"In the corporate world, sometimes things aren't exactly black and white when it comes to accounting procedures."

George W. Bush, 43rd president of the United States

1. Accounting & Finance Discussion

1. What is the role of the accounting and finance department(s) in a company?
2. What kind of financial information do companies need to report?
3. What are the different ways companies spend money? What are the biggest expenses for businesses?
4. Which taxes do companies have to pay? Do businesses pay too much tax?
5. How can companies minimise the amount of tax they pay?
6. Why do tax laws change? How does this affect businesses? How can a company anticipate changes to tax laws?
7. What are the consequences for late reporting, or inaccurate reporting, of a company's accounts?
8. What is 'creative accounting'? Why might a company engage in this activity?

© yourENGLISHPAL.com

2. Accounting & Finance Vocabulary

- **bookkeeping** (noun) – *the activity of organising and storing financial records and documents of a business.*
- **payroll** (noun) – *the money a company pays to its employees at a specified time.*
- **cash flow** (noun) – *the amount of cash a company receives (inflows) vs the amount of cash that is spent (outflows).*
- **in the red** (idiom) – *when an individual's or company's bank account has a negative balance; when a company is making losses.*
- **in the black** (idiom) – *when an individual's or company's bank account has a positive balance; when a company is profitable.*
- **bankruptcy** (noun), **bankrupt** (adjective) vs **insolvency** (noun), **insolvent** (adjective) – *bankruptcy is a legal process for liquidating an individual or company that cannot pay its debts during which assets are measured and used to pay the outstanding debt; insolvency is a state of financial difficulty when debts cannot be paid on time and an agreement is sought with creditors to establish an alternative repayment arrangement.*

Using the vocabulary words above, complete the following sentences (remember to use the correct form of the word, e.g. verb conjugation or plural noun)

1. After being hit with a $4 million bill from the taxman, the company's accounts showed its balance was _____.
2. After record sales over the Christmas period, Debenhams' accounts showed that the company was finally _____.
3. Following months of not being able to pay its players or its bills, Sheffield Wednesday was declared _____ and its assets, totalling £500, were used to pay off a small amount of debt.
4. If a company is experiencing problems with its _____, a bank loan might be able to help in the short term.
5. In order to save costs, the company decided to cut 25 members of staff from its _____.
6. In order to save time and avoid errors, startups should hire an external accountant to take care of their _____.

Accounting & Finance vocabulary comprehension questions

1. Who does the bookkeeping in your company? Is it better to do this inhouse or hire an external accountant?
2. What problems might a payroll department experience?
3. Why might a new company be in the red?
4. If a company is in the red, what are some ways they can get back in the black?
5. What are some things that might have a negative effect on a company's cash flow?
6. What are the common causes of bankruptcy or insolvency?

© yourENGLISHPAL.com

3. Video: Bookkeeping Basics

You are going to watch a video by Bench Accounting called "Bookkeeping Basics for Small Business Owners."

Watch the video here: https://yourenglishpal.com/blog/business-english-conversation-lesson-plan-accounting-finance/

Watch the video and after, discuss the following questions:

1. What tax deductions could a small business claim for?
2. What kind of bookkeeping mistakes can happen in a small business?
3. Can you think of any examples of business expenses and personal expenses? What problems could a business have if it doesn't keep these expenses separate?
4. How can businesses ensure their books are balanced?
5. What are the best ways to organise and store documents?
6. When do accounts have to be submitted in your country? When do taxes have to be paid by?

4. Accounting & Finance Conversation Questions

1. What staff expenses does your company pay?
2. How do companies waste or lose money?
3. What are the different ways a company could cut costs?
4. Why might a company need to apply for credit or funding? Where could it apply for this?
5. What are the advantages for a business to apply for funding from a lender, rather than paying for expenses out of their own pocket (assuming the company has sufficient funds)?
6. Why is it important for a company to have a supply of cash?
7. How can crime have an effect on a company's finances?
8. What reasons might a cash flow be inconsistent? How can companies plan for this?

5. Accounting & Finance Writing Task

A foreign business has asked you for advice on doing business in your country, specifically about their tax responsibilities. Write a summary of your country's tax laws, including information on which taxes need to be paid, when accounts need to be submitted to the authority, and under which circumstances these laws might change in the future.