by high street banks, separate organisations are now providing Internet and telephone banking services.)

retail deposit /ˈriːtel dɪˈpɔzɪt/ noun a deposit placed by an individual with a bank

retailer /ˈriːtelər/ noun a person who runs a retail business, selling goods direct to the public

retailing /ˈriːtelɪŋ/ noun the selling of full-price goods to the public ○ From car retailing the company branched out into car leasing /ˈriːtelɪŋ ˈlɛsnɪŋ/ noun the selling of full-price goods to the public ○ From car retailing the company branched out into car leasing

retail investor /ˈriːtel ɪnˈvestər/ noun a private investor, as opposed to institutional investors

retail price /ˈriːtel prɑːs/ noun the price at which the retailer sells to the final customer

retail price index /ˈriːtel ˈprɑːs ɪndeks/ retail prices index /ˈriːtel ˈprɑːsnɪz ɪndeks/ noun an index which shows how prices of consumer goods have increased or decreased over a period of time. Abbreviation RPI (NOTE: The US term is Consumer Price Index.)

retain /rɪˈteɪn/ verb to keep something or someone ○ Measures to retain experienced staff ○ Out of the profits, the company has retained £50,000 as provision against bad debts.

retained earnings /rɪˈteɪnt/ noun an amount of profit after tax which a company does not pay out as dividend to the shareholders, but which is kept to be used for the further development of the business. Also called retained profits.

retained earnings /rɪˈteɪnt/ noun same as retained earnings

retained income /rɪˈteɪnt ˈɪnkwɪn/ noun the income generated by a company which is not distributed as profit but is retained by the company.

return /rɪˈtɜːrn/ verb to return something○ Out of the profits, the company has retained £50,000 as provision against bad debts.

return /rɪˈtɜːrn/ noun a return on an investment ○ Retail investors may earn returns on their investment in the form of dividends.

return /rɪˈtɜːrn/ noun a return on an investment ○ Retail investors may earn returns on their investment in the form of dividends.
retainer /ˈreɪtəmən/ noun money paid in advance to someone so that they will work for you and not for someone else ○ We pay them a retainer of £1,000.

retentions /ˈreɪtənʃən/ plural noun same as retained earnings

retiral /ˈriːtərəl/ noun same as retirement

detz /ˈdɛt/ noun a date by which a company’s annual return has to be made to the Registrar of Companies ○ return date

debt /ˈdɛt/ noun the amount of money that someone or something owes ○ total debt ○ debt payments

retirement age /ˈrɪtərɪmənt ədʒ/ noun the age at which people retire. In the UK this is usually 65 for men and 60 (but soon to become 65) for women.

retirement annuity /ˈrɪtərɪmənt əˈnjuːtɪ/ noun an annuity bought when someone retires, using part of the sum put into a personal pension plan

retirement benefits /ˈrɪtərɪmənt ˈbɛnɪfɪts/ plural noun benefits which are payable by a pension scheme to a person on retirement

retirement pension /ˈrɪtərɪmənt ˈpɛnʃən/ noun a state pension given to a man who is over 65 or and woman who is over 60

retroactive /rɪˈtrəʊəktɪv/ adjective which takes effect from a time in the past ○ They got a pay rise retroactive to last January.

retroactively /rɪˈtrəʊəktɪvli/ adverb going back to a time in the past

return /rɪˈtɜrn/ noun 1. a profit or income from money invested ○ We are buying technology shares because they bring in a quick return ○ What is the gross return on this line? 2. an official statement or form that has to be sent in to the authorities ○ to return a statement ○ to return income of £15,000 to the tax authorities ○ with interest rates running well above inflation, investors want something that offers a return for their money’ ○ Section 363 of the Companies Act 1985 requires companies to deliver an annual return to the Companies Registration Office. Failure to do so before the end of the period of 28 days after the company’s return date could lead to directors and other officers in default being fined up to £2,000’ [Accountancy]

return on assets /rɪˈtɜrn ɒn ˈæsetz/ noun a ratio of the profit made in a financial year as a percentage of the assets of a company ○ returns /rɪˈtɜrnz/ plural noun profits or income from investment ○ The company is looking for quick returns on its investment.

revaluation /rɪˌvɛljuˈeɪʃən/ noun an act of revaluing ○ The balance sheet takes into account the revaluation of the company’s properties.

revaluation method /rɪˌvɛljuˈeɪʃən ˈmeθəd/ noun a method of calculating the depreciation of assets, by which the asset is depreciated by the difference in its value at the end of the year over its value at the beginning of the year

revaluation reserve /rɪˌvɛljuˈeɪʃən ˈriːˌzɜrv/ noun money set aside to account for the fact that the value of assets may vary as a result of accounting in different currencies ○ revalue /rɪˌvɛlju/ verb to value something again, usually setting a higher value on it than before ○ The company’s properties have been revalued. ○ The dollar has been revalued against all world currencies.

revenue /rɪˈvɛnjuː/ noun 1. money received ○ revenue from advertising ○ Oil revenues have risen with the rise in the dollar. 2. money received by a government in tax

revenue accounts /rɪˈvɛnjuː əˌkaʊnts/ plural noun accounts of a business which record money received as sales, commission, etc.

revenue centre /rɪˈvɛnjuː ˈsɛntə/ noun a department of an organisation with responsibility for maximising revenue
revenue expenditure

revenue expenditure /ɪˈvənjuː/ in spending stock but not capital items, which is then spent during the current accounting period.

revenue ledger /ɪˈvənjuːˌledʒər/ a record of all the income received by an organization.

revenue officer /ɪˈvənjuːˌɒfɪsər/ a person working in the government tax office.

revenue recognition /ɪˈvənjuːˌrɪkəˈneɪʃən/ the process of recording revenue in accounts.

revenue reserves /ɪˈvənjuːˌrezərəs/ retained earnings which are shown in the company’s balance sheet as part of the shareholders’ funds. Also called company reserves.

revenue sharing /ɪˈvənjuːˌʃeəring/ the distribution of income within limited partnerships.

reverse /rɪˈvɜːs/ adjective opposite or in the opposite direction • verb to change a decision to the opposite • The committee reversed its decision on import quotas.

...the trade balance sank $17 billion, Fortune

reverse leverage /rɪˈvɜːs ˈlevrədʒ/ the borrowing of money at a rate of interest higher than the expected rate of return on investing the money borrowed.

reverse takeover /rɪˈvɜːs ˈteɪkərvʌ/ a takeover in which the company that has been taken over ends up owning the company which has taken it over. The acquiring company’s shareholders give up their shares in exchange for shares in the target company.

reverse yield gap /rɪˈvɜːs ˈjɪld ɡæp/ the amount by which bond yield exceeds equity yield, or interest rates on loans exceed rental values as a percentage of the costs of properties.

reversing entry /rɪˈvɜːsɪŋ ˈɛntrɪ/ an entry in a set of accounts which reverses an entry in the preceding accounts.

reversion /rɪˈvɜːrʒən/ the return of property to its original owner.

reversionary /rɪˈvɜːrʒənəri/ adjective referring to property which passes to another owner on the death of the present one.

reversionary annuity /rɪˈvɜːrʒənəri əˈnjuərəti/ an annuity paid to someone on the death of another person.

reversory bonus /rɪˈvɜːrʒərɪ ˈbənas/ an annual bonus on a life assurance policy, declared by the insurer.

review /rɪˈvjuː/ a general examination • to conduct a review of distributors • verb to examine something generally.

revise /rɪˈvɪz/ verb to change something which has been calculated or planned • Sales forecasts are revised annually.

revolving credit /rɪˈvɔlvɪŋ ˈkredɪt/ a system where someone can borrow money at any time up to an agreed amount and continue to borrow while still paying off the original loan. Also called open-ended credit.

revolving loan /rɪˈvɔlvɪŋ ˈləʊn/ a loan facility whereby the borrower can choose the number and timing of withdrawals against their bank loan and any money repaid may be reborrowed at a future date. Such loans are available both to businesses and personal customers.

right /rɑːt/ an additional clause • to add a rider to a contract.

right /rɑːt/ a legal entitlement to something • There is no automatic right of renewal to this contract. • She has a right to the property.

rights issue /rɪrəts ˈɪʃuː/ an arrangement which gives shareholders the right to buy more shares at a lower price. (NOTE: The US term is rights offering.)

rights offering /rɪrəts ˈɑːftərɪŋ/ an occasion when a rights issue is offered for sale.

ring fence /rɪŋ ˈfens/ verb 1. to separate valuable assets or profitable businesses from others in a group which are unprofitable and may make the whole group collapse. 2. to identify money from certain sources and only use it in certain areas • The grant has been ring-fenced for use in local authority education projects only. • hypothecation

rise /rɪz/ noun 1. an increase • a rise in the price of raw materials • Oil price rises brought about a recession in world trade. • The recent rise in interest rates has made mortgages dearer. • There needs to be an increase in salaries to keep up with the rise in the cost of living. 2. an increase in pay • She asked her boss for a rise. • He had a 6% rise in January. • NOTE: The US term is raise. • verb to move upwards or to become higher • Prices or Salaries are rising faster than inflation. • Interest rates have risen to 15%. (NOTE: rising – rose – risen)
risk /rɪsk/ noun possible harm or a chance of danger

‘…remember, risk isn’t volatility. Risk is the chance that a company’s earnings power will erode – either because of a change in the industry or a change in the business that will make the company significantly less profitable in the long term’ [Fortune]

risk-adjusted return on capital /ˈrɪsk əˌdʒæstəd riˌtroʊ/ noun a figure for capital calculated in a way that takes into account the risks associated with income

risk arbitrage /ˈrɪsk əˌbɜrɪtræʒ/ noun the business of buying shares in companies which are likely to be taken over and so rise in price

risk arbitrageur /ˈrɪsk əˌbɜrɪtræʒuər/ noun a person whose business is risk arbitrage

risk asset ratio /ˈrɪsk əˌæsɛt ˈreʃfɪʃu/ noun a proportion of a bank’s capital which is in risk assets

risk capital /ˈrɪsk ˌkeəpt(ə)/ noun same as venture capital

risk-free /ˈrɪsk ˈfrɪzi/, riskless /ˈrɪsklɛs/ adjective with no risk involved ○ a risk-free investment

‘…there is no risk-free way of taking regular income from your money higher than the rate of inflation and still preserving its value’ [Guardian]

‘…many small investors have also preferred to put their spare cash with risk-free investments such as building societies rather than take chances on the stock market. The returns on a host of risk-free investments have been well into double figures’ [Money Observer]

risk management /ˈrɪsk ˌmenidʒmənt/ noun the work of managing a company’s exposure to risk from its credit terms or exposure to interest rate or exchange rate fluctuations

risk premium /ˈrɪsk ˈprɪzmɪən/ noun an extra payment, e.g. increased dividend or higher than usual profits, for taking risks

risk-weighted assets /ˈrɪsk ˌweɪtəd ˈæsɛts/ plural noun assets which include off-balance sheet items for insurance purposes

risky /ˈrɪski/ adjective dangerous or which may cause harm ○ We lost all our money in some risky ventures in South America.

‘…while the bank has scaled back some of its more risky trading operations, it has retained its status as a top-rate advisory house’ [Times]

ROA abbreviation return on assets

ROCE abbreviation return on capital employed

ROE abbreviation return on equity

rollover phrasal verb ○ to roll over a credit to make credit available over a continuing period ○ to roll over a debt to allow a debt to stand after the repayment date

‘…at the IMF in Washington, officials are worried that Japanese and US banks might decline to roll over the principal of loans made in the 1980s to Southeast Asian and other developing countries’ [Far Eastern Economic Review]

rollover relief /ˈrəʊlərəv ˈriːli/ noun tax relief where profit on the sale of an asset is not taxed if the money realised is used to acquire another asset. The profit on the eventual sale of this second asset will be taxed unless the proceeds of the second sale are also invested in new assets.

Romalpa clause /ˈroʊməlpə ˈkloʊs/ noun a clause in a contract whereby the seller provides that title to the goods does not pass to the buyer until the buyer has paid for them

root /rəʊt/ noun a fractional power of a number

root cause analysis /ˈrəʊt kəʊz əˌkʌrəs/ noun a problem-solving technique that seeks to identify the underlying cause of a problem

rough /rɑːf/ adjective approximate, not very accurate

rough out phrasal verb to make a draft or a general design of something, which may be changed later ○ The finance director roughed out a plan of investment.

round off /ˈrʊnd əf/ phrasal verb to reduce the digits in a decimal number by re-
round figures

moving the final zero
down prasical verb to decrease a fractional figure to the nearest full figure
round up prasical verb to increase a fractional figure to the nearest full figure ○ to round up the figures to the nearest pound
‘…each cheque can be made out for the local equivalent of £100 rounded up to a convenient figure’ [Sunday Times]
round figures ˈruːnd ˈfurɡəz/ plural noun figures that have been adjusted up or down to the nearest 10, 100, 1,000, and so on
royalty ˈreɪəlti/ noun money paid to an inventor, writer, or the owner of land for the right to use their property, usually a specific percentage of sales, or a specific amount per sale ○ The country will benefit from rising oil royalties. ○ He is still receiving substantial royalties from his invention.
RPI abbreviation recognised professional body
RPI abbreviation retail price index
RPM abbreviation resale price maintenance
rubber check ˈrʌboʊ ˈtʃɛk/ noun US a cheque which cannot be cashed because the person writing it does not have enough money in the account to pay it (NOTE: The UK term is bouncing cheque.)
rule ˈruːl/ noun a statement that directs how people should behave ○ It is a company rule that smoking is not allowed in the offices. ○ The rules of the organisation are explained during the induction sessions. noun US a set of rules by which the members of a self-regulatory organisation must operate
run rule of 78 ˈruːl ˈruːl/ noun a method used to calculate the rebate on a loan with front-loaded interest that has been repaid early. It takes into account the fact that as the loan is repaid, the share of each monthly payment related to interest decreases, while the share related to repayment increases.
run ˈruːn/ noun a rush to buy something ○ The Post Office reported a run on the new stamps. ○ a run on the bank a rush by customers to take deposits out of a bank which they think may close down ○ to be in force ○ The lease runs for twenty years. ○ The lease has only six months to run. 2. to amount to ○ The costs ran into thousands of pounds.
running account credit ˈruːnɪŋ ˈkəʊnt/ noun credit card or similar system that allows customers to borrow up to a specific limit and reborrows sums previously repaid by either writing a cheque or using their card
running costs ˈruːnɪŋ ˈkəʊsts/ plural noun same as operating costs
running total ˈruːnɪŋ ˈtɔːtl/ noun the total carried from one column of figures to the next
running yield ˈruːnɪŋ jɪld/ noun a yield on fixed interest securities, where the interest is shown as a percentage of the price paid

<table>
<thead>
<tr>
<th>Running Yields</th>
<th>For Different Bond Maturities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>6%</td>
</tr>
<tr>
<td>5 years</td>
<td>9%</td>
</tr>
<tr>
<td>10 years</td>
<td>12%</td>
</tr>
</tbody>
</table>

An investment will double in value at compound interest after a period shown as 72 divided by the interest percent-age, so interest at 10% compound will double the capital invested in 7.2 years. He has an income running into five figures he earns more than £10,000
run up prasical verb to amount to ○ Costs have run into thousands of pounds. ○ he has an income running into five figures he earns more than £10,000
run into ˈruːn into/ verb to make debts or costs go up quickly ○ He quickly ran up a bill for £250.
rubber check ˈrʌboʊ ˈtʃɛk/ noun US a cheque which cannot be cashed because the person writing it does not have enough money in the account to pay it (NOTE: The UK term is bouncing cheque.)
rule of 78 ˈruːl ˈruːl/ noun a method used to calculate the rebate on a loan with front-loaded interest that has been repaid early. It takes into account the fact that as the loan is repaid, the share of each monthly payment related to interest decreases, while the share related to repayment increases.
running account credit ˈruːnɪŋ ˈkəʊnt/ noun credit card or similar system that allows customers to borrow up to a specific limit and reborrows sums previously repaid by either writing a cheque or using their card
running costs ˈruːnɪŋ ˈkəʊsts/ plural noun same as operating costs
running total ˈruːnɪŋ ˈtɔːtl/ noun the total carried from one column of figures to the next
running yield ˈruːnɪŋ jɪld/ noun a yield on fixed interest securities, where the interest is shown as a percentage of the price paid

A running yield is the annual rate of return on an investment that is paid at a fixed rate, usually every 30 days or annually. It is calculated using the formula:

\[ \text{Running Yield} = \frac{\text{Interest Payment}}{\text{Principal Amount}} \times \frac{360}{\text{Days in the Period}} \]

For example, if a bond pays $100 in interest every 30 days on a principal amount of $1,000, the running yield would be:

\[ \text{Running Yield} = \frac{100}{1000} \times \frac{360}{30} = 12\% \]

This means that the investor is earning 12% per annum on their investment.
safe deposit

safe deposit box

safeguarding of assets

safe investment

safety

salaried

salaried partner

salary

salary cheque

salary cut

salary deductions

salary differentials

salary review

salary scale

sale and lease-back

sale and lease-back

sale

sale analysis

sale and lease-back

sale and lease-back

sales

sales analysis

sales book

sales budget

sales figures

sales force
sales forecast /ˈselz fɔrˌkɑːst/ noun an estimate of future sales
sales invoice /ˈselz ɪnˈvɔɪs/ noun an invoice relating to a sale
sales journal /ˈselz dʒəˈnɔːl/ noun the book in which non-cash sales are recorded with details of customer, invoice, amount and date. These details are later posted to each customer’s account in the sales ledger.
sales ledger /ˈselz _ˌledʒər/ noun a book in which sales to each customer are entered. Also called debtors ledger
sales ledger clerk /ˈselz _ˌledʒər _klərk/ noun an office employee who deals with the sales ledger
sales manager /ˈselz _ˌmænədʒər/ noun a person in charge of a sales department
sales mix /ˈselz mɪks/ noun the sales and profitability of a range of products sold by a single company
sales mix profit variance /ˈselz mɪks _ˌprətɪfɪ_ˌvərəriəns/ noun the difference between expected revenue from actual sales and actual revenue
sales return /ˈselz rɪˈtɜːrn/ noun a report of sales made each day or week or quarter
sales revenue /ˈselz ˌrevənjuː/ noun the income from sales of goods or services
sales target /ˈselz _ˌtærətʃ/ noun the amount of sales a sales representative is expected to achieve
sales tax /ˈselz _ˌtæks/ noun US same as VAT
sales value /ˈselz ˌvɛljuː/ noun the amount of money which would be received if something is sold
sales volume /ˈselz _ˌvəlnjʊm/ noun the number of units sold (NOTE: The UK term is turnover.)
sales volume profit variance /ˈselz _ˌvəlnjʊm _ˌprətɪfɪ_ˌvərəriəns/ noun the difference between the profit on the number of units actually sold and the forecast figure
sales volume variance /ˈselz _ˌvəlnjʊm _ˌvərəriəns/ noun a discrepancy between the actual volume of sales and the budgeted volume
salvage /ˈselvɑːdʒ/ noun 1. the work of saving a ship or a cargo from being destroyed 2. goods saved from a wrecked ship, from a fire or from some other accident ○ a sale of flood salvage items (NOTE: no plural) 1. verb 1. to save goods or a ship from being destroyed ○ We are selling off a warehouse full of salvaged goods. 2. to save something from loss ○ The company is trying to salvage its reputation after the managing director was sent to prison for fraud. ○ The receiver managed to salvage something from the collapse of the company.
salvage value /ˈselvɑːdʒ _ˌvɛljuː/ noun the value of an asset if sold for scrap
S&L abbreviation savings and loan
Sarbanes-Oxley Act /ˈsærˌbənɪz _ˌɒksiˈli_ə/ an act of the US Congress designed to protect investors from fraudulent accounting activities
SAS abbreviation Statement of Auditing Standards
save /ˈseiv/ verb to choose not to spend money ○ He is trying to save money by walking to work ○ She is saving to buy a house.
save-as-you-earn /ˈseiv əz ˈjuːn/ noun a savings-related scheme set up by an employer that gives employees a right to buy a certain number of shares in the company at a fixed price at a particular time. Abbreviation SAVE
saver /ˈseɪvər/ noun a person who saves money
savings /ˈseivənˌz/ plural noun money saved (i.e. money which is not spent) ○ She put all her savings into a deposit account.
savings account /ˈseivənˌz _ˌkaʊnt/ noun an account where you put money in regularly and which pays interest, often at a higher rate than a deposit account
savings and loan /ˈseivənˌz ən _ˈlaʊn/, savings and loan association /ˈseivənˌz ən _ˈlaʊn əˌsəʊʃən/ noun US same as building society
savings bank /ˈseivənˌz ˈbæŋk/ noun a bank where you can deposit money and receive interest on it
savings certificate /ˈseivənˌz _ˌsɜːtɪfɪkət/ noun a document showing that you have invested money in a government savings scheme
savings income /ˈseivənˌz _ˌɪnkʌm/ noun income in the form of interest on deposits with banks and building societies, government bonds, etc., but not income from dividends or rental income from property
seasonal business
seasonality

the time of the year, e.g. trade in goods such as suntan products or Christmas trees

seasonality /ˈsɛznəlɪti/ noun variations in production or sales that occur at different but predictable times of the year

SEC abbreviation Securities and Exchange Commission

second /ˈsekənd/ noun, adjective the thing which comes after the first [verb 1. □ to second a motion to be the first person to support a proposal put forward by someone else or Mrs Smith seconded the motion or The motion was seconded by Mrs Smith, 2. /ˈstrʌnd/ to lend a member of staff to another company, organisation or department for a fixed period of time ○ He was seconded to the Department of Trade for two years.

secondary buyout /ˈsekəndriˌbaʊət/ noun a situation in which an investor such as a private equity company sells its investment in a company to another investor, as a means of realising their investment

secondary industry /ˈsekəndriˌaɪndəstri/ noun an industry which uses basic raw materials to produce manufactured goods

secondary sites /ˈsekəndriˌsaɪts/ plural noun less valuable commercial sites. Compare prime sites

second half /ˈsekənd ˈhɑːfl/ noun the period of six months from 1 July to 31 December ○ The figures for the second half are up on those for the first part of the year.

second half-year /ˈsekənd ˈhɑːl jɪər/ noun the six-month period from July to the end of December

secondment /ˈstrɔnmənt/ noun the fact or period of being seconded to another job for a period ○ She is on three years' secondment to an Australian college.

second mortgage /ˈsekənd ˈmɔrgdʒ/ noun a further mortgage on a property which is already mortgaged

second quarter /ˈsekənd ˈkwɔrtoʊ/ noun the period of three months from April to the end of June

secretary /ˈsɛkrətri/ noun an official of a company or society whose job is to keep records and write letters

Secretary of the Treasury /ˈsekstrəri/ noun US a senior member of the government in charge of financial affairs

secret reserves /ˈsɛkrət rɛzərvz/ plural noun reserves which are illegally kept hidden in a company’s balance sheet, as opposed to ‘hidden reserves’ which are simply not easy to identify

section /ˈsektʃərn/ noun one of the parts of an Act of Parliament

secure /ˈsɪkjʊər/ adjective safe, which cannot change

secured /ˈsɪkjʊəd/ adjective used to describe a type of borrowing such as a mortgage where the lender has a legal right to take over an asset or assets of the borrower, if the borrower does not repay the loan

secured creditor /ˈsɪkjʊəd ˈkredɪtər/ noun a person who is owed money by someone, and can legally claim the same amount of the borrower’s property if the borrower fails to pay back the money owed

secured liability /ˈsɪkjʊəd ˈlɪabləti/ noun a loan secured by means of a pledge of assets that can be sold if necessary

secured loan /ˈsɪkjʊəd ˈloʊn/ noun a loan which is guaranteed by the borrower giving assets as security

securities /ˈsɪkjʊərətiz/ plural noun investments in stocks and shares

securities account /ˈsɪkjʊərəti əˈkaʊnt/ noun an account that shows the value of financial assets held by a person or organisation

Securities and Exchange Commission /ˈsɪkjʊərəti əˈʃekən/ noun US the official body which regulates the securities markets in the US. Abbreviation SEC

Securities and Futures Authority /ˈsɪkjʊərəti əˈfjuːrəti/ noun the official body which supervises the trading in shares and futures, now part of the FSA. Abbreviation SFA

Securities and Investments Board /ˈsɪkjʊərəti ɪnˈvestmenz ˌbɔrd/ noun the former regulatory body which supervised the securities markets in the UK, now superseded by the FSA. Abbreviation SIB

Securitisation /ˈsɪkjʊərətaiʒən/ noun the process of making a loan or mortgage into a tradeable security by issuing a bill of exchange or other negotiable paper in place of it

security /ˈsɪkjʊərəti/ noun 1. a guarantee that someone will repay money borrowed ○ to give something as security for a debt ○ to use a house as security for a loan ○ The bank lent him £20,000 without security. □ to stand security for someone to guarantee that if the person does not repay a loan, you will repay it for him

security deposit /ˈsɪkjʊərəti ˈdiˌpɔrzt/ noun an amount of money paid before a
transaction occurs to compensate the seller in the event that the transaction is not concluded and this is the buyer’s fault

**seed money** /ˈsidˌmʌni/ noun venture capital invested when a new project is starting up and therefore more risky than secondary finance

**segmental reporting** /ˈsegˌmənt(ə)l/ riˌˈsent/ noun the act of showing in company reports the results of a company or sections of it, separated according to the type of business or geographical area

**segment margin** /ˈsegˌment ,mərˈdʒən/ noun a measure of the profitability of a segment of a business

**segregation of duties** /ˌsegrəˈɡeɪʃən/ noun the dividing up of responsibilities within a business in order to reduce the potential for fraud or theft, e.g. by ensuring that the person responsible for approving invoices is not also responsible for signing cheques

**self-assessment** /ˌself əˈsesmənt/ noun the process in which an individual taxpayer calculates his or her own tax liability and reports it to the Inland Revenue which then issues a notice to pay. Self-assessment forms should be returned to the tax office by 31st January.

**self-balancing** /ˌself ˈbælənsɪŋ/ noun a situation in which there is equality of debits and credits

**self-employed** /ˌself ɪmˈplɔid/ adjective working for yourself or not on the payroll of a company or a self-employed engineer. He worked for a bank for ten years but is now self-employed.

**self-employed contributions** /ˌself ɪmˌplɔidˌˌkɒntrɪbjuˈʃən/ plural noun National Insurance contributions made by self-employed people

**self-financing** /ˌself ˈfærəns/ noun the process in which a company finances a project or business activity from its own resources, rather than by applying for external finance

**self-insurance** /ˌself ɪˈʃuərəns/ noun insuring against a probable future loss by putting money aside regularly, rather than by taking out an insurance policy

**self-regulation** /ˌself ˌrɛɡjʊˈleɪʃən/ noun the regulation of an industry by its own members, usually by means of a committee that issues guidance and sets standards that it then enforces. (Note: For example, the Stock Exchange is regulated by the Stock Exchange Council.)

**separability** /ˌseprəˈbɪləti/ noun the quality of being separable, that is, able to be separated into distinct parts

**separable net assets** /ˌseprəˈbɪləti əˌˈnæssəs/ plural noun assets which can be sold without affecting the value of the remaining assets.

**self-regulatory** /ˌˌrɛɡjʊˈlətəri/ adjective referring to an organisation which regulates itself

**sell** noun an act of selling. **sell** verb 1. to exchange something for money. **sell** something on credit. **sell** The shop sells washing machines and refrigerators. **sell** They tried to sell their house for £100,000. **sell** Their products are easy to sell. 2. **sell** to be bought. **sell** These items sell well in the pre-Christmas period. **sell** Those packs sell for £25 a dozen. (Note: selling – sold)

**seller’s market** /ˌseləz ˈmɑrkɪt/ noun a market where the seller can ask high prices because there is a large demand for the product. Opposite **buyer’s market**

**selling costs** /ˈˌsɛlɪŋ ˈkɒsts/ plural noun the amount of money to be paid for the advertising, reps’ commissions, and other expenses involved in selling something

**selling price** /ˌˌsɛlɪŋ ˈprɑːs/ noun the price at which someone is willing to sell something

**selling price variance** /ˌˌsɛlɪŋ ˈprɑːs veəˈriən/ noun the difference between the actual selling price and the budgeted selling price

**semiannual** /ˌˌsiˌmənˈjuːəl/ adjective referring to interest paid every six months

**semi-fixed cost** /ˌˌsiˌmiˌfɪkst ˈkɒst/ noun same as **semi-variable cost**

**semi-variable cost** /ˌˌsiˌmiˌveəˈriəbəl ˈkɒst/ noun the amount of money paid to produce a product, which increases, though less than proportionally, with the quantity of the product made. **Semi-up production will mean an increase in semi-variable costs.**

**senior** /ˈˈsenər/ adjective 1. referring to an employee who is more important 2. referring to an employee who is older or who has been employed longer than another 3. referring to a sum which is repayable before others

**senior capital** /ˈˌˈsenər ˈkæpət(ə)l/ noun capital in the form of secured loans to a company. It is repaid before junior capital, such as shareholders’ equity, in the event of liquidation.

**sensitivity analysis** /ˌˌsɛnsəˈtɪvəti əˌˈnɛləsəs/ noun the analysis of the effect of a small change in a calculation on the final result

**separating net assets** /ˌˌsepəˈrətəb(ə)l əˌˈnæssəs/ plural noun assets which can be
separate 204

separate /septərət/ adjective not connected with something

sequester /sikwestə/, sequestre /sɪkwestər/ sequester to take and keep a bank account or property because a court has ordered it. The union’s funds have been sequestrated.

sequestration /sɪkwestrəʃ(ə)n/ noun the act of taking and keeping property on the order of a court, especially of seizing property from someone who is in contempt of court.

sequester /sɪkwestər/ a person who takes and keeps property on the order of a court.

series /ˈseriəs/ a group of items following one after the other. A series of successful takeovers made the company one of the largest in the trade. (NOTE: The plural is series.)

Serious Fraud Office /ˈsəriəs /ˈfrɔ/ noun a British government department in charge of investigating major fraud in companies. Abbreviation SFO.

SERPS /ˈsɛrps/ abbreviation State Earnings-Related Pension Scheme.

service /ˈsɜrvɪs/ noun 1. the work of dealing with customers; e.g. transport or education. We give advice to companies on the marketing of services.

service charge /ˈsɜrvɪs tʃaːrʒ/ noun a charge which a bank or business makes for the use of a bill in a restaurant, where a customer pays for service 2. an amount paid by tenants in a block of flats or offices for general maintenance, insurance and cleaning.

service contract /ˈsɜrvɪs kəntrakt/ noun a contract between a company and a director showing all conditions of work. She worked unofficially with no service contract.

service industry /ˈsɜrvɪs /ˈɪndəstri/ noun an industry which does not produce raw materials or manufacture products but offers a service such as banking, retailing or accountancy.

service life /ˈsɜrvɪs laɪf/ noun the period during which an asset will bring benefit to a company.

service potential /ˈsɜrvɪs pə,tenʃ(ə)n/ noun future benefits that an asset is expected to bring.

services /ˈsɜrvɪsɪz/ plural noun 1. benefits which are sold to customers or clients, e.g. transport or education. We give advice to companies on the marketing of services.

set /set/ adjective fixed, or which cannot be changed. There is a set fee for all our consultants. verb to fix or to arrange something. We have to set a price for the new computer. The price of the calculator has been set low, so as to achieve maximum unit sales. (NOTE: setting — set)

set against phrasal verb to balance one group of figures against another group to try to make them cancel each other out. We set the costs against the sales revenue. Can you set the expenses against tax?

set off /set əf/ verb to use a debt owed by one party to reduce a debt owed to the other.

set-off /set əf/ noun an agreement between two parties to balance one debt against another or a loss against a gain.

settle /ˈsetəl/ verb to leave property in trust.

settle on phrasal verb to leave property to someone you die before you have given it to someone else.

settlement /ˈsetəlmənt/ noun 1. the payment of an account. We offer an extra 5% discount for rapid settlement. We take a further 5% off the price if the customer pays quickly. 2. an agreement after an argument or negotiations. A wage settlement was agreed between the management and the trade unions.

settlement day /ˈsetəlmənt deɪt/ noun 1. the day on which shares which have been bought must be paid for. On the London Stock Exchange the account period is three business days from the day of trade. (NOTE: The US term is settlement date.)
share option scheme

share disposals /ʃeər dɪsaʊs(ə)lz/ plural noun the selling of shares, which is often subject to conditions

shareholder /ʃeəhəʊldər/ noun a person who owns shares in a company ○ to call a shareholders' meeting (NOTE: The US term is stockholder.) ○ ...as of last night the bank's shareholders no longer hold any rights to the bank's shares' [South China Morning Post] ○ ...the company said that its recent issue of 10.5% convertible preference shares at A$8.50 has been oversubscribed, boosting shareholders' funds to A$700 million plus' [Financial Times]

shareholders' equity /ʃeəhəʊldəz 'ekwəti/ noun 1. the value of a company which is the property of its ordinary shareholders (the company's assets less its liabilities) 2. a company's capital which is invested by shareholders, who thus become owners of the company

shareholders' funds /ʃeəhəʊldəz 'fʌndz/ plural noun the capital and reserves of a company

shareholder value /ʃeəhəʊldər 'væljuː/ noun the total return to the shareholders in terms of both dividends and share price growth, calculated as the present value of future free cash flows of the business discounted at the weighted average cost of the capital of the business less the market value of its debt

shareholder value analysis /ʃeəhəʊldər 'væljuːənələsɪs/ noun a calculation of the value of a company made by looking at the returns it gives to its shareholders. It assumes that the objective of a company director is to maximise the wealth of the company's shareholders, and is based on the premise that discounted cash flow principles can be applied to the business as a whole. Abbreviation SVA

shareholding /ʃeəhəʊldɪŋ/ noun a group of shares in a company owned by one owner

share incentive scheme /ʃeər ɪn'sentɪv skɪm/ noun same as share option scheme

share option /ʃeər ˈɒpʃən/ noun a right to buy or sell shares at an agreed price at a time in the future

share option scheme /ʃeər ˈɒpʃən skɪm/ noun a scheme that gives company employees the right to buy shares in the company which employs them, often at a special price
share premium  

*share premium* /ˈʃeə prɪˈmɪəm/ noun an amount to be paid above the nominal value of a share in order to buy it

*share purchase scheme* /ˈʃeə ˈpɜːtʃəs ˈskɪm/ noun a scheme that allows employees to buy shares in a company at a favourable rate

*share quoted ex dividend* /ˈʃeə kwəʊtkt eks ˈdɪvɪdend/ noun a share price not including the right to receive the next dividend

*share register* /ˈʃeə ˈrɛgɪstrəl/ noun a list of shareholders in a company with their addresses

*short* /ʃɔrt/ adverb which allows employeess to buy shares in a company at a favourable rate

*short change* /ʃɔrt kænʃeɪn/ noun the act of dividing shares into smaller denominations

*short warrant* /ʃɔrt ˈwɜːrənt/ noun a document which says that someone has the right to a number of shares in a company

*short practice* /ʃɔrt ˈprækts/ noun a way of doing business which is not honest but is not illegal

*shell registration* /ʃəll ˈrɛɡɪstrəʃən/ noun a registration of a corporation with the SEC some time (up to two years is allowed) before it is offered for sale to the public

*shell company* /ʃɛl ˈʃɛl(k)əni/ noun a company that has ceased to trade but is still registered, especially one sold to enable the buyer to begin trading without having to set up a new company (note: the US term is *shell corporation*).

‘...shell companies, which can be used to hide investors’ cash, figure largely throughout the twentieth century’ [Times]

*short* /ʃɔrt/ adjective, adverb 1. for a small period of time 2. less than what is expected or desired 3. the shipment was three items short. 4. My change was £2 short. 5. when we cashed up we were £10 short we had £10 less than we should have had 6. to sell short, to go short to agree to sell at a future date something (such as shares) which you do not possess, but which you think you will be able to buy for less before the time comes when you have to sell them

*short bill* /ʃɔrt ˈbɪl/ noun a bill of exchange payable at short notice

*short-change* /ʃɔrt ˈtʃeindʒ/ verb to give a customer less change than is right, either by mistake or in the hope that it will not be noticed

*short credit* /ʃɔrt ˈkredɪt/ noun terms which allow the customer only a little time to pay

*short-dated bill* /ʃɔrt ˈdeɪtɪd ˈbɪl/ noun a bill which is payable within a few days

*short-dated gilts* /ʃɔrt ˈdeɪtɪd ˈɡɪltz/ plural noun same as *shorts*

*shorten* /ʃɔrtən/ verb 1. to shorten credit terms 2. to shorten a credit period 3. to make a credit period shorter, so as to improve the company’s cash position

*shortfall* /ʃɔrtˈfɔl/ noun an amount which is missing which would make the total expected 3. we had to borrow money to cover the shortfall between expenditure and revenue

*short-form report* /ʃɔrt fɔrm riˈpɔrt/ noun a standard brief auditor’s report summarising the work done and the findings

*short lease* /ʃɔrt ˈlɛs/ noun a lease which runs for up to two or three years 3. we have a short lease on our current premises

*short position* /ʃɔrt pəˈzɪʃən/ noun a situation where an investor sells short, i.e., sells forward shares which he or she does not own. Compare *long position*

*shorts* /ʃɔrts/ plural noun government stocks which mature in less than five years' time

*short-term* /ʃɔrt tɜːm/ adjective 1. for a period of weeks or months 2. to place money on short-term deposit 3. she is employed on a short-term contract 4. for a short period in the future we need to recruit at once to cover our short-term manpower requirements

*short-term capital* /ʃɔrt tɜːm ˈkeptəl/ noun funds raised for a period of less than 12 months 3. *working capital*

*short-term debt ratio* /ʃɔrt tɜːm dɛt ˈrɑːtɪə/ noun an indicator of whether or not a company will be able to settle its immediate obligations

*short-term forecast* /ʃɔrt tɜːm ˈʃrɪktɔːst/ noun a forecast which covers a period of a few months

*short-term investment* /ʃɔrt tɜːm ɪnˈvestmənt/ noun a section of a company’s account that lists investments that will expire within one year

*short-term loan* /ʃɔrt tɜːm ˈloan/ noun a loan which has to be repaid within a few weeks or some years

*short-term security* /ʃɔrt tɜːm ˈsekʃərɪ/ noun a security which matures in less than 5 years

*shrinkage* /ˈʃrɪŋkədʒ/ noun 1. the amount by which something gets smaller 2. to allow for shrinkage 3. losses of stock through
sight draft /ˈsɑːrt drɔːft/ noun a bill of exchange which is payable when it is presented

sign /sain/ verb to write your name in a special way on a document to show that you have written it or approved it. ○ The letter is signed by the managing director. ○ Our company cheques are not valid if they have not been signed by the finance director.

signatory /ˈsɪgnətəri/ noun a person who signs a contract, etc. ○ You have to get the permission of all the signatories to the agreement if you want to change the terms.

simple average cost /ˈsɪmpl əv ˈeɪvərɪdʒ ˈkɒst/ noun the average cost of stock received during a period calculated at the end of the period as the average unit price of each delivery of stock, rather than an average price of each unit delivered as in weighted average price

simple interest /ˈsɪmpl ɪnˈtɜːrst/ noun interest calculated on the capital invested only, as distinct from compound interest which is calculated on capital and accumulated interest

simple rate of return /ˈsɪmpl rɪt ər ˈrɛnt/ noun a measure of a company’s profitability calculated by dividing the expected future annual net income by the required investment

single-entry bookkeeping /ˈsɪŋgl ɪˈbʊkkiŋ/ noun a method of bookkeeping where payments or sales are noted with only one entry per transaction, usually in the cash book

single-figure inflation /ˈsɪŋgl ˈɪflən/ noun inflation rising at less than 10% per annum

single-parent allowance /ˈsɪŋgl ˈpɛərənt əˈləʊən/ noun a former name for the tax allowance which can be claimed by a single person who has a child of school age living with them, now called the ‘additional personal allowance’

single premium policy /ˈsɪŋɡl ˈprɪmɪəm/ noun an insurance policy where only one premium is paid rather than regular annual premiums

sink /sɪŋk/ verb 1. to go down suddenly ○ Prices sank at the news of the closure of the factory, 2. to invest money into something ○ He sank all his savings into a car-hire business. (NOTE: sinking – sank – sunk)

sinking fund /ˈsɪŋkɪŋ fʌnd/ noun a fund built up out of amounts of money put aside regularly to meet a future need, such as the repayment of a loan

sinking fund method /ˈsɪŋkɪŋ fʌnd ˈmɛθəd/ noun a method of providing for depreciation of an asset which links it to an annuity that, at the end of the asset’s life, will have a value equal to the acquisition cost of the asset

sister company /ˈsɪstə ˈkɒmpənɪ/ noun a company that is part of the same group as another

sitting tenant /ˈsɪtɪŋ ˈtɛntən/ noun a tenant who is occupying a building when the freehold or lease is sold ○ The block of flats is for sale with four flats vacant and two with sitting tenants.

skimming /ˈskɪmɪŋ/ noun the unethical and usually illegal practice of taking small amounts of money from accounts that belong to other individuals or organisations

sleeping partner /ˈslɛpiŋ ˈpɑːtnər/ noun a partner who has a share in the business but does not work in it

slip /slɪp/ verb to move down steadily ○ Prices slid after the company reported a loss. (NOTE: sliding – slid)

slow payer /ˈsləʊ ˈpɛər/ noun a person or company that does not pay debts on time ○ The company is well known as a slow payer.

slump /slʌmp/ noun 1. a rapid fall ○ The slump in the value of the pound ○ We experienced a slump in sales or a slump in profits, 2. a period of economic collapse with high unemployment and loss of trade ○ We are experiencing slump conditions, a verb to fall fast ○ Profits have slumped. ○ The pound slumped on the foreign exchange markets.

slush fund /ˈslʌʃ ˈfʌnd/ noun money kept to one side to give to people to persuade them to do what you want ○ The party was accused of keeping a slush fund to pay foreign businessmen.
small town nearby.

ment, environmental impact, and the organ-

business ethics, human resource develop-

effects on society or on all those who can be

A systematic assessment of an organisation’s

small and medium-sized enter-

prises. Smaller and medium-sized organisations that

small business. Smaller and medium-sized organisations that

Small Business Administration

US a federal agency that advises small busi-

small businessman

small change

small claim

small companies rate

small company

SMEs

SMP abbreviation small and medium-

SMP abbreviation statutory maternity pay

social/adj adjective referring to society in general

social audit

social impact statement

social security contributions

small business

plural noun regular payments by employees and employ-

society

soft currency

soft landing

soft loan

small and medium-sized enter-

prises

same as

SMEs abbreviation small and medium-

size enterprises

SMP abbreviation statutory maternity pay

social/adj adjective referring to society in general

social audit

social impact statement

social security contributions

SMEs

SMP

SMB

SMEs

SMEs

SMB

SMP

SMB

SMEs

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP

SMB

SMP
source /ˈsɔs/ noun the place where something comes from ○ What is the source of her income? ○ You must declare income from all sources to the tax office.

source and application of funds statement /ˌsɔsiz ənd ˌspeɪlɪˈkeɪʃən əv ˈfɔndz ˈsteɪmənt/ sources and uses of funds statement /ˌsɔsiz ən ˈjuːtʃəz əv ˈfɔndz ˈsteɪmənt/ a statement in a company’s annual accounts, showing where new funds came from during the year, and how they were used

source document /ˌsɔsiz ˈdɒkjʊmənt/ a document upon which details of transactions or accounting events are recorded and from which information is extracted to be subsequently entered into the internal accounting system of an organisation, e.g., a sales invoice or credit note

spare /speər/ adjective extra, not being used ○ He has invested his spare capital in a computer shop.

SPE abbreviation special purpose entity

special audit /ˈspeʃəl əˈdəut/ an audit with a narrow remit specified by a government agency

Special Commissioner /ˌspeʃəl ˈkəmɪʃənər/ an official appointed by the Treasury to hear cases where a taxpayer is appealing against an income tax assessment

special deposits /ˌspeʃəl drˈpoʊzəts/ plural noun large sums of money which commercial banks have to deposit with the Bank of England

special drawing rights /ˌspeʃəl ˈdrəʊting riːtəz/ plural noun units of account used by the International Monetary Fund, allocated to each member country for use in loans and other international operations. Their value is calculated daily on the weighted values of a group of currencies shown in dollars. Abbreviation SDRs

special journal /ˌspeʃəl ˈdʒɜːnəl/ a journal in which entries of a specified type are recorded

special purpose entity /ˌspeʃəl ˈpurpoʊs ˈentəti/ special purpose vehicle /ˈnjuːtʃəz ən ˈrɛzə ˈljuːtʃən/ noun a resolution concerning an important matter, such as a change to the company’s articles of association which is only valid if it is approved by 75% of the votes cast at a meeting

specie /ˈspɛsɪ/ noun money in the form of coins

specification /ˌspeʃəˈfɪkəʃən/ noun detailed information about what or who is needed or about a product to be supplied ○ to detail the specifications of a computer system ○ the work is not up to specification ○ or does not meet our specifications ○ the product is not made in the way which was detailed

specific order costing /ˈspeʃɪk ə ˈɔrdr ˈkɒstɪŋ/ same as job costing

specify /ˈspeʃəfaɪ/ verb to state clearly what is needed ○ to specify full details of the goods ordered ○ Do not include VAT on the invoice unless specified. (NOTE: specifies – specifying – specified)

spend /spend/ verb to pay money ○ They spent all their savings on buying the shop. ○ The company spends thousands of pounds on research.

spending /ˈspendɪŋ/ noun the act of paying money for goods and services ○ Both cash spending and credit card spending increase at Christmas.

spending money /ˈspendɪŋ ˈmʌnɪ/ noun money for ordinary personal expenses

split-capital trust /ˌspilt ˈkæpɪtəl ˈtrʌst/ noun same as split-level investment trust

split commission /ˌspilt ˈkærəmɪʃən/ noun commission which is divided between brokers or agents

split-level investment trust /ˌspilt ˈlevəl ɪnˈvestmənt ˌtrʌst/ noun an investment trust with two categories of shares: income shares which receive income from the investments, but do not benefit from the rise in their capital value, and capital shares, which increase in value as the value of the investments rises, but do not receive any income. Also called split trust, split-capital trust

split payment /ˌspilt ˈpɛrmant/ noun a payment which is divided into small units

split trust /ˌspilt ˈtrʌst/ noun same as split-level investment trust

spoilage /ˈspɔlɪdʒ/ noun 1. waste arising from decay or damage 2. the amount of something wasted because of decay or damage

spot cash /ˈspɔt ˈkeɪʃən/ noun cash paid for something bought immediately

spot market /ˈspɔt ˈmɑrkt/ noun a market that deals in commodities or foreign exchange for immediate rather than future delivery
spot price

‘…with most of the world’s oil now traded on spot markets, Opec’s official prices are much less significant than they once were’ [Economist]

spot price /ˈspɒt prɑːs/ noun a current price or rate for something which is delivered immediately. Also called cash price

‘…the average spot price of Nigerian light crude oil for the month of July was 27.21 dollars per barrel’ [Business Times (Lagos)]

spread /ˈspred/ noun 1. same as range 2. the difference between buying and selling prices, i.e. between the bid and offer prices

verb to space something out over a period of time or to spread payments over several months

‘…dealers said markets were thin, with gaps between trades and wide spreads between bid and ask prices on the currencies’ [Wall Street Journal]

‘…to ensure an average return you should hold a spread of different shares covering a wide cross-section of the market’ [Investors Chronicle]

spreading /ˈspredɪŋ/ noun an action of spacing income from artistic work such as royalties over a period of time, and not concentrating it in the year in which the money is received

spreadsheet /ˈspredʃiːt/ noun a computer printout or program that shows a series of columns or rows of figures

SPV abbreviation special purpose vehicle

Square Mile /ˈskweɪ mʌl/ noun the City of London, the British financial centre

squeeze /ˈskwiːz/ noun government control carried out by reducing the availability of something

‘…the real estate boom of the past three years has been based on the availability of easy credit. Today, money is tighter, so property should bear the brunt of the credit squeeze’ [Money Observer]

SSAPs abbreviation Statements of Standard Accounting Practice

staff incentives /ˈstɑːf ɪnˈsentɪvz/ plural noun higher pay and better conditions offered to employees to make them work better

stag /ˈstæɡ/ noun a person who buys new issues of shares and sells them immediately to make a profit

staged payments /ˈstɛdʒd ˈpeɪmənts/ plural noun payments made in stages

stagger /ˈstæɡər/ verb to arrange holidays or working hours so that they do not all begin and end at the same time

We asked our supplier to stagger deliveries so that the warehouse can cope.

stagnant /ˈstæɡnənt/ adjective not active, not increasing ○ Turnover was stagnant for the first half of the year. ○ A stagnant economy is not a good sign.

stagnate /ˈstæg neɪt/ verb not to increase, not to make progress ○ The economy is stagnating.

stagnation /ˈstæɡ nərən/ noun the state of not making any progress, especially in economic matters ○ The country entered a period of stagnation.

stake /steɪk/ noun an amount of money invested

‘…her stake, which she bought at $1.45 per share, is now worth nearly $10 million’ [Times]

‘…other investments include a large stake in a Chicago-based insurance company, as well as interests in tobacco products and hotels’ [Lloyd’s List]

stakeholder /ˈstɛrk həʊldər/ noun a person or body that is directly or indirectly involved with a company or organisation and has an interest in ensuring that it is successful (NOTE: A stakeholder may be an employee, customer, supplier, partner, or even the local community within which an organisation operates.)

‘…the stakeholder concept is meant to be a new kind of low-cost, flexible personal pension aimed at those who are less well-off. Whether it will really encourage them to put aside money for retirement is a moot point. Ministers said companies would be able to charge no more than 1 per cent a year to qualify for the stakeholder label’ [Financial Times]

stakeholder pension /ˈstɛrk həʊldər ˌpɛnʃən/ noun a pension, provided through a private company, in which the income a person has after retirement depends on the amount of contributions made during their working life (NOTE: Stakeholder pensions are designed for people without access to an occupational pension scheme.)

stakeholder theory /ˈstɛrk həʊldər ˈθɪəri/ noun the theory that it is possible for an organisation to promote the interests of its shareholders without harming the interests of its other stakeholders such as its employees, suppliers and the wider community

stamp duty /ˈstæmp dʒʌtɪ/ noun a tax on legal documents such as those used, e.g.,
Accounting

for the sale or purchase of shares or the conveyance of a property to a new owner

**standard cost method** /ˈstændəd kɑːst/ əˈmethəd/ noun a method that divides common costs among all users

**standard agreement** /ˈstændəd əˈɡriːmənt/ noun a standard contract /ˈstændəd ˈkɒntrækt/ noun a normal printed contract form

**standard cost** /ˈstændəd ˈkɑːst/ noun a cost which is calculated in advance and against which estimates are measured

**standard costing** /ˈstændəd ˈkɑːstɪŋ/ noun the process of planning costs for the period ahead and, at the end of the period, comparing these figures with actual costs in order to make necessary adjustments in planning

**standard cost system** /ˈstændəd ˈkɑːst ˈsɪstəm/ noun a system that records costs at standard levels, rather than at actual levels

**standard direct labour cost** /ˈstændəd dəˈrekt ˈleɪəbər ˈkɑːst/ noun the cost of labour calculated to produce a product according to specification, used to measure estimates

**standard letter** /ˈstændəd ˈletə/ noun a letter which is sent without change to various correspondents

**standard opinion** /ˈstændəd əˈpɪnjən/ noun an accountant’s judgement that a company’s financial information has been presented in a way that is both fair and consistent with presentation in previous years

**standard rate** /ˈstændəd ˈreɪt/ noun a basic rate of income tax which is paid by most taxpayers

**standby credit** /ˈstændbaɪ ˈkredɪt/ noun 1. credit which is available if a company needs it, especially credit guaranteed by a bank note 2. credit which is available and which can be drawn on if a country needs it, especially credit guaranteed by a lender (a group of banks or the IMF in the case of a member country) and usually in dollars

**standing order** /ˈstændɪŋ ˈɔːrdər/ noun an order written by a customer asking a bank to pay money regularly to an account ○ I pay my subscription by standing order.

**start** /stɑːrt/ noun the beginning ○ verb to begin to do something ○ to start a business from cold or from scratch to begin a new business, with no previous turnover to base it on

**starting rate of tax** /ˈstɑːrtɪŋ ˈreɪt əˈtæks/ noun a tax rate (currently 10%) paid on the first segment of taxable income, before the basic rate applies

**starting salary** /ˈstɑːrtɪŋ ˈsələrɪ/ noun a salary for an employee when he or she starts work with a company

**start-up** /ˈstɑːrt əˈpiər/ noun the beginning of a new company or new product ○ We went into the red for the first time because of the costs for the start-up of our new subsidiary.

‘It’s unusual for a venture capitalist to be focused tightly on a set of companies with a common technology base, and even more unusual for the investment fund manager to be picking start-ups that will be built on a business he’s currently running.’ [InformationWeek]

**start-up financing** /ˈstɑːrt əˈpiər ˈfæntɪnɪŋ/ the first stage in financing a new project, which is followed by several rounds of investment capital as the project gets under way

**state** /stɑːt/ noun 1. an independent country 2. a semi-independent section of a federal country such as the US ○ verb to say clearly ○ The document states that all revenue has to be declared to the tax office. ○ as per account stated the same amount as shown on the account or invoice

‘...the unions had argued that public sector pay rates had slipped behind rates applying in state and local government areas’ [Australian Financial Review]

**state bank** /stɑːt ˈbæŋk/ noun in the US, a commercial bank licensed by the authorities of a state, and not necessarily a member of the Federal Reserve system. Compare national bank

**state benefits** /stɑːt ˈbɛnɪfɪts/ plural noun payments which are made to someone under a national or private scheme

**stated capital** /ˈstærtd ˈkæpɪt(ə)l/ noun the amount of a company’s capital contributed by shareholders

State Earnings-Related Pension Scheme /stɑːt əˈɛrnɪŋz ˈrɪlɪəd ˈpɛnʃən ˈskem/ noun a State Second Pension Scheme /ˈstɑːtɪmənt/ noun something said or written which describes or explains something clearly

**statement of account** /ˈstɑːtɪmənt əv əˈkɔːnt/ noun a list of sums due, usually relating to unpaid invoices

**statement of affairs** /ˈstɑːtɪmənt əv əˈfɛrz/ noun a financial statement drawn up when a person is insolvent

**Statement of Auditing Standards** /ˈstɑːtəment əv ˈstændəd/ noun an auditing standard, issued by the Auditing Practices Board, containing prescriptions as to the basic principles and practices which
statement of cash flows

members of the UK accountancy bodies are expected to follow in the course of an audit. Abbreviation SAS
statement of cash flows /steɪmənt əv 'kæʃ fləʊz/ noun a statement that documents actual receipts and expenditures of cash
statement-of-cash-flows method /steɪmənt əv 'kæʃ fləʊz, -meθəd/ noun a method of accounting that is based on flows of cash rather than balances on accounts
statement of changes in financial position /steɪmənt əv ˈʃeɪndʒz ɪn fɪnəl pəˈzɪʃn/ noun a financial report of a company’s incomes and outflows during a period, usually a year or a quarter
Statement of Financial Accounting Standards /steɪmənt əv fət, ˈneɪʃn(ə)l ə ˈsteɪndərdz/ noun in the US, a statement detailing the standards to be adopted for the preparation of financial statements. Abbreviation SFAS
Statement of Principles /steɪmənt əv 'prɪnəsəplz/ noun a document in which the Accounting Standards Board sets out the principles governing the carrying out of financial reporting in the UK and the Republic of Ireland
statement of realisation and liquidation /steɪmənt əv riˈzaɪəʃn ən 'lɪdʒəˌkeɪʃn/ noun a statement of the financial position of a company going out of business
statement of retained earnings /steɪmənt əv riˈten ənd ə ˈretned ˈɛənɪŋz/ noun a statement accompanying a balance sheet and giving details of the movement of retained earnings during an accounting period
Statements of Standard Accounting Practice /steɪmənts əv ˈstændərd ə 'kɒntɪŋ ˈpræktɪs/ plural noun rules laid down by the Accounting Standards Board for the preparation of financial statements. Abbreviation SSAPs
state of indebtedness /steɪt əv inˈdɪtbəndəs/ noun the fact of being in debt, owing money
state pension /steɪt ˈpenʃən/ noun a pension that is provided by the state and funded from National Insurance payments
state retirement pension /steɪt ˈretnimənt ˌpenʃən/ noun a pension paid by the state to people when they reach the statutory retirement age
State Second Pension /steɪt, ˌsekkənd ˈpenʃən/ noun a state pension that is additional to the basic retirement pension and is based on average earnings over an employee’s career, formerly called the State Earnings-related Pension Scheme or SERPS
statistical /stəˈtɪstɪkl/ adjective based on statistics ○ statistical information ○ They took two weeks to provide the statistical analysis of the opinion-poll data.
statistical discrepancy /stəˈtɪstɪkl dɪˈskreɪpənsi/ noun the amount by which sets of figures differ
statistical quality control /stəˌtɪstɪkl ˈkwɒləti ˈkəntrəl/ noun the process of inspecting samples of a product to check that quality standards are being met
statistician /stəˈtɪstɪkʃən/ noun a person who analyses statistics
statistics /stəˈtɪstɪks/ plural noun 1. facts or information in the form of figures ○ to examine the sales statistics for the previous six months ○ Government trade statistics show an increase in imports. ○ The statistics on unemployment did not take school-leavers into account. (NOTE: takes a plural verb) 2. the study of facts in the form of figures (NOTE: takes a singular verb)
status /ˈstætəs/ noun the importance of someone or something relative to others, especially someone’s position in society
status inquiry /ˈstætəs ɪnkwaˈrɪ/ noun the act of checking on a customer’s credit rating
status quo /ˈstætəs ˈkwɔː/ noun the state of things as they are now ○ The contract does not alter the status quo.
statute /ˈsteɪtʃuːt/ noun an established written law, especially an Act of Parliament. Also called statute law
statute-barred /ˈsteɪtʃuːt ˈbærəd/ adjective referring to legal action which cannot be pursued because the time limit for it has expired
statute book /ˈsteɪtʃuːt bʊk/ noun all laws passed by Parliament which are still in force
statute law /ˈsteɪtʃuːt ˈlɔː/ noun same as statute
statutory /ˈsteɪtʃuːtəri/ adjective fixed by law ○ There is a statutory period of probation of thirteen weeks. ○ Are all the employees aware of their statutory rights?
statutory audit /ˈsteɪtʃuːtəri ˌɔdɪt/ noun an audit carried out on the instructions of, and with a remit set by, a governmental agency
statutory auditor /ˈsteɪtʃuːtəri ˈɔdɪtər/ noun a professional person qualified to carry out an audit required by the Companies Act
213

**statutory books** /ˈstætʃəteriəriˈbʊks/ plural **nouns** company records required by law, e.g. a register of members

**statutory instrument** /ˈstætʃəteriəriˈɪnsərəmənt/ noun an order which has the force of law, made under authority granted to a minister by an Act of Parliament

**statutory maternity pay** /ˈstætʃəteriəriˈmiətrətiˈpei/ noun payment made by an employer to an employee who is on maternity leave, for a continuous period up to 39 weeks. Abbreviation **SMP**

**statutory regulations** /ˈstætʃəteriəriˈrɛgjuleɪʃənz/ plural **nouns** regulations covering financial dealings which are based on Acts of Parliament, such as the Financial Services Act, as opposed to the rules of self-regulatory organisations which are non-statutory

**stay of execution** /ˈstɛst ev ekˈstrɛm/ noun the temporary stopping of a legal order. ○ The court granted the company a two-week stay of execution.

**stepped costs** /ˈstɛpt ˈkɒsts/ plural **nouns** costs which remain fixed up to some level of activity but then rise to a new, higher level once that level of activity is exceeded

**sterling** /ˈstɜːrlɪŋ/ noun the standard currency used in the United Kingdom ○ to quote sterling prices ○ ...it is doubtful that British goods will price themselves back into world markets as long as sterling labour costs continue to rise faster than in competitor countries’ [Sunday Times]

**sterling area** /ˈstɜːrlɪŋ ˈeərə/ noun formerly, the area of the world where the pound sterling was the main trading currency

**sterling balances** /ˈstɜːrlɪŋ ˈbælənsəz/ plural **nouns** a country’s trade balances expressed in pounds sterling

**sterling crisis** /ˈstɜːrlɪŋ ˈkrəsɪs/ noun a fall in the exchange rate of the pound sterling

**sterling index** /ˈstɜːrlɪŋ ˈɪndəks/ noun an index which shows the current value of sterling against a basket of currencies

**stock** /ˈstɒk/ noun 1. the available supply of raw materials ○ large stocks of oil or coal ○ the country’s stocks of butter or sugar 2. especially UK the quantity of goods for sale in a warehouse or retail outlet. Also called **inventory** 3. shares in a company 4. investments in a company, represented by shares or fixed interest securities ○ verb to hold goods for sale in a warehouse or store ○ The average supermarket stocks more than 4500 lines.

‘US crude oil stocks fell last week by nearly 2.5m barrels’ [Financial Times]

‘...the stock rose to over $20 a share, higher than the $18 bid’ [Fortune]

**stockbroker** /ˈstɒkbrəʊkər/ noun a person who buys or sells shares for clients

**stockbroking** /ˈstɒkbrəʊkɪŋ/ the business of dealing in shares for clients ○ a stockbroking firm

**stock certificate** /ˈstɒk səˈtɪʃənt/ noun a document proving that someone owns stock in a company

**stock code** /ˈstɒk kəʊd/ noun a set of numbers and letters which refer to an item of stock

**stock company** /ˈstɒk kəmpəni/ noun a company that has its capital divided into shares that are freely tradable

**stock control** /ˈstɒk kənˈtrəʊl/ noun the process of making sure that the correct level of stock is maintained, to be able to meet demand while keeping the costs of holding stock to a minimum

**stock controller** /ˈstɒk ˈkɒnˌtɛrələ/ noun a person who notes movements of stock

**stock depreciation** /ˈstɒk dɪˈprɪʃən/ noun a reduction in value of stock which is held in a warehouse for some time

**Stock Exchange** /ˈstɒk ɪks/ plural **nouns** a place where stocks and shares are bought and sold ○ He works on the Stock Exchange. ○ Shares in the company are traded on the Stock Exchange.

‘...the news was favourably received on the Sydney Stock Exchange, where the shares gained 40 cents to A$9.80’ [Financial Times]

**Stock Exchange listing** /ˈstɒk ɪksˈlɪstɪŋ/ noun the fact of being on the official list of shares which can be bought or sold on the Stock Exchange ○ The company is planning to obtain a Stock Exchange listing.

**stock figures** /ˈstɒk ˈfɪgərz/ plural **nouns** details of how many goods are in the warehouse or store

**stockholder** /ˈstɒkhoʊldər/ noun US same as **shareholder**

**stockholding** /ˈstɒkholdɪŋ/ noun the shares in a company held by someone

**stock-in-trade** /ˈstɒk ɪn ˈtreɪd/ noun goods held by a business for sale

**stock ledger** /ˈstɒk ˈlɛdʒə/ noun a book which records quantities and values of stock
stock level 214

stock level /'strɒkˌlev(ə)l/ noun the quantity of goods kept in stock ○ We try to keep stock levels low during the summer.

stock market /'strɒkˌmɑ:kt/ noun a place where shares are bought and sold, i.e. a stock exchange ○ stock market price ○ price on the stock market

stock market valuation /'strɒkˌmɑ:kt ˈvæljuərɪtɪ ˈɛ尔ɪpˌɛrsɛd ˈlɛŋθmɑrκ/ noun the value of a company based on the current market price of its shares

stock option /'strɒkˌɒpʃən/ noun US same as share option

stocks and shares /strɒks ən ˈʃeəz/ plural noun shares in ordinary companies

stocktaking /ˈstrɒktiŋk/ stocktake /ˈstrɒktiŋ/ noun the counting of goods in stock at the end of an accounting period ○ The warehouse is closed for the annual stocktaking.

stocktaking sale /ˈstrɒktiŋkˌsɛl/ noun a sale of goods cheaply to clear a warehouse before stocktaking

stock transfer form /ˈstrɒk ˈtrænsfərm/ noun a form to be signed by the person transferring shares

stock turn /ˈstrɒk ˈtɜːrn/ stock turnover /ˈstrɒk ˈtɜːrnəʊvər/ noun the total value of stock sold in a year divided by the average value of goods in stock

stock valuation /ˈstrɒkˌvæljuərɪtɪˈɑn/ noun an estimation of the value of stock at the end of an accounting period

stop-loss order /ˈstɒp ˈlɒs ˈɔrədə/ noun an instruction to a stockbroker to sell a share if the price falls to a specified level (NOTE: the US term is stop order.)

storage capacity /ˈstreɪdʒər ˈkeɪpəsti/ noun the space available for storage

store card /ˈstreɪdʒə kɑrd/ noun a credit card issued by a large department store, which can only be used for purchases in that store

straddle /ˈstrædəl/ noun 1. a spread, the difference between bid and offer price 2. the act of buying a put option and a call option at the same time

straight line depreciation /ˈstreɪt laɪn dɪˌprɪfɪʃ(ə)n/ noun a form of depreciation that divides the cost of a fixed asset evenly over each year of its anticipated lifetime

strategic cost management /ˈstrætəˈtɪdʒɪk kɒst ˈmæŋdʒmənt/ noun the use of cost information made by management to achieve the aims of a company

strategic management accounting /ˈstrætəˈtɪdʒɪkˌmæŋdʒmənt əˈkaʊntɪŋ/ noun a form of management accounting in which emphasis is placed on information which relates to factors external to the firm, as well as non-financial information and internally generated information

strategy /ˈstrætədʒi/ noun a course of action, including the specification of resources required, to achieve a specific objective ○ a financial strategy ○ a pricing strategy ○ Part of the company’s strategy to meet its marketing objectives is a major recruitment and retraining programme.

stock /ˈstrɒk/ verb ○ a deal was struck at £25 a unit we agreed the price of £25 a unit

strong /ˈstrɒŋ/ adjective with a lot of force ○ The company needs a strong chairman. ○ ‘…everybody blames the strong dollar for US trade problems’ [Duns Business Month]

strongbox /ˈstrɒŋbɛks/ noun a heavy metal box which cannot be opened easily, in which valuable documents and money can be kept

strong currency /ˈstrɒŋ ˈkærənsi/ noun a currency which has a high value against other currencies

strong pound /ˈstrɒŋ ˈpaʊnd/ noun a pound which is high against other currencies

strong structure /strʌktʃə/ noun the way in which something is organised ○ The paper gives a diagram of the company’s organisational structure. ○ The company is reorganising its discount structure.

sub /ˈsʌb/ noun wages paid in advance

subcontract /ˈsʌbˌkɑnˌtrækt/ verb (of a main contractor) to agree with a company that they will do part of the work for a project ○ The electrical work has been subcontracted to Smith Ltd

subcontractor /ˈsʌbˌkɑnˌtræktər/ noun a company which has a contract to do work for a main contractor

subject to /ˈsʌbdʒɪkt tjuː/ adjective depending on

sublease /ˈsʌbˌliːz/ verb to lease a leased property from another tenant ○ They subleased a small office in the centre of town.
subsidiary /ˈsʌbdɪəri/ adjective less important ○ They agreed to most of the conditions in the contract but queried one or two subsidiary items.

subsidiary company /ˈsʌbdɪəri kəmˈpəni/ noun a company which is more than 50% owned by a holding company, and where the holding company controls the board of directors.

subsidiary company accounting /ˈsʌbdɪəri kəmˈpəni, ˈkɑntərɪŋ/ noun the accounting methods that are used at a subsidiary for recording transactions with its parent company.

subsidise /ˈsʌbdɪzaɪs/ verb to help by giving money ○ The government has refused to subsidise the car industry.

subsidised accommodation /ˈsʌbdɪzaɪzd əˌkɒməˈdeɪʃən/ noun cheap accommodation which is partly paid for by an employer or a local authority.

subsidy /ˈsʌbdɪ/ noun 1, money given to help something which is not profitable ○ The industry exists on government subsidies. ○ The government has increased its subsidy to the car industry. 2, money given by a government to make something cheaper ○ the subsidy on rail transport (note: The plural is subsidies.)

subtenancy /ˈsʌbˌtenənsi/ noun an agreement to sublet a property.

subtenant /ˈsʌbˌtenənt/ noun a person or company to which a property has been sublet.

subtotal /ˈsʌbəˈtɔr(ə)l/ noun the total of one section of a complete set of figures ○ She added all the subtotals to make a grand total.

subtract /ˈsʌbtrækt/ verb to take away something from a total ○ The credit note should be subtracted from the figure for total sales. ○ If the profits from the Far Eastern operations are subtracted, you will see that the group has not been profitable in the European market.

subtraction /ˈsʌbtrækʃən/ noun an act of taking one number away from another.

subvention /ˈsʌbˈvɛntʃən/ noun same as subsidy.

succeed /ˈsʌksid/ verb 1, to do well, to be profitable ○ The company has succeeded best in the overseas markets. ○ Her business has succeeded more than she had expected. 2, to do what was planned ○ She succeeded in passing her computing test. ○ They succeeded in putting their rivals out of business. 3, to take over from someone in a post ○ Mr Smith was succeeded as chairman by Mrs Jones. ○ to succeed to a property to become the owner of a property by inheriting it from someone who has died.

success /ˈsʌksɪs/ noun 1, an act of doing something well ○ The launch of the new model was a great success. ○ The company has had great success in the Japanese market. 2, an act of doing what was intended ○ We had no success in trying to sell the lease. ○ She has been looking for a job for six months, but with no success.
sum /sam/ noun 1. a quantity of money ○ A sum of money was stolen from the human resources office. ○ He lost large sums on the Stock Exchange. ○ She received the sum of £5000 in compensation. 2. the total of a series of figures added together ○ The sum of the various subtotals is £18,752.

sum at risk /ˌsam ət 'rɪsk/ noun the amount of any given item, such as money, stocks or securities that an investor may lose

sum of digits method /ˌsam əv ˈdɪgzɪts ˌmeɪθəd/ noun a method of depreciating a fixed asset where the cost of the asset less its residual value is multiplied by a fraction based on the number of years of its expected useful life. The fraction changes each year and charges the highest costs to the earliest years.

sum-of-the-year's-digits depreciation /ˌsam əv ˈdɪzɪts ˈdɪprəʃən/ noun a method of recognizing depreciation that assigns more depreciation early in an asset's useful life than in the later years

sums chargeable to the reserve /ˌsamz ˌtʃɑrʒəbl tə ˈrezəvə plural noun sums which can be debited to a company's reserves

sundry /ˈsʌndri/ adjective various

sunk cost /ˈsʌŋk kɔst/ noun a cost which has been irreversibly incurred or committed prior to a decision point and which cannot therefore be considered relevant to subsequent decisions. Also called consumed cost

supernannuation /ˌsoʊpərənəˈneɪʃən/ noun a pension paid to someone who is too old or ill to work any more

supplementary benefit /ˌsuːplɪməntəri ˈbɛnɪfɪt/ noun formerly, payments from the government to people with very low incomes. It was replaced by income support.

supplementary statement /ˌsuːplɪˈmentəri ˈsteɪmtənt/ noun a statement that elaborates on an earlier financial statement

supplier /ˈsuːplər/ noun a person or company that supplies or sells goods or services ○ We use the same office equipment supplier for all our stationery purchases. ○ They are major suppliers of spare parts to the car industry. Also called producer

supply and demand /ˈsuːpli ənd ˈdeɪnd/ noun the amount of a product which is available and the amount which is wanted by customers

supply chain /ˈsuːpli ˈtʃeɪn/ noun the manufacturers, wholesalers, distributors, and retailers who produce goods and services from raw materials and deliver them to consumers, considered as a group or network.

‘Only companies that build supply chains that are agile, adaptable, and aligned get ahead of their rivals. [Harvard Business Review]

supply chain management /ˌsuːpli ˌtʃeɪn ˌmænɪdʒmənt/ noun the work of coordinating all the activities connected with supplying of finished goods (NOTE: Supply chain management covers the processes of materials management, logistics, physical distribution management, purchasing, and information management.)

supply price /ˌsuːpli prɑːs/ noun the price at which something is provided

support price /ˈsərˈpɔːt prɑːs/ noun a price in the EU at which a government will buy agricultural produce to stop the price falling

surcharge /ˈsərˈtʃeɪdʒ/ noun an extra charge

surety /ˈʃʊrəti/ noun 1. a person who guarantees that someone will do something ○ to stand surety for someone 2. deeds, share certificates, etc., deposited as security for a loan

surplus /ˈsɜːpləs/ noun more of something than is needed

‘Both imports and exports reached record levels in the latest year. This generated a $371 million trade surplus in June, the seventh consecutive monthly surplus and close to market expectations’ [Dominion (Wellington, New Zealand)]

surrender /ˈsɜːrəndər/ noun the act of giving up of an insurance policy before the contract date for maturity

surrender value /ˈsɜːrəndər ˈvɑːljuː/ noun the money which an insurer will pay if an insurance policy is given up

surtax /ˈsɜːtækst/ noun an extra tax on high income

suspend /ˈsənspend/ verb to stop doing something for a time ○ We have suspended payments while we are waiting for news from our agent. ○ Work on the construction project has been suspended.

suspending account /ˈsənspændɪŋ/ noun an account into which payments are put temporarily when the accountant cannot be sure where they should be entered

suspension /ˈsənspenʃən/ noun an act of stopping something for a time ○ There has...
been a temporary suspension of payments.

We are trying to avoid a suspension of deliveries during the strike.

SVA abbreviation shareholder value analysis

swap /swɒp/ noun an exchange of one thing for another

sweetener /ˈswɛtənər/ noun an incentive offered to help persuade somebody to take a particular course of action (informal)

switch /swɪtʃ/ verb 1. to change from one thing to another 2. to switch funds from one investment to another 3. The job was switched from our British factory to the States.

SWOT analysis /ˈswɔt əˌnæləsɪs/ noun a method of assessing a person, company or product by considering their Strengths, Weaknesses, and external factors which may provide Opportunities or Threats to their development. Full form Strengths, Weaknesses, Opportunities, Threats

syndicate /ˈsɪndɪkət/ verb to arrange for a large loan to be underwritten by several international banks

...over the past few weeks, companies raising new loans from international banks have been forced to pay more, and an unusually high number of attempts to syndicate loans among banks has failed.

system /ˈsɪstəm/ noun an arrangement or organisation of things which work together

systematic sampling /ˌsɪstəmətɪk ˈsʌmplɪŋ/ noun an auditing technique that selects a number of random samples of data in a systematic way, instead of a pure random sample

systems analysis /ˈsɪstəmz əˌnæləsɪs/ noun the process of using a computer to suggest how a company can work more efficiently by analysing the way in which it works at present

systems analyst /ˈsɪstəm əˌnælist/ noun a person who specialises in systems analysis

system weakness /ˈsɪstəm ˈwɪkənəs/ noun weakness in an accounting system that leads to a risk that financial statements will be flawed or that budgets will be miscalculated
T

T noun an expression of the number of days allowed for settlement of a transaction tab /tæb/ noun same as tabulator (informal)
tabulate /ˈtæbjuːlət/ verb to set something out in a table tabulation /ˈtæbjuːleɪʃ(ə)n/ noun the arrangement of figures in a table tabulator /ˈtæbjuːlətər/ noun a feature on a computer which sets words or figures automatically in columns

t T account /ˈteɪt/ a kaunt/ noun a way of drawing up an account, with a line across the top of the paper and a vertical line down the middle, with the debit and credit entries on either side
take /teɪk/ noun 1. the money received in a shop ○ Our weekly take is over £5,000. 2. a profit from any sale ■ verb 1. to receive or to get ○ the shop takes £2,000 a week the shop receives £2,000 a week in cash sales ■ she takes home £450 a week her salary, after deductions for tax, etc., is £450 a week 2. to perform an action 3. to need a time or a quantity ○ It took the factory six weeks or The factory took six weeks to clear the backlog of orders. (NOTE: taking — took — has taken)
take away phrasal verb to remove one figure from a total ○ If you take away the home sales, the total turnover is down.
take off phrasal verb to remove or to deduct something ○ He took £25 off the price.
take over phrasal verb to start to do something in place of someone else ○ Miss Black took over from Mr. Jones on May 1st.
take-home pay /ˈteɪk həʊm ˈpɛi/ noun same as disposable personal income ○ After all the deductions, her take-home pay is only £500 a week.
take-out /ˈteɪk aʊt/ noun the act of removing capital which you had originally invested in a new company by selling your shares.
takeover /ˈteɪkəʊvə/ noun an act of buying a controlling interest in a business by buying more than 50% of its shares. Compare acquisition takeover bid /ˈteɪkəʊvə bid/ noun an offer to buy all or a majority of the shares in a company so as to control it ○ They made a takeover bid for the company. ○ She had to withdraw her takeover bid when she failed to find any backers. ○ Share prices rose sharply on the disclosure of the takeover bid. Takeover Code /ˈteɪkər kəʊd/ noun the code of practice which regulates how takeovers should take place. It is enforced by the Takeover Panel.

Takeover Panel /ˈteɪkər pən(ə)l/ noun a non-statutory body which examines takeovers and applies the Takeover Code. Also called City Panel on Takeovers and Mergers takeover target /ˈteɪkər tæɡt/ noun a company which is the object of a takeover bid

take up rate /ˈteɪk apˌrɛt/ noun the percentage of acceptances for a rights issue

takings /ˈteɪkəŋz/ plural noun the money received in a shop or a business ○ The week’s takings were stolen from the cash desk.
tally /ˈtæli/ noun a note of things counted or recorded ○ to keep a tally of stock movements or of expenses ■ verb to agree, to be the same ○ The invoices do not tally. ○ The accounts department tried to make the figures tally.
tally sheet /ˈtæli ʃiːt/ noun a sheet on which quantities are noted

tangible assets /ˈtændʒərəl əˈsetz/ noun assets

tangible fixed assets /ˈtændʒərəl fiʃt əˈsetz/ noun assets

tangible property /ˈtændʒərəl prɒpərti/ plural noun assets that are physical, such as buildings, cash and stock. Leases and securities, although not physical in themselves, are classed as tangible assets because the underlying assets are physical.
tangible asset value /ˈtændʒərəl əˈset vælju/ noun the value of
all the assets of a company less its intangible
assets, e.g. goodwill, shown as a value per share

tangible book value /ˈtændʒəbl vəlju/ noun the book value of a
company after intangible assets, patents,
trademarks and the value of research and
development have been subtracted
taper relief /ˈteipə rilif/ noun the relief
for capital gains on assets sold after being
held for some period of time. The longer the
assets have been held, the more relief is
given against capital gains.
target company /ˈtæɡət kʌmpəni/ noun same as takeover target
‘…in a normal leveraged buyout the
acquirer raises money by borrowing
against the assets of the target company’
[Fortune]
target cost /ˈtæɡət kɒst/ noun a product
cost estimate derived by subtracting a
desired profit margin from a competitive
market price. This may be less than the
planned initial product cost, but will be
expected to be achieved by the time the
product reaches the mature production
stage.
target market /ˈtæɡət mɑrkɪt/ noun the
market in which a company is planning to
sell its goods
target pricing /ˈtæɡət ˈprɑːsɪŋ/ noun the
setting of a selling price with the aim of pro-
ducing a particular rate of return on invest-
ment for a specific volume of production
tariff /ˈtɑːrif/ noun a tax to be paid on
imported goods. Also called customs tariff
tax /ˈteks/ noun 1. money taken by the gov-
ernment or by an official body to pay for
government services 2. an amount of money
charged by government as part of a person’s
income or on goods bought or to levy or
impose a tax to make a tax payable The
government has imposed a 15% tax on pet-
rol.  2. verb to make someone pay a tax, to
impose a tax on something Businesses are
taxed at 40%. 3. Income is taxed at 35%. 4.
Luxury items are heavily taxed.
tax abatement /ˈteks əˈbeɪmənt/ noun a reduction of tax
taxable /ˈteksəbl/ adjective able to be taxed
taxable base /ˈteksəbl bēs/ noun the amount subject to taxation
taxable benefit /ˈteksəbl ˈbɛnfi/ noun a benefit which is included in a person’s
taxable income and is subject to tax
taxable income /ˈteksəbl ˈɪnmənu/ noun income on which a person has to pay tax
taxable items /ˈteksəbl ˈɪtəmz/ plural noun items on which a tax has to be paid
taxable matters /ˈteksəbl ˈmætəriəz/ plural noun goods or services that can be taxed
taxable person /ˈteksəbl ˈpɜːsən/ noun a person who is registered for VAT,
and who charges VAT on goods or services supplied
taxable supply /ˈteksəbl ˈspɔːrl/ supply a supply of goods which are subject to VAT
tax adjustments /ˈteks əˌdʒʌstmənts/ plural noun changes made to tax
tax adviser /ˈteks əˌdvaɪzə/, tax consult-
ant /ˈteks ˈkɔnˌsəltənt/ noun a person who gives advice on tax issues and problems
tax allowance /ˈteks əˌlɔːns/ noun part of the income which a person is allowed
to earn and not pay tax on
tax assessment /ˈteks əˌsɛsment/ noun a calculation by a tax inspector of the
amount of tax a person owes
taxation /ˈteksəʃən/ noun the system of raising revenue for public funding by tax-
ing individuals and organisations, or the amount of revenue raised
tax at source /ˈteks əˌsɔːs/ verb to deduct tax from earnings before they are paid to the recipient
tax auditor /ˈteks əˌdɔːtə/, noun a gov-
ernment employee who investigates taxpayers’ declarations

tax avoidance /ˈteks əˌvɔrsidʒəns/ noun the practice of legally trying to pay as little
tax as possible

tax bracket /ˈteks ˈbrækkt/ noun the section of
people paying a particular level of income
tax code /ˈteks ˈkɔd/ noun a number given to indicate the amount of tax allow-
ance a person has

tax collector /ˈteks ˈkəlɛktər/ noun a person who collects taxes which are owed

tax concession /ˈteks ˌkɒnsəʃən/ noun an act of allowing less tax to be paid

tax consultant /ˈteks ˌkɔnˌsəltənt/ noun a tax adviser

tax credit /ˈteks ˌkredɪt/ noun 1. a sum of
money which can be offset against tax 2. the
part of a dividend on which the company has
already paid tax, so that the shareholder is
not taxed on it
tax date /ˈteɪks dɛrt/ noun the date on which a transaction occurs for tax purposes, particularly relevant to invoices on which VAT is charged

tax-deductible /ˈteɪks dɪˈdɛktsəbəl/ adjective possible to deduct from an income before tax is calculated

tax deposit certificate /ˈteɪks dɪˈproʊzɪt ˈsərˌfɪkt/ noun a certificate showing that a taxpayer has deposited money in advance of a tax payment. The money earns interest while on deposit.

tax dodge /ˈteɪks ˈdɑdʒ/ noun an illegal method of paying less tax than an individual or company is legally obliged to pay

tax domicile /ˈteɪks ˈdəməsɡeɪl/ noun the place that a government levying a tax considers to be a person’s home

tax evasion /ˈteɪks əˈvɛʒən/ noun the practice of illegally trying to not pay tax

tax-exempt /ˈteɪks ɪɡˈzempt/ adjective 1. referring to a person or organisation not required to pay tax 2. not subject to tax

tax exemption /ˈteɪks ɪɡˈzæmpʃən/ noun 1. the fact of being free from payment of tax 2. US the part of income which a person is allowed to earn and not pay tax on

tax exemption cut-off /ˈteɪks ɪɡˈzæmpʃən ˈkət ˈɒf/ noun a limit on tax exemption because of high income

tax-exempt special savings account /ˈteɪks ɪɡˈzæmpʃən ˈspeʃəl ˈseɪvəndʒ ə ˈkənt/ noun a now-discontinued form of interest-free savings account largely superseded by the ISA. Abbreviation TESSA

tax form /ˈteɪks fɔːm/ noun a blank form to be filled in with details of income and allowances and sent to the tax office each year

tax-free /ˈteɪks ˈfrɪ/ adjective with no tax having to be paid  

tax-free goods

tax harmonisation /ˈteɪks hərəˈmeɪnəzəʃən/ noun the enactment of taxation laws in different jurisdictions, such as neighbouring countries, provinces, or states of the United States, that are consistent with one another

tax haven /ˈteɪks ˈheɪvən/ noun a country or area where taxes are low, encouraging companies to set up their main offices there

tax holiday /ˈteɪks ˈhɒlɪdeɪ/ noun a period when a new business is exempted from paying tax

tax incentive /ˈteɪks ɪnˈsɛnʃv/ noun a tax reduction afforded to people for particular purposes, e.g., sending their children to college

tax inspector /ˈteɪks ɪnˈspektə/ noun a government employee who investigates taxpayers’ declarations

tax law /ˈteɪks lɔ/ noun the body of laws on taxation, or one such law

tax liability /ˈteɪks ˈlɪbləti/ noun the amount of tax that a person or organisation has to pay

tax loophole /ˈteɪks ˈluːphəʊ/ noun a legal means of not paying tax

tax loss /ˈteɪks ˈlɒs/ noun a loss made by a company during an accounting period, for which relief from tax is given

tax loss carry-back /ˈteɪks ˈlɒs ˈkeɪbæk/ noun the reduction of taxes in a previous year by subtraction from income for that year of losses suffered in the current year

tax loss carry-forward /ˈteɪks ˈlɒs ˈkeɪbɔːndər/ noun the reduction of taxes in a future year by subtraction from income for that year of losses suffered in the current year

tax obligation /ˈteɪks ˈəʊblɪˈgeɪʃən/ noun the amount of tax a person or company owes

tax office /ˈteɪks ˈɔfɪs/ noun a local office of the Inland Revenue. It does not necessarily deal with the tax affairs of people who live locally.

tax on capital income /ˈteɪks ən ˈkæpɪtəl ˈɪnfəm/ noun a tax on the income from sales of capital assets

tax payable /ˈteɪks ˈpəʊvərəbl/ noun the amount of tax a person or company has to pay

taxpayer /ˈteɪks ˈpeɪpə(r)/ noun a person or company that has to pay tax  

tax planning /ˈteɪks ˈplænɪŋ/ noun planning how to avoid paying too much tax, by investing in, e.g., tax-exempt savings schemes or offshore trusts

tax point /ˈteɪks ˈpɔɪnt/ noun the date on which goods or services are supplied, which is the date when VAT becomes due

tax pressure /ˈteɪks ˈpɛrəs/ noun the financial difficulty that a company may face because of the taxes it must pay

tax rates /ˈteɪks rɛts/ plural noun percentage rates of tax on different bands of taxable income

tax rebate /ˈteɪks ˈrɪbɛt/ noun money returned by the Inland Revenue because it was overpaid
Accounting fm  Page 221  Tuesday, February 13, 2007  1:40 PM

221

tax reform /ˈteɪks ˈrɪfrəm/ noun changes to tax provisions made by a revenue authority

tax refund /ˈteɪks ˈrɪfrənd/ noun US same as remission of taxes

tax relief /ˈteɪks ˈrɪli/ noun reductions in tax liability that are allowed in line with necessary business expenditure

tax return /ˈteɪks ˈrɪtɜrn/ noun a completed tax form, with details of income and allowances

tax revenue /ˈteɪks ˈrevənju/ noun money that a government receives in taxes

tax schedules /ˈteɪks ˈʃedjuːls/ plural noun six types of income as classified for tax

tax shelter /ˈteɪks ˈʃeltə/ noun a financial arrangement such as a pension scheme where investments can be made without tax

tax system /ˈteɪks ˈsɪstəm/ noun the methods used by a government in imposing and collecting taxes

tax threshold /ˈteɪks ˈθresfəʊld/ noun a point at which another percentage of tax is payable ○ The government has raised the minimum tax threshold from £4,000 to £4,500.

tax treaty /ˈteɪks ˈtrɛtri/ noun an international agreement that deals with taxes, especially taxes by several countries on the same individuals

tax voucher /ˈteɪks ˈvɔːvər/ noun a document detailing various items of financial information, issued to shareholders at the time dividends are paid

tax year /ˈteɪks ˈjɪər/ noun a twelve month period on which taxes are calculated. In the UK this is 6th April to 5th April of the following year.

T-bond /ˈtiː bɔnd/ noun same as Treasury bond

technical /ˈtekənl/ adjective referring to influences inside a market, e.g. volumes traded and forecasts based on market analysis, as opposed to external factors such as oil-price rises, wars, etc.

...market analysts described the falls in the second half of last week as a technical correction [Australian Financial Review] ○ ...at the end of the day, it was clear the Fed had not loosened the monetary reins, and Fed Funds forged ahead on the back of technical demand [Financial Times]

technical analysis /ˈtekənlənələˈnələnələ/ noun a study of the price movements and volumes traded on a stock exchange

technical correction /ˈtekənlənələ/ noun an adjustment to the price of a share or the value of a currency

technical decline /ˈtekənlənələ/ noun a fall in share prices because of technical analysis

technical reserves /ˈtekənlənələ ˈriːzərs/ plural noun the assets that an insurance company maintains to meet future claims

telemarketing /ˈteləmɑːrkɪtɪŋ/ noun an attempt to hide missing funds by delaying the recording of cash receipts in a business’s books

telephone banking /ˈteləfon bæŋkɪŋ/ noun a service by which a bank customer can carry out transactions over the phone using a password. It may involve direct contact with a bank representative or may be automated using the phone’s keypad.

teller /ˈtelər/ noun a person who takes cash from or pays cash to customers at a bank

tenancy /ˈteɪnənsi/ noun an agreement by which a tenant can occupy a property

tenant /ˈteɪnənt/ noun a person or company which rents a house, flat or office to live or work in ○ The tenant is liable for repairs.

tender /ˈtenədər/ noun an offer to do something for a specific price ○ a successful tender ○ an unsuccessful tender □ to put a project out to tender ○ to ask for or invite tenders for a project ○ to ask contractors to give written estimates for a job □ to put in or submit a tender to make an estimate for a job

tenderer /ˈtenərdərər/ noun a person or company that puts forward an estimate of cost ○ The company was the successful tenderer for the project. (Note: The US term is bidder.)

tendering /ˈtenərdɪŋ/ noun the act of putting forward an estimate of cost ○ To be successful, you must follow the tendering procedure as laid out in the documents. (Note: The US term is bidding.)

tender offer /ˈtenərdər, ˈɒfər/ noun a method of selling new securities or bonds by asking investors to make offers for them, and accepting the highest offers

10-K /ˈtiː ˈkeɪ/ noun the filing of a US company’s annual accounts with the New York Stock Exchange

tenor /ˈteɪnər/ noun the life of a financial instrument, between the time it is taken out and the maturity date.
10-Q /ˈtiːɛm/ noun a period of time when something is legally valid ○ during his term of office as chairman ○ the term of a lease ○ We have renewed her contract for a term of six months. ○ The term of the loan is fifteen years.

term deposit /ˈtɛrm dɪˈpɔzɪt/, term account /ˈtɛrm əˈkaʊnt/ noun money invested for a fixed period at a higher rate of interest
terminal bonus /ˈtɛrmɪnl ˈbɔnəs/ noun a bonus received when an insurance contract comes to an end
term shares /ˈtɛrm ʃeərz/ plural noun a type of building society deposit that offers a comparatively high rate of interest for a fixed period of time
terms of reference /ˈtɛrmz əˈrɛfnərs/ plural noun the specific areas which a committee or an inspector can deal with ○ Under the terms of reference of the committee, it cannot investigate complaints from the public. ○ The committee’s terms of reference do not cover exports.
terms of sale /ˈtɛrmz əˈsɛl/ plural noun the conditions attached to a sale

1. abbreviation Investors in Industry

threshold /ˈθreʃəʊld/ noun the point at which something changes

threshold agreement /ˈθreʃəˌɡreɪnmənt/ noun a contract which says that if the cost of living goes up by more than an agreed amount, pay will go up to match it

thrifty /ˈθrɪfti/ adjective careful not to spend too much money

throughput /ˈθruːpʊt/ noun the amount of work done or of goods produced in a certain time ○ We hope to increase our throughput by putting in two new machines.

throughput accounting /ˈθruːpʊt əˌkaʊntɪŋ/ noun a management accounting system that seeks to maximise the return on bottleneck activity

tied financial adviser /ˈtɪd fəˈnɛd/ noun a qualified professional who gives advice on the financial products offered by a single company, as distinct from an independent financial adviser who
advises on the products of various companies.

tighten /ˈtɪtn/ verb to make something tight, to control something ○ The accounts department is tightening its control over departmental budgets.

‘…the decision by the government to tighten monetary policy will push the annual inflation rate above the previous high’ [Financial Times]

tighten up on phrasal verb to control something more strictly ○ The government is tightening up on tax evasion. ○ We must tighten up on the reps’ expenses.

tight money /ˈtɪtməni/ noun same as dear money.

tight money policy /ˈtɪtməni ˈpolnɪsi/ noun a government policy to restrict money supply

till /tɪl/ noun a drawer for keeping cash in a shop

time /ˈtaɪm/ noun 1. a period during which something takes place, e.g. one hour, two days, or fifty minutes 2. the number of hours worked 3. a period before something happens □ to keep within the time limits or within the time schedule to complete work by the time stated


time and materials pricing /ˈtaɪm ənd ˈmɔrtəriəlz ˈpraɪsn/ noun a pricing model that takes account of the cost of materials and parts, labour costs, and a percentage markup of each to cover overhead costs, and a margin for profit

time and method study /ˈtaɪm ənd ˈmeθəstʌdi/ noun a process of examining the way in which something is done to see if a cheaper or quicker way can be found

time and motion expert /ˈtaɪm ənd ˈmeʃənɪkʃənt/ noun a person who analyses time and motion studies and suggests changes in the way work is done

time and motion study /ˈtaɪm ənd ˈmeʃənstʌdi/ noun a study that seeks to improve efficiency and productivity in an office or factory

time deposit /ˈtaɪm ˈdiptɛnzt/ noun a deposit of money for a fixed period, during which it cannot be withdrawn

time draft /ˈtaɪm ˈdræft/ noun a bill of exchange that is drawn on and accepted by a US bank

time limit /ˈtaɪm ˈlɪmɪt/ noun the maximum time which can be taken to do something □ to set a time limit for acceptance of the offer ○ The work was finished within the time limit allowed. ○ The time limit on applications to the industrial tribunal is three months.

time limitation /ˈtaɪm ˈlɪmɪtʃən/ noun the restriction of the amount of time available

time rate /ˈtaɪm ˈreɪt/ noun a rate for work which is calculated as money per hour or per week, and not money for work completed

timescale /ˈtaɪmskɛl/ noun the time which will be taken to complete work ○ Our timescale is that all work should be completed by the end of August. ○ He is working to a strict timescale.

time sheet /ˈtaɪm ʃi/ noun a record of when an employee arrives at and leaves work, or one which shows how much time a person spends on different jobs each day

time work /ˈtaɪm ˈwɜk/ noun work which is paid for at a rate per hour or per day, not per piece of work completed

title /ˈtaɪtəli/ noun a right to own a property ○ She has no title to the property. ○ He has a good title to the property.

title deeds /ˈtaɪtəli ˈdiːdz/ plural noun a document showing who is the owner of a property

token charge /ˈtɑkən ˈtɑrdʒ/ noun a small charge which does not cover the real costs ○ A token charge is made for heating.

token payment /ˈtɑkən ˈpeɪmənt/ noun a small payment to show that a payment is being made

token rent /ˈtɑkən ˈrɛnt/ noun a very low rent payment to show that some rent is being asked

toll /ˈtɔl/ noun a payment for using a service, usually a bridge or a road ○ We had to cross a toll bridge to get to the island. ○ You have to pay a toll to cross the bridge.

toll call /ˈtɔl kɔli/ noun US a long-distance telephone call

toll free /ˈtɔlfri/ adjective, adverb, adjective US without having to pay a charge for a long-distance telephone call ○ to call someone toll free ○ a toll-free number

top-hat pension /ˌtɒp hæt ˈpenʃən/ noun a special extra pension for senior managers

total /ˈtɔltəl/ adjective complete, or with everything added together ○ The company has total assets of over £1bn. ○ The total amount owed is now £1000. ○ Our total income from exports rose last year. ○ verb to add up to ○ costs totalling more than £25,000 (NOTE: totalling – totalled. The US spelling is totaling – totaled.)
total absorption costing

**total absorption costing** /ˈtɔːt(ə)l əˈbɜːrʒən(ə)l kəst/ noun [C] a method used by a cost accountant to price goods and services, allocating both direct and indirect costs. Although this method is designed so that all of an organisation’s costs are covered, it may result in opportunities for sales being missed because it results in high prices. **marginal costing**

**total assets** /ˈtɔːt(ə)l əˈsetz/ plural noun the total net book value of all assets

**total asset turnover ratio** /ˈtɔːt(ə)l əˈset tɜrnəvər ˈrətjʊlər/ noun a measure of the use a business makes of all its assets. It is calculated by dividing sales by total assets.

**total invoice value** /ˈtɔːt(ə)l əˈvɪnswər vəljuː/ noun the total amount on an invoice, including transport, VAT, etc.

**total manufacturing costs** /ˈtɔːt(ə)l əˈmæŋjʊfɪŋkʃən, ˈkɒstz/ plural noun the total figure for costs of materials, labour and overheads incurred during an accounting period

**total overhead cost variance** /ˈtɔːt(ə)l əˈhɑːd vərjəns/ noun the difference between the overhead cost absorbed and the actual overhead costs, both fixed and variable

**total productivity** /ˈtɔːt(ə)l əˈprədəktɪvɪtɪ/ noun a figure that represents the value of total output divided by the cost of all input

**total quality control** /ˈtɔːt(ə)l əˈkwɔlɪti kəntrəl/ noun a manufacturing approach that aims at turning out products that are consistently defect-free

**total return** /ˈtɔːt(ə)l əˈtɜːrn/ noun the total percentage change in the value of an investment over a specified time period, including capital gains, dividends and the investment’s appreciation or depreciation

**traceability** /ˈtrɛičəbliəti/ noun the extent to which a cost can be directly assigned to an activity or object

**traceable cost** /ˈtrɪsəbləl kɒst/ noun a cost that is directly assigned to an activity or object

**tracker fund** /ˈtrækər ˈfʌnd/ noun a fund which tracks one of the stock market indices, such as the FTSE

**tracking stock** /ˈtrækəŋ stɒk/ noun shares on which the level of dividend payments is linked to the performance of a subsidiary of the company

**trade** /tred/ noun 1. the business of buying and selling 2. a particular type of business, or people or companies dealing in the same type of product 3. *He’s in the secondhand car trade.* 4. *She’s very well known in the clothing trade.* **verb** to buy and sell, to carry on a business **We trade with all the countries of the EU.** **The company has stopped trading.**

‘...a sharp setback in foreign trade accounted for most of the winter slowdown. The trade balance sank $17 billion’ [Fortune]

‘...at its last traded price, the bank was capitalized around $1.05 billion’ [South China Morning Post]

‘...with most of the world’s oil now traded on spot markets, Opec’s official prices are much less significant than they once were’ [Economist]

‘...the London Stock Exchange said that the value of domestic UK equities traded during the year was £1.4066 trillion, more than the capitalization of the entire London market and an increase of 36 per cent compared with previous year’s total of £1.037 trillion’ [Times]

‘...trade between Britain and other countries which comprise the Economic Community has risen steadily from 33% of exports to 50% last year’ [Sales & Marketing Management]

**trade agreement** /tred əˈgrɪment/ noun an international agreement between countries over general terms of trade

**trade association** /ˈtred əˌəsəsɪʃən/ noun a group which links together companies in the same trade

**trade barrier** /ˈtred bærəri/ noun a limitation imposed by a government on the free exchange of goods between countries (NOTE: NTBs, safety standards, and tariffs are typical trade barriers.)

**trade bill** /ˈtred bɪl/ noun a bill of exchange between two companies who are trading partners. It is issued by one company and endorsed by the other.

**trade credit** /ˈtred kredɪt/ noun the provision of goods or services to another company with an agreement to invoice them later, which is a major source of capital for many businesses

**trade creditors** /ˈtred kredɪtəz/ plural noun companies which are owed money by a company. The amount owed to trade creditors is shown in the annual accounts.

**trade cycle** /ˈtred ˈkɜːrəl/ noun a period during which trade expands, then slows down, then expands again

**trade date** /ˈtred dət/ noun the date on which an enterprise becomes committed to buy a financial asset
trade debt /trɛd dət/ noun a debt that originates during the normal course of trade
trade deficit /trɛd ˈdɛfɪsɪt/ noun the difference in value between a country’s low exports and higher imports. Also called balance of payments deficit, trade gap
trade description /trɛd ˈdɪskrɪpʃən/ noun a description of a product to attract customers
trade discount /trɛd ˈdɪskɒnt/ noun a reduction in price given to a customer in the same trade
traded options /trɛd ˈɒpʃənz/ plural noun options to buy or sell shares at a specific price on a specific date in the future, which themselves can be bought or sold
trade fair /trɛd fɛə/ noun a large exhibition and meeting for advertising and selling a specific type of product ○ There are two trade fairs running in London at the same time – the carpet manufacturers’ and the mobile telephone companies’
trade gap /trɛd ɡæp/ noun same as trade deficit
trademark /trɛd ˈmɑrk/; trade name /trɛd ˈnɛm/ noun same as registered trademark
trade-off /trɛd ˈɒf/ noun an act of exchanging one thing for another as part of a business deal (NOTE: The plural is trade-offs.)
trade price /trɛd ˈprɑs/ noun a special wholesale price paid by a retailer to the manufacturer or wholesaler
trader /trɛdə/ noun a person who does business
trade surplus /trɛd ˈsɜːpəs/ noun the difference in value between a country’s high exports and lower imports ○ Brazil’s trade surplus is vulnerable both to a slowdown in the American economy and a pick-up in its own [Economist]
trade terms /trɛd ˈteɪmz/ plural noun a special discount for people in the same trade
trade-weighted index /trɛd ˈweɪtɪd ˈɪndeks/ noun an index of the value of a currency calculated against a basket of currencies
trading /trɛdɪŋ/ noun 1. the business of buying and selling 2. an area of a brokerage firm where dealing in securities is carried out by phone, using monitors to display current prices and stock exchange transactions
trading, profit and loss account /trɛdɪŋ ˈprɒfit ən ˈlɒs əˈkaʊnt/ noun an account which details the gross profit or loss made by an organisation for a given period trading account, and after adding other income and deducting various expenses, is able to show the profit or loss of the business
trading account /trɛdɪŋ əˈkaʊnt/ noun a company bank account administered by an investment dealer and used for managing trading activity, rather than for investment purposes
trading area /trɛdɪŋ ˈeərə/ noun a group of countries which trade with each other
trading company /trɛdɪŋ ˈkʌmpəni/ noun a company which specialises in buying and selling goods
trading financial assets /trɛdɪŋ ˈfænˌələˌæsəts/ plural noun financial assets acquired or held in order to produce profit from short term changes in price
trading limit /trɛdɪŋ ˈlɪmɪt/ noun the maximum amount of something which can be traded by a single trader
trading loss /trɛdɪŋ ˈlɒs/ noun a situation where a company’s receipts are less than its expenditure
trading partner /trɛdɪŋ ˈpɑtnər/ noun a company or country which trades with another
trading profit /trɛdɪŋ ˈprɒfit/ noun a result where the company’s receipts are higher than its expenditure
trainees /trɛiˈniz/ noun a person who is learning how to do something ○ We take five graduates as trainees each year. ○ We employ an additional trainee accountant at peak periods.
training levy /trɛrɪŋ ˈlevi/ noun a tax to be paid by companies to fund the government’s training schemes
tranche /trænʃ/ noun one of a series of instalments, used when referring to loans to companies, government securities which are issued over a period of time, or money withdrawn by a country from the IMF ○ The second tranche of interest on the loan is now due for payment.
transaction /trækʃən/ noun an instance of doing business, e.g. a purchase in a shop or a withdrawal of money from savings ○ a transaction on the Stock Exchange a purchase or sale of shares on the Stock Exchange ○ The paper publishes a daily list of Stock Exchange transactions.
...the Japan Financial Intelligence Office will receive reports on suspected criminal transactions from financial institutions, determine where a probe should be launched and provide information to investigators” [Nikkei Weekly]
transaction costs

transaction costs /ˈtræn(z)əˌkənst/ plural noun incremental costs that are directly attributable to the buying or selling of an asset. Transaction costs include commissions, fees and direct taxes.

transaction cycle /ˈtræn(z)əˌkəl/ noun any of three aspects of business activity regarded as occurring in cycles: revenue, buying and production

transaction exposure /ˈtræn(z)əˌeksəpərəs/ the date on which control of an asset passes from the seller to the buyer

transaction exposure /ˈtræn(z)əˌeksəpərəs/ noun the risk that an organisation may suffer the effects of foreign exchange rate changes during the time it takes to arrange the export or import of goods or services. Transaction exposure is present from the time a price is agreed until the payment has been made or received in the domestic currency.

transfer noun /trəˈfɜːr/ an act of moving an employee to another job in the same organisation. She applied for a transfer to our branch in Scotland. verb transfer /trəˈfɜːr/ to move someone or something to a different place, or to move someone to another job in the same organisation. The accountant was transferred to our Scottish branch. He transferred his shares to a family trust. She transferred her money to a deposit account.

transferable /trəˈfɜːrəb(ə)l/ adjective possible to pass to someone else

transfer of property /trəˈfɜːr ʌv ˈprɒprəti/ transfer of shares /trəˈfɜːr ʌv ˈʃeəz/ the act of moving the ownership of property or shares of stock from one person to another

transferor /trəˈfɜːrər/ noun a person who transfers goods or property to another

transfer price /trəˈfɜːr prərs/ noun the price at which a transaction is carried out between related companies

transfer pricing /trəˈfɜːr prəˈprɪŋ/ noun prices used in a large organisation for selling goods or services between departments in the same organisation; also used in multinational corporations to transfer transactions from one country to another to avoid paying tax.

transferred charge call /trəˈfɜːrd ˈtʃɔːld ˈkɔst/ noun a phone call where the person receiving the call agrees to pay for it

transferred-in costs /trəˈfɜːrd ˈɪn ˈkɔsts/ plural noun the cost of switching the processing of a product or delivery of a service from one department of an organisation to another.

translate /trənsˈleɪt/ verb to put something which is said or written in one language into another language. He asked his secretary to translate the letter from the German agent. We have had the contract translated from French into Japanese.

translation /trənsˈleɪʃən/ noun something which has been translated. She passed the translation of the letter to the accounts department.

translation exposure /trənsˈleɪʃən əˈkəmpərənt ˈmɑrkɪt/ noun a market in which financial and operational information is shared openly between shareholders, investors and company officials.

treasury bond /ˈtreʒəri bɔnd/ noun a long-term bond issued by the British or US government. Also called T-bond.

treasury management /ˈtreʒəri ˈmænɪdʒmənt/ noun an entity’s method of...
dealing of its financial matters, including growing funds for business, maintaining cash flows and currencies, and managing currencies and cash flows.

**treasury products** /t'reʒəri 'prodaktz/ plural noun any financial items produced by a government for sale, such as bonds

**Treasury Secretary** /'t'reʒəri ,sekrətəri/ noun same as Secretary of the Treasury

**Treasury stocks** /'t'reʒəri stɒks/ plural noun stocks issued by the British government. Also called Exchequer stocks

**trend** /trend/ noun a general way in which things are developing ○ a downward trend in investment ○ The report points to inflationary trends in the economy. ○ We have noticed an upward trend in sales.

○...the quality of building design and ease of accessibility will become increasingly important, adding to the trend towards out-of-town office development’ [Lloyd’s List]

**trial balance** /'traɪəl haˈbælənəs/ noun the draft calculation of debits and credits to see if they balance

**trillion** /'trɪlɪən/ noun one million millions (NOTE: In the UK, trillion now has the same meaning as in the US; formerly in UK English it meant one million million millions, and it is still sometimes used with this meaning; see also the note at billion.)

‘...if land is assessed at roughly half its current market value, the new tax could yield up to ¥10 trillion annually’ [Far Eastern Economic Review]

‘...behind the decline was a 6.1% fall in exports to ¥47.55 trillion, the second year of falls. Automobiles and steel were among categories showing particularly conspicuous drops’ [Nikkei Weekly]

‘...the London Stock Exchange said that the value of domestic UK equities traded during the year was £1.4066 trillion, more than the capitalization of the entire London market and an increase of 36 per cent compared with previous year’s total of £1.037 trillion’ [Times]

**true and fair view** /'truː en fɛə 'vjuː/ noun a correct statement of a company’s financial position as shown in its accounts and confirmed by the auditors


**true copy** /'truː 'kɒpi/ noun an exact copy of a legal document, as attested by a notary public ○ I certify that this is a true copy. ○ It is certified as a true copy.

**trust** /trʌst/ noun 1. the fact of being confident that something is correct or will work ○ a legal arrangement to pass goods, money or valuables to someone who will look after them well ○ She left her property in trust for her grandchildren. 2. the management of money or property for someone ○ They set up a family trust for their grandchildren. 4. US a small group of companies which control the supply of a product

**trust company** /'trʌst, kæmpəsɪ/ noun US an organisation which supervises the financial affairs of private trusts, executes wills, and acts as a bank to a limited number of customers

**trust deed** /'trʌst dɪd/ noun a document which sets out the details of a private trust

**trustee** /'trʌstɪ/ noun a person who has charge of money in trust ○ the trustees of the pension fund

**trustee in bankruptcy** /'trʌst, stɪˈiːn 'bæŋkɒrɪptɪz/ noun a person who is appointed by a court to run the affairs of a bankrupt and pay his or her creditors

**trust fund** /'trʌst fʌndaʊn/ noun assets such as money, securities or property held in trust for someone

**turn** /tɜːrn/ noun 1. a movement in a circle, or a change of direction ○ 2. a profit or commission ○ She makes a turn on everything he sells.

**turn down** phrasal verb to refuse something ○ The bank turned down their request for a loan. ○ The application for a licence was turned down.

**turn over** phrasal verb 1. to have a specific amount of sales ○ We turn over £2,000 a week. 2. US to pass something to someone ○ She turned over the documents to the lawyer. (NOTE: In this meaning, the usual UK term is hand over.)

**turn round** phrasal verb to make a company change from making a loss to becoming profitable ○ they turned the company round in less than a year ○ they turned the company round in less than a year they made the company profitable in less than a year

**turnaround** /'tɜːrndɔːr/ noun especially US same as turnaround

**turnover** /'tɜːrnəʊvər/ noun 1. the amount of sales of goods or services by a company ○ The company’s turnover has increased by 235%. ○ We based our calculations on the
turnover of labour

*forecast turnover.* 2. the number of times something is used or sold in a period, usually one year, expressed as a percentage of a total

**turnover ratio**

a measure of the number of times a business’s stock is turned over in a given year, calculated as the cost of sales divided by the stock’s average book value

**turnover tax**

same as VAT

**turnover of labour**

**turnround** /ˈtɜːnrəʊnd/ **noun** 1. the value of goods sold during a year divided by the average value of goods held in stock. 2. the act of making a company profitable again

(NOTE: [all senses] The US term is turnaround.)

**two-way analysis** /tuː wi əˈnæləsɪs/ **noun** an analysis of business activity that looks at price and quantity in relation to materials and labour, and budget and volume in relation to overheads, but does not consider spending and efficiency
access to the company's records

Several thousand units are unaccounted for in the stocktaking.

Several thousand units are unaccounted for in the stocktaking.

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts

unaudited accounts
underabsorbed overhead noun an absolved overhead which ends up by being lower than the actual overhead incurred underabsorption noun a situation where the actual overhead incurred is higher than the absorbed overhead. Opposite overabsorption.

undercapitalised /ʌndərkæpˈtɪʃəld/ adjective without enough capital. The company is severely undercapitalised.

undercharge /ˌʌndərˈtʃɑːrdʒ/ verb to ask someone for too little money. She undercharged us by £25.

underemployed /ˈʌndərɪmˈplɔɪd/ capital which is not producing enough interest.

underlying inflation rate /ˌʌndərlaɪŋ ɪnˈflaiʃən rɑt/ noun the basic inflation rate calculated on a series of prices of consumer items, petrol, gas, and electricity, and interest rates. Compare headline inflation rate.

underspend /ˈʌndərˌspend/ verb to spend less than you should have spent or were allowed to spend.

understandability /ˌʌndərˌstændəbɪləti/ noun when referring to financial information, the quality of being sufficiently clearly expressed as to be understood by anybody with a reasonable knowledge of business.

understate /ˌʌndərˈsteɪt/ verb to enter in an account a figure that is lower than the actual figure. The company accounts underestimate the real profit.

undersubscribed /ˌʌndəsrəbˈskraɪbd/ adjective referring to a share issue in which applications are not made for all the shares on offer, and part of the issue remains with the underwriters.

undertake /ˌʌndərtˈtkeɪk/ verb to agree to do something. We asked the research unit to undertake an investigation of the market.

undertaking /ˌʌndərtˈtɪŋ/ noun a business. He is the MD of a large commercial undertaking. A promise, especially a legally binding one. They have given us a written undertaking not to sell their products in competition with ours.

undervaluation /ˌʌndərˈvæljuəʃən/ noun the state of being valued, or the act of valuing something, at less than the true worth.

undervalue /ˌʌndərvəˈjuər/ adjective not valued highly enough. The dollar is undervalued on the foreign exchanges. The properties are undervalued on the company’s balance sheet.

...in terms of purchasing power, the dollar is considerably undervalued, while the US trade deficit is declining month by month” [Financial Weekly]

underwrite /ˌʌndərˈrɔɪt/ verb 1. to accept responsibility for something, to insure, to cover a risk. 2. to underwrite an insurance policy, to agree to pay for costs. The government has underwritten the development costs of the project. (NOTE: underwriting - undertook - has underwritten)

...under the new program, mortgage brokers are allowed to underwrite mortgages and get a much higher fee” [Forbes Magazine]

underwriter /ˌʌndərˈraʊtər/ noun a person or company that underwrites a share issue or an insurance.

underwriting /ˌʌndərˈraɪtɪŋ/ noun the action of guaranteeing to purchase shares in a new issue if no one purchases them.

underwriting fee /ˌʌndərˈraɪtɪŋ fi/ noun a fee paid by a company to the underwriters for guaranteeing the purchase of new shares in that company.

underwriting syndicate /ˌʌndərˈraɪtɪŋ ˌsɪndɪkət/ noun a group of underwriters who insure a large risk.

undischarged bankrupt /ˌʌndɪskærpt/ noun a person who has been declared bankrupt and has not been released from that state.

undistributable profit /ˌʌndɪstrɪˈbjuːtəbəl/ noun profit that is not legally available for distribution to shareholders as dividends.

undistributable reserves /ˌʌndɪstrɪˈbjuːtəbəl riˈzɜːrvz/ plural noun same as capital reserves.

undistributed profit /ˌʌndɪstrɪˈbjuːtɪd/ noun profit which has not been distributed as dividends to shareholders.

unearned income /ˌʌnɪərn/ noun same as investment income.

unemployed /ˌʌnɪmˈplɔɪd/ adjective not having any paid work.

unemployment /ˌʌnɪmˈplɔɪmənt/ noun 1. the state of not having any work. 2. the number of people in a country or region who are willing to work but cannot find jobs.
...tax advantages directed toward small businesses will help create jobs and reduce the unemployment rate” [Toronto Star]

unemployment pay /ˌʌnɪˈmɔːpɛɪ/ noun money given by the government to someone who is unemployed

unexpired cost /ˌʌnɪkspərəd/ 'knst/ noun the net book value, or depreciated historical cost of an asset, not yet charged to the profit and loss account

unfair competition /ˌʌnfərˌkɒmpəˈtʃən/ noun the practice of trying to do better than another company by using techniques such as importing foreign goods at very low prices or by wrongly criticising a competitor’s products

unfavourable variance /ˌʌnˈfævərəbl/ 'vɛrəns/ noun same as adverse variance

unfunded debt /ˌʌnˈfʌndid/ 'det/ noun short-term debt requiring repayment within a year from issuance

ungeared /ˈænɡɪərd/ adjective with no borrowings

unguaranteed residual value /ˌʌŋɡuərəntid/ 'rɪzədʒjuːl/ 'veɪljuː/ noun the residual value of a leased asset that a company is not sure it will ever be in a position to sell

uniform accounting policies /ˌjuːnɪfəˈsəʊm/ əˈkaʊntɪŋ/ 'plɔrəlsiz/ plural noun the use of the same accounting policies for all the companies in a group, for the preparation of consolidated financial statements

uniform business rate /ˌjuːnɪfəˈbɜːzɪns/ 'rɛt/ noun a tax levied on business property which is the same percentage for the whole country. Abbreviation UBR (NOTE: The uniform business rate is then multiplied by the rateable value of the property to give the total rates to be paid in that year.)

uniformity /ˌjuːnɪfərni tɪ/ noun the principle of using common measurements, accounting standards and methods of presentation across different organisations, to ensure comparability

unincorporated /ˌʌnɪnˈkɔːprətɪd/ adjective referring to a business which has not been made into a company, i.e. which is operating as a partnership or a sole trader

unissued capital /ˌʌnɪˈfʌskid/ 'kɛptɪt(ə)/ noun capital which a company is authorised to issue but has not issued

unissued stock /ˌʌnɪˈfʌstɒk/ 'stɒk/ noun capital stock which a company is authorised to issue but has not issued

unit /ˈjuːnɪt/ noun 1 a single product for sale 2 a single share in a unit trust

unitary taxation /ˈjuːnɪtəri ˈtekteɪʃən/ noun a method of taxing a corporation based on its worldwide income rather than on its income in the country of the tax authority

unit contribution margin /ˈjuːnɪtˌkɒntrɪˌbjuːʃən/ 'mædʒɪn/ noun the profit made on each unit sold

unit cost /ˈjuːnɪt/ 'kɒst/ noun the cost of one item, i.e. the total product costs divided by the number of units produced

unitholder /ˈjuːnɪθˈhɔldər/ noun a person who holds units in a unit trust

uniting of interests /ˌjuːnɪˈtɪŋ/ 'ɪntrəstɪz/ noun the international accounting standards term for merger accounting

unit level activities /ˈjuːnɪtˌlevəl/ 'æktɪvətɪz/ plural noun business activities undertaken each time a unit is produced

unit-linked insurance /ˈjuːnɪtˌlkɪnd/ ɪnkəri ən/ noun a unit of account, i.e. the total product costs divided by the number of units produced

unit price /ˈjuːnɪt/ prɑːs/ noun the price of one item

units of production method of depreciation /ˌjuːnɪtɪz θə ˈprʌdəkʃən/ 'methəd əv ˈdɑːrɪʃən/ 'jʊən/ noun a method of calculating depreciation that determines the cost of an asset over its useful economic life according to the number of units it is expected to produce over that period

unit trust /ˈjuːnɪtˈtrʌst/ noun an organisation which takes money from small investors and invests it in stocks and shares for them under a trust deed, the investment being in the form of shares (or units) in the trust (NOTE: The US term is mutual fund.)

unlawful /ˌʌnˈlaʊfl/ adjective against the law, not legal

unlimited company /ˌʌnˈlɪmɪtɪd/ ˌkʌmpəˈrɪni/ noun a company where the shareholders have no limit as regards liability

unlimited liability /ˌʌnɪˈlɪmɪtɪd/ ˌlɪˈdɪti/ noun a situation where a sole trader or each partner is responsible for all a firm’s debts with no limit on the amount each may have to pay
unliquidated claim

unliquidated claim /ˌʌnˈlɪkwaɪdətɪd/ 'kleɪm/ noun a claim for unliquidated damages

unliquidated damages /ˌʌnˈlɪkwaɪdətɪd 'dæmɪndʒɪz/ plural noun damages which are not for a fixed amount of money but are awarded by a court as a matter of discretion

unlisted company /ˈæn.ˈlistɪd/ 'kæmpərəni/ noun a company whose shares are not listed on the Stock Exchange

unlisted securities /ˈæn.ˈlistɪd sɪ ˈkjʊərɪtɪz/ plural noun shares that are not listed on the Stock Exchange

unpaid /ˈʌnpɪd/ adjective not paid

unprofitable /ˌʌnˈprɒfɪtəbəl/ adjective not profitable

unquoted company /ˈæn.ˈkwɔːtɪd/ 'kwɔːtərəni/ noun a company whose shares are not listed on the stock exchange

unquoted investments /ˈæn.ˈkwɔːtɪd ɪnˈvestmɑntz/ plural noun investments which are difficult to value, e.g. shares which have no stock exchange listing or land of which the asset value is difficult to estimate

unquoted shares /ˈæn.ˈkwɔːtɪd ˈʃeəz/ plural noun shares that have no Stock Exchange quotation

unrealisable gains /ˈʌnrɪˈzələzəb(ə)l/ 'gɛmz/ plural noun apparent increases in the value of assets that could not be turned into realised profit

unrealised capital gain /ˈʌnrɪˈzələzd ˈkeiptɪŋ/ 'gɛm/ noun an investment which is showing a profit but has not been sold

unrealised loss /ˈʌnrɪˈzələzd ˈlos/ noun same as paper loss

unredeemed profit /ˈʌnrɪˈzələzɪd ˈprɒfɪt/ 'nɔʊn noun same as paper profit

unredeemed pledge /ˈʌnrɪˌdɛmd/ 'pledʒ/ noun a pledge which the borrower has not claimed back because he or she has not paid back the loan

unregistered /ˈʌn.rɪˈdʒɪstəd/ adjective used for describing a company that has not been registered on the official list of companies held, in the UK, at Companies House

unrestricted income funds /ˌʌnˌrɪˈstrɪktɪd ˈɪnkəm 'fʌndz/ plural noun a charity’s funds that are available to its trustees to use for the purposes set out in the charity’s governing document

unsecured creditor /ˌʌnsɪˈskjuːd ˈkredɪtər/ noun a creditor who is owed money, but has no security from the debtor for the debt

unsecured debt /ˌʌnsɪˈskjuːd ˈdɛt/ noun a debt which is not guaranteed by a charge on assets or by any collateral

unsecured loan /ˌʌnsɪˈskjuːd ˈloun/ noun a loan made with no security

unsubsidised /ˌʌnsɪˈsbɪsdəzd/ adjective with no subsidy

unused allowances /ˈʌn.ˈjuːzd ə 'ləʊənəlz/ plural noun part of the married couple’s allowance or the blind person’s allowance which is not used because the recipient does not have enough income, and which can then be passed to their spouse

up front /æp ˈfrʌnt/ adjective in advance

money up front /ˈmʌni ʌp ˈfrʌnt/ noun payment in advance

They are asking for £100,000 up front before they will consider the deal. O He had to put money up front before he could clinch the deal.

upside potential /ˈʌpsəˌpələtɪv/ noun the possibility for a share to increase in value. Opposite downside risk

upturn /ˌʌptərn/ noun a movement towards higher sales or profits

an upturn in the economy /ən ˈʌptərn ɪŋ ˈɛkənəmɪ/ noun an upturn in the economy

an upturn in the market /ən ˈʌptərn ɪn ˈmɑːkt/ noun an upturn in the market

Urgent Issues Task Force /ˌadjʊzɪnt ˈtɑːsk ˈfɔːs/ noun a committee of the UK Accounting Standards Board that considers major urgent and emerging accounting issues. Its pronouncements are known as UITF Abstracts. Abbreviation UITF

usage method /jʊˈzeɪʒmɛθəd/ noun a method of depreciating a machine, by dividing its cost less residual value by the number of units it is expected to produce or the length of time it is expected to be used

useful economic life /ˈjuːzfəli ˈlɪf/ noun the period during which an entity expects to derive economic benefit from using an asset such as a machine and over which it can be depreciated. Also called depreciable life

usury /ˈjuːzəri/ noun the lending of money at high interest

utilisation /juˈtɪlɪzaʃən/ noun the act of making use of something

…control permits the manufacturer to react to changing conditions on the plant floor and to keep people and machines at a high level of utilisation [Duns Business Month]

utilise /jʊˈtɪlɪzaɪ/ verb to use something
vacant possession /ˈverkənt pəˈzeʃən/ adjective being able to occupy a property immediately after buying it because it is empty ○ The property is to be sold with vacant possession.

valuation /ˈvæljuəˈzən/ noun an estimate of how much something is worth ○ to ask for a valuation of a property before making an offer for it

valuation of a business /ˈvæljuəˌbiznəs/ noun the act of estimating the value of a business. This can be done on various bases, such as an assets basis, its break-up value, its value as a going concern, etc.

value /ˈvælju/ noun the amount of money which something is worth ○ the fall in the value of sterling ○ She imported goods to the value of £2500. ○ The valuer put the value of the stock at £25,000. ○ to rise or fall in value to be worth more or less a verb to estimate how much money something is worth ○ He valued the stock at £25,000. ○ We are having the jewellery valued for insurance.

value added /ˈvæljuəd ˈvedid/ noun 1. the difference between the cost of the materials purchased to produce a product and the final selling price of the finished product 2. the amount added to the value of a product or service, being the difference between its cost and the amount received when it is sold. Also called net output

value-added activity /ˈvæljuəd ˈvedida kəˈtrɪtvə/ noun business activity that improves a product or service at a cost that the customer is willing to pay

value-added statement /ˈvæljuəd ˈvedidə ˈstɛrnəntəm/ noun a simplified financial statement that shows how much wealth has been created by a company. A value-added statement calculates total output by adding sales, changes in stock, and other incomes, then subtracting depreciation, interest, taxation, dividends, and the amounts paid to suppliers and employees.

Value Added Tax /ˈvæljuə təˈteks/ noun full form of VAT

value-added cost /ˈvæljuə ˈveddənt ˈkɒst/ noun a business cost that increases the market value of a product or service

value analysis /ˈvæljuəˌvɛnləˈnɪzɪs/ noun analysis by a producer of all aspects of a finished product to determine how it could be made at minimum cost ○ Value analysis showed an excessive amount of rubber was used in manufacturing the product

value chain /ˈvæljuə tʃeɪn/ noun the sequence of activities a company carries out as it designs, produces, markets, delivers, and supports its product or service, each of which is thought of as adding value

‘Competition is no longer limited to the realm of the enterprise. Entire value chains are now starting to act as formidable entities, competing against each other for similar markets.’ [Harvard Business Review]

value chain costing /ˈvæljuə tʃeɪn kɒstiŋ/ noun a costing model that takes into account all aspects of the chain of production, from design to after-sales

value in use /ˈvæljuə ɪn ˈjuːs/ noun the present value of the estimated future net cash flows from an object, including the amount expected from its disposal at the end of its useful life. Value in use replaces book value when an asset suffers impairment.

valuer /ˈvæljuə ˈvedidə/ noun a person who estimates how much money something is worth

variable annuity /ˌvɛrəˈriəbəl əˈnjuːətɪ/ noun an annuity based on funds invested in common stock, which varies with the value of the stock, as opposed to a fixed annuity

variable costing /ˌvɛrəˈriəbəl ˈkɒstɪŋ/ noun a method of recording inventoried costs that records only the variable manufacturing costs, not the fixed costs

variable cost percentage /ˌvɛrəˈriəbəl ˈkɒsts ˈpɜrəsntɪdʒ/ noun a ratio arrived at by dividing total variable costs by total sales

variable costs /ˌvɛrəˈriəbəl ˈkɒsts/ plural noun production costs which increase
variable rate

with the quantity of the product made, e.g. wages or raw materials

variable rate /ˈvɛəriəb(ə)r/ •rett/ noun a rate of interest on a loan which is not fixed, but can change with the current bank interest rates. Also called floating rate

variable rate loan /ˈvɛəriəb(ə)r/ •rett •loan/ noun a bank loan carrying an interest rate that varies according to fluctuations in a particular index

variance /ˈvɛəriəns/ noun the discrepancy between the actual cost of an asset or business activity and the standard or expected cost

variance accounting /ˈvɛəriəns əˈkaʊntɪŋ/ •noun a method of accounting by means of which planned activities (quantified through budgets and standard costs and revenues) are compared with actual results

VAT /vɛt/ • noun a tax on goods and services, added as a percentage to the invoiced sales price • The invoice includes VAT at 17.5%. • The government is proposing to increase VAT to 22%. • Some items (such as books) are zero-rated for VAT. • He does not charge VAT because he asks for payment in cash. Full form Value Added Tax

...the directive means that the services of stockbrokers and managers of authorized unit trusts are now exempt from VAT; previously they were liable to VAT at the standard rate. Zero-rating for stockbrokers’ services is still available as before, but only where the recipient of the service belongs outside the EC [Accountancy]

VAT declaration /vɛt •dɛkəˈleɪʃ(ə)n/ noun a statement declaring VAT income to the VAT office

VAT group /vɛt •gruːp/ noun in the United Kingdom, a group of related companies that is treated as one taxpayer for VAT purposes

VAT inspection /vɛt •ɪnˈspekʃ(ə)n/ noun a visit by officials of HM Revenue and Customs to see if a company is correctly reporting its VAT

VAT inspector /vɛt •ɪnˈspektə/ noun a government official who examines VAT returns and checks that VAT is being paid

VAT invoice /vɛt •ɪnˈvɪs(ə)n/ noun an invoice which includes VAT

VAT invoicing /vɛt •ɪnˈvɒsɪŋ/ noun the sending of an invoice including VAT

VATman /vɛt•mæn/, vatman noun a VAT inspector (informal)

VAT office /ˈvɛt •ˌɒfɪs/ noun the government office dealing with the collection of VAT in an area

VAT paid /vɛt •ˈpeɪd/ adjective with the VAT already paid

VAT receivable /ˈvɛt •rɪˈsɪvəb(ə)r/ •noun with the VAT for an item not yet collected by a taxing authority

VAT registration /ˈvɛt •rɪˈdʒɪstrəʃ(ə)n/ noun the process of listing a company with a European government as eligible for the return of VAT in certain cases

VC abbreviation venture capitalist

VCT abbreviation venture capital trust

vending /vendɪŋ/ noun selling

vendor /ˈvendər/ noun 1. a person who sells something, especially a property • the solicitor acting on behalf of the vendor 2. a person who sells goods

venture /ˈvɛntʃər/ noun a commercial deal which involves a risk • They lost money on several import ventures. • She’s started a new venture – a computer shop

venture capital /ˈvɛntʃər •ˈkæpɪt(ə)r/ noun capital for investment which may easily be lost in risky projects, but can also provide high returns. Also called risk capital

venture capital fund /ˈvɛntʃər •ˈkæpɪt(ə)l/ •fʌnd/ noun a fund which invests in finance houses providing venture capital ‘…the Securities and Exchange Board of India allowed new companies to enter the primary market provided venture capital funds took up 10 per cent of the equity. At present, new companies are allowed to make initial public offerings provided their projects have been appraised by banks or financial institutions which take up 10 per cent of the equity’ [The Hindu]

venture capitalist /ˈvɛntʃər •ˈkæpɪt(ə)lɪst/ noun a finance house or private individual specialising in providing venture capital. Abbreviation VC

...along with the stock market boom of the 1980s, the venture capitalists piled more and more funds into the buyout business, backing bigger and bigger deals with ever more extravagant financing structures’ [Guardian]

venture capital trust /ˈvɛntʃər •ˈkærɪt(ə)r ] noun a trust which invests in smaller firms which need capital to grow

Abbreviation VCT

vertical equity /ˈvɜːstɪk(ə)r/ •noun the principle that people with different incomes should pay different rates of tax

vertical form /ˈvɜːstɪk(ə)r fɔːm/ noun one of the two styles of presenting a balance
sheet allowed by the Companies Act. See Comment at balance sheet. Also called report form
vertical integration /ˈvɜːtrɪkəl/ˌɪntɪˈɡrɛʃ(ə)n/ noun same as backward integration
vested interest /ˈvestɪd ɪntrəst/ noun a special interest in keeping an existing state of affairs
visible /ˈvɪzəb(ə)l/ adjective referring to real products which are imported or exported
visible exports /ˈvɪzəb(ə)l ɪkˈspɔrts/ plural noun real products which are exported, as opposed to services
visible imports /ˈvɪzəb(ə)l ɪmˈpɔrts/ plural noun real products which are imported, as opposed to services
visible trade /ˈvɪzəb(ə)l ˈtrɛd/ noun trade involving visible imports and exports
volume /ˈvɔljuːm/ noun a quantity of items
volume discount /ˈvɔljuːm ˈdɪskəu nt/ noun the discount given to a customer who buys a large quantity of goods
volume of output /ˈvɔljuːm əvˈaʊtput/ noun the number of items produced
volume variances /ˈvɔljuːm ˌvərərɪənsiz/ plural noun differences in costs or revenues compared with budgeted amounts, caused by differences between the actual and budgeted levels of activity
voluntary /ˈvɔlənt(ə)ri/ adjective 1. done freely without anyone forcing you to act 2. done without being paid
voluntary arrangement /ˈvɔlənt(ə)ri əˈreindʒmənt/ noun same as scheme of arrangement
voluntary liquidation /ˈvɔlənt(ə)ri ,lɪkwɪˈdeɪʃ(ə)n/ noun a situation where a company itself decides it must close and sell its assets
voluntary redundancy /ˈvɔlənt(ə)ri ˈrɪdəndənsi/ noun a situation where the employee asks to be made redundant, usually in return for a large payment
voluntary registration /ˈvɔlənt(ə)ri ˌredʒɪˈstrɛʃ(ə)n/ noun in the United Kingdom, registration for VAT by a trader whose turnover is below the registration threshold. This is usually done in order to reclaim tax on inputs.
voucher /ˈvɔrʃə/ noun 1. a piece of paper which is given instead of money 2. a written document from an auditor to show that the accounts are correct or that money has really been paid
vouching /ˈvɔtʃɪŋ/ noun the process of checking accounting accuracy by matching vouchers and other documents with the details recorded in an account
wage /ˈweɪdʒ/ noun the money paid to an employee in return for work done, especially when it is paid weekly and in cash. She is earning a good wage or good wages for a young person. (Note: The plural wages is more usual when referring to the money earned, but wage is used before other nouns.)

'European economies are being held back by rigid labor markets and wage structures.' [Duss Business Month]

'...real wages have been held down dramatically; they have risen at an annual rate of only 1% in the last two years.' [Sunday Times]

wage adjustments /ˈweɪdʒ əˌdʒʌstmentz/ plural noun changes made to wages

wage claim /ˈweɪdʒ klɛɪm/ noun an act of asking for an increase in wages

wage differentials /ˈweɪdʒ dɪˈfɜrəntıəls/ plural noun same as pay differentials

wage-earner /ˈweɪdʒ əˈnɜr/ noun a person who earns a wage

wage indexation /ˈweɪdʒ ɪnˈdɛksəʃən/ noun the linking of increases to the percentage rise in the cost of living

wage scale /ˈweɪdʒ skel/ noun same as pay scale

wages costs /ˈweɪdʒ kɔsts/ plural noun the costs of paying employees’ salaries. Along with other costs such as pension contributions and salaries, these costs typically form the largest single cost item for a business.

wages payable account /ˌweɪdʒz ˈpɛərəble əˌkaʊnt/ noun an account showing gross wages and employer’s National Insurance contributions paid during a period

wages policy /ˌweɪdʒz ˌpɒlɪsi/ noun a government policy on what percentage increases should be paid to workers

wall safe /ˈweɪd sel/ noun a safe installed in a wall

warehouse /ˈweɪhɔːs/ noun a large building where goods are stored

warehouse capacity /ˈweɪhɔːs kəˈpæsɪtɪ/ noun the space available in a warehouse

warrant /ˈwɜrənt/ noun 1. an official document which allows someone to do something 2. a share warrant a verb to guarantee. 'All the spare parts are warranted.'

‘...the rights issue will grant shareholders free warrants to subscribe for further new shares.' [Financial Times]

warrantee /ˌwɜrənti/ noun a person who is given a warranty

warrantor /ˌwɜrəntɔr/ noun a person who gives a warranty

warranty /ˈwɜrənti/ noun 1. a legal document which promises that a machine will work properly or that an item is of good quality. The car is sold with a twelve-month warranty. 2. a promise in a contract, a statement made by an insured person which declares that the facts stated by him are true

wasting asset /ˈweɪstɪŋ əˈset/ noun an asset which becomes gradually less valuable as time goes by, e.g. a short lease on a property

watchdog /ˈwɒtʃdɔɡ/ noun an independent person or organisation whose task is to police a particular industry, ensuring that member companies do not act illegally

watered stock /ˈwaʊtəd stɔk/ noun shares that are worth less than the total capital invested in the company

WDA abbreviation 1. writing-down allowance 2. written-down allowance

WDV abbreviation written-down value

wealth tax /ˈwelθ tæks/ noun a tax on money, property or investments owned by a person

wear and tear /ˌweər ən ˈtɛə/ noun the deterioration of a tangible fixed asset as a
result of normal use. This is recognised for accounting purposes by depreciation.

web /web/ noun same as World Wide Web

weight /wɛt/ noun a measurement of how heavy something is \verb|to give an extra value to a factor|

weighted average /ˌwɛtɪd \'æv(ə)rɪdʒ/ noun an average which is calculated taking several factors into account, giving some more value than others

weighted average cost /ˌwɛtɪd \'æv(ə)rɪdʒ \ˈkɒst\, weighted average price /ˌwɛtɪd \'æv(ə)rɪdʒ \ˈprɑːs/ noun the average price per unit of stock delivered in a period calculated either at the end of the period ('periodic weighted average') or each time a new delivery is received ('cumulative weighted average')

weighted average cost of capital /ˌwɛtɪd \'æv(ə)rɪdʒ \ˈkɒst \ə\ˈkɛptɪt(ə)/

noun the average cost of a company's borrowing in relation to its total capital

weighted index /ˌwɛtɪd \ˈɪndɪkəs/ noun an index where some important items are given more value than less important ones

weighting /ˈwɛtɪŋ/ noun an additional salary or wages paid to compensate for living in an expensive part of the country \verb|The salary is £15,000 plus London weighting.|

Wheat Report /ˈwɪt\ rɪ\ˈpɔːt/ noun a report produced by a committee in 1972 that set out to examine the principles and methods of accounting in the United States. Its publication led to the establishment of the FASB.

White knight /ˈwɔɪt\ nət\/ noun a person or company which rescues a firm in financial difficulties, especially one which saves a firm from being taken over by an unacceptable purchaser

White Paper /ˌwɔɪt\ˈpɛpə/ noun a report issued by the UK government as a statement of government policy on a particular problem. Compare Green Paper

whole-life cost /ˈhəʊllɪ \ˈkɒst/ noun a cost calculated as life-cycle costs plus any after-purchase costs

whole-life insurance /ˌhəʊllɪ \ˈlɑːf \ə\ˈʃʊrəns/ noun an insurance policy where the insured person pays a fixed premium each year and the insurance company pays a sum when he or she dies. Also called whole-of-life assurance

wholesale /ˈhəʊləs\ ˈeɪdʒ/ adjective, adverb referring to the business of buying goods from manufacturers and selling them in large quantities to traders (retailers) who then sell in smaller quantities to the general public \verb|I persuaded him to give us a wholesale discount.|

wholesale dealer /ˌhəʊləs\ ˈdɪələr/ noun a person who buys in bulk from manufacturers and sells to retailers

wholesale dealer /ˌhəʊləs\ ˈprɑːs/ noun the price charged to customers who buy goods in large quantities in order to resell them in smaller quantities to others

wholesale price index /ˌhəʊləs\ ˈprɑːs \ˈɪndɪkəs/ noun an index showing the rises and falls of prices of manufactured goods as they leave the factory

wholesaler /ˌhəʊləs\ələr/ noun a person who buys goods in bulk from manufacturers and sells them to retailers

wholly-owned subsidiary /ˌhəʊllɪ\ ˈəʊnd \ˈsəb\ˈdʒərɪə/ noun a subsidiary which belongs completely to the parent company

wind up /ˈwɪnd\ \ˈpʊp\/ verb to end a meeting, or to close down a business or organisation and sell its assets \verb|She wound up the meeting with a vote of thanks to the committee.|

windfall profit /ˌwɪndfɔ\ˈləpt\ˈprɒfɪt/ noun a sudden profit which is not expected

windfall profits tax /ˌwɪndfɔ\ˈləpt\ˈtæks/ noun a tax on companies that have made large profits because of circumstances outside their usual trading activities. A windfall tax was imposed on the privatised utility companies in 1997.

wind up /ˌwɪnd\ \ˈʌp/ noun liquidation, the act of closing a company and selling its assets

window dressing /ˈwɪndəʊ\ ˈdrɛsɪŋ/ noun 1. the practice of putting goods on display in a shop window, so that they attract customers 2. the practice of putting on a display to make a business seem better or more profitable or more efficient than it really is
window of opportunity

Window of opportunity /ˈwɪndəʊ ʌv əpəˈnaʊti/ noun a short period which allows an action to take place

WIP abbreviation work in progress

withdraw /ˈwɪdʒər/ verb 1. to take money out of an account ○ to withdraw money from the bank or from your account ○ You can withdraw up to £50 from any cash machine by using your card. 2. to take back an offer ○ When the employees went on strike, the company withdrew its revised pay offer. (Note: withdrawing — withdrew)

withdrawal /ˈwɪdʒəl/ noun the act of removing money from an account ○ to give seven days’ notice of withdrawal ○ Withdrawals from bank accounts reached a peak in the week before Christmas.

withholding tax /ˈwɪdholɪŋ ˈtæks/ noun US a tax which removes money from interest or dividends before they are paid to the investor, usually applied to non-resident investors

with profits /ˌwɪt ˈprɪfəts/ adverb used to describe an insurance policy which guarantees the policyholder a share in the profits of the fund in which the premiums are invested.

work cell /ˈwɜːk ˈsɛl/ noun a unit of employees, or a set of machines, assigned to a particular manufacturing task.

workforce /ˈwɜːrkˌfɔːs/ noun the total number of employees in an organisation, industry or country

working capital /ˈwɜːkɪŋ ˈkeɪpət(ə)l/ noun capital in the form of cash, stocks, and debtors but not creditors, used by a company in its day-to-day operations. Also called circulating capital, floating capital, net current assets

working capital turnover /ˈwɜːkɪŋ ˈkeɪpət(ə)l ˈtɜːnəvoʊr/ noun a figure equal to sales divided by average working capital.

working partner /ˈwɜːkɪŋ ˈpɑːrtnər/ noun a partner who works in a partnership.

work-in-progress /ˈwɜːk ɪn ˈprəʊgres/ noun inventory units that are only partially completed at the end of an accounting period

work in progress /ˈwɜːk ɪn ˈprəʊgres/ noun the value of goods being manufactured which are not complete at the end of an accounting period ○ Our current assets are made up of stock, goodwill and work in progress. Abbreviation WIP (Note: The US term is work in process.)

work permit /ˈwɜːk ˈpɜəmɪt/ noun an official document which allows someone who is not a citizen to work in a country.
written-down allowance
noun an allowance which can be claimed on capital expenditure by a business or self-employed person in the years after the purchase was made. In the first year, the first year allowance (FYA) applies. Abbreviation WDA

written-down value
'vænd ju:n noun same as net book value

written resolution
'writən resə Ark noun a decision to be reached by postal vote of the members of a UK private company equivalent to a resolution at a meeting
**XBRL** /eks br'el/ noun a computer language used for financial reporting that allows companies to exchange or publish financial information through the Internet.

Full form **Extensible Business Reporting Language**

**XDA** abbreviation ex-dividend

**XDR** abbreviation ex-rights

**YEAR** /jɪər/ noun a period of twelve months

**YEAR-End** /'jɪər 'end/ noun the end of the financial year, when a company’s accounts are prepared. The accounts department has started work on the year-end accounts.

**YEAR-END ADJUSTMENT** /'jɪər 'end ə dʒəstment/ noun final adjustments to an entry in accounts to ensure complete accuracy in the presentation of a financial statement.

**YEAR-END CLOSING** /'jɪər end 'klaʊzn/ noun the financial statements issued at the end of a company’s fiscal (tax) year.

**YEARLY** /'jɪəli/ adjective happening once a year. We make a yearly payment of £1000.

**YEAR OF ASSESSMENT** /'jɪər əv ə'sesmənt/ noun a twelve-month period on which income tax is calculated. In the UK it is April 6th to April 5th of the following year.

**YEAR TO DATE** /'jɪər tə 'deɪt/ noun the period between the beginning of a calendar or financial year and the present time. A variety of financial information, such as a company’s profits, losses or sales, may be displayed in this way. Abbreviation **YTD**

**YIELD** /'jɪəld/ noun the money produced as a return on an investment, shown as a percentage of the money invested.

‘...if you wish to cut your risks you should go for shares with yields higher than average.’ [Investors Chronicle]

**YIELD TO MATURITY** /'jɪəld tə mo'tʃəriti/ noun a calculation of the yield on a fixed-interest investment, assuming it is bought at a certain price and held to maturity.

**YTD** abbreviation year to date

**ZERO** /'zɪərəʊ/ noun nought, the number 0.

The code for international calls is zero (00).

**ZERO-BASED BUDGETING** /'zɪərəʊ beist ˈbʌdʒɪtɪŋ/ noun a method of budgeting which requires each cost element to be specifically justified, as though the activities to which the budget relates were being undertaken for the first time. Without approval, the budget allowance is zero.

**ZERO-COUPON BOND** /'zɪərəʊ 'kəʊpən bɔnd/ noun a bond which carries no interest, but which is issued at a discount and so provides a capital gain when it is redeemed at face value.

**ZERO INFLATION** /'zɪərəʊ ɪn'flɛʃən/ noun inflation at 0%.

**ZERO-RATED** /'zɪərəʊ ˈreɪtɪd/ adjective referring to an item which has a VAT rate of 0%.

**ZERO-RATING** /'zɪərəʊ ˈreɪtɪŋ/ noun the rating of a product or service at 0% VAT.

---

**YEN** /'jɛn/ noun a unit of currency used in Japan (note: it is usually written as ¥ before a figure: ¥2,700 (say two thousand seven hundred yen)).

---

**XYZ**
Supplement
ACCOUNTING ORGANISATIONS

United Kingdom

Association of Chartered Certified Accountants (ACCA)
64 Finnieston Square
Glasgow
United Kingdom
G3 8DT
T: 00 44 (0)141 582 2000
F: 00 44 (0)141 582 2222

British Accounting Association (BAA)
c/o Sheffield University Management School
9 Mappin Street
Sheffield
S1 4DT
T: 00 44 (0)114 222 3462
F: 00 44 (0)114 222 3348
www.shef.ac.uk/~baa/

Chartered Institute of Management Accountants (CIMA)
26 Chapter Street
London
SW1P 4NP
T: 00 44 (0)20 8849 2251
F: 00 44 (0)20 8849 2450

Institute of Chartered Accountants in England and Wales (ICAEW)
Chartered Accountants' Hall
PO Box 433
London
EC2P 2BJ
T: 00 44 (0)20 7920 8100
F: 00 44 (0)20 7920 0547

Institute of Chartered Accountants in Ireland
CA House
87/89 Pembroke Hall
Dublin 4
T: 00 353 1637 7200
F: 00 353 1668 0842

Institute of Chartered Accountants of Scotland
CA House
21 Haymarket Yards
Edinburgh
EH12 5BH
T: 00 44 (0)131 347 0100
F: 00 44 (0)131 347 0105
Institute of Financial Accountants
Burford house
44 London Road
Sevenoaks
Kent
TN13 1AS
T: 00 44 (0)1732 458080
F: 00 44 (0)1732 455848
www.accountingweb.co.uk/ifa/journal/index.html

International

American Accounting Association (AAA)
5717 Bessie Drive
Sarasota, FL 34233-2399
USA
T: 00 1 (941) 921-7747
F: 00 1 (941) 923-4093
www.aaahq.org/index.cfm

Association of Chartered Accountants in the United States (ACAUS)
341 Lafayette Street
Suite 4246
New York, NY 10012-2417
USA
T: 00 1 (212) 334-2078

Australian Accounting Standards Board (AASB)
PO Box 204
Collins St West
VIC 8007
Australia
T: 00 61 (3) 9617 7600
T: 00 61 (3) 9617 7608

Institute of Chartered Accountants of New Zealand (ICANZ)
Level 2, Cigna House
40 Mercer Street
PO Box 11 342
Wellington 6034
New Zealand
T: 00 64 4 474 7840
F: 00 64 4 473 6303

National Society of Accountants (NSA)
1010 North Fairfax Street
Alexandria, VA 22314
USA
T: 00 1 703 549 6400
F: 00 1 703 549 2984
<table>
<thead>
<tr>
<th></th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Turnover</td>
<td>9,758</td>
<td></td>
</tr>
<tr>
<td>* Cost of sales</td>
<td>6,840</td>
<td></td>
</tr>
<tr>
<td>* Gross profit</td>
<td>2,918</td>
<td></td>
</tr>
<tr>
<td>* Distribution costs</td>
<td>585</td>
<td>992</td>
</tr>
<tr>
<td>* Administrative expenses</td>
<td>407</td>
<td>1,926</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,926</td>
</tr>
<tr>
<td>* Other operating income</td>
<td>322</td>
<td>2,248</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,248</td>
</tr>
<tr>
<td>* Income from shares in group companies</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>* Income from other fixed asset investments</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>* Other interest receivable and similar income</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td></td>
<td>311</td>
<td>2,559</td>
</tr>
<tr>
<td>* Amounts written off investments</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>* Interest payable and similar charges</td>
<td>26</td>
<td>53</td>
</tr>
<tr>
<td>Profit on ordinary activities before taxation</td>
<td>2,506</td>
<td></td>
</tr>
<tr>
<td>* Tax on profit on ordinary activities</td>
<td>916</td>
<td></td>
</tr>
<tr>
<td>* Profit on ordinary activities after taxation</td>
<td>1,590</td>
<td></td>
</tr>
<tr>
<td>* Extraordinary income</td>
<td>153</td>
<td></td>
</tr>
<tr>
<td>* Extraordinary charges</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>* Extraordinary profit</td>
<td>109</td>
<td></td>
</tr>
<tr>
<td>* Tax on extraordinary profit</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td></td>
<td>64</td>
<td></td>
</tr>
<tr>
<td>* Profit for the financial year</td>
<td>1,654</td>
<td></td>
</tr>
<tr>
<td>Transfers to Reserves</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Dividends Paid and Proposed</td>
<td>750</td>
<td>1,150</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained profit for the financial year</td>
<td></td>
<td>504</td>
</tr>
</tbody>
</table>
About the Profit and Loss Account

While two vertical and horizontal formats are permissible, most UK companies use the vertical format illustrated. The horizontal profit and loss account format may be summarised as follows:

Cost of sales  £  X  Sales  £  X  
Gross profit  X  
Expenses  X  Gross profit  X  
X  X

In Germany and Italy only the vertical format is allowed.

According to the UK Companies Act a company must show all the items marked with * on the face of the profit and loss account. It must also disclose the value of certain items in the notes to the profit and loss account, such as:

a) interest owed on bank and other loans
b) rental income
c) costs of hire of plant and machinery
d) amounts paid to auditors
e) turnover for each class of business and country in which sales are made
f) number of employees and costs of employment
Specimen Co Ltd

Balance Sheet for the Year to 31 December 2007

<table>
<thead>
<tr>
<th>Description</th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Intangible assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development costs</td>
<td>1,255</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>850</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total intangible assets</strong></td>
<td>2,105</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Tangible assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and buildings</td>
<td>4,758</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>2,833</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>1,575</td>
<td></td>
<td>9,166</td>
</tr>
<tr>
<td><strong>Total tangible assets</strong></td>
<td>9,166</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Investments</td>
<td>730</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>12,001</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Stocks</td>
<td>975</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Debtors</td>
<td>2,888</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Cash at bank</td>
<td>994</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>4,857</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans</td>
<td>76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors</td>
<td>3,297</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accruals</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total creditors</strong></td>
<td>3,393</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET CURRENT ASSETS</strong></td>
<td>1,464</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS LESS CURRENT LIABILITIES</strong></td>
<td>13,465</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debenture loans</td>
<td>1,875</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance leases</td>
<td>866</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank and other loans</td>
<td>124</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total creditors</strong></td>
<td>2,865</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PROVISIONS FOR LIABILITIES AND CHARGES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation including deferred taxation</td>
<td>33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other provisions</td>
<td>557</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total provisions</strong></td>
<td>590</td>
<td></td>
<td>10,010</td>
</tr>
<tr>
<td><strong>CAPITAL AND RESERVES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Called-up share capital</td>
<td>5,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Share premium account</td>
<td>500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Revaluation reserve</td>
<td>1,158</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Other reserves</td>
<td>262</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total capital and reserves</strong></td>
<td>6,920</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PROFIT AND LOSS ACCOUNT</strong></td>
<td></td>
<td>3,090</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>10,010</td>
<td></td>
</tr>
</tbody>
</table>
About the Balance Sheet

While vertical and horizontal balance sheets are permissible, most UK companies prefer the vertical format as illustrated. The conventional form of horizontal balance sheet can be summarised as follows:

<table>
<thead>
<tr>
<th></th>
<th>£</th>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital brought forward</td>
<td>X</td>
<td>Fixed Assets</td>
<td>X</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital at year end</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term liabilities</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>X</td>
<td>Current Assets</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

In Germany and Italy only the horizontal format is allowed.

The UK Companies Act requires companies to show all the items marked with * in the example on the face of the balance sheet; the other items can be shown either on the balance sheet or in the notes to the accounts. In addition, the law requires companies to show the value of certain items in separate notes to the balance sheet, such as details of fixed assets purchased and sold during the year.

The notes to the published accounts almost always begin with a description of the accounting policies used by the company in the accounts, e.g. the depreciation policy. In the UK most accounts are prepared on a historical cost basis but this is not compulsory and other bases, such as current cost or historical cost modified by revaluation of certain assets, are also allowed.
**Specimen Co Ltd**

Statement of Source and Application of Funds

For the year to 31 December 2007

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>2,615</td>
<td></td>
</tr>
<tr>
<td>Adjustment for items not involving the movement of funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>772</td>
<td></td>
</tr>
<tr>
<td>Profit on the sale of fixed assets</td>
<td>(12)</td>
<td></td>
</tr>
<tr>
<td>Provision for bad debts</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Development expenditure</td>
<td>45</td>
<td>808</td>
</tr>
<tr>
<td>Total generated from operations</td>
<td>3,423</td>
<td></td>
</tr>
<tr>
<td>Funds from other sources</td>
<td></td>
<td>3,988</td>
</tr>
<tr>
<td>Issue of shares</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Sale of fixed assets</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Dividends received</td>
<td>240</td>
<td>565</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,988</td>
</tr>
<tr>
<td>Application of funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>550</td>
<td></td>
</tr>
<tr>
<td>Taxation paid</td>
<td>777</td>
<td></td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>1,437</td>
<td>2,764</td>
</tr>
<tr>
<td>Increase in working capital</td>
<td></td>
<td>1,224</td>
</tr>
<tr>
<td>Increase in stock</td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>Decrease in debtors</td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>Decrease in creditors</td>
<td>545</td>
<td>383</td>
</tr>
<tr>
<td>Decrease in bank overdraft</td>
<td>297</td>
<td></td>
</tr>
<tr>
<td>Increase in cash balances</td>
<td>544</td>
<td>841</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,224</td>
</tr>
</tbody>
</table>
Specimen Co Ltd

Cash Flow Statement for the year to 31 December 2007

<table>
<thead>
<tr>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
</tr>
<tr>
<td>Cash received from customers</td>
<td>8,804</td>
</tr>
<tr>
<td>Interest and dividends received</td>
<td>276</td>
</tr>
<tr>
<td>Cash paid to suppliers</td>
<td>(3,642)</td>
</tr>
<tr>
<td>Cash paid to and on behalf of employees</td>
<td>(1,789)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(26)</td>
</tr>
<tr>
<td><strong>Net cashflow from operations</strong></td>
<td>3,423</td>
</tr>
<tr>
<td>Corporation tax paid</td>
<td>(777)</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(866)</td>
</tr>
<tr>
<td>New fixed assets acquired</td>
<td>(1,437)</td>
</tr>
<tr>
<td>Sale of fixed assets</td>
<td>75</td>
</tr>
<tr>
<td><strong>Net cashflow from investing activities</strong></td>
<td>(2,228)</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
</tr>
<tr>
<td>New share capital</td>
<td>250</td>
</tr>
<tr>
<td>Repayment on finance leases</td>
<td>(65)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(550)</td>
</tr>
<tr>
<td><strong>Net cashflow from financing activities</strong></td>
<td>(365)</td>
</tr>
<tr>
<td><strong>Net cash inflow</strong></td>
<td>53</td>
</tr>
</tbody>
</table>
Specimen Co Ltd

Statement of Value Added for the Year to 31 December 2007

£000  £000

Turnover  9,758
Bought-in materials and services  5,233
Value Added  4,525

Applied the following way:
To pay employees' wages, pensions and other benefits  1,827
To pay providers of capital
  Interest on loans  26
  Dividends to shareholders  750

To pay government
  Corporation tax payable  961

To provide for maintenance and expansion of assets
  Depreciation  772
  Retained Profits  189

961  776
4,525

About the Value Added Statement

Value added statements are not required by UK law or the SSAPs and are rarely found in company annual reports. However, many people consider them very useful indicators of a company’s operational efficiency and it is possible that they will become more widely reported in future.

'Value added' means the difference between the total value of output and the total cost of materials and services used in production. The value added statement shows how this added value is applied: to pay works and managers, taxes and dividends, to maintain operating capacity (i.e. depreciation) and the amount added to reserves.