

APPENDIX E

GLOSSARY OF ACCOUNTING TERMS

U.S. TO BRITISH VS. BRITISH TO U.S.

U.S. TO BRITISH

Accounts payable	Trade creditors
Accounts receivable	Trade debtors
Accrual	Provision (for liability or charge)
Accumulated depreciation	Aggregate depreciation
Additional paid-in capital	Share premium account
Allowance	Provision (for diminution in value)
Allowance for doubtful accounts	Provision for bad debt
Annual Stockholders' Meeting	Annual General Meeting
Authorized capital stock	Authorized share capital
Bellweather stock	Barometer stock
Bylaws	Articles of Association
Bond	Loan finance
Capital lease	Finance lease
Certificate of Incorporation	Memorandum of Association
Checking account	Current account
Common stock	Ordinary shares
Consumer price index	Retail price index
Corporation	Company
Cost of goods sold	Cost of sales
Credit Memorandum	Credit note
Equity	Reserves
Equity interest	Ownership interest
Financial statements	Accounts
Income statement	Profit and loss account
Income taxes	Taxation
Inventories	Stocks
Investment bank	Merchant bank
Labor union	Trade union
Land	Freehold
Lease with bargain purchase option	Hire purchase contract
Liabilities	Creditors
Listed company	Quoted company
Long-term investments	Fixed asset investments
Long-term lease	Long leasehold
Merchandise trade	Visible trade
Mutual funds	Unit trusts
Net income	Net profit
Note payable	Bill payable
Note receivable	Bill receivable
Paid-in surplus	Share premium
Par value	Nominal value
Pooling of interests method	Merger accounting
Preferred stock	Preference share
Prime rate	Base rate
Property, plant, and equipment	Tangible fixed assets
Provision for bad debts	Charge
Purchase method	Acquisition accounting
Purchase on account	Purchase on credit
Retained earnings	Profit and loss account
Real estate	Property
Revenue	Income
Reversal of accrual	Release of provision
Sales on account	Sales on credit
Sales/revenue	Turnover
Savings and loan association	Building society
Shareholders' equity	Shareholders' funds
Stock	Inventory
Stockholder	Shareholder
Stock dividend	Bonus share
Stockholders' equity	Share capital and reserves or Shareholders' funds
Taxable income	Taxable profit
Treasury bonds	Gilt-edged stock (gilts)

BRITISH TO U.S.

Accounts	Financial statements
Acquisition accounting	Purchase method
Aggregate depreciation	Accumulated depreciation
Annual General Meeting	Annual Stockholders' Meeting
Articles of Association	Bylaws
Authorized share capital	Authorized capital stock
Barometer stock	Bellweather stock
Base rate	Prime rate
Bill payable	Note payable
Bill receivable	Note receivable
Bonus share	Stock dividend
Building society.....	Savings and loan association
Charge	Provision for bad debts
Company	Corporation
Cost of sales	Cost of goods sold
Credit note	Credit Memorandum
Creditors	Liabilities
Current account	Checking account
Finance lease	Capital lease
Fixed asset investments	Long-term investments
Freehold	Land
Gilt-edged stock (gilts)	Treasury bonds
Hire purchase contract	Lease with bargain purchase option
Income	Revenue
Inventory	Stock
Loan finance	Bond
Long leasehold	Long-term lease
Memorandum of Association	Certificate of Incorporation
Merchant bank	Investment bank
Merger accounting	Pooling of interests method
Net profit	Net income
Nominal value	Par value
Ordinary shares	Common stock
Ownership interest	Equity interest
Preference share	Preferred stock
Profit and loss account	Income statement
Profit and loss account	Retained earnings
Property	Real estate
Provision for bad debt	Allowance for doubtful accounts
Provision (for diminution in value)	Allowance
Provision (for liability or charge)	Accrual
Purchase on credit	Purchase on account
Quoted company	Listed company
Release of provision	Reversal of accrual
Reserves	Equity
Retail price index	Consumer price index
Sales on credit	Sales on account
Share capital and reserves or Shareholders' funds	Stockholders' equity
Shareholder	Stockholder
Shareholders' funds	Shareholders' equity
Share premium	Paid-in surplus
Share premium account	Additional paid-in capital
Stocks	Inventories
Tangible fixed assets	Property, plant, and equipment
Taxable profit	Taxable income
Taxation	Income taxes
Trade creditors	Accounts payable
Trade debtors	Accounts receivable
Trade union	Labor union
Turnover	Sales/revenue
Unit trusts	Mutual funds
Visible trade	Merchandise trade