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Dictionary of
Accounting

Fourth edition

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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.

Vowels

æ	back
ɑ:	harm
ɒ	stop
aɪ	type
aʊ	how
aɪə	hire
aʊə	hour
ɔ:	course
ɔɪ	annoy
e	head
eə	fair
eɪ	make
eʊ	go
ɜ:	word
i:	keep
ɪ	happy
ə	about
ɪ	fit
ɪə	near
u	annual
u:	pool
ʊ	book
ʊə	tour
ʌ	shut

Consonants

b	buck
d	dead
ð	other
dʒ	jump
f	fare
g	gold
h	head
j	yellow
k	cab
l	leave
m	mix
n	nil
ŋ	sing
p	print
r	rest
s	save
ʃ	shop
t	take
tʃ	change
θ	theft
v	value
w	work
x	loch
ʒ	measure
z	zone

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 /'æbəkəs/ *noun* a counting device consisting of parallel rods strung with beads, still widely used for business and accounting in China and Japan

abandonment /ə'bændənmənt/ *noun* an act of giving up voluntarily something that you own, such as an option or the right to a property □ **abandonment of a claim** giving up a claim in a civil action

abatement /ə'beɪtmənt/ *noun* a reduction in a payment, e.g., if a company's or individual's total assets are insufficient to cover their debts or legacies

ABB *abbreviation* activity-based budgeting

abbreviated accounts /ə,bri:vɪɪtɪd ə'kaʊnts/ *plural noun* a shortened version of a company's annual accounts that a small or medium sized company can file with the Registrar of Companies, instead of a full version

ABC *abbreviation* activity-based costing

ab initio /,æb ɪ'nɪʃɪəʊ/ *phrase* a Latin phrase meaning 'from the beginning'

ABM *abbreviation* activity-based management

abnormal gain /æb,nɔ:m(ə)l 'geɪn/ *noun* any reduction in the volume of process loss below that set by the normal loss allowance. Abnormal gains are generally costed as though they were completed products.

abnormal loss /æb,nɔ:m(ə)l 'lɒs/ *noun* any losses which exceed the normal loss allowance. Abnormal losses are generally costed as though they were completed products.

abnormal spoilage /æb,nɔ:m(ə)l 'spɔɪlɪdʒ/ *noun* spoilage that contributes to an **abnormal loss**

above par /ə,bʌv 'pɑː/ *adjective* referring to a share with a market price higher than its face value

above-the-line /ə,bʌv ðə 'laɪn/ *adjective, 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. ○ *Exceptional items are noted above the line in company accounts.* †

below-the-line **2.** relating to revenue items in a government budget

abridged accounts /ə,bri:dʒd ə'kaʊnts/ *plural noun* financial statements produced by a company that fall outside the requirements stipulated in the Companies Act

absorb /əb'zɔ:b/ *verb* **1.** to take in a small item so that it forms part of a larger one □ **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 /əb,zɔ:bd 'əʊvəhed/ *noun* an overhead attached to products or services by means of **overhead absorption rates**

absorption /əb'zɔ:pʃən/ *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 /əb'zɔ:pʃən ,kɒstɪŋ/ *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

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

absorption rate /əb'zɔ:pʃən ,reit/ *noun* a rate at which overhead costs are absorbed into each unit of production

abstract /'æbstrækt/ *noun* a short form of a report or document \circ to make an abstract of the company accounts

abusive tax shelter /ə,bju:sɪv 'tæks ,ʃeltə/ *noun* a tax shelter used illegally in order to avoid or reduce tax payments

Academy of Accounting Historians /ə,kædəmi əv ə'kaʊntɪŋ hɪ,stɔ:riənz/ *noun* a US organisation, founded in 1973, that promotes the study of the history of accounting

ACAUS *abbreviation* Association of Chartered Accountants in the United States

ACCA *abbreviation* Association of Chartered Certified Accountants

accelerate /ək'seləreɪt/ *verb* to reduce the amount of time before a maturity date

accelerated cost recovery system /æk,selrəreɪtɪd 'kɒst rɪ,kʌvəri ,sɪstəm/ *noun* a system used in the United States for calculating depreciation in a way that reduces tax liability

accelerated depreciation /ək ,seləreɪtɪd dɪprɪ:'eɪʃ(ə)n/ *noun* a system of depreciation which reduces the value of assets at a high rate in the early years to encourage companies, as a result of tax advantages, to invest in new equipment

acceleration /ək,selə'reɪʃ(ə)n/ *noun* the speeding up of debt repayment

acceleration clause /ək,selə'reɪʃ(ə)n ,klɔ:z/ *noun* US a clause in a contract that provides for immediate payment of the total balance if there is a breach of contract

acceptance /ək'septəns/ *noun* **1.** the act of signing a bill of exchange to show that you agree to pay it \square to present a bill for acceptance to present a bill for payment by the person who has accepted it **2.** a bill which has been accepted **3.** the act of accepting an offer of new shares for which you have applied

acceptance credit /ək'septəns ,kredit/ *noun* an arrangement of credit from a bank, where the bank accepts bills of exchange drawn on the bank by the debtor: the bank then discounts the bills and is responsible for paying them when they mature. The debtor owes the bank for the bills but these are covered by letters of credit.

acceptance sampling /ək'septəns ,sɑ:mplɪŋ/ *noun* the process of testing a small sample of a batch to see if the whole batch is good enough to be accepted

accepting house /ək'septɪŋ 'haʊs/, **acceptance house** /ək'septəns 'haʊs/ *noun* a firm, usually a merchant bank, which accepts bills of exchange at a discount, in return for immediate payment to the issuer, in this case the Bank of England

Accepting Houses Committee /ək ,septɪŋ ,haʊzɪz kə'mɪti/ *noun* the main London merchant banks, which organise the lending of money with the Bank of England. They receive slightly better discount rates from the Bank.

acceptor /ək'septə/ *noun* a person who accepts a bill of exchange by signing it, thus making a commitment to pay it by a specified date

accident insurance /,æksɪd(ə)nt ɪn 'ɪʊərəns/ *noun* insurance which will pay the insured person when an accident takes place

accommodation /ə,kɒmə'deɪʃ(ə)n/ *noun* money lent for a short time

accommodation bill /ə,kɒmə'deɪʃ(ə)n ,bɪl/ *noun* a bill of exchange where the person signing (the 'drawee') is helping another company (the 'drawer') to raise a loan

account /ə'kaʊnt/ *noun* **1.** a record of financial transactions over a period of time, such as money paid, received, borrowed or owed \circ Please send me your account or a detailed or an itemised account. **2.** a structured record of financial transactions that may be maintained as a list or in a more formal structured credit and debit basis **3.** (in a shop) an arrangement in which a customer acquires goods and pays for them at a later date, usually the end of the month \circ to have an account or a credit account with Harrods \circ Put it on my account or charge it to my account. \circ They are one of our largest accounts. **4.** a period during which shares are traded for credit, and at the end of which the shares bought must be paid for (NOTE: On the London Stock Exchange, there are twenty-four accounts during the year, each running usually for ten working days.) **5.** a customer who does a large amount of business with a firm and has an account with it \circ Smith Brothers is one of our largest accounts. \circ Our sales people call on their best accounts twice a month.

accountability /ə,kəʊntə'bɪlɪti/ *noun* the fact of being responsible to someone for

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

accountable /ə'kauntəb(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 /ə'kaunt ə,næləsis/ *noun* analysis of a company's accounts with the aim of discerning how its activities affect its costs

accountancy /ə'kauntənsi/ *noun* the work of an accountant ○ *They are studying accountancy* or *They are accountancy students.*

accountancy bodies /ə'kauntənsi ,bɒdi:z/ *plural noun* professional institutions and associations for accountants

accountancy profession /ə'kauntənsi prə'feʃ(ə)n/ *noun* the professional bodies that establish entry standards, organise professional examinations, and draw up ethical and technical guidelines for accountants

accountant /ə'kauntənt/ *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.* **2.** a person who advises a company on its finances ○ *I send all my income tax queries to my accountant.* **3.** a person who examines accounts

Accountants' International Study Group /ə'kauntənts ,ɪntənæʃ(ə)nəl 'stʌdi ,gru:p/ *noun* a body of professional accounting 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 /ə'kauntənts ,laɪə'bɪlɪti/ *noun* the legal liability of an accountant who commits fraud or is held to be negligent

accountants' opinion /ə'kauntənts ə 'pɪnjən/ *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 /ə'kauntənts rɪ 'pɔ:t/ *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

account code /ə'kaunt kəʊd/ *noun* a number assigned to a particular account in a numerical accounting system, e.g., a chart of accounts

account end /ə'kaunt 'end/ *noun* the end of an accounting period

account executive /ə'kaunt ɪg ,zekjʊtɪv/ *noun* **1.** an employee who looks after customers or who is the link between customers and the company **2.** an employee of an organisation such as a bank, public relations firm or advertising agency who is responsible for looking after particular clients and handling their business with the organisation

account form /ə'kaunt fɔ:m/ *noun* a balance sheet laid out in horizontal form. It is the opposite of 'report' or 'vertical' form.

accounting /ə'kauntɪŋ/ *noun* **1.** the work of recording money paid, received, borrowed, or owed ○ *accounting methods* ○ *accounting procedures* ○ *an accounting machine* **2.** accountancy, the work of an accountant as a course of study

'...applicants will be professionally qualified and have a degree in Commerce or Accounting' [Australian Financial Review]

Accounting and Finance Association of Australia and New Zealand /ə'kauntɪŋ ən ,faɪnəns ə,səʊsiəʃ(ə)n əv ðs ,treɪliə ən nju: 'zi:lənd/ *noun* an organisation for accounting and finance academics, researchers and professionals working in Australia and New Zealand. Abbreviation **AFAANZ**

accounting bases /ə'kauntɪŋ 'beɪsi:z/ *plural noun* the possible ways in which accounting concepts may be applied to financial transactions, e.g. the methods used to depreciate assets, how intangible assets or work in progress are dealt with

accounting change /ə'kauntɪŋ tʃeɪndʒ/ *noun* any of various changes that affect a set of accounts, e.g. a change in the method of calculating the depreciation of assets or a change in the size, structure or nature of the company

accounting concept /ə'kauntɪŋ ,kɒnsept/ *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

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

accounting control /ə'kauntɪŋ kən'trəʊl/ *noun* procedures designed to ensure that source data for accounts are accurate and proper, in order to prevent fraud

accounting conventions /ə'kauntɪŋ kən'venʃ(ə)nɪz/ *plural noun* the fundamental assumptions that govern the practice of accounting, e.g., consistency and prudence.

↳ **conceptual framework**

accounting cycle /ə'kauntɪŋ saɪk(ə)l/ *noun* the regular process of recording, analysing and reporting a company's transactions for a given period

accounting date /ə'kauntɪŋ deɪt/ *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 /ə'kauntɪŋ daɪ'rektɪvz/ *plural noun* a set of EU directives issued with the aim of regulating accounting procedures in member states

accounting entity /ə'kauntɪŋ ɛntəti/ *noun* the unit for which financial statements and accounting records are prepared, e.g., a limited company or a partnership. ↳ **reporting entity**

accounting equation /ə'kauntɪŋ ɪ'kwɛɪʒ(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 /ə'kauntɪŋ ɛrə/ *noun* any accounting inaccuracy or misrepresentation that is the result of error, not intentional fraud

accounting event /ə'kauntɪŋ ɪ'vent/ *noun* a transaction recorded in a business's books of account

accounting fees /ə'kauntɪŋ fi:z/ *plural noun* fees paid to an accountant for preparing accounts, which are deductible against tax

accounting information system /ə'kauntɪŋ ɪnfə'meɪʃ(ə)n sɪstəm/ *noun* a system, usually computer-based, that processes information on a company's transactions for accounting purposes

accounting manual /ə'kauntɪŋ mænʃjuəl/ *noun* a handbook or set of instructions that set out all procedures and responsibilities of those engaged in an entity's accounting systems

accounting period /ə'kauntɪŋ pɪəriəd/ *noun* a period of time at the end of which the firm's accounts are made up

accounting policies /ə'kauntɪŋ pəlɪsɪz/ *plural noun* the accounting bases used by a company when preparing its financial statements

accounting practice /ə'kauntɪŋ pɹæktɪs/ *noun* the way in which accountants and auditors implement accounting policies

accounting principles /ə'kauntɪŋ pɹɪnsɪp(ə)lz/ *plural noun* standards of accuracy and probity that apply to those carrying out accounting procedures

Accounting Principles Board /ə'kauntɪŋ pɹɪnsɪp(ə)lz bɔ:ɪd/ *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 /ə'kauntɪŋ pɹə'si:dʒə/ *noun* an accounting method developed by an individual or organisation to deal with routine accounting tasks

accounting profits /ə'kauntɪŋ pɹɒfɪts/ *plural noun* the difference between revenue and the costs of production

accounting rate of return /ə'kauntɪŋ reɪt əv rɪ'tɜ:n/ *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 /ə'kauntɪŋ rekɔ:dz/ *plural noun* all documents in which accounting information is recorded, used during the preparation of financial statements

accounting reference date /ə'kauntɪŋ 'ref(ə)rəns deɪt/ *noun* the last day of a company's accounting reference period. Abbreviation **ARD**

accounting reference period /ə'kauntɪŋ 'ref(ə)rəns pɪəriəd/ *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 /ə'kauntɪŋ sɒftweɪ/ *noun* computer programs used to enter and process accounts information

accounting standard /ə'kauntɪŋ 'stændəd/ *noun* an authoritative statement of how particular types of transaction and other events should be reflected in financial statements. Compliance with accounting

standards will normally be necessary for financial statements to give a true and fair view. (NOTE: These principles are recommended by the Accounting Standards Board in the United Kingdom or by the FASB in the United States.)

Accounting Standards Board /əˌkaʊntɪŋ ˈstændədʒ bɔːd/ *noun* a committee set up by British accounting institutions to monitor methods used in accounting. Abbreviation **ASB**

Accounting Standards Committee /əˌkaʊntɪŋ ˈstændədʒ kəˌmɪti/ *noun* a UK accounting standards issuing body whose functions were taken over by the ASB in 1990. Abbreviation **ASC**

accounting system /əˌkaʊntɪŋ ˌsɪstəm/ *noun* the means used by an organisation to produce its accounting information

accounting technician /əˌkaʊntɪŋ tekˈnɪʃ(ə)n/ *noun* a person who assists in the preparation of accounts but who is not a fully qualified accountant

accounting unit /əˌkaʊntɪŋ ˌjuːnɪt/ *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 /əˌkaʊnt peɪˈiː/ *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 /əˌkaʊnts/ *plural noun* detailed records of a company's financial affairs

accounts department /əˌkaʊnts dɪˌpɑːtmənt/ *noun* a department in a company which deals with money paid, received, borrowed, or owed

accounts manager /əˌkaʊnts ˌmænɪdʒə/ *noun* the manager of an accounts department

accounts payable /əˌkaʊnts ˈpeɪəb(ə)l/ *plural noun* money owed by a company

accounts receivable /əˌkaʊnts rɪˈsiːvəb(ə)l/ *plural noun* money owed to a company. Abbreviation **AR**

accounts receivable turnover /əˌkaʊnts rɪˈsiːvəb(ə)l ˌtɜːnəʊvə/ *noun* a statistic showing on average how long customers take to pay money they owe for goods or services received

accrete /əˈkriːt/ *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 /əˈkriːʃ(ə)n/ *noun* the process of adding interest to a fund over a period of time

accrual /əˈkruːəl/ *noun* a gradual increase by addition

accruals /əˈkruːəlz/ *plural noun* same as **accrued liabilities**

accruals basis /əˈkruːəl ˌbeɪsɪs/, **accruals concept** /əˈkruːəlz ˌkɒnsept/ *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 /əˈkruː/ *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 /əˌkruːd ˈdɪvɪdend/ *noun* a dividend earned since the last dividend was paid

accrued expense /əˌkruːd ɪkˈspens/ *noun* an expense that has been incurred within a given accounting period but not yet paid

accrued income /əˌkruːd ˈɪnkʌm/ *noun* revenue entered in accounts, although payment has not yet been received

accrued interest /əˌkruːd ˈɪntərəst/ *noun* interest which has been earned by an interest-bearing investment ○ *Accrued interest is added quarterly.*

accrued liabilities /əˌkruːd ˌlaɪəˈbɪlɪtɪz/ *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 /əˌkruːd ˈrevənjuː/ *noun* same as **accrued income**

accumulate /əˈkjuːmjʊleɪt/ *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 /əˌkjuːmjʊleɪtɪd dɪˌprɪːʃɪeɪʃ(ə)n/ *noun* the total amount by which an asset has been depreciated since it was purchased

accumulated earnings tax /əˌkjuːmjʊleɪtɪd ˈɜːnɪŋz ˌtæks/, **accumulated profits tax** /əˌkjuːmjʊleɪtɪd ˈprɒfɪts ˌtæks/ *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 /əˌkjuːmjʊleɪtɪd ˈprɒfɪt/ *noun* a profit which is not paid as

dividend but is taken over into the accounts of the following year

accumulated reserves /əˌkjuːmjəleɪtɪd rɪˈzɜːvz/ *plural noun* reserves which a company has put aside over a period of years

accumulation /əˌkjuːmjəˈleɪʃ(ə)n/ *noun* the process of growing larger by being added to, or of getting more and more of something

ACH *abbreviation* US Automated Clearing House

acid test /ˌæsɪd ˈtest/, **acid test ratio** *noun* same as **liquidity ratio**

acquisition /ˌækwɪˈzɪʃ(ə)n/ *noun* the takeover of a company. The results and cash flows of the acquired company are brought into the group accounts only from the date of acquisition: the figures for the previous period for the reporting entity should not be adjusted. The difference between the fair value of the net identifiable assets acquired and the fair value of the purchase consideration is goodwill.

acquisition accounting /ˌækwɪˈzɪʃ(ə)n əˌkaʊntɪŋ/ *noun* a full consolidation, where the assets of a subsidiary company which has been purchased are included in the parent company's balance sheet, and the premium paid for the goodwill is written off against the year's earnings

across-the-board /əˌkrɒs ðə ˈbɔːd/ *adjective* applying to everything or everyone ○ *an across-the-board price increase or wage increase*

act /ækt/ *noun* a law passed by parliament which must be obeyed by the people

active /ˈæktɪv/ *adjective* involving many transactions or activities ○ *an active demand for oil shares* ○ *an active day on the Stock Exchange* ○ *Computer shares are very active.*

active account /ˌæktɪv əˈkaʊnt/ *noun* an account, such as a bank account or investment account, which is used to deposit and withdraw money frequently

active partner /ˌæktɪv ˈpɑːtnə/ *noun* a partner who works in a company that is a partnership

activity /ækˈtɪvɪti/ *noun* something which is done, especially something which is involved in creating a product or a service

‘...preliminary indications of the level of business investment and activity during the March quarter will provide a good picture of economic activity in the year’ [*Australian Financial Review*]

activity-based budgeting /ækˈtɪvɪti ˌbeɪst ˈbʌdʒɪtɪŋ/ *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 /ækˈtɪvɪti beɪst ˌkɒstɪŋ/ *noun* a costing system used to assign overhead costs to specific items produced, by looking at specific cost drivers. Abbreviation **ABC**. ◇ **cost driver, activity driver, resource driver**

activity-based management /ækˈtɪvɪti ˌbeɪst ˈmænɪdʒmənt/ *noun* a system of management that uses activity-based cost information for a variety of purposes including cost reduction, cost modelling and customer profitability analysis. Abbreviation **ABM**

activity chart /ækˈtɪvɪti tʃɑːt/ *noun* a plan showing work which has been done, made so that it can be compared to a previous plan showing how much work should be done

activity cost pool /ækˈtɪvɪti ˌkɒst ˌpuːl/ *noun* a grouping of all cost elements associated with an activity

activity driver /ækˈtɪvɪti ˌdraɪvə/ a type of cost driver which is used to quantify the activities involved in creating a product or service

activity driver analysis /ækˈtɪvɪti ˌdraɪvə əˈnæləsɪs/ *noun* the identification and evaluation of the activity drivers used to trace the cost of activities to cost objects. It may also involve selecting activity drivers with potential to contribute to the cost management function with particular reference to cost reduction.

act of God /ˌækt əv ˈɡɒd/ *noun* something you do not expect to happen and which cannot be avoided, e.g. a storm or a flood (NOTE: Acts of God are not usually covered by insurance policies.)

actual /ˈæktʃuəl/ *adjective* real or correct ○ *What is the actual cost of one unit?* ○ *The actual figures for directors' expenses are not shown to the shareholders.*

actual cash value /ˌæktʃuəl kæʃ ˈvæljuː/ *noun* the amount of money, less depreciation, that it would cost to replace something damaged beyond repair with a comparable item

actual cost /ˌæktʃuəl 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 /,æktʃuəl 'praɪs/ *noun* a price for a commodity which is for immediate delivery

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

actuarial /,æktʃu'ɛəriəl/ *adjective* calculated by an actuary ○ *The premiums are worked out according to actuarial calculations.*

actuarial tables /,æktʃu'ɛəriəl 'teɪb(ə)lz/ *plural noun* lists showing how long people are likely to live, used to calculate life assurance premiums and annuities

actuary /'æktʃuəri/ *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 'ʌp/ *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 'ʌp tʊ/ *phrasal verb* to make a total of ○ *The total expenditure adds up to more than £1,000.*

added value /,ædɪd 'vælju:/ *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 /'ædend/ *noun* a number added to the augend in an addition

addition /ə'dɪʃ(ə)n/ *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 /ə'dɪʃ(ə)nəl/ *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 /ə'dɪʃ(ə)nəl 'pɜ:s(ə)n(ə)l ə'laʊəns/ *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 /ə,dɪʃ(ə)nəl 'pri:mɪəm/ *noun* a payment made to cover extra items in an existing insurance

additional voluntary contributions /ə,dɪʃ(ə)n(ə)l ,vɒlənt(ə)ri 'kɒntrɪ'bju:ʃ(ə)nz/ *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 /,ædɪkwət dɪs 'kleɪʒə/ *noun* a comprehensive presentation of statistics in financial statements, such that they can be used to inform investment decisions

adjudicate /ə'dʒu:dɪkeɪt/ *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 /ə,dʒu:dɪ'keɪʃ(ə)n/ *noun* the act of giving a judgment or of deciding a legal problem

adjudication of bankruptcy /ə ,dʒu:dɪkeɪʃ(ə)n əv 'bæŋkrʌptsi/ *noun* a legal order making someone bankrupt

adjudication tribunal /ə,dʒu:dɪ'keɪʃ(ə)n traɪ'bju:n(ə)l/ *noun* a group which adjudicates in industrial disputes

adjudicator /ə'dʒu:dɪkeɪtə/ *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 /ə'dʒʌst/ *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 /ə ,dʒʌstəb(ə)l reɪt 'mɔ:ɡɪdʒ/ *noun* a mortgage where the interest rate changes according to the current market rates. Abbreviation **ARM**

adjustable rate preferred stock /ə ,dʒʌstəb(ə)l reɪt prɪ'fɜ:d 'stɒk/ *noun*

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

adjusted gross income /ə,dʒʌstɪd grəʊs 'ɪnkʌm/ *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**

adjuster /ə'dʒʌstə/ *noun* a person who calculates losses for an insurance company

adjusting entry /ə,dʒʌstɪŋ 'entri/ *noun* an entry in accounts which is made to correct a mistake in the accounts

adjustment /ə'dʒʌstmənt/ *noun* **1.** an entry in accounts which does not represent a receipt or payment, but which is made to make the accounts correct **2.** a change in the exchange rates, made to correct a balance of payment deficit

administer /əd'mɪnɪstə/ *verb* to organise, manage or direct the whole of an organisation or part of one ○ *She administers a large pension fund.*

administered price /əd'mɪnɪstəd praɪs/ *noun* **US** a price fixed by a manufacturer which cannot be varied by a retailer (NOTE: The UK term is **resale price maintenance**.)

administration /əd,mɪnɪ'strɪf(ə)n/ *noun* **1.** the action of organising, controlling or managing a company **2.** an appointment by a court of a person to manage the affairs of a company

administration costs /əd,mɪnɪ'strɪf(ə)n ,kɒsts/, **administration expenses** /əd,mɪnɪ'strɪf(ə)n ɪk'spensɪz/ *plural noun* the costs of management, not including production, marketing, or distribution costs

administrative expenses /əd ,mɪnɪstrətɪv ɪk'spensɪz/ *plural noun* same as **administration costs**

administrative receiver /əd ,mɪnɪstrətɪv rɪ'si:və/ *noun* a person appointed by a court to administer the affairs of a company

administrative receivership /əd ,mɪnɪstrətɪv rɪ'si:vəʃɪp/ *noun* the appointment of an administrative receiver by a debenture holder

administrator /əd'mɪnɪstreɪtə/ *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

ADR *abbreviation* American Depository Receipt

ad valorem /,æd və'lɔ:rəm/ *adjective* used to describe a tax or commission, e.g., Value Added Tax, that is calculated on the value of the goods or services provided, rather than on their number or size ○ *ad valorem duty* ○ *ad valorem tax*

ad valorem duty /,æd və'lɔ:rəm ,dʒu:ti/ *noun* the duty calculated on the sales value of the goods

ad valorem tax /,æd və'lɔ:rem tæks/ *noun* a tax calculated according to the value of the goods taxed

advance /əd'vɑ:ns/ *noun* money paid as a loan or as a part of a payment to be made later ○ *She asked if she could have a cash advance.* ○ *We paid her an advance on account.* ○ *Can I have an advance of \$100 against next month's salary?* ■ *adjective* early, or taking place before something else happens ○ *advance payment* ○ *Advance holiday bookings are up on last year.* ○ *You must give seven days' advance notice of withdrawals from the account.* ■ *verb* **1.** to pay an amount of money to someone as a loan or as a part of a payment to be made later ○ *The bank advanced him \$100,000 against the security of his house.* **2.** to make something happen earlier ○ *The date of the shipping has been advanced to May 10th.* ○ *The meeting with the German distributors has been advanced from 11.00 to 9.30.*

advance payment guarantee /əd ,vɑ:ns 'peɪmənt gærən,tɪ/, **advance payment bond** /əd,vɑ:ns 'peɪmənt ,bɒnd/ *noun* a guarantee that enables a buyer to recover an advance payment made under a contract or order if the supplier fails to fulfil its contractual obligations

adverse balance /,ædvɜ:z 'bæləns/ *noun* the deficit on an account, especially a nation's balance of payments account

adverse opinion /,ædvɜ:z ə'pɪnjən/ *noun* **US** an auditor's report that a company's financial statement is not a fair representation of the company's actual financial position

adverse variance /,ædvɜ:z 'veəriəns/ *noun* variance which shows that the actual result is worse than expected. Also called **unfavourable variance**

advice /əd'vaɪs/ *noun* a notification telling someone what has happened

adviser /əd'vaɪzə/, **advisor** *noun* a person who suggests what should be done ○ *He is consulting the company's legal adviser.*

advisory /əd'vaɪz(ə)rɪ/ *adjective* as an adviser ○ *She is acting in an advisory capacity.*

advisory funds /əd'vaɪz(ə)rɪ ˌfʌndz/ *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 /ə'fɪliətɪd/ *adjective* connected with or owned by another company ○ *Smiths Ltd is one of our affiliated companies.*

affiliated enterprise /ə'fɪliətɪd 'entəpraɪz/, **affiliated company** /ə'fɪliətɪd 'kʌmp(ə)nɪ/ *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 /'ɑ:ftə,mɑ:kɪt/ *noun* a market in new shares, which starts immediately after trading in the shares begins

after tax /'ɑ:ftə 'tæks/ *adverb* after tax has been paid

after-tax profit /'ɑ:ftə 'tæks ˌprɒfɪt/ *noun* a profit after tax has been deducted

age analysis of debtors /,eɪdʒ ə ˌnæləsɪs əv 'detəz/ *noun* the amount owed by debtors, classified by age of debt

aged debtors analysis /,eɪdʒd 'detəz ə ˌnæləsɪs/, **ageing schedule** /'eɪdʒɪŋ ˌʃedju:l/ *noun* a list which analyses a company's debtors, showing the number of days their payments are outstanding

agency /'eɪdʒənsɪ/ *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 /'eɪdʒənsɪ bæŋk/ *noun* a bank which does not accept deposits, but acts as an agent for another, usually foreign, bank

agency bill /'eɪdʒənsɪ bɪl/ *noun* a bill of exchange drawn on the local branch of a foreign bank

agency broker /'eɪdʒənsɪ ˌbrəʊkə/ *noun* a dealer who acts as the agent for an investor, buying and selling for a commission

agency worker /'eɪdʒənsɪ ˌwɜ:kə/ *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 /ə'dʒendə/ *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 /'eɪdʒənt/ *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 /'eɪdʒənt bæŋk/ *noun* a bank which uses the credit card system set up by another bank

agent's commission /,eɪdʒənts kə'mɪʃ(ə)n/ *noun* money, often a percentage of sales, paid to an agent

age-related /'eɪdʒ rɪˌleɪtɪd/ *adjective* connected with a person's age

age-related allowance /,eɪdʒ rɪˌleɪtɪd ə'laʊəns/ *noun* an extra tax allowance which a person over 65 may be entitled to

aggregate /'ægrɪgət/ *adjective* total, with everything added together ○ *aggregate output*

aggregate demand /,ægrɪgət dɪ'mɑ:nd/ *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 /,ægrɪgət 'rɪsk/ *noun* the risk which a bank runs in lending to a customer

aggregate supply /,ægrɪgət sə'plaɪ/ *noun* all goods and services on the market ○ *Is aggregate supply meeting aggregate demand?*

AGI *abbreviation* US adjusted gross income

agio /'ædʒɪəʊ/ *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 /ə'grɪ:d/ *adjective* having been accepted by everyone ○ *We pay an agreed*

amount each month. ○ *The agreed terms of employment are laid down in the contract.*

agreed price /ə,ɡri:d 'praɪs/ *noun* a price which has been accepted by both the buyer and seller

AICPA *abbreviation* American Institute of Certified Public Accountants

AIM *abbreviation* Alternative Investment Market

airmail transfer /'eəmeɪl ,trænsfɜ:/ *noun* an act of sending money from one bank to another by airmail

alien corporation /,eɪliən ,kɔ:pə'reɪf(ə)n/ *noun* US a company which is incorporated in a foreign country

A list /'eɪ lɪst/ *noun* a list of members of a company at the time it is wound up who may be liable for the company's unpaid debts

all-in price /,ɔ:l ɪn 'praɪs/ *noun* a price which covers all items in a purchase such as goods, delivery, tax or insurance

all-in rate /,ɔ:l ɪn 'reɪt/ *noun* **1.** a price which covers all the costs connected with a purchase, such as delivery, tax and insurance, as well as the cost of the goods themselves **2.** a wage which includes all extra payments such as bonuses and merit pay

allocate /'æləkeɪt/ *verb* **1.** to divide something in various ways and share it out ○ *How are we going to allocate the available office space?* **2.** to assign a whole item of cost, or of revenue, to a single cost unit, centre, account or time period

allocated costs /'ælə,keɪtd kɒsts/ *plural noun* overhead costs which have been allocated to a specific cost centre

allocation /,ælə'keɪf(ə)n/ *noun* the process of providing sums of money for particular purposes, or a sum provided for a purpose ○ *the allocation of funds to a project*

allot /ə'ldɒt/ *verb* to share out

allotment /ə'ldɒtmənt/ *noun* **1.** the process of sharing out something, especially money between various departments, projects or people ○ *The allotment of funds to each project is the responsibility of the finance director.* **2.** the act of giving shares in a new company to people who have applied for them ○ *share allotment* ○ *payment in full on allotment*

allow /'lau/ *verb* **1.** to say that someone can do something ○ *Junior members of staff are not allowed to use the chairman's lift.* ○ *The company allows all members of staff to take six days' holiday at Christmas.* **2.** to give ○ *to allow 5% discount to members of staff* **3.** to agree to or accept legally ○ *to allow a claim or an appeal*

allow for /ə'lau fɔ:/ *phrasal verb* to give a discount for something, or to add an extra sum to cover something ○ *to allow for money paid in advance* ○ *Add on an extra 10% to allow for postage and packing.*

allowable /ə'lauəb(ə)l/ *adjective* legally accepted. Opposite **disallowable**

allowable deductions /ə,lauəb(ə)l dɪ'dʌkʃ(ə)nz/ *plural noun* deductions from income which are allowed by the Inland Revenue, and which reduce the tax payable

allowable expenses /ə,lauəb(ə)l ɪk'spensɪz/ *plural noun* business expenses which can be claimed against tax

allowable losses /ə,lauəb(ə)l 'lɒsɪz/ *plural noun* losses, e.g. on the sale of assets, which are allowed to be set off against gains

allowance /ə'lauəns/ *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 ○ *allowances against tax or tax allowances* ○ *personal allowances* (NOTE: The US term is **exemption**) **3.** money removed in the form of a discount ○ *an allowance for depreciation* ○ *an allowance for exchange loss*

'...the compensation plan includes base, incentive and car allowance totalling \$50,000+' [*Globe and Mail (Toronto)*]

allowance for bad debt /ə,lauəns fə bəd 'det/ *noun* a provision made in a company's accounts for debts which may never be paid

allowances against tax /ə,lauənsɪz ə ,ɡenst 'tæks/ *plural noun* part of someone's income which is not taxed

all-risks policy /,ɔ:l 'rɪskz ,pɒlɪsi/ *noun* an insurance policy which covers risks of any kind, with no exclusions

alternative cost /ɔ:l'tɜ:nətɪv kɒst/ *noun* same as **opportunity cost**

Alternative Investment Market /ɔ:l ,lɜ:nətɪv ɪn'vestmənt ,mɑ:kɪt/ *noun* a London stock market, regulated by the London Stock Exchange, dealing in shares in smaller companies which are not listed on the main London Stock Exchange. Abbreviation **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 /ɔ:l ,lɜ:nətɪv ,mɪnɪmə 'tæks/ *noun* US a way of calculating US income tax that is intended to ensure that wealthy individuals, corporations, trusts, and estates pay at least some tax regardless of deductions, but that is increas-

ingly targeting the middle class. Abbreviation **AMT**

amalgamate /ə'mælgəmeɪt/ *verb* to join together with another group ○ *The amalgamated group includes six companies.*

American Accounting Association /ə,merɪkən ə'kauntɪŋ ə,səʊsɪeɪʃ(ə)n/ *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**

American Depository Receipt /ə,merɪkən dɪ'pɒzɪtri rɪ,si:t/ *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**

American Institute of Certified Public Accountants /ə,merɪkən ɪnstɪtju:t əv ,sɜ:ɪfɪaɪd ,pʌblɪk ə'kaʊntənts/ *noun* the national association for certified public accountants in the United States. Abbreviation **AICPA**

amortisable /,æmɔ:taɪzəb(ə)/ *adjective* being possible to amortise ○ *The capital cost is amortisable over a period of ten years.*

amortisation /ə,mɔ:taɪ'zeɪʃ(ə)n/ *noun* an act of amortising ○ *amortisation of a debt*

amortisation period /ə,mɔ:taɪ'zeɪʃ(ə)n ,pɪərɪəd/ *noun* the length of a lease, used when depreciating the value of the asset leased

amortise /ə'mɔ:taɪz/, **amortize** *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 ○ *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

amount paid up /ə,maʊnt peɪd 'ʌp/ *noun* an amount paid for a new issue of shares, either the total payment or the first instalment, if the shares are offered with instalment payments

amount realised /ə,maʊnt 'ri:əlaɪzd/ *noun* money received from the sale or exchange of property

AMT *abbreviation* alternative minimum tax

analyse /'ænəlaɪz/, **analyze** *verb* to examine someone or something in detail ○ *to*

analyse a statement of account ○ *to analyse the market potential*

analysis /ə'næləsɪs/ *noun* a detailed examination and report ○ *a job analysis* ○ *market analysis* ○ *Her job is to produce a regular sales analysis.* (NOTE: The plural is **analyses**.)

analyst /'ænəlist/ *noun* a person who analyses ○ *a market analyst* ○ *a systems analyst*

analytical review /,ænəlɪtɪk(ə)l rɪ'vju:/ *noun* an examination of accounts from different periods for the purpose of identifying ratios, trends and changes in balances

angel /'eɪndʒəl/ *noun* an investor in a company in its early stages, often looking for returns over a longer period of time than a venture capitalist

annual /'ænjuəl/ *adjective* for one year ○ *an annual statement of income* ○ *They have six weeks' annual leave.* ○ *The company has an annual growth of 5%.* ○ *We get an annual bonus.*

'...real wages have risen at an annual rate of only 1% in the last two years' [*Sunday Times*]

'...the remuneration package will include an attractive salary, profit sharing and a company car together with four weeks' annual holiday' [*Times*]

annual accounts /,ænjuəl ə'kaʊnts/ *plural noun* the accounts prepared at the end of a financial year ○ *The annual accounts have been sent to the shareholders.*

annual depreciation /,ænjuəl dɪ,prɪ:ʃi'eɪʃ(ə)n/ *noun* a reduction in the book value of an asset at a particular rate per year. ♢

straight line depreciation

annual depreciation provision /,ænjuəl dɪ,prɪ:ʃi'eɪʃ(ə)n prə,vɪʒ(ə)n/ *noun* an assessment of the cost of an asset's depreciation in a given accounting period

annual exemptions /,ænjuəl ɪg'zempʃ(ə)nz/ *plural noun* the amount of income which is exempt from tax. For example, the first £8,500 in capital gains in any one year is exempt from tax.

Annual General Meeting /,ænjuəl ,dʒen(ə)rəl 'mi:tɪŋ/ *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**.)

annual income /ˌænjʊəl ˈɪnkʌm/ *noun*
money received during a calendar year

annualised /ˈænjʊəlaɪzd/, **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
/ˌænjʊəlaɪzd pə'sentɪdʒ ˌreɪt/ *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.)

annually /ˈænjʊəli/ *adverb* each year ○ *The figures are updated annually.*

annual management charge /ˌænjʊəl ˈmænɪdʒmənt tʃɑːdʒ/ *noun* a charge made by the financial institution which is managing an account

annual meeting /ˌænjʊəl ˈmiːtɪŋ/ *noun*
US same as **Annual General Meeting**

Annual Percentage Rate /ˌænjʊəl pə ˈsentɪdʒ ˌreɪt/ *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 /ˌænjʊəl rɪˈpɔːt/ *noun* a report of a company's financial situation at the end of a year, sent to all the shareholders

annual return /ˌænjʊəl rɪˈtʃuːn/ *noun* an official report which a registered company has to make each year to the Registrar of Companies

annuitant /əˈnjuːɪtənt/ *noun* a person who receives an annuity

annuity /əˈnjuːɪti/ *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.*

annuity certain /əˈnjuːɪti ˈsɜːtən/ *noun* an annuity that provides payments for a specific number of years, regardless of life or death of the annuitant

annuity contract /əˈnjuːɪti ˌkɒntrækt/ *noun* a contract under which a person is paid a fixed sum regularly for life

antedate /ˌæntɪˈdeɪt/ *verb* to put an earlier date on a document ○ *The invoice was antedated to January 1st.*

anti-dumping duty /ˌæntɪ ˈdʌmpɪŋ ˌdjuːti/ *noun* same as **countervailing duty**

anti-inflationary /ˌæntɪ ɪn ˈfleɪʃ(ə)n(ə)rɪ/ *adjective* restricting or trying to restrict inflation ○ *anti-inflationary measures*

anti-trust /ˌæntɪ ˈtrʌst/ *adjective* attacking monopolies and encouraging competition ○ *anti-trust measures*

anti-trust laws /ˌæntɪ ˈtrʌst ˌlɔːz/, **anti-trust legislation** /ˌæntɪ ˈtrʌst ˌledʒɪ ˌsleɪʃ(ə)n/ *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 /ˌæplɪˈkeɪʃ(ə)n/ *noun* **1.** the act of asking for something, usually in writing, or a document in which someone asks for something, e.g. a job ○ *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.*

application of funds /ˌæplɪkeɪʃ(ə)n əv ˈfʌndz/ *noun* details of the way in which funds have been spent during an accounting period

apportion /əˈpɔːʃ(ə)n/ *verb* to share out something, e.g. costs, funds or blame ○ *Costs are apportioned according to projected revenue.*

apportionment /əˈpɔːʃ(ə)nmənt/ *noun* the sharing out of costs

appraisal /əˈpreɪz(ə)l/ *noun* a calculation of the value of someone or something

appraise /əˈpreɪz/ *verb* to assess or to calculate the value of something or someone

appreciate /əˈpriːʃiət/ *verb* (of currency, shares, etc.) to increase in value

appreciation /əˈpriːʃiˈeɪʃ(ə)n/ *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* /əˈprəʊpriət/ to put a sum of money aside for a special purpose ○ *to appropriate a sum of money for a capital project*

appropriation /əˈprəʊpriˈeɪʃ(ə)n/ *noun* the act of putting money aside for a special purpose ○ *appropriation of funds to the reserve*

appropriation account /ə,prəʊpri'eɪʃ(ə)n ə,kaʊnt/ *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 /ə'pru:v(ə)l/ *noun* the act of saying or thinking that something is good ○ to submit a budget for approval

approve /ə'pru:v/ *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 /ə,pru:vd ə'kaʊnts/ *plural noun* accounts that have been formally accepted by a company's board of directors

approved scheme /ə,pru:vd 'ski:m/ *noun* a pension scheme or share purchase scheme which has been approved by the Inland Revenue

approved securities /ə,pru:vd sɪ'kjʊəriɪz/ *plural noun* state bonds which can be held by banks to form part of their reserves (NOTE: The list of these bonds is the 'approved list'.)

approximate /ə'prɒksɪmət/ *adjective* not exact, but almost correct ○ The sales division has made an approximate forecast of expenditure.

approximately /ə'prɒksɪmətli/ *adverb* not quite exactly, but close to the figure shown ○ Expenditure on marketing is approximately 10% down on the previous quarter.

approximation /ə,prɒksɪ'meɪʃ(ə)n/ *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

AR *abbreviation* accounts receivable

arbitrage /'ɑ:bɪ,tra:ʒ/ *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 /'ɑ:bɪtra:ʒ ,sɪndɪkət/ *noun* a group of people who together raise the capital to invest in arbitrage deals

arbitration /,ɑ:bɪ'treɪʃ(ə)n/ *noun* the settling of a dispute by an outside party agreed on by both sides ○ to take a dispute to arbitration or 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 /'ɑ:bɪtreɪtə/ *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 /,eəriə 'mænɪdʒə/ *noun* a manager who is responsible for a company's work in a specific part of the country

arithmetic mean /,ærɪθmetɪk 'mi:n/ *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 /ə'raʊnd/ *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 /ə'reɪndʒmənt fi:/ *noun* a charge made by a bank to a client for arranging credit facilities

arrears /ə'rɪəz/ *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 /'ɑ:tɪk(ə)l/ *noun* a section of a legal agreement such as a contract or treaty ○ See article 8 of the contract.

articles of association /,ɑ:tɪk(ə)lz əv ə,səʊsi'eɪʃ(ə)n/ *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 /,ɑ:tɪk(ə)lz əv ɪn,kɔ:pə'reɪʃ(ə)n/ *plural noun* US same

as **memorandum and articles of association**

articles of partnership /,ɑ:tɪk(ə)lz əv 'pɑ:tnəʃɪp/ *plural noun* same as **partnership agreement**

ASB *abbreviation* Accounting Standards Board

ASC *abbreviation* Accounting Standards Committee

A shares /'eɪ ,ʃeəz/ *plural noun* ordinary shares with limited voting rights or no voting rights at all

asked price /'ɑ:skt praɪs/ *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 /'ɑ:skɪŋ ,praɪs/ *noun* a price which the seller is hoping will be paid for the item being sold ○ *the asking price is \$24,000*

as per /,æz 'pɜ:z/ ♦ **per**

assess /ə'ses/ *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 /ə'sest 'vælju:z/ *noun* a value that is the result of calculation by someone such as an auditor or investment advisor

assessment /ə'sesmənt/ *noun* a calculation of value ○ *a property assessment* ○ *a tax assessment*

asset /'æset/ *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 /,æset bækt sɪ'kjʊərɪtɪz/ *plural noun* bonds secured against specific assets

asset backing /'æset ,bækɪŋ/ *noun* a support for a share price provided by the value of the company's assets

asset-rich company /,æset rɪtʃ 'kʌmp(ə)nɪ/ *noun* company with valuable tangible assets, such as property, which provide firm backing for its shares

assets /'æsets/ *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 /'æset ,strɪpə/ *noun* a person who buys a company to sell its assets

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

asset turnover /'æset ,tɜ:nəʊvə/ *noun* a measure of a company's efficiency that is the ratio of sales revenue to total assets

asset turnover ratio /,æset 'tɜ:nəʊvə ,rɪʃɪəʊ/ *noun* the number of times assets are turned over by sales during the year, calculated as turnover divided by total assets less current liabilities

asset value /'æset ,vælju:z/ *noun* the value of a company calculated by adding together all its assets

assign /ə'saɪn/ *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 /,æstɪŋ'neɪʃ(ə)n/ *noun* a legal transfer ○ *the assignment of shares to someone* ○ *the assignment of a patent*

assignee /,æsaɪ'nɪ:z/ *noun* a person who receives something which has been assigned to him or her

assignment /ə'saɪnmənt/ *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 /,æsaɪ'nɔ:z/ *noun* a person who assigns something to someone

associate /ə'səʊsɪət/ *noun* **1.** 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'.

associate company /ə,səʊsɪət 'kʌmp(ə)nɪ/ *noun* a company which is partly owned by another company

associated company /ə,səʊsɪətɪd 'kʌmp(ə)nɪ/ *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 /ə,səʊsɪət daɪ'rektə/ *noun* a director who attends board meetings, but has not been elected by the shareholders

Association of Accounting Technicians /ə,səʊsɪeɪʃ(ə)n əv ə'kaʊntɪŋ ,teknɪʃ(ə)nz/ *noun* an organisation which

represents accounting technicians and grants membership to people who have passed its examinations. Abbreviation **AAT Association of Authorised Public Accountants** /ə,səʊsiəf(ə)n əv ,ɔ:θəraɪzd ,pʌblɪk ə'kaʊntənts/ *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 **AAPA**

Association of Chartered Accountants in the United States /ə ,səʊsiəf(ə)n əv ,tʃɑ:təd ə'kaʊntənts in ði ju:naɪtɪd 'steɪts/ *noun* an organisation 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 /ə,səʊsiəf(ə)n əv ,tʃɑ:təd ,sɜ:tɪfəd ə'kaʊntənts/ *noun* an organisation whose members are certified accountants. Abbreviation **ACCA**

Association of Corporate Treasurers /ə,səʊsiəf(ə)n əv ,kɔ:p(ə)rət 'treʒərəz/ *noun* an organisation which groups company treasurers and awards membership to those who have passed its examinations

Association of Financial Advisers /ə ,səʊsiəf(ə)n əv faɪ,nænʃ(ə)l əd'vaɪzəz/ *noun* a trade association that represents the interests of independent financial advisers

Association of Futures Brokers and Dealers /ə,səʊsiəf(ə)n əv 'fju:tʃəz ,brəʊkəz ən ,di:ləz/ *noun* a self-regulating organisation which oversees the activities of dealers in futures and options. Abbreviation **AFBD**

assumable mortgage /ə,sju:məb(ə)l 'mɔ:ɡɪdʒ/ *noun* *US* a mortgage which can be passed to another person

assurance /ə'ʃʊərəns/ *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 /ə'ʃʊə/ *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.)

assurer /ə'ʃʊərə/, **assuror** *noun* an insurer or a company which insures

AST *abbreviation* Automated Screen Trading

at call /,æt 'kɔ:l/ *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 /,æt 'pɑ: / *phrase* equal to the face value

at sight /,æt 'saɪt/ *adverb* immediately, when it is presented ○ *a bill of exchange payable at sight*

attachment /ə'tætʃmənt/ *noun* the act of holding a debtor's property to prevent it being sold until debts are paid

attachment of earnings /ə'tætʃmənt əv 'ɜ:nɪŋz/ *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 /ə ,tætʃmənt əv 'ɜ:nɪŋz ,ɔ:də/ *noun* a court order to make an employer pay part of an employee's salary to the court to pay off debts

attachment order /ə'tætʃmənt ,ɔ:də/ *noun* an order from a court to hold a debtor's property to prevent it being sold until debts are paid

attest /ə'test/ *noun* a formal statement, e.g. a statement by an auditor that a company's financial position is correctly stated in the company's accounts

attributable profit /ə,trɪbjʊtəb(ə)l 'prɒfɪt/ *noun* a profit which can be shown to come from a particular area of the company's operations

auction /'ɔ:kʃən/ *noun* 1. a method of selling goods where people who want to buy compete with each other by saying how

much they will offer for something, and the item is sold to the person who makes the highest offer ○ *Their furniture will be sold in the auction rooms next week.* ○ *They 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 /,ɔ:kʃə'nɪə/ *noun* the person who conducts an auction

audit /'ɔ:ɪt/ *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 /'ɔ:ɪt kə,mɪʃ(ə)n/ *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 /'ɔ:ɪt kə,mɪtɪ/ *noun* a committee of a company's board of directors that monitors finances, on which company executives cannot sit

audit cycle /'ɔ:ɪt saɪk(ə)l/ *noun* the interval between audits

audited accounts /,ɔ:ɪtɪd ə'kaʊnts/ *plural noun* a set of accounts that have been thoroughly scrutinised, checked and approved by a team of auditors

audit fee /'ɔ:ɪt fi:/ *noun* a fee charged by an auditor for auditing a company's accounts

auditing /'ɔ:ɪtɪŋ/ *noun* the work of examining the books and accounts of a company

Auditing Practices Board /,ɔ:ɪtɪŋ 'præktɪsɪz ,bɔ:d/ *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 /'ɔ:ɪtɪŋ ,stændədz/ *plural noun* guidelines, established by an authoritative body, that auditors should follow when examining financial statements and other information

audit opinion /,ɔ:ɪt ə'pɪnjən/ *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 /'ɔ:ɪtə/ *noun* a person who audits **auditors' fees** /'ɔ:ɪtəz fi:z/ *plural noun* fees paid to a company's auditors, which are approved by the shareholders at an AGM

auditors' qualification /,ɔ:ɪtəz ,kwɒlɪfɪ'keɪʃ(ə)n/ *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 /'ɔ:ɪtəz rɪ,pɔ:t/ *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 /,ɔ:ɪt 'prəʊgræm/ *noun* a listing of all the steps to be taken when auditing a company's accounts

audit regulation /'ɔ:ɪt ,regjʊleɪʃ(ə)n/ *noun* the regulating of auditors by government

audit report /'ɔ:ɪt rɪ,pɔ:t/ *noun* same as **auditors' report**

audit risk /'ɔ:ɪt rɪsk/ *noun* the risk that auditors may give an inappropriate audit opinion on financial statements

audit trail /'ɔ:ɪt treɪl/ *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 /'ɔ:gend/ *noun* the number to which another number (the addend) is added to produce the sum

Australian Accounting Research Foundation /ə,streɪlɪən ə,kaʊntɪŋ rɪ'sɜ:tʃ faʊn,deɪʃ(ə)n/ *noun* the authority

that has regulated auditing and assurance matters in Australia since 2004

Australian Prudential Regulation Authority /ɒ,streɪliən prʊ,denʃ(ə)l ,regjʊ'leɪʃ(ə)n ɔ:,θrə'ti/ *noun* a federal government body responsible for ensuring that financial institutions are able to meet their commitments. Abbreviation **APRA**

AUT *abbreviation* authorised unit trust

authorise /'ɔ:θəraɪz/, **authorize** *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 /,ɔ:θəraɪzd 'kæpɪt(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 /,ɔ:θəraɪzd 'ʃeə ,kæpɪt(ə)l/ *noun* the amount of capital that a company is authorised to issue in the form of shares

authorised unit trust /,ɔ:θəraɪzd 'ju:nɪt trʌst/ *noun* the official name for a unit trust which has to be managed according to EU directives. Abbreviation **AUT**

Automated Clearing House /,ɔ:təmeɪtɪd 'klɪərɪŋ haus/ *noun* US 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 /,ɔ:təmeɪtɪd 'skri:n ,treɪdɪŋ/ *noun* a system where securities are bought, sold and matched automatically by computer. Abbreviation **AST**

automated teller machine /,ɔ:təmeɪtɪd 'telə mə,ʃi:n/ *noun* US same as **cash dispenser**

availability /ə,vetɪə'bɪləti/ *noun* the fact of being easy to obtain

AVCs *abbreviation* additional voluntary contributions

average /'æv(ə)rɪdʒ/ *noun* **1.** a number calculated by adding several figures together and dividing by the number of figures added ○ *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 /,æv(ə)rɪdʒ 'aʊt/ *phrasal verb* to come to a figure as an average ○ *It averages out at 10% per annum.* ○ *Sales increases have averaged out at 15%.*

average cost of capital /,ævə'rɪdʒ kɒst əv 'kæpɪt(ə)l/ *noun* an average figure for the cost of borrowing or the capital raised by selling shares

average due date /,æv(ə)rɪdʒ 'dju: ,deɪt/ *noun* the average date when several different payments fall due

average income per capita /,æv(ə)rɪdʒ ,ɪnkʌm pə 'kæpɪtəl/ *noun* same as **per capita income**

avoidance /ə'vɔɪd(ə)ns/ *noun* the act of trying not to do something or not to pay something ○ *tax avoidance*

award /ə'wɔ:d/ *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.*

B

BAA *abbreviation* British Accounting Association

baby bonds /'beɪbi bɒndz/ *plural noun* US bonds in small denominations which the small investor can afford to buy

back /bæk/ *adjective* referring to the past ○ *a back payment* ■ *verb* to help someone, especially financially ○ *The bank is backing us to the tune of \$10,000.* ○ *She is looking for someone to back her project.*

'...the businesses we back range from start-up ventures to established companies in need of further capital for expansion' [Times]

back out /,bæk 'aʊt/ *phrasal verb* to stop being part of a deal or an agreement ○ *The bank backed out of the contract.* ○ *We had to cancel the project when our German partners backed out.*

backdate /bæk'deɪt/ *verb* to put an earlier date on a document such as a cheque or an invoice ○ *Backdate your invoice to April 1st.*

back duty /'bæk ,dʒu:ti/ *noun* a duty or tax which is due but has not yet been paid

back-end loaded /,bæk end 'ləʊdɪd/ *adjective* referring to an insurance or investment scheme where commission is charged when the investor withdraws his or her money from the scheme. Compare **front-end loaded**

backer /'bækə/ *noun* a person or company that backs someone ○ *One of the company's backers has withdrawn.*

backflush costing /'bækflʌʃ ,kɒstɪŋ/ *noun* a method of costing that links cost to output produced

backing /'bækiŋ/ *noun* support, especially financial support ○ *She has the backing of an Australian bank.* ○ *The company will succeed only if it has sufficient backing.* ○ *She gave her backing to the proposal.*

'...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]

back interest /'bæk ,ɪntrəst/ *noun* interest which has not yet been paid

backlog /'bæklɒg/ *noun* an amount of work, or of items such as orders or letters, which should have been dealt with earlier but is still waiting to be done ○ *The warehouse is trying to cope with a backlog of orders.* ○ *We're finding it hard to cope with the backlog of paperwork.*

backlog depreciation /'bæklɒg dɪ ,prɪ:ʃi'eɪʃ(ə)n/ *noun* depreciation which has not been provided in previous accounts because of an increase in the value of the asset during the current year due to inflation

back payment /'bæk ,peɪmənt/ *noun* 1. a payment which is due but has not yet been paid 2. the act of paying money which is owed

back rent /'bæk rent/ *noun* a rent due but not paid ○ *The company owes £100,000 in back rent.*

back tax /'bæk tæks/ *noun* tax which is owed

back-to-back loan /,bæk tə ,bæk 'ləʊn/ *noun* a loan from one company to another in one currency arranged against a loan from the second company to the first in another currency. Also called **parallel loan** (NOTE: Back-to-back loans are used by international companies to get round exchange controls.)

backup withholding /'bækʌp wɪθ ,həʊldɪŋ/ *noun* US a tax retained from investment income so that the IRS is sure of getting the tax due

backwardation /,bækwə'deɪʃ(ə)n/ *noun* 1. a penalty paid by the seller when postponing delivery of shares to the buyer 2. a situation in which the cash price is higher than the forward price. Opposite **forwardation**

backward integration /,bækwəd ,ɪntɪ 'greɪʃ(ə)n/ *noun* a process of expansion in which a business which deals with the later stages in the production and sale of a product acquires a business that deals with an earlier stage in the same process, usually a

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

backwards spreading /,bækwədʒ 'spredɪŋ/ *noun* the practice of dividing income earned in a particular accounting year into portions which are allocated to several previous accounting periods

BACS /bæks/ *noun* 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 /,bæd 'tʃek/ *noun* a cheque which is returned to the drawer for any reason

bad debt /,bæd 'det/ *noun* 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 /,bæd 'det ɪk,spens/ *noun* an estimate of uncollectible debts which is charged to the profit and loss account

bad debt provision /,bæd 'det prə ,vɪʒ(ə)n/ *noun* money put aside in accounts to cover potential bad debts

bad debts recovered /,bæd dets rɪ 'kʌvəd/ *plural noun* 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 /,bædʒɪz əv 'treɪd/ *plural noun* 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 /,beɪl 'aʊt/ *phrasal verb* 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 /'beɪlmənt/ *noun* 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 /'bæləns/ *noun* **1.** 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 **2.** the rest of an amount owed ○ *You can pay £100 deposit and the balance within 60 days.* ■ **verb 1.** to be equal, i.e. the assets owned must always equal the total liabilities plus capital **2.** to calculate the amount needed to make the two sides of an account equal ○ *I have finished balancing the accounts for March.* **3.** to plan a budget so that expenditure and income are equal ○ *The president is planning for a balanced budget.*

balance off /,bæləns 'ɒf/ *verb* 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 /,bælənst 'bʌdʒɪt/ *noun* a budget where expenditure and income are equal

balanced scorecard /,bælənst 'skɔ:kɑ:d/ *noun* 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 /,bæləns əv 'peɪmənts/ *noun* 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 □ **long-term balance of payments** record of movements of capital relating to overseas investments and the purchase of companies overseas

balance of payments deficit /,bæləns əv 'peɪmənts ,defɪsɪt/ *noun* a situation in which a country imports more than it exports

balance of payments surplus /,bæləns əv 'peɪmənts ,sɜ:pləs/ *noun* a situation in which a country exports more than it imports

balance of retained earnings /,bæləns əv rɪ,teɪnd 'ɜ:ɪnɪŋz/ *noun* statistics that show fluctuations in the level of income retained for reinvestment during an accounting period

balance sheet /'bæləns ʃi:t/ *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.* ○ *The company balance sheet for 1984 shows a substantial loss.*

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 /'bæləns ʃi:t 'æset ,vælju:/ *noun* the value of a company calculated by adding together all its assets

balance sheet audit /'bæləns ʃi:t 'ɔ:di:t/ *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 /'bæləns ʃi:t ,deɪt/ *noun* the date (usually the end of a financial or accounting year) when a balance sheet is drawn up

balance sheet equation /'bæləns ʃi:t ɪ ,kweɪʒ(ə)n/ *noun* the basis upon which all accounts are prepared, that assets = liabilities + assets

balance sheet total /'bæləns ʃi:t 'təʊt(ə)l/ *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 /'bælənsɪŋ ,aɪtəm/, **balancing figure** /'bælənsɪŋ ,fɪgə/ *noun* an item introduced into a balance sheet to make the two sides balance

balloon /bə'lu:n/ *noun* a loan where the last repayment is larger than the others

balloon mortgage /bə'lu:n ,mɔ:ɡɪdʒ/ *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 /bæŋk/ *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.* ■ *verb* 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 /'bæŋkəb(ə)l/ *adjective* acceptable by a bank as security for a loan

bankable paper /'bæŋkəb(ə)l 'peɪpə/ *noun* a document which a bank will accept as security for a loan

bank account /'bæŋk ə,kəʊnt/ *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 /'bæŋk əd,vɑ:ns/ *noun* same as **bank loan** ○ *She asked for a bank advance to start her business.*

bank balance /'bæŋk ,bæləns/ *noun* the state of a bank account at any particular time ○ *Our bank balance went into the red last month.*

bank base rate /'bæŋk 'beɪs ,reɪt/ *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 /'bæŋk bɪl/ *noun* 1. a bill of exchange by one bank telling another bank, usually in another country, to pay money to someone 2. same as **banker's bill** 3. *US* same as **banknote**

bank book /'bæŋk 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 /'bæŋk ,bɔ:ɾəʊɪŋz/ *plural noun* money borrowed from banks

bank card /'bæŋk kɑ:d/ *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 /'bæŋk sə,tɪfɪkət/ *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 /'bæŋk tʃɑ:dʒ/ *noun* same as **service charge**

bank confirmation /'bæŋk ,kɒnfəmeɪʃ(ə)n/ *noun* verification of a company's balances requested by an auditor from a bank

bank credit /'bæŋk ,kredɪt/ *noun* loans or overdrafts from a bank to a customer

bank deposits /'bæŋk dɪ,pɒzɪts/ *plural noun* all money placed in banks by private or corporate customers

bank draft /'bæŋk drɑ:ft/ *noun* an order by one bank telling another bank, usually in another country, to pay money to someone

banker /'bæŋkə/ *noun* **1.** a person who is in an important position in a bank **2.** a bank
○ *the company's banker is Barclays*

banker's acceptance /,bæŋkəz ək 'septəns/ *noun* a bill of exchange guaranteed by a bank

Bankers' Automated Clearing Services /,bæŋkəz ɔ:təmeɪtɪd 'kliəriŋ ,sɜ:vɪsɪz/ *plural noun* full form of **BACS**

banker's bill /'bæŋkəz bɪl/ *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 /,bæŋkəz 'kredɪt ,kɑ:d/ *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 /,bæŋkəz 'drɑ:ft/ *noun* a draft payable by a bank in cash on presentation. Abbreviation **B/D**

banker's lien /,bæŋkəz 'li:n/ *noun* the right of a bank to hold some property of a customer as security against payment of a debt

banker's order /'bæŋkəz ɔ:də/ *noun* an order written by a customer asking a bank to make a regular payment ○ *He pays his subscription by banker's order.*

banker's reference /,bæŋkəz 'ref(ə)rəns/ *noun* a written report issued by a bank regarding a particular customer's creditworthiness

bank giro /'bæŋk ,dʒaɪrəʊ/ *noun* a method used by clearing banks to transfer money rapidly from one account to another

bank holiday /,bæŋk 'hɒlɪdeɪ/ *noun* a weekday which is a public holiday when the banks are closed ○ *New Year's Day is a bank holiday.* ○ *Are we paid for bank holidays in this job?*

bank identification number /,bæŋk ,aɪdentɪfɪ'keɪʃ(ə)n ,nʌmbə/ *noun* an internationally organised six-digit number which identifies a bank for charge card purposes. Abbreviation **BIN**

banking /'bæŋkɪŋ/ *noun* the business of banks ○ *He is studying banking.* ○ *She has gone into banking.*

banking account /'bæŋkɪŋ ə,kʌʊnt/ *noun* **US** an account which a customer has with a bank

banking covenants /'bæŋkɪŋ ,kʌvənənts/ *plural noun* a set of conditions imposed by a bank when it lends an institution a large amount of money

Banking Ombudsman /'bæŋkɪŋ ɔmbʊdzmən/ *noun* an official whose duty is to investigate complaints by members of the public against banks

banking products /,bæŋkɪŋ 'prɒdʌkts/ *plural noun* goods and services produced by banks for customers, e.g. statements, direct debits

bank loan /'bæŋk ləʊn/ *noun* a loan made by a bank to a customer, usually against the security of a property or asset ○ *She asked for a bank loan to start her business.* Also called **bank advance**

bank manager /'bæŋk ,mænɪdʒə/ *noun* the person in charge of a branch of a bank ○ *They asked their bank manager for a loan.*

bank mandate /'bæŋk ,mændət/ *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 /'bæŋk nəʊt/ *noun* **1.** a piece of printed paper money ○ *a counterfeit £20 banknote* (NOTE: The US term is **bill**.) **2.** **US** a non-interest bearing note, issued by a Federal Reserve Bank, which can be used as cash

Bank of England /,bæŋk əv 'ɪŋɡlənd/ *noun* the UK central bank, owned by the state, which, together with the Treasury, regulates the nation's finances

bank reconciliation /,bæŋk ,rekənsɪli 'eɪʃ(ə)n/ *noun* the act of making sure that the bank statements agree with the company's ledgers

bank reserves /'bæŋk rɪ,zɜ:vz/ *plural noun* cash and securities held by a bank to cover deposits

bank return /'bæŋk rɪ,tɜ:n/ *noun* a regular report from a bank on its financial position

bankrupt /'bæŋkrʌpt/ *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 /'bæŋkrʌptsi/ *noun* the state of being bankrupt ○ *The recession has caused thousands of bankruptcies.* (NOTE: The plural is **bankruptcies**.)

bankruptcy order /'bæŋkrʌptsi ɔ:də/ *noun* same as **declaration of bankruptcy**

bankruptcy petition /'bæŋkrʌptsi pə'tɪʃ(ə)n/ *noun* an application to a court asking for an order making someone bankrupt

bankruptcy proceedings /'bæŋkrʌptsi prə'si:diŋz/ *plural noun* a court case to make someone bankrupt

bank statement /'bæŋk ˌsteɪtmənt/ *noun* a written statement from a bank showing the balance of an account at a specific date

bank syndicate /'bæŋk ˌsɪndɪkət/ *noun* a group of major international banks which group together to underwrite a very large loan

bank transfer /'bæŋk ˌtrænsfɜ:z/ *noun* an act of moving money from a bank account to another account

bargain /'bɑ:gɪn/ *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 /'bɑ:tə/ *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 /'bɑ:tərɪŋ/ *noun* the act of exchanging goods for other goods and not for money

base /beɪs/ *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*]

'...other investments include a large stake in the Chicago-based insurance company' [*Lloyd's List*]

base currency /'beɪs ˌkʌrənsi/ *noun* a currency against which exchange rates of other currencies are quoted

base period /'beɪs ˌpɪəriəd/ *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 /'beɪs reɪt/ *noun* same as **bank base rate**

base-weighted index /ˌbeɪs ˌweɪtɪd 'ɪndeks/ *noun* an index which is weighted according to the base year

base year /'beɪs jɪə/ *noun* the first year of an index, against which changes occurring in later years are measured

basic /'beɪsɪk/ *adjective* normal

basic balance /ˌbeɪsɪk 'bæləns/ *noun* the balance of current account and long-term capital accounts in a country's balance of payments

basic commodities /ˌbeɪsɪk kə'mɒdɪtɪz/ *plural noun* ordinary farm produce, produced in large quantities, e.g. corn, rice or sugar

basic discount /,beɪsɪk 'dɪskaʊnt/ *noun* a normal discount without extra percentages
 ○ *Our basic discount is 20%, but we offer 5% extra for rapid settlement.*

basic earnings per share /,beɪsɪk ˌɜːnɪŋz pə 'ʃeə/ *noun* a figure that shows an investor how much of a company's profit belongs to each share

basic pay /,beɪsɪk 'peɪ/ *noun* a normal salary without extra payments. Also called **basic salary**, **basic wage**

basic product /,beɪsɪk 'prɒdʌkt/ *noun* the main product made from a raw material
basic rate tax /'beɪsɪk reɪt ˌtæks/ *noun* the lowest rate of income tax

basic salary /,beɪsɪk 'sæləri/, **basic wage** *noun* same as **basic pay**

basis /'beɪsɪs/ *noun* **1.** a point or number from which calculations are made ○ *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 ○ *This document should form the basis for an agreement.* ○ *We have three people working on a freelance basis.* (NOTE: The plural is **bases**.) □ **on a short-term or long-term basis** for a short or long period ○ *He has been appointed on a short-term basis.*

basis of accounting /,beɪsɪs əv ə 'kaʊntɪŋ/ *noun* any of various methods of recognising income and expenditure in the preparation of accounts

basis of apportionment /,beɪsɪs əv ə 'pɔːʃənmənt/ *noun* a way in which common overhead costs are shared among various cost centres

basis of assessment /,beɪsɪs əv ə 'sesmənt/ *noun* a method of deciding in which year financial transactions should be assessed for taxation

basis period /'beɪsɪs ˌpɪəriəd/ *noun* the period during which transactions occur, used for the purpose of deciding in which they should be assessed for taxation

basis point /'beɪsɪs ˌpɔɪnt/ *noun* one hundredth of a percentage point (0.01%), the basic unit used in measuring market movements or interest rates

basis swap /'beɪsɪs swɒp/ *noun* the exchange of two financial instruments, each with a variable interest calculated on a different rate

basket of currencies /ˌbɑːskɪt əv 'kʌrənsɪz/ *noun* same as **currency basket**

batch /bætʃ/ *noun* **1.** a group of items which are made at one time ○ *This batch of shoes has the serial number 25–02.* **2.** a

group of documents which are processed at the same time ○ *Today's batch of invoices is ready to be mailed.* ○ *The factory is working on yesterday's batch of orders.* ○ *The accountant signed a batch of cheques.* ○ *We deal with the orders in batches of fifty at a time.* ■ **verb** to put items together in groups ○ *to batch invoices or cheques*

batch costing /'bætʃ ˌkɒstɪŋ/ *noun* a method of calculating the price of one item as part of a batch of items made at the same time

batch-level activities /'bætʃ ˌlev(ə)l ækˌtɪvɪtɪz/ *plural noun* business activities that vary as output varies

b/d *abbreviation* brought down

B/D *abbreviation* banker's draft

bear /beə/ *verb* **1.** to give interest ○ *government bonds which bear 5% interest* **2.** to have something, especially to have something written on it ○ *an envelope which bears a London postmark* ○ *a letter bearing yesterday's date* ○ *The cheque bears the signature of the company secretary.* ○ *The share certificate bears his name.* **3.** to pay costs ○ *The costs of the exhibition will be borne by the company.* ○ *The company bore the legal costs of both parties.* (NOTE: **bearing – bore – has borne**)

bearer /'beərə/ *noun* a person who holds a cheque or certificate

bearer bond /'beərə bɒnd/, **bearer security** /'beərə sɪˌkjʊərɪti/ *noun* a bond which is payable to the bearer and does not have a name written on it

beginning inventory /bɪ'gɪnɪŋ ˌɪnvənt(ə)rɪ/ *noun* US same as **opening stock**

behavioural accounting /bɪˌheɪvjərəl ə'kaʊntɪŋ/ *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 /bɪˌləʊ ðə 'laɪn/ *adjective, adverb* 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** **1**

below-the-line expenditure /bɪˌləʊ ðə laɪn ɪk'spendɪtʃə/ *noun* **1.** payments which do not arise from a company's usual activities, e.g. redundancy payments **2.** extraordinary items which are shown in the profit and loss account below net profit after taxation, as opposed to exceptional items which are included in the figure for profit before taxation

benchmark /'bentʃmɑ:k/ *noun* a point or level which is important, and can be used as a reference when making evaluations or assessments

benchmark accounting policy /,bentʃmɑ:k ə'kauntɪŋ ˌpɒlɪsi/ *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 /'bentʃmɑ:kɪŋ/ *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 /,benɪfɪʃ(ə)l 'ɪntrəst/ *noun* a situation where someone is allowed to occupy or receive rent from a house without owning it

beneficial occupier /,benɪfɪʃ(ə)l 'ɒkjʊpaɪə/ *noun* a person who occupies a property but does not own it fully

beneficiary /,benɪ'fɪʃəri/ *noun* a person who gains money from something ○ *the beneficiaries of a will*

benefit /'benɪfɪt/ *verb* 1. to make better or to improve ○ *A fall in inflation benefits the exchange rate.* 2. □ **to benefit from or by something** to be improved by something, to gain more money because of something ○ *Exports have benefited from the fall in the exchange rate.* ○ *The employees have benefited from the profit-sharing scheme.*

'...the retail sector will also benefit from the expected influx of tourists' [*Australian Financial Review*]

benefit-cost analysis /,benɪfɪt 'kɒst ə ,næɪsɪs/ *noun* same as **cost-benefit analysis**

benefit in kind /,benɪfɪt ɪn 'kaɪnd/ *noun* a benefit other than money received by an employee as part of his or her total compensation package, e.g. a company car or private health insurance. Such benefits are usually subject to tax.

Benford's Law /'benfədz lɔ:/ *noun* a law discovered by Dr Benford in 1938, which shows that in sets of random numbers, it is more likely that the set will begin with the number 1 than with any other number

BEP *abbreviation* break-even point

bequeath /bɪ'kwɪzɪð/ *verb* to leave property, money, etc. (but not freehold land) to someone in a will

bequest /brɪ'kwɛst/ *noun* something such as property or money (but not freehold land), given to someone in a will ○ *He made several bequests to his staff.*

best practice /,best '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*]

b/f *abbreviation* brought forward

BFH /,bi: ef 'aɪtʃ/ *noun* in Germany, the supreme court for issues concerning taxation. Full form **Bundesfinanzhof**

bid /brɪd/ *noun* 1. an offer to buy something at a specific price. ♦ **takeover bid** □ **to make a bid for something** to offer to buy something ○ *We made a bid for the house.* ○ *The company made a bid for its rival.* □ **to make a cash bid** to offer to pay cash for something □ **to put in or enter a bid for something** to offer to buy something, usually in writing 2. an offer to sell something or do a piece of work at a specific price ○ *She made the lowest bid for the job.* ■ *verb* to offer to buy □ **to bid for something (at an auction)** to offer to buy something □ **he bid £1,000 for the jewels** he offered to pay £1,000 for the jewels

bidder /'brɪdə/ *noun* a person who makes a bid, usually at an auction ○ *Several bidders made offers for the house.*

bidding /'brɪdɪŋ/ *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 /'brɪd ,mɑ:kɪt/ *noun* a market where there are more bids to buy than offers to sell. Opposite **offered market**

bid-offer price /,brɪd 'ɔ:fə praɪs/ *noun* a price charged by unit trusts to buyers and sellers of units, based on the bid-offer spread

bid-offer spread /,brɪd 'ɔ:fə sprɛd/ *noun* the difference between buying and selling prices (i.e. between the bid and offer prices)

bid price /'bɪd praɪs/ *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 /'bɪd reɪt/ *noun* a rate of interest offered on deposits

big business /,bɪg 'bɪznɪs/ *noun* very large commercial firms

Big Four /,bɪg 'fɔː/ *noun* **1.** the four large British commercial banks: Barclays, LloydsTSB, HSB 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: Daiwa, Nikko, Nomura and Yamaichi

bilateral clearing /baɪ,læt(ə)rəl 'klɪərɪŋ/ *noun* the system of annual settlements of accounts between some countries, where accounts are settled by the central banks

bilateral credit /baɪ,læt(ə)rəl 'kredɪt/ *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 ■ *verb* to present a bill to someone so that it can be paid ○ *The plumbers billed us for the repairs.*

bill broker /'bɪl ,brəʊkə/ *noun* a discount house, a firm which buys and sells bills of exchange for a fee

billing /'bɪlɪŋ/ *noun* the work of writing invoices or bills

billion /'bɪljən/ *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*]

'...at its last traded price the bank was capitalized at around \$1.05 billion' [*South China Morning Post*]

bill of exchange /,bɪl əv ɪks'tʃeɪndʒ/ *noun* a document, signed by the person authorising it, which tells another person or a financial institution to pay money unconditionally to a named person on a specific date (NOTE: Bills of exchange are usually used for payments in foreign currency.)

bill of lading /,bɪl əv 'leɪdɪŋ/ *noun* a document listing goods that have been shipped, sent by the transporter to the seller and entered in the seller's accounts as money owed but not yet paid, and therefore as an asset

bill of materials /,bɪl əv mə'tɪəriəlz/ *noun* a document setting out the materials and parts required to make a product

bill of sale /,bɪl əv 'seɪl/ *noun* a document which the seller gives to the buyer to show that the sale has taken place

bills payable /,bɪlz 'peɪəb(ə)l/ *plural noun* bills, especially bills of exchange, which a company will have to pay to its creditors. Abbreviation **B/P**

bills receivable /,bɪlz rɪ'si:vəb(ə)l/ *plural noun* bills, especially bills of exchange, which are due to be paid by a company's debtors. Abbreviation **B/R**

BIN *abbreviation* bank identification number

binder /'baɪndə/ *noun* US a temporary agreement for insurance sent before the insurance policy is issued (NOTE: The UK term is **cover note**.)

black economy /,blæk 'ɪkənəmi/ *noun* goods and services which are paid for in cash, and therefore not declared for tax. Also called **hidden economy**, **parallel economy**, **shadow economy**

black market /,blæk 'mɑːkɪt/ *noun* the buying and selling of goods or currency in a way which is not allowed by law ○ *There is a flourishing black market in spare parts for cars.*

blank cheque /,blæŋk 'tʃek/ *noun* a cheque with the amount of money and the payee left blank, but signed by the drawer

blanket lien /,blæŋkɪt 'liːn/ *noun* US a lien on a person's property, including personal effects

blind entry /,blaɪnd 'entri/ *noun* a book-keeping entry that simply records a debit or credit but not other essential information

blind trust /,blaɪnd '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 /,blɒkt ə'kaʊnt/ *noun* a bank account which cannot be used, usually because a government has forbidden its use

blocked currency /,blɒkt 'kʌrənsi/ *noun* a currency which cannot be taken out of a country because of government exchange controls

blocked funds /,blɒkt 'fʌndz/ *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 /,blɒk 'treɪdɪŋ/ *noun* trading in very large numbers of shares

Blue Book /,blu: 'bʊk/ *noun* an annual publication of national statistics of personal incomes and spending patterns

blue chip /'blu: tʃɪp/ *noun* a very safe investment, a risk-free share in a good company

Blue list /'blu: lɪst/ *noun* US a daily list of municipal bonds and their ratings, issued by Standard & Poor's

blue sky laws /,blu: 'skaɪ ,lə:z/ *plural noun* US state laws to protect investors against fraudulent traders in securities

board /bɔ:d/ *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 /,bɔ:d fɔ: 'æktʃu'eəriəl ,stændədz/ *noun* a UK authority with responsibility for overseeing the actuarial profession and setting actuarial standards

board meeting /'bɔ:d ,mi:tɪŋ/ *noun* a meeting of the directors of a company

Board of Customs and Excise /,bɔ:d əv ,kʌstəmz ənd 'eksəɪz/ *noun* the ruling body of the Customs and Excise

board of directors /,bɔ:d əv daɪ 'rektəz/ *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 /,bəʊnə 'faɪdi/ *adjective* trustworthy, which can be trusted

bond /bɒnd/ *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 /'bɒnd ,dɪskaʊnt/ *noun* the difference between the face value of a bond and the lower price at which it is issued

bonded /'bɒndɪd/ *adjective* held in bond

bonded warehouse /,bɒndɪd 'weəhaʊs/ *noun* a warehouse where goods are stored until excise duty has been paid

bond fund /'bɒnd fʌnd/ *noun* a unit trust in which investments are made in the form of bonds

bondholder /'bɒnd,həʊldə/ *noun* a person who holds government bonds

bond indenture /'bɒnd ɪn,dentʃə/ *noun* a document that details the terms of a bond

bondised /'bɒndaɪzɪd/, **bondized** *adjective* referring to an insurance fund linked to a unit trust

bond market /'bɒnd ,mɑ:kɪt/ *noun* a market in which government or municipal bonds are traded

bond premium /'bɒnd ,pri:mɪəm/ *noun* the difference between the face value of a bond and a higher price at which it is issued

bond-washing /'bɒnd ,wɒʃɪŋ/ *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 /'bɒnd jɪ:ld/ *noun* income produced by a bond, shown as a percentage of its purchase price

bonus /'bʌnʊs/ *noun* an extra payment in addition to a normal payment

bonus issue /,bʌnʊs 'ɪʃu/ *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 /'bʌnʊs ʃeə/ *noun* an extra share given to an existing shareholder

book /buk/ *noun* **1.** a set of sheets of paper attached together □ **a 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 /'buk ,ɪnvənt(ə)rɪ/ *noun* the number of stock items recorded in accounts, which is verified by a physical count

bookkeeper /'buk,ki:pə/ *noun* a person who keeps the financial records of a company or an organisation

bookkeeping /'buk,ki:pɪŋ/ *noun* the work of keeping the financial records of a company or an organisation

bookkeeping barter /'bukki:pɪŋ ,bɑ:tə/ *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 /'bukki:pɪŋ træn,zækʃən/ *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 /,buk əv ə'kaunt/ *noun* an account book, a book which records financial transactions

book of prime entry /,buk əv ,praɪm 'entri/, **book of original entry** *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 /'buk seɪlz/ *plural noun* sales as recorded in the sales book

book value /'buk ,vælju:/ *noun* the value of an asset as recorded in the company's balance sheet

book value per share /'buk ,vælju: pə ,ʃeə/ *noun* a company's own assessment of the value of its shares, which may differ considerably from the market value

boom /bu:m/ *noun* a time when sales, production or business activity are increasing ○ *a period of economic boom* ○ *the boom of the 1990s*

booming /'bu:mɪŋ/ *adjective* expanding or becoming prosperous ○ *a booming industry or company* ○ *Technology is a booming sector of the economy.*

boost /bu:st/ *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 FFfr 16bn from FFfr 13.6bn last year' [*Financial Times*]

BOP *abbreviation* balance of payments

border tax adjustment /'bɔ:də tæks ə ,dʒʌstmənt/ *noun* a deduction of indirect tax paid on goods being exported or imposition of local indirect tax on goods being imported

borrow /'bɒrəʊ/ *verb* **1.** to take money from someone for a time, possibly paying interest for it, and repaying it at the end of the period ○ *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 /'bɒrəʊə/ *noun* a person who borrows ○ *Borrowers from the bank pay 12% interest.*

borrowing /'bɒrəʊɪŋ/ *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 /'bɒrəʊɪŋ kɒsts/ *plural noun* the interest and other charges paid on money borrowed

borrowing power /'bɒrəʊɪŋ ,paʊə/ *noun* the amount of money which a company can borrow

borrowings /'bɒrəʊɪŋz/ *plural noun* money borrowed ○ *The company's borrowings have doubled.*

bottleneck /'bɒt(ə)nek/ *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)nek æk ,tɪvɪtɪ/ *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 'ʌp ,bʌdʒɪtɪŋ/ *noun* same as **participative budgeting**

bought day book /,bɔ:t 'deɪ ,bʊk/ *noun* a book used to record purchases made on credit

bought ledger /'bɔ:t ,ledʒə/ *noun* a book in which purchases are recorded

bought ledger clerk /,bɔ:t 'ledʒə ,klɔ:k/ *noun* an office employee who deals with the bought ledger or the sales ledger

bounce /baʊns/ *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 the 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 /'brɑ:ntʃ ə ,kaʊntɪŋ/ *noun* the fact of operating separate accounting systems for each department of an organisation

branch accounts /,brɑ:ntʃ ə 'kaʊnts/ *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 /bri:tʃ/ *noun* a failure to carry out the terms of an agreement

breach of contract /,bri:tʃ əv 'kɒntrækt/ *noun* the failure to do something which has been agreed in a contract

breach of trust /,bri:tʃ əv 'trʌst/ *noun* a situation where a person does not act correctly or honestly when people expect him or her to

break /breɪk/ *noun* **1.** a pause between periods of work ○ *She keyboarded for two hours without a break.* **2.** a sharp fall in share prices ■ **verb** **1.** 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 /,breɪk 'daʊn/ *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 /,breɪk 'i:v(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 /,breɪk 'ʌp/ *phrasal verb* to split something large into small sections ○ *The company was broken up and separate divisions sold off.*

breakages /'breɪkɪdʒɪz/ *plural noun* breaking of items ○ *Customers are expected to pay for breakages.*

breakdown /'breɪkdaʊn/ *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 /,breɪk 'i:v(ə)n/ *noun* a situation where there is neither a profit nor a loss

break-even analysis /,breɪk 'i:v(ə)n ə ,næləʊsɪs/ *noun* **1.** 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 /'breɪk ɪ:v(ə)n tʃɑ:t/ *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 /'breɪk ɪ:v(ə)n 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 /'breɪk ɪ:v(ə)n seɪlz/ *plural noun* a level of sales that neither generates profit nor incurs loss

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

break-up value /'breɪk ʌp vælju:/ *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 /braɪb/ *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 /'brɪks ən 'mɔ:tə/ *adjective* referring to the fixed assets of a company, especially its buildings

bridge finance /'brɪdʒ ʃaɪnæns/ *noun* loans to cover short-term needs

bridging loan /'brɪdʒɪŋ 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 /'brɪŋ 'daʊn/ *phrasal verb* to reduce ○ *Petrol companies have brought down the price of oil.*

bring forward /'brɪŋ 'fɔ:wəd/ *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 /'brɪŋ 'ɪn/ *phrasal verb* to earn an amount of interest ○ *The shares bring in a small amount.*

British Accounting Association /,brɪtɪʃ ə'kaʊntɪŋ ə,səʊsɪetɪ(ə)n/ an organisation whose aim is to promote accounting education and research in the United Kingdom. F. Abbreviation **BAA**

broker /'brəʊkə/ *noun* a dealer who acts as a middleman between a buyer and a seller

brokerage /'brəʊkərɪdʒ/ *noun* **1.** same as **broker's commission** **2.** same as **broking**

brokerage firm /'brəʊkərɪdʒ fɜ:m/, **brokerage house** /'brəʊkərɪdʒ haʊs/ *noun* a firm which buys and sells shares for clients

broker-dealer /,brəʊkə 'di:lə/ *noun* a dealer who buys shares and holds them for resale, and also deals on behalf of investor clients

broker's commission /,brəʊkəz kə 'mɪʃ(ə)n/ *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 /'brəʊkɪŋ/ *noun* the business of dealing in stocks and shares

brought down /brɔ:t 'dəʊn/, **brought forward** /,brɔ:t 'fɔ:wəd/ *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 /'bi: ʃeəz/ *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 /'bʌdʒɪt/ *noun* **1.** a plan of expected spending and income for a period of time ○ *to draw up a budget for salaries for the coming year* ○ *We have agreed on the budgets for next year.* **2.** □ **the Budget** the annual plan of taxes and government spending ○ *The minister put forward a budget 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 /'bʌdʒɪt ə'kaʊnt/ *noun* a bank account where you plan income and

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

budgetary /'bʌdʒɪt(ə)ri/ *adjective* referring to a budget

budgetary control /,bʌdʒɪt(ə)ri kən'trəʊl/ *noun* controlled spending according to a planned budget

budgetary policy /,bʌdʒɪt(ə)ri 'pɒləsi/ *noun* the policy of planning income and expenditure

budgetary requirements /,bʌdʒɪt(ə)ri rɪ'kwəɪəməntz/ *plural noun* the rate of spending or income required to meet the budget forecasts

budgetary slack /,bʌdʒɪt(ə)ri 'slæk/ *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 /,bʌdʒɪt 'sentə/ *noun* a part of an organisation for which a separate budget is prepared

budget committee /'bʌdʒɪt kə'mɪti/ *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 /'bʌdʒɪt kən'trəʊl/ *noun* the monitoring of a company's actual performance against its expected performance as detailed in a budget plan

Budget Day /'bʌdʒɪt deɪ/ *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 /'bʌdʒɪt 'defɪsɪt/ *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 /'bʌdʒɪt dɪ ,pɑ:təmənt/ *noun* a department in a large store which sells cheaper goods

budget director /'bʌdʒɪt daɪ'rektə/ *noun* the person in an organisation who is responsible for running the budget system

budgeted balance sheet /,bʌdʒɪtɪd 'bæləns ,ʃi:t/ *noun* a statement of company's estimated financial position at the end of a budgetary year

budgeted capacity /,bʌdʒɪtɪd kə 'pæsɪti/ *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 /,bʌdʒɪtɪd 'ɪnkʌm ,steɪtmənt/ *noun* a statement of a company's expected net income in a budgetary period

budgeted revenue /,bʌdʒɪtɪd 'revənju:/ *noun* the income that an organisation expects to receive in a budget period according to the budget

budget information /'bʌdʒɪt ,ɪnfəmeɪʃ(ə)n/ *noun* information about a company's expected future levels of income and expenditure

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

budgeting models /'bʌdʒɪtɪŋ ,mɒd(ə)lz/ *plural noun* mathematical models used in the planning of a budget and designed to generate a profit

budget lapsing /'bʌdʒɪt ,læpsɪŋ/ *noun* withdrawal by an authority of the unspent portion of an organization's budget allowance at the time the budget period expires

budget manual /'bʌdʒɪt ,mænʃuəl/ *noun* a handbook or set of documents that detail budgetary procedure for a company or organisation

budget period /'bʌdʒɪt ,pɪəriəd/ *noun* a period of time covered by a budget

budget planning calendar /'bʌdʒɪt ,plænɪŋ ,kælɪndə/ *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 /'bʌdʒɪt rɪ,pɔ:t/ *noun* a report that compares a company's actual performance with its budgeted performance for a given period

budget surplus /,bʌdʒɪt 'sɜ:pləs/ *noun* a situation where there is more revenue than was planned for in the budget

budget variance /'bʌdʒɪt ,veəriəns/ *noun* the difference between the cost as estimated for a budget and the actual cost

buffer stocks /'bʌfə stɒks/ *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 ,ɪntu:/ *phrasal verb* to include something in something which is being set up ○ *You must build all the forecasts*

into the budget.

build up /ˈbɪld ʼʌp/ *phrasal verb* **1.** to create something by adding pieces together ○ *She bought several shoe shops and gradually built up a chain.* **2.** to expand something gradually ○ *to build up a profitable business* ○ *to build up a team of sales representatives*

building and loan association /ˌbɪldɪŋ ən ˈləʊn ə, səʊsɪeɪʃ(ə)n/ *noun* **US** same as **building society**

building society /ˌbɪldɪŋ sə, sɪəti/ *noun* a financial institution which accepts and pays interest on deposits, and lends money to people who are buying property against the security of the property which is being bought ○ *We put our savings into a building society or into a building society account.* ○ *I have an account with the Nationwide Building Society.* ○ *I saw the building society manager to ask for a mortgage.* (NOTE: The US term is **savings and loan**.)

buildup /ˈbɪldʌp/ *noun* a gradual increase ○ *a buildup in sales or a sales buildup* ○ *There has been a buildup of complaints about customer service.*

built-in obsolescence /ˈbɪlt ɪn ɒbsə, ˌles(ə)n/ *noun* a method of ensuring continuing sales of a product by making it in such a way that it will soon become obsolete

bulk buying /ˌbʌlk ˈbaɪɪŋ/ *noun* the act of buying large quantities of goods at low prices

bullet bond /ˈbʊlɪt bɒnd/ *noun* **US** a Eurobond which is only redeemed when it is mature (NOTE: Bullet bonds are used in payments between central banks and also act as currency backing.)

Bulletin des Annonces Légales Obligatoires /ˌbʊlətən deɪz ə, nɒns lei, ˌgæl ˌɒblɪgəˈtwaɪ/ *noun* in France, an official bulletin in which companies make formal announcements to shareholders as required by law. Abbreviation **BALO**

bullet loan /ˈbʊlɪt ləʊn/ *noun* **US** a loan which is repaid in a single payment

bullion /ˈbʊliən/ *noun* a gold or silver bars ○ *A shipment of gold bullion was stolen from the security van.* ○ *The price of bullion is fixed daily.*

bumping /ˈbʌmpɪŋ/ *noun* **US** a lay-off procedure that allows an employee with greater seniority to displace a more junior employee ○ *The economic recession led to extensive bumping in companies where only the most qualified were retained for some jobs.* ○ *The trade unions strongly objected to bumping practices since they considered*

that many employees were being laid off unfairly.

Bundesfinanzhof /ˌbʊndəzfi ˈnæntʃshɔf/ *noun* the German Federal Finance Court

business /ˈbɪznɪs/ *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 /ˌbɪznɪs ə, kaʊntɪŋ dɪ, lɪbə ˈreɪʃ(ə)n, kaʊns(ə)l/ *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 /ˈbɪznɪs ə, dres/ *noun* the details of number, street, and city or town where a company is located

business angel /ˈbɪznɪs ˌeɪndʒəl/ *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 /ˈbɪznɪs ˌeɪndʒəl ˌnetwɜ:k/ *noun* a regional network of business angels

business centre /ˈbɪznɪs ˌsentə/ *noun* the part of a town where the main banks, shops and offices are located

business combination /ˌbɪznɪs ˌkɒmbɪˈneɪʃ(ə)n/ *noun* the process in which one or more businesses become subsidiaries of another business

business cycle /ˈbɪznɪs ˌsaɪk(ə)l/ *noun* the period during which trade expands, slows down and then expands again. Also called **trade cycle**

business day /ˈbɪznɪs deɪ/ *noun* a weekday when banks and stock exchanges are open for business

business entity concept /ˌbɪznɪs ˈentɪti ˌkɒnsɛpt/ *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 /ˈbɪznɪs ɪk ˌspensɪz/ *plural noun* money spent on running a business, not on stock or assets

business hours /'bɪznɪs ˌaʊəz/ *plural noun* the time when a business is open, usually 9.00 a.m. to 5.30 p.m.

business intelligence /'bɪznɪs ɪn ˌtelɪdʒ(ə)ns/ *noun* information that may be 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 /'bɪznɪs neɪm/ *noun* a name used by a company for trading purposes

business plan /'bɪznɪs 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 /'bɪznɪs ˌprɒpəti rɪˌlɪf/ *noun* in the United Kingdom, a reduction in the amount liable to inheritance tax on certain types of business property

business ratepayer /'bɪznɪs ˌreɪtpeɪə/ *noun* a business which pays local taxes on a shop, office, factory, etc.

business rates /'bɪznɪs reɪts/ *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 the local authority.

business review /'bɪznɪs rɪˌvjuː/ *noun* a report on business carried out over the past year. It forms part of the directors' report.

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

business transaction /'bɪznɪs træn ˌzækʃən/ *noun* an act of buying or selling

business travel /ˌbɪznɪs ˈtræv(ə)/ *noun* travel costs incurred in the course of work, as opposed to private travel or daily travel to your usual place of work

buy /baɪ/ *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 /ˌbaɪ 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 /ˌbaɪ 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 /'baɪbæk/ *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 /'baɪə/ *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 /'baɪəz ˌmɑːkɪt/ *noun* a market where products are sold cheaply because there are few people who want to buy them. Opposite **seller's market**

buying department /'baɪɪŋ dɪ ˌpɑːtmənt/ *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 /'baɪɪŋ ˌpaʊə/ *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 /'baɪaʊt/ *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' [Times]

'...in a normal leveraged buyout, the acquirer raises money by borrowing against the assets or cash flow of the target company' [Fortune]

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

by-product /'baɪ ˌprɒdʌkt/ *noun* a secondary product made as a result of manufacturing a main product which can be sold for profit

C

CA *abbreviation* chartered accountant

c/a *abbreviation* capital account

C/A *abbreviation* current account

calculate /'kælkjuleɪt/ *verb* **1.** to find the answer to a problem using numbers ○ *The bank clerk calculated the rate of exchange for the dollar.* **2.** to estimate ○ *I calculate that we have six months' stock left.*

calculation /,kælkjʊ'leɪf(ə)n/ *noun* the answer to a problem in mathematics ○ *According to my calculations, we have six months' stock left.* □ **we are £20,000 out in our calculations** we have made a mistake in our calculations and arrived at a figure which is £20,000 too much or too little

calendar variance /'kælɪndə'veəriəns/ *noun* variance which occurs if a company uses calendar months for the financial accounts but uses the number of actual working days to calculate overhead expenses in the cost accounts

calendar year /,kælɪndə'jɪə/ *noun* a year from the 1st January to 31st December

call /kɔ:l/ *noun* **1.** a demand for repayment of a loan by a lender **2.** a demand to pay for new shares which then become paid up ■ *verb* to ask for a loan to be repaid immediately

call in /,kɔ:l'ɪn/ *phrasal verb* **1.** to visit ○ *Their sales representative called in twice last week.* **2.** to ask for a debt to be paid

call up /,kɔ:l'ʌp/ *phrasal verb* to ask for share capital to be paid

callable bond /,kɔ:ləb(ə)'bɒnd/ *noun* a bond which can be redeemed before it matures

callable capital /,kɔ:ləb(ə)'kæpɪt(ə)/ *noun* the part of a company's capital which has not been called up

call account /'kɔ:l ə'kaʊnt/ *noun* a type of current account where money can be withdrawn without notice

call-back pay /'kɔ:l bæ'k ,peɪ/ *noun* pay given to an employee who has been called

back to work after his or her usual working hours

called up capital /,kɔ:ld ʌp 'kæpɪt(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.

'...a circular to shareholders highlights that the company's net assets as at August 1, amounted to £47.9 million – less than half the company's called-up share capital of £96.8 million. Accordingly, an EGM has been called for October 7' [*Times*]

call-in pay /'kɔ:l ɪn ,peɪ/ *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 /'kɔ:l ləʊn/ *noun* a bank loan repayable at call

call money /'kɔ:l ,mʌni/ *noun* money loaned for which repayment can be demanded without notice. Also called **money at call, money on call**

call option /'kɔ:l ,ɒpʃən/ *noun* an option to buy shares at a future date and at a specific price. Also called **call**

call price /'kɔ:l praɪs/ *noun* a price to be paid on redemption of a US bond

call provision /'kɔ:l prə'vɪʒ(ə)n/ *noun* a clause that allows a bond to be redeemed before its maturity date

call purchase /'kɔ:l ,pɜ:tʃɪs/, **call sale** /'kɔ:l seɪl/ *noun* a transaction where the seller or purchaser can fix the price for future delivery

calls in arrear /,kɔ:ls ɪn ə'rɪə/ *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 /kə'neɪʃən ,ɪnstɪtju:t əv ,tʃɑ:təd ə'kaʊntənts/ *noun* in Canada, the

principal professional accountancy body that is responsible for setting accounting standards. Abbreviation **CICA**

cap /kæp/ *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.* ■ *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 /kə'pæsiti/ *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 /kə'pæsiti kɒsts/ *plural noun* costs incurred to allow a company or produce more goods or services, e.g. the purchase of machinery or buildings

capacity management /kə'pæsiti ,mænɪdʒmənt/ *noun* management of the cost of a company's unused capacity, which does not rightly influence pricing

capacity requirements planning /kə ,pæsiti rɪ,kwaɪəmənts 'plænɪŋ/ *noun* planning that determines how much machinery and equipment is needed in order to meet production targets

capacity usage variance /kə,pæsiti 'ju:sɪdʒ ,veəriəns/ *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 /kə'pæsiti ,veəriəns/ *noun* variance caused by the difference between planned and actual hours worked

Caparo case /kə'pɑ:riəʊ ,keɪs/ *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 /'kæpɪt(ə)l/ *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 /'kæpɪt(ə)l ə,kəʊnt/ *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 /,kæpɪt(ə)l 'ædɪkwəsi/, **capital adequacy ratio** /,kæpɪt(ə)l 'ædɪkwəsi ,reɪʃjʊ/ *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 /,kæpɪt(ə)l ə 'laʊənsɪz/ *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 /,kæpɪt(ə)l ə ,pri:'eɪʃ(ə)n/ *noun* same as **appreciation**

capital asset pricing model /,kæpɪt(ə)l ,æset 'praɪsɪŋ ,mɒd(ə)l/ *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 /,kæpɪt(ə)l 'æsets/ *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 /'kæpɪt(ə)l beɪs/ *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 /,kæpɪt(ə)l 'bəʊnəs/ *noun* an extra payment by an insurance company which is produced by a capital gain

capital budget /,kæpɪt(ə)l 'bʌdʒɪt/ *noun* a budget for planned purchases of fixed assets during the next budget period

capital budgeting /,kæpɪt(ə)l 'bʌdʒɪtɪŋ/ *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 /,kæpɪt(ə)l kə 'mɪtmənts/ *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 /,kæpɪt(ə)l kən 'sʌmpf(ə)n/ *noun* in a given period, the total depreciation of a national economy's fixed assets based on replacement costs

capital costs /,kæpɪt(ə)l 'kɒsts/ *plural noun* expenses on the purchase of fixed assets

capital deepening /'kæpɪt(ə)l ,di:pəniŋ/ *noun* increased investment of capital in a business, without changing other factors of production. Also called **capital widening**

capital employed /,kæpɪt(ə)l ɪm'plɔɪd/ *noun* an amount of capital consisting of shareholders' funds plus the long-term debts of a business. \diamond **return on assets**

capital equipment /,kæpɪt(ə)l ɪ 'kwɪpmənt/ *noun* equipment which a factory or office uses to work

capital expenditure /,kæpɪt(ə)l ɪk 'spendɪtʃə/ *noun* money spent on fixed assets such as property, machines and furniture. Also called **capital investment**, **capital outlay**. Abbreviation **CAPEX**

capital expenditure budget /,kæpɪt(ə)l ɪk'spendɪtʃə ,bʌdʒɪt/ *noun* a budget for planned purchases of fixed assets during the budget period

capital flight /,kæpɪt(ə)l 'flaɪt/ *noun* the rapid movement of capital out of a country because of lack of confidence in that country's economic future in response to political unrest, war or other conditions. Also called **flight of capital**

capital gain /,kæpɪt(ə)l 'geɪn/ *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 /,kæpɪt(ə)l 'geɪnz ɪk'spensɪz/ *plural noun* expenses incurred in buying or selling assets, which can be deducted when calculating a capital gain or loss

capital gains tax /,kæpɪt(ə)l 'geɪnz tæks/ *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 individual has an annual capital gains tax allowance that exempts gains within that tax year below a stated level. In addition, certain assets may be exempt, e.g., a person's principal private residence and transfers of assets between spouses. Abbreviation **CGT**

capital goods /'kæpɪt(ə)l gʊdz/ *plural noun* machinery, buildings, and raw materials which are used to make other goods

capital inflow /,kæpɪt(ə)l 'ɪnfləʊ/ *noun* the movement of capital into a country by buying shares in companies, buying whole companies or other forms of investment

capital-intensive industry /,kæpɪt(ə)l ɪn'tensɪv ɪndəstri/ *noun* an industry which needs a large amount of capital investment in plant to make it work

capital investment /,kæpɪt(ə)l ɪn 'vestmənt/ *noun* same as **capital expenditure**

capital investment appraisal /,kæpɪt(ə)l ɪn'vestmənt ə'preɪz(ə)l/ *noun* an analysis of the future profitability of capital purchases as an aid to good management

capitalisation /,kæpɪt(ə)laɪ'zeɪʃ(ə)n/, **capitalization** *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 capitalisation**

'...she aimed to double the company's market capitalization' [*Fortune*]

capitalisation issue /,kæpɪtəlaɪ 'zeɪʃ(ə)n ɪʃuː/ *noun* same as **bonus issue**

capitalisation of costs /,kæpɪt(ə)laɪzeɪʃ(ə)n əv 'kɒsts/ *noun* the act of including costs usually charged to the profit and loss account in the balance sheet. The effect is that profits are higher than if such costs are matched with revenues in the same accounting period.

capitalisation of earnings /,kæpɪtəlaɪzeɪʃ(ə)n əv 'ɜːnɪŋz/ *noun* a method of valuing a business according to its expected future profits

capitalise /'kæpɪt(ə)laɪz/, **capitalize** *verb* **1.** to invest money in a working company \square **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 capitalized 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 \circ **We are seeking to capitalise on our market position.**

capitalism /'kæpɪt(ə)lɪz(ə)m/ *noun* the economic system 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

capitalist /'kæpɪt(ə)lɪst/ *adjective* working according to the principles of capitalism
 ○ *the capitalist system* ○ *the capitalist countries of world*

capitalist economy /,kæpɪt(ə)lɪst ɪ 'kɒnəmi/ *noun* 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 /'kæpɪt(ə)l lɪz/ *noun* a lease that gives the lessee substantial property rights

capital levy /,kæpɪt(ə)l 'levi/ *noun* a tax on the value of a person's property and possessions

capital loss /,kæpɪt(ə)l 'lɒs/ *noun* a loss made by selling assets. Opposite **capital gain**

capital maintenance concept /,kæpɪt(ə)l 'meɪntənəns kɒnsept/ *noun* a concept used to determine the definition of profit, that provides the basis for different systems of inflation accounting

capital market /,kæpɪt(ə)l 'mɑ:kɪt/ *noun* an international market where money can be raised for investment in a business

capital outlay /,kæpɪt(ə)l 'aʊtlei/ *noun* same as **capital expenditure**

capital profit /,kæpɪt(ə)l 'prɒfɪt/ *noun* a profit made by selling an asset

capital project /,kæpɪt(ə)l 'prɒdʒekt/ *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 /'kæpɪt(ə)l ,reɪʃiəʊ/ *noun* same as **capital adequacy**

capital rationing /'kæpɪt(ə)l ,ræʃ(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 /,kæpɪt(ə)l ,ri:kən'strʌkʃən/ *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 /,kæpɪt(ə)l rɪ'dempʃən rɪ,zɜ:v/ *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 /,kæpɪt(ə)l rɪ: ,ɔ:gənai'zeɪʃ(ə)n/ *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 /,kæpɪt(ə)l rɪ'zɜ:vz/ *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 /,kæpɪt(ə)l '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 /'kæpɪt(ə)l 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 /,kæpɪt(ə)l 'strʌktʃə/ *noun* the relative proportions of equity capital and debt capital within a company's balance sheet

capital surplus /'kæpɪt(ə)l ,sɜ:pələs/ *noun* the total value of shares in a company that exceeds the par value

capital tax /'kæpɪt(ə)l tæks/ *noun* a tax levied on the capital owned by a company, rather than on its spending. ◊ **capital gains tax**

capital-to-asset ratio /,kæpɪt(ə)l tʊ 'æset ,reɪʃiəʊ/, **capital/asset ratio** *noun* same as **capital adequacy**

capital transactions /,kæpɪt(ə)l træn 'zækʃ(ə)nz/ *plural noun* transactions affecting non-current items such as fixed assets, long-term debt or share capital, rather than revenue transactions

capital transfer tax /,kæpɪt(ə)l 'trænsfɜ:tæks/ *noun* in the United Kingdom, a tax on the transfer of assets that was replaced in 1986 by inheritance tax

capital turnover ratio /,kæpɪt(ə)l 'tɜ:nəʊvə ,reɪʃiəʊ/ *noun* turnover divided by average capital during the year

capital widening /'kæpɪt(ə)l ,waɪd(ə)nɪŋ/ *noun* same as **capital deepening**

CAPM *abbreviation* capital asset pricing model

capped floating rate note /,kæpt 'fləʊtɪŋ reɪt ,nəʊt/ *noun* a floating rate note which has an agreed maximum rate

captive market /,kæptɪv 'mɑ:kɪt/ *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 /'kæərɪdʒ/ *noun* the transporting of goods from one place to another ○ *to pay for carriage*

carriage forward /,kæərɪdʒ 'fɔ:wəd/ *noun* a deal where the customer pays for transporting the goods

carriage free /,kæərɪdʒ 'fri:/ *noun* a deal where the customer does not pay for the shipping

carriage inwards /,kæərɪdʒ 'ɪnwədʒ/ *noun* delivery expenses incurred through the purchase of goods

carriage outwards /,kæərɪdʒ 'aʊtwədʒ/ *noun* delivery expenses incurred through the sale of goods

carriage paid /,kæərɪdʒ 'peɪd/ *noun* a deal where the seller has paid for the shipping

carry /'kæəri/ *noun* the cost of borrowing to finance a deal

carry back /,kæəri 'bæk/ *phrasal verb* to take back to an earlier accounting period

carry down /,kæəri 'daʊn/, **carry forward** /,kæəri 'fɔ:wəd/ *phrasal verb* to take an account balance at the end of the current period as the starting point for the next period

carry forward /,kæəri 'fɔ:wəd/ *phrasal verb* to take an account balance at the end of the current period or page as the starting point for the next period or page

carrying cost /'kæərɪŋ kɒst/ *noun* any expense associated with holding stock for a given period, e.g., from the time of delivery to the time of dispatch. Carrying costs will include storage and insurance.

carrying value /'kæərɪŋ ,vælju:/ *noun* same as **book value**

carry-over /'kæəri ,əʊvə/ *noun* the stock of a commodity held at the beginning of a new financial year

cartel /kɑ:'teɪl/ *noun* a group of companies which try to fix the price or to regulate the supply of a product so that they can make more profit

cash /kæʃ/ *noun* **1.** money in the form of coins or notes **2.** the using of money in coins or notes ■ *verb* □ **to cash a cheque** to exchange a cheque for cash

cash in /,kæʃ 'ɪn/ *phrasal verb* to sell shares or other property for cash

cash in on /,kæʃ '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 up**

cash up /,kæʃ 'ʌp/ *phrasal verb* to add up the cash in a shop at the end of the day

cashable /'kæʃəb(ə)l/ *adjective* able to be

cashied ○ *A crossed cheque is not cashable at any bank.*

cash account /'kæʃ ə,kəʊnt/ *noun* an account which records the money which is received and spent

cash accounting /,kæʃ ə'kaʊntɪŋ/ *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 /,kæʃ əd'vɑ:ns/ *noun* a loan in cash against a future payment

cash and carry /,kæʃ ən 'kæəri/ *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

'...the small independent retailer who stocks up using cash and carries could be hit hard by the loss of footfall associated with any increase in smuggled goods' [*The Grocer*]

cash at bank /,kæʃ ət 'bæŋk/ *noun* the total amount of money held at the bank by an individual or company

cashback /'kæʃbæk/ *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 cash-back rebate.' [*BusinessWeek*]

cash balance /'kæʃ ,bæləns/ *noun* a balance that represents cash alone, as distinct from a balance that includes money owed but as yet unpaid

cash basis /'kæʃ ,beɪsɪs/ *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 /'kæʃ ,bʌdʒɪt/ *noun* a plan of cash income and expenditure. Also called **cash-flow budget**

cash card /'kæʃ kɑ:d/ *noun* a plastic card used to obtain money from a cash dispenser

cash cow /'kæʃ kaʊ/ *noun* a product or subsidiary company that consistently generates good profits but does not provide growth

cash discount /,kæʃ 'dɪskaʊnt/ *noun* a discount given for payment in cash. Also called **discount for cash**

cash dispenser /'kæʃ dɪˌspensə/ *noun* a machine which gives out money when a special card is inserted and instructions given

cash dividend /,kæʃ 'dɪvɪdend/ *noun* a dividend paid in cash, as opposed to a dividend in the form of bonus shares

cash economy /,kæʃ ɪ'kɒnəmi/ *noun* a black economy, where goods and services are paid for in cash, and therefore not declared for tax

cash equivalent /,kæʃ ɪ'kwɪvələnt/ *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 /,kæʃ ɪ'kwɪvələnts/ *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 /'kæʃ fləʊt/ *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 /'kæʃ fləʊ/ *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 /'kæʃ fləʊ əˌkaʊntɪŋ/ *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 /'kæʃ fləʊ ˌbʌdʒɪt/ *noun* same as **cash budget**

cash-flow forecast /'kæʃ fləʊ ˌfɔ:kɑ:st/ *noun* a forecast of when cash will be received or paid out

cash-flow ratio /'kæʃ fləʊ ˌreɪʃiəʊ/ *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 /'kæʃ fləʊ ˌrɪsk/ *noun* the risk that a company's available cash will not be sufficient to meet its financial obligations

cash-flow statement /'kæʃ fləʊ ˌsteɪtmənt/ *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 /,kæʃ fləʊ tə ˈdet ˌreɪʃiəʊ/ *noun* a ratio that indicates a company's ability to pay its debts, often used as an indicator of bankruptcy

cash fraction /,kæʃ ˈfrækʃən/ *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 /'kæʃ ˌdʒenəreɪtɪŋ ˌju:nɪt/ *noun* the smallest identifiable group of assets that generates cash inflows and outflows that can be measured

cashier /kæ'ʃɪə/ *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 /kæ,ʃɪəz ˈtʃek/ *noun* *US* a bank's own cheque, drawn on itself and signed by a cashier or other bank official

cash inflow /,kæʃ ˈɪnfləʊ/ *noun* receipts of cash or cheques

cash items /'kæʃ ˌaɪtəmz/ *plural noun* goods sold for cash

cashless society /,kæʃləs sə'saɪətɪ/ *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 /'kæʃ ˌlɪmɪt/ *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 /'kæʃ ˌɒfə/ *noun* an offer to pay in cash, especially an offer to pay cash when buying shares in a takeover bid

cash outflow /,kæʃ ˈaʊtfləʊ/ *noun* expenditure in cash or cheques

cash payment /'kæʃ ˌpeɪmənt/ *noun* payment in cash

cash payments journal /'kæʃ ˌpeɪmənts ˌdʒɜ:n(ə)l/ *noun* a chronological record of all the payments that have been made from a company's bank account

cash position /'kæʃ pəˌzɪʃ(ə)n/ *noun* a state of the cash which a company currently has available

cash price /'kæʃ praɪs/ *noun* **1.** a lower price or better terms which apply if the customer pays cash **2.** same as **spot price**

cash purchase /'kæʃ ˌpɜ:tʃɪs/ *noun* a purchase made for cash

cash receipts journal /'kæʃ rɪˌsɪ:ts ˌdʒɜ:n(ə)l/ *noun* a chronological record of all the receipts that have been paid into a company's bank account

cash register /'kæʃ ˌredʒɪstə/ *noun* a machine which shows and adds the prices of items bought, with a drawer for keeping the cash received

cash reserves /'kæʃ rɪˌzɜ:vz/ *plural noun* 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 /'kæʃ seɪl/ *noun* a transaction paid for in cash

cash surrender value /ˌkæʃ sə'rendə ˌvælju:/ *noun* the amount of money that an insurance company will pay a policyholder who chooses to terminate a policy before the maturity date

cash terms /'kæʃ tɜ:mz/ *plural noun* lower terms which apply if the customer pays cash

cash-to-current-liabilities ratio /ˌkæʃ tə ˌkʌrənt ˌlaɪə'bɪlɪtɪz ˌreɪʃɪv/ *noun* a ratio that indicates a company's ability to pay its short-term debts, often used as an indicator of liquidity

cash transaction /'kæʃ trænˌzækʃən/ *noun* a transaction paid for in cash, as distinct from a transaction paid for by means of a transfer of a financial instrument

cash voucher /'kæʃ ˌvaʊtʃə/ *noun* a piece of paper which can be exchanged for cash ○ *With every \$20 of purchases, the customer gets a cash voucher to the value of \$2.*

casting vote /ˌkɑ:stɪŋ ˌvəʊt/ *noun* a vote used by the chairman in the case where the votes for and against a proposal are equal ○ *The chairman has the casting vote.* ○ *She used her casting vote to block the motion.*

casual labour /ˌkæʒuəl ˌleɪbə/ *noun* workers who are hired for a short period

casual work /ˌkæʒuəl wɜ:k/ *noun* work where the employees are hired only for a short period

casual worker /ˌkæʒuəl ˌwɜ:kə/ *noun* an employee who can be hired for a short period

CAT *abbreviation* certified accounting technician

CCA *abbreviation* current cost accounting

CCAB *abbreviation* Consultative Committee of Accountancy Bodies

CD *abbreviation* certificate of deposit

ceiling /'si:lɪŋ/ *noun* the highest point that something can reach, e.g. the highest rate of a pay increase ○ *to fix a ceiling for a budget* ○ *There is a ceiling of \$100,000 on deposits.* ○ *Output reached its ceiling in June and has since fallen back.* ○ *What ceiling has the government put on wage increases this year?*

central bank /ˌsentrəl ˌbæŋk/ *noun* 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

central bank discount rate /ˌsentrəl ˌbæŋk ˌdɪskaʊnt reɪt/ *noun* the rate at which a central bank discounts bills such as Treasury bills

central bank intervention /ˌsentrəl ˌbæŋk ˌɪntə'venʃ(ə)n/ *noun* 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

central government /ˌsentrəl ˌgʌv(ə)nmənt/ *noun* the main government of a country as opposed to municipal, local, provincial or state governments

centralise /ˌsentrəlaɪz/ *verb* to organise from a central point ○ *All purchasing has been centralised in our main office.* ○ *The company has become very centralised, and far more staff work at headquarters.*

central purchasing /ˌsentrəl ˌpɜ:tʃɪsɪŋ/ *noun* purchasing organised by a central office for all branches of a company

centre /ˈsentə/ *noun* a department, area or function to which costs and/or revenues are charged (NOTE: The US spelling is **center**.)

CEO *abbreviation* chief executive officer

certain annuity /ˌsɜ:t(ə)n ə'nju:ɪti/ *noun* an annuity which will be paid for a specific number of years only

certificate /sə'tɪfɪkət/ *noun* an official document carrying an official declaration by someone, and signed by that person

certificated bankrupt /sə'tɪfɪkətɪd ˌbæŋkrʌpt/ *noun* a bankrupt who has been discharged from bankruptcy with a certificate to show that he or she was not at fault

certificate of approval /sə'tɪfɪkət əv ə ˌpru:v(ə)l/ *noun* a document showing that an item has been approved officially

certificate of deposit /sə'tɪfɪkət əv dɪ ˌpɒzɪt/ *noun* a document from a bank showing that money has been deposited at a guar-

anteed 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' [*Nikkei Weekly*]

certificate of incorporation /sə, tɪfɪkət əv ɪn, kɔ:pə'reɪf(ə)n/ *noun* a document issued by Companies House to show that a company has been legally set up and officially registered

certificate of origin /sə, tɪfɪkət əv 'ɔrɪdʒɪn/ *noun* a document showing where imported goods come from or were made

certificate of quality /sə, tɪfɪkət əv 'kwɒlɪti/ *noun* a certificate showing the grade of a soft commodity

certificate of registration /sə, tɪfɪkət əv ,redʒɪ'streɪf(ə)n/ *noun* a document showing that an item has been registered

certificate to commence business /sə, tɪfɪkət tə kə, mens 'bɪznɪs/ *noun* a document issued by the Registrar of Companies which allows a registered company to trade

certified accountant /, sɜ:tɪfaɪd ə 'kaʊntənt/ *noun* an accountant who has passed the professional examinations and is a member of the Association of Certified Chartered Accountants (ACCA)

certified accounting technician /, sɜ:tɪfaɪd ə, kaʊntɪŋ tek'nɪf(ə)n/ *noun* a person who has passed the first stage course of the Association of Chartered Certified Accountants (ACCA). Abbreviation **CAT**

certified cheque /, sɜ:tɪfaɪd 'tʃek/ *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 /, sɜ:tɪfaɪd ,pʌblɪk ə'kaʊntənt/ *noun* US same as **chartered accountant**

certify /'sɜ:tɪfaɪ/ *verb* to make an official declaration in writing ○ *I certify that this is a true copy.* ○ *The document is certified as a true copy.* (NOTE: **certifies** – **certifying** – **certified**)

cessation /se'seɪf(ə)n/ *noun* the stopping of an activity or work

cession /'seɪf(ə)n/ *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 /'tʃeəmən/ *noun* **1.** a person who is in charge of a meeting ○ *Mr Howard was chairman or acted as chairman.* **2.** a person who presides over the board meetings of a company ○ *the chairman of the board or the company chairman* □ **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 /, tʃeɪmbər əv 'kɒmɜ:s/ *noun* an organisation of local business people who work together to promote and protect common interest in trade

Chancellor of the Exchequer /, tʃɑ:nsələr əv ði: ɪks'tʃekə/ *noun* 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. ▽ **exchange** □ **to give someone change for £10** to give someone coins or notes in exchange for a ten pound note **2.** money given back by the seller, when the buyer can pay only with a larger note or coin than the amount asked ○ *She gave me the wrong change.* ○ *You paid the £5.75 bill with a £10 note, so you should have £4.25 change.* **3.** an alteration of the way something is done or of the way work is carried out □ **change in accounting principles** using a method to state a company's accounts which is different from the method used in the previous accounts. This will have to be agreed with the auditors, and possibly with the Inland Revenue. ■ **verb** **1.** □ **to change a £20 note** to give someone smaller notes or coins in place of a £20 note **2.** to give one type of currency for another ○ *to change £1,000 into dollars* ○ *We want to change some traveller's cheques.*

change in accounting estimate /, tʃeɪndʒ ɪn ə'kaʊntɪŋ ,estɪmət/ *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

change machine /'tʃeɪndʒ məʃiːn/ *noun* a machine which gives small change for a note or larger coin

channel /'tʃæn(ə)l/ *noun* a means by which information or goods pass from one place to another

CHAPS /tʃæps/ *noun* an electronic, bank-to-bank payment system that guarantees same-day payment. Compare **BACS**

Chapter 7 /,tʃæptə 'sevən/ *noun* a section of the US Bankruptcy Reform Act 1978, which sets out the rules for liquidation, a choice available to individuals, partnerships and corporations

Chapter 11 /,tʃæptə 'ten/ *noun* a section of the US Bankruptcy Reform Act 1978, which allows a corporation to be protected from demands made by its creditors for a period of time, while it is reorganised with a view to paying its debts

Chapter 13 /,tʃæptə θɜːr'tiːn/ *noun* a section of the Bankruptcy Reform Act 1978, which allows a business to continue trading and to pay off its creditors by regular monthly payments over a period of time

charge /tʃɑːdʒ/ *noun* **1.** money which must be paid, or the price of a service ○ *to make no charge for delivery* ○ *to make a small charge for rental* ○ *There is no charge for this service* or *No charge is made for this service.* **2.** a guarantee of security for a loan, for which assets are pledged **3.** a sum deducted from revenue in the profit and loss account ■ *verb* **1.** to ask someone to pay for services later **2.** to ask for money to be paid ○ *to charge \$5 for delivery* ○ *How much does he charge?* □ **he charges £16 an hour** he asks to be paid £16 for an hour's work **3.** to take something as guarantee for a loan **4.** to record an expense or other deduction from revenue in the profit and loss account

chargeable /'tʃɑːdʒəb(ə)l/ *adjective* able to be charged ○ *repairs chargeable to the occupier*

chargeable asset /,tʃɑːdʒəb(ə)l 'æset/ *noun* an asset which will produce a capital gain when sold. Assets which are not chargeable include your family home, cars, and some types of investments such as government stocks.

chargeable business asset /,tʃɑːdʒəb(ə)l 'bɪznɪs ,æset/ *noun* an asset which is owned by a business and is liable to capital gains if sold

chargeable gains /,tʃɑːdʒəb(ə)l 'geɪnz/ *plural noun* gains made by selling an asset such as shares, on which capital gains will be charged

chargeable transfer /,tʃɑːdʒəb(ə)l 'trænsfɜː/ *noun* in the United Kingdom, gifts that are liable to inheritance tax. Under UK legislation, individuals may gift assets to a certain value during their lifetime without incurring any liability to inheritance tax. These are regular transfers out of income that do not affect the donor's standard of living. Additionally, individuals may transfer up to £3,000 a year out of capital.

charge account /'tʃɑːdʒ ə ,kaʊnt/ *noun* *US* same as **credit account** (NOTE: The customer will make regular monthly payments into the account and is allowed credit of a multiple of those payments.)

charge and discharge accounting /,tʃɑːdʒ ə n 'dɪstʃɑːdʒ ə ,kaʊntɪŋ/ *noun* formerly, a bookkeeping system in which a person charges himself or herself with receipts and credits himself or herself with payments. This system was used extensively in medieval times before the advent of double-entry bookkeeping.

charge by way of legal mortgage /,tʃɑːdʒ baɪ weɪ ə v ,liːg(ə)l 'mɔːɪdʒ/ *noun* a way of borrowing money on the security of a property, where the mortgagor signs a deed which gives the mortgagee an interest in the property

charge card /'tʃɑːdʒ kɑːd/ *noun* a card issued to customers by a shop, bank or other organisation, used to charge purchases to an account for later payment. ◊ **credit card**

chargee /tʃɑː'dʒiː/ *noun* a person who has the right to force a debtor to pay

charges forward /,tʃɑːdʒɪz 'fɔːwəd/ *plural noun* charges which will be paid by the customer

charitable /'tʃærɪtəb(ə)l/ *adjective* benefiting the general public as a charity

charitable deductions /,tʃærɪtəb(ə)l dɪ'dʌkʃ(ə)nɪz/ *plural noun* deductions from taxable income for contributions to charity

charitable purposes /,tʃærɪtəb(ə)l 'pɜːrəʊzɪz/ *plural noun* the purpose of supporting work done by a charitable organisation, for which purpose money donated, or the value of services contributed, may be offset against tax

charitable trust /'tʃærɪtəb(ə)l trʌst/, **charitable corporation** /,tʃærɪtəb(ə)l ,kɔːpə'reɪʃ(ə)n/ *noun* a trust which benefits the public as a whole, which promotes education or religion, which helps the poor or which does other useful work

charity /'tʃærɪti/ *noun* an organisation which offers free help or services to those in need ○ *Because the organisation is a charity*

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

charity accounts /,ɪtʃærɪtɪ ə'kaʊnts/ *plural noun* the accounting records of a charitable institution, that include a statement of financial activities rather than a profit and loss account. In the United Kingdom, the accounts should conform to the requirements stipulated in the Charities Act (1993).

Charity Commissioners /'tʃærɪtɪ kə ,mɪʃ(ə)nəz/ *plural noun* the UK body which governs charities and sees that they follow the law and use their funds for the purposes intended

chart /tʃɑ:t/ *noun* a diagram displaying information as a series of lines, blocks, etc.

charter /'tʃɑ:tə/ *noun* **1.** a document giving special legal rights to a group ○ *a shoppers' charter or a customers' charter* **2.** *US* in the US, a formal document incorporating an organisation, company or educational institution

chartered /'tʃɑ:təd/ *adjective* **1.** in the UK, used to describe a company which has been set up by charter, and not registered under the Companies Act ○ *a chartered bank* **2.** in the US, used to describe an incorporated organisation, company or educational institution that has been set up by charter

chartered accountant /,tʃɑ:təd ə 'kaʊntənt/ *noun* an accountant who has passed the necessary professional examinations and is a member of the Institute of Chartered Accountants. Abbreviation **CA**

Chartered Association of Certified Accountants /,tʃɑ:təd ə,səʊsiəɪf(ə)n əv ,sɜ:tɪfaɪd ə'kaʊntənts/ *noun* the former name of the Association of Chartered Certified Accountants

chartered bank /,tʃɑ:təd 'bæŋk/ *noun* a bank which has been set up by government charter, formerly used in England, but now only done in the USA and Canada

chartered company /,tʃɑ:təd 'kʌmp(ə)ni/ *noun* a company which has been set up by royal charter, and not registered under the Companies Act

Chartered Institute of Management Accountants /,tʃɑ:təd ,ɪnstɪtju: əv ,mænɪdʒmənt ə'kaʊntənts/ *noun* a UK organisation responsible for the education and training of management accountants who work in industry, commerce, not-for-profit and public sector organisations

Chartered Institute of Public Finance and Accountancy /,tʃɑ:təd

,ɪnstɪtju: əv ,pʌblɪk ,faɪnəns ən ə 'kaʊntənsi/ full form of **CIPFA**

Chartered Institute of Taxation /,tʃɑ:təd ,ɪnstɪtju: əv tæk'seɪf(ə)n/ *noun* in the United Kingdom, an organisation for professionals in the field of taxation, formerly the Institute of Taxation

charting /'tʃɑ:tɪŋ/ *noun* the work of using charts to analyse information such as stock market trends and forecast future rises or falls

chart of accounts /,tʃɑ:t əv ə'kaʊnts/ *noun* a detailed and ordered list of an organisation's numbered or named accounts, providing a standard list of account codes for assets, liabilities, capital, revenue and expenses

chattel mortgage /'tʃæt(ə)l ,mɔ:ɡɪdʒ/ *noun* money lent against the security of an item purchased, but not against real estate

chattels real /,tʃæt(ə)lz 'rɪəl/ *plural noun* leaseholds

cheap money /,tʃi:p 'mʌni/ *noun* money which can be borrowed at a low rate of interest

cheat /tʃi:t/ *verb* to trick someone so that he or she loses money ○ *He cheated the Inland Revenue out of thousands of pounds.* ○ *She was accused of cheating clients who came to ask her for advice.*

check /tʃek/ *verb* **1.** to stop or delay something ○ *to check the entry of contraband into the country* ○ *to check the flow of money out of a country* **2.** to examine or to investigate something ○ *to check that an invoice is correct* ○ *to check and sign for goods* □ *she checked the computer printout against the invoices* she examined the printout and the invoices to see if the figures were the same **3.** *US* to mark something with a sign to show that it is correct ○ *check the box marked 'R'* (NOTE: The UK term is **tick**.)

checkable /'tʃekəb(ə)/ *adjective* *US* referring to a deposit account on which checks can be drawn

checkbook /'tʃekbʊk/ *noun* *US* same as **cheque book**

check card /'tʃek kɑ:d/ *noun* *US* same as **cheque card**

checking account /'tʃekɪŋ ə'kaʊnt/ *noun* *US* same as **current account** **1**

check routing symbol /'tʃek ,ru:ɪŋ ,sɪmbəl/ *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 ○ *a cheque for £10 or a £10 cheque* (NOTE: The US spelling is **check**.)

cheque account /ˈtʃek əˌkaʊnt/ *noun* same as **current account**

cheque book /ˈtʃek bʊk/ *noun* a booklet with new blank cheques (NOTE: The usual US term is **checkbook**.)

cheque card /ˈtʃek kɑːd/, **cheque guarantee card** /ˈtʃek ˌgærənˈtiː kɑːd/ *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 /ˈtʃek ˌrekwɪzɪʃ(ə)n/ *noun* an official note from a department to the company accounts staff asking for a cheque to be written

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

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

chief executive /ˈtʃiːf ɪɡˈzɛkjʊtɪv/,

chief executive officer /ˈtʃiːf ɪɡˌzɛkjʊtɪv ˈɒfɪsəl/ *noun* the most important director in charge of a company. Abbreviation **CEO**

chief financial officer /ˈtʃiːf faɪ ˈnænʃəl ˌɒfɪsəl/ *noun* an executive in charge of a company's financial operations, reporting to the CEO. Abbreviation **CFO**

chief investment officer /ˈtʃiːf ɪn ˈvestmənt ˌɒfɪsəl/ *noun* a senior manager responsible for monitoring a company's investment portfolio

chief operating officer /ˈtʃiːf ˈɒpəreɪtɪŋ ˌɒfɪsəl/ *noun* a director in charge of all a company's operations (same as a 'managing director'). Abbreviation **COO**

Chief Secretary to the Treasury /ˈtʃiːf ˌsekrətəri tə ðə ˈtrez(ə)rɪ/ *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 /ˈtʃaɪniːz ˈwɔːlz/ *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 /tʃɒp/ *noun* a mark made on a document to show that it has been agreed,

acknowledged, paid or that payment has been received

chose /tʃəʊz/ *phrase* a French word meaning 'item' or 'thing'

chose in action /ˌtʃəʊz ɪn 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

chose in possession /ˌtʃəʊz ɪn pə ˈzeɪʃ(ə)n/ the legal term for a physical thing which can be owned, such as a piece of furniture

Christmas bonus /ˌkrɪsməs ˈbʊnəs/ *noun* an extra payment made to staff at Christmas

chronological order /ˌkrɒnələdʒɪk(ə)l ˈɔːdə/ *noun* the arrangement of records such as files and invoices in order of their dates

CICA *abbreviation* Canadian Institute of Chartered Accountants

CIMA /ˈsiːmə/ *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 /ˌsɜːkjʊləraɪzeɪʃ(ə)n əv ˈdetəz/ *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 /ˌsɜːkjʊlə ˌletə əv ˈkredit/ *noun* a letter of credit sent to all branches of the bank which issues it

circulating capital /ˌsɜːkjʊləɪtɪŋ ˈkæpɪt(ə)l/ *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 /ˌsɜːkjʊləɪʃ(ə)n əv ˈkæpɪt(ə)l/ *noun* a movement of capital from one investment to another

City Panel on Takeovers and Mergers /ˌsɪti ˌpæn(ə)l ɒn ˌteɪkəʊvəz ən ˈmɜːdʒəz/ *noun* same as **Takeover Panel**

civil action /ˌsɪv(ə)l ˈækʃən/ *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 ■ *verb* **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 /'kleɪm fɔ:m/ *noun* a form which has to be filled in when making an insurance claim

claims department /'kleɪmz dɪ ,pɑ:tmənt/ *noun* a department of an insurance company which deals with claims

claims manager /'kleɪmz ,mæni:dʒə/ *noun* the manager of a claims department

classical system of corporation tax /,klæsɪk(ə)l ,sɪstəm əv ,kɔ:pə'reɪʃ(ə)n ,tæks/ *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 /,klæsɪfɪkeɪʃ(ə)n əv 'æsets/ *noun* the process of listing a company's assets under appropriate categories

classification of liabilities /,klæsɪfɪkeɪʃ(ə)n əv ,lɪə'bɪlɪtɪz/ *noun* the process of classifying liabilities by the date or period when they are due

classified stock /'klæsɪfaɪd stɒk/ *noun* a company's common stock when it is divided into categories

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

class of assets /,klɑ:s əv 'æsets/ *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 /klo:z/ *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 /,klɔ: 'bæk/ *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 /'klɔ:bæk/ *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 /'kli:n fləʊt/ *noun* an act of floating a currency freely on the international markets, without any interference from the government

clean opinion /,kli:n ə'pɪnjən/, **clean report** /,kli:n rɪ'pɔ:t/ *noun* an auditor's report that is not qualified

clearance certificate /'klɪərəns sə ,tɪfɪkət/ *noun* a document showing that goods have been passed by customs

clearance sale /'klɪərəns seɪl/ *noun* a sale of items at low prices to get rid of stock

clearing /'klɪərɪŋ/ *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 account /'klɪərɪŋ ə,kəʊnt/ *noun* a temporary account containing amounts to be transferred to other accounts at a later date

clearing agency /'klɪərɪŋ ,eɪdʒənsɪ/ *noun* US central office where stock exchange or commodity exchange transactions are settled (NOTE: The UK term is **clearing house**.)

clearing bank /'klɪərɪŋ 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 /'klɪərɪŋ haʊs/ *noun* a central office where clearing banks exchange cheques, or where stock exchange or commodity exchange transactions are settled

Clearing House Automated Payments System /,klɪərɪŋ haʊs ,ɔ:təmeɪtɪd 'peɪmənts ,sɪstəm/ *noun* full form of **CHAPS**

clearing system /'klɪərɪŋ ,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 /,klɪə 'prɒfɪt/ *noun* a profit after all expenses have been paid ○ *We made \$6,000 clear profit on the deal.*

clerical error /ˌklerɪk(ə)l 'erə/ *noun* a mistake made by someone doing office work

client /ˈklaɪənt/ *noun* a person with whom business is done or who pays for a service ○ *One of our major clients has defaulted on her payments.*

client account /ˈklaɪənt əˌkaʊnt/ *noun* a bank account opened by a solicitor or estate agent to hold money on behalf of a client

clientele /ˌkliːnə'tel/ *noun* all the clients of a business or all the customers of a shop

close /kloʊz/ *verb* **1.** □ **to close the accounts** to come to the end of an accounting period and make up the profit and loss account **2.** to bring something to an end □ **she closed her building society account** she took all the money out and stopped using the account

close company /ˌkləʊs 'kʌmp(ə)ni/ *noun* a privately owned company controlled by a few shareholders (in the UK, fewer than five) where the public may own a small number of the shares (NOTE: The US term is **close corporation** or **closed corporation**.)

closed economy /ˌkləʊzd ɪ'kɒnəmi/ *noun* a type of economy where trade and financial dealings are tightly controlled by the government

closed-end credit /ˌkləʊzd end 'kredit/ *noun* a loan, plus any interest and finance charges, that is to be repaid in full by a specified future date. Loans that have property or motor vehicles as collateral are usually closed-end. † **revolving credit** (NOTE: Most loans for the purchase of property or motor vehicles are closed-end credits.)

closed-end fund /ˌkləʊzd end 'fʌnd/ *noun* an investment fund shares in which can only be bought and sold on the open market

closed fund /ˌkləʊzd 'fʌnd/ *noun* a fund, such as an investment trust, where the investor buys shares in the trust and receives dividends. This is as opposed to an open-ended trust, such as a unit trust, where the investor buys units, and the investment is used to purchase further securities for the trust.

closed market /ˌkləʊzd 'mɑːkɪt/ *noun* a market where a supplier deals only with one agent or distributor and does not supply any others direct ○ *They signed a closed-market agreement with an Egyptian company.*

close-ended /ˌkləʊs 'endɪd/, **closed-end** /ˌkləʊzd end/ *adjective* referring to an investment which has a fixed capital, such as an investment trust

closely held /ˌkləʊsli 'held/ *adjective* referring to shares in a company which are controlled by only a few shareholders

close off /ˌkləʊz 'ɒf/ *verb* to come to the end of an accounting period and make up the profit and loss account

closing /ˈkloʊzɪŋ/ *adjective* **1.** final or coming at the end **2.** at the end of an accounting period ○ *At the end of the quarter the bookkeeper has to calculate the closing balance.* ■ *noun* □ **the closing of an account** the act of stopping supply to a customer on credit

closing balance /ˌkləʊzɪŋ 'bæləns/ *noun* the balance at the end of an accounting period

closing-down sale /ˌkləʊzɪŋ 'daʊn ,seɪl/ *noun* the sale of goods when a shop is closing for ever

closing entries /ˌkləʊzɪŋ 'entriːz/ *noun* in a double-entry bookkeeping system, entries made at the very end of an accounting period to balance the expense and revenue ledgers

closing out /ˌkləʊzɪŋ 'aʊt/ *noun* US the act of selling goods cheaply to try to get rid of them

closing rate /ˌkləʊzɪŋ reɪt/ *noun* the exchange rate of two or more currencies at the close of business of a balance sheet date, e.g. at the end of the financial year

closing-rate method /ˈkləʊzɪŋ reɪt ,meθəd/ *noun* a technique for translating 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.

closing stock /ˌkləʊzɪŋ 'stɒk/ *noun* a business's remaining stock at the end of an accounting period. It includes finished products, raw materials, or work in progress and is deducted from the period's costs in the balance sheets. ○ *At the end of the month the closing stock was 10% higher than at the end of the previous month.*

closure /ˈkləʊzə/ *noun* the act of closing

C/N *abbreviation* credit note

CNCC *abbreviation* Compagnie Nationale des Commissaires aux Comptes

co- /kəʊ/ *prefix* working or acting together

CoCoA *abbreviation* continuously contemporary accounting

co-creditor /ˌkəʊ 'kreditə/ *noun* a person who is a creditor of the same company as you are

code /kəʊd/ *noun* **1.** a system of signs, numbers, or letters which mean something **2.** a set of rules

code of practice /ˌkəʊd 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 /'kəʊdɪsɪl/ *noun* a document executed in the same way as a will, making additions or changes to an existing will

coding /'kəʊdɪŋ/ *noun* the act of putting a code on something ○ *the coding of invoices*

coding of accounts /ˌkəʊdɪŋ əv ə 'kaʊnts/ *noun* the practice of assigning codes to the individual accounts that make up the accounting system of a large company

co-director /'kəʊ daɪ'rektə/ *noun* a person who is a director of the same company as you

coefficient of variation /ˌkəʊfɪf(ə)nt əv ˌveəri'eɪʃ(ə)n/ *noun* a measure of the spread of statistical data, which is equal to the standard deviation multiplied by 100

co-financing /ˌkəʊ 'faɪnænsɪŋ/ *noun* the act of arranging finance for a project from a series of sources

cold start /ˌkəʊld 'stɑ:t/ *noun* the act of beginning a new business or opening a new shop with no previous turnover to base it on

collateral /kə'læt(ə)rəl/ *noun* 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 /kə'læt(ə)rəlaɪ 'zeɪʃ(ə)n/ *noun* the act of securing a debt by selling long-term receivables to another company which secures them on the debts

collateralise /kə'læt(ə)rəlaɪz/, **collateralize** *verb* to secure a debt by means of a collateral

collect /kə'lekt/ *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.* ■ *adverb, adjective* used to describe a phone call which the person receiving the call agrees to pay for

collectibility /kə'lektɪ'bɪlɪti/ *noun* ability of cash owed to be collected

collecting agency /kə'lektɪŋ ˌeɪdʒənsi/ *noun* an agency which collects money owed to other companies for a commission

collecting bank /kə'lektɪŋ bæŋk/ *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 /kə'lektʃən ˌpɪəriəd/ *noun* the number of days it takes a company to collect money owing

collection ratio /kə'lektʃən ˌreɪʃiəʊ/ *noun* the average number of days it takes a firm to convert its accounts receivable into cash. Also known as **days' sales outstanding**

collections /kə'lektʃənz/ *plural noun* money which has been collected

collective investment /kə'lektɪv ɪn 'vestmənt/ *noun* the practice of investing money with other individuals or organisations in order to share costs and risk

collector /kə'lektə/ *noun* a person who makes people pay money which is owed ○ *He works as a debt collector.*

column /'kɒləm/ *noun* a series of numbers arranged one underneath the other ○ *to add up a column of figures* ○ *Put the total at the bottom of the column.*

combined financial statement /kəm ˌbaɪnd faɪ'nænʃəl 'steɪtmənt/ *noun* a written record covering the assets, liabilities, net worth and operating statement of two or more related or affiliated companies

comfort letter /'kʌmfət ˌletə/ *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 /kə'mɑ:nd ɪ 'kɒnəmi/ *noun* same as **planned economy**

commerce /'kɒmɜ:s/ *noun* the buying and selling of goods and services

commercial /kə'mɜ:ʃ(ə)l/ *adjective* **1.** referring to business **2.** profitable

commercial bank /kə'mɜ:ʃ(ə)l bæŋk/ *noun* a bank which offers banking services to the public, as opposed to a merchant bank

commercial bill /kə'mɜ:ʃ(ə)l 'bɪl/ *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 /kə'mɜːʃ(ə)l daɪˌrekt(ə)ri/ *noun* a book which lists all the businesses and business people in a town

commercial failure /kə,mɜːʃ(ə)l 'feɪljə/ *noun* financial collapse or bankruptcy

commercial law /kə,mɜːʃ(ə)l 'lɔː/ *noun* the laws regarding the conduct of businesses

commercial lawyer /kə,mɜːʃ(ə)l 'lɔːjə/ *noun* a person who specialises in company law or who advises companies on legal problems

commercial loan /kə,mɜːʃ(ə)l 'ləʊn/ *noun* a short-term renewable loan or line of credit used to finance the seasonal or cyclical working capital needs of a company

commercially /kə'mɜːʃ(ə)li/ *adverb* **1.** for the purpose of making a profit **2.** in the operation of a business

commercial paper /kə,mɜːʃ(ə)l 'pɛɪpə/ *noun* an IOU issued by a company to raise a short-term loan. Abbreviation **CP**

commercial property /kə,mɜːʃ(ə)l 'prɒpəti/ *noun* a building, or buildings, used as offices or shops

commercial report /kə,mɜːʃ(ə)l rɪ'pɔːt/ *noun* 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 /kə,mɜːʃ(ə)l 'sʌbstəns/ *noun* 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 /kə,mɜːʃ(ə)l 'jɪə/ *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 /kə'mɪʃ(ə)n/ *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 /kə'mɪʃ(ə)n ˌeɪdʒənt/ *noun* an agent who is paid a percentage of sales

commissioner /kə'mɪʃ(ə)nəl/ *noun* an ombudsman

Commissioner of the Inland Revenue /kə,mɪʃ(ə)nəz əv θɪː ˌɪnlənd 'revənjuː/ *noun* same as **Appeals Commissioner**

commission house /kə'mɪʃ(ə)n haʊs/ *noun* a firm which buys or sells for clients, and charges a commission for this service

commission rep /kə'mɪʃ(ə)n rɛp/ *noun* a representative who is not paid a salary but receives a commission on sales

commit /kə'mɪt/ *verb* □ **to commit yourself to** to guarantee something, especially a loan issue, or to guarantee to do something

commitment /kə'mɪtmənt/ *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 /kə'mɪtmənt ˌdɒkjʊmənt/ *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 /kə'mɪtmənt fiː/ *noun* a fee paid to a bank which has arranged a line of credit which has not been fully used

commitments basis /kə'mɪtmənts ˌbeɪsɪs/ *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 /kə,mɪtmənts fə ˌkæpɪt(ə)l ɪk 'spɛndɪtʃəl/ *plural 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 /kə,mɪtɪd 'kredɪt ˌlaɪnz/ *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 /kə,mɪti əv ˌjʊərəpɪːən sɪ 'kjʊərɪtɪz ˌregjʊləɪtəz/ *noun* an independent organisation of securities regulators established to promote consistent supervision of the European market for financial services

Committee on Accounting Procedure /kə,mɪti ɒn ə'kaʊntɪŋ prəˌsiːdʒə/ *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-

principles, some of which are still part of the Generally Accepted Accounting Principles

commodity /kə'mɒdɪti/ *noun* something sold in very large quantities, especially a raw material such as a metal or a food such as wheat

commodity exchange /kə'mɒdɪti ɪks ,tʃeɪndʒ/ *noun* a place where commodities are bought and sold

commodity futures /kə,mɒdɪti 'fju:tʃəz/ *plural noun* commodities traded for delivery at a later date ○ *Silver rose 5% on the commodity futures market yesterday.*

commodity market /kə'mɒdɪti ,mɑ:kit/ *noun* a place where people buy and sell commodities

commodity trader /kə'mɒdɪti ,treɪdə/ *noun* a person whose business is buying and selling commodities

common cost /,kɒmən 'kɒst/ *noun* a cost which is apportioned to two or more cost centres

common ownership /,kɒmən 'əʊnəʃɪp/ *noun* a situation where a business is owned by the employees who work in it

common pricing /,kɒmən 'praɪsɪŋ/ *noun* the illegal fixing of prices by several businesses so that they all charge the same price

common stock /,kɒmən 'stɒk/ *noun* US same as **ordinary shares**

Compagnie Nationale des Commissaires aux Comptes /,kɒmpæni ,næʃnə:l deɪ 'kɒmɪseəz əʊ ,kɒmt/ *noun* in France, an organisation that regulates external audit. Abbreviation **CNCC**

Companies House /,kʌmpəni:z 'hɑ:ʊs/ *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 /,kʌmp(ə)nɪz ,redʒɪ'streɪf(ə)n ,ɒfɪs/ *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 /'kʌmp(ə)ni/ *noun* a business organisation, a group of people organised to buy, sell, or provide a service, usually for profit

company auditor /,kʌmp(ə)ni 'ɔ:ɪtə/ *noun* the individual or firm of accountants a company appoints to audit its annual accounts

company car /,kʌmp(ə)ni 'kɑ:z/ *noun* a car which belongs to a company and is lent to an employee to use for business or other purposes

company director /,kʌmp(ə)ni daɪ 'rektə/ *noun* a person appointed by the shareholders to help run a company

company flat /,kʌmp(ə)ni 'flæt/ *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 /,kʌmp(ə)ni 'lɔ:z/ *noun* laws which refer to the way companies work

company pension scheme /,kʌmp(ə)ni 'penʃən ski:m/ *noun* same as **occupational pension scheme** ○ *She decided to join the company's pension scheme.*

company promoter /,kʌmp(ə)ni prə 'məʊtə/ *noun* a person who organises the setting up of a new company

company registrar /,kʌmp(ə)ni 'redʒɪstrɑ:/ *noun* the person who keeps the share register of a company

company reserves /,kʌmp(ə)ni rɪ 'zɜ:vz/ *plural noun* same as **revenue reserves**

company secretary /,kʌmp(ə)ni 'sekɪrɪ(ə)rɪ/ *noun* a person who is responsible for a company's legal and financial affairs

comparability /,kɒmp(ə)rə'bɪlɪti/ *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 /kəm ,pærətɪv 'bæləns ʃi:t/ *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 /kəm ,pærətɪv 'steɪtmənts/ *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 /'kɒmpənsət/ *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 /,kɒmpənsɪtɪŋ 'bæləns/ *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 /,kɒmpənsɪtɪŋ 'erəz/ *plural noun* two or more errors which are set against each other so that the accounts still balance

compensation /,kɒmpən'seɪf(ə)n/ *noun* 1. **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 2. a salary

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

compensation deal /,kɒmpən'seɪf(ə)n di:l/ *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 /,kɒmpən'seɪf(ə)n fʌnd/ *noun* a fund operated by the Stock Exchange to compensate investors for losses suffered when members of the Stock Exchange default

compensation package /,kɒmpən'seɪf(ə)n ,pækɪdʒ/ *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 /kəm'pi:t/ *verb* **to compete with someone or with a company** to try to do better than another person or another company **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 /,kɒmpə'tɪf(ə)n/ *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 /kəm,petɪtɪv ,di:vælju'eɪf(ə)n/ *noun* a devaluation of a currency to make a country's goods more competitive on the international markets

competitive pricing /kəm,petɪtɪv 'praɪsɪŋ/ *noun* the practice of putting low prices on goods so as to compete with other products

competitor /kəm'petɪtə/ *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 /kəm'pli:t/ *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 /kəm ,pli:tɪd 'kɒntrækt ,meθəd/ *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 /kəm'pli:f(ə)n deɪt/ *noun* a date when something will be finished

compliance /kəm'plaiəns/ *noun* agreement to do what is ordered

compliance audit /kəm'plaiəns ,ɔ:dɪt/ *noun* an audit of business activities carried out to determine whether performance matches contractual, regulatory or statutory requirements

compliance costs /kəm'plaiəns kɒsts/ *plural noun* expenses incurred as a result of meeting legal requirements, e.g., for safety requirements or to comply with company law

compliance department /kəm'plaiəns dɪ,partmənt/ *noun* a department which ensures that the company is adhering to any relevant regulations, such as FSA regulations

compliance officer /kəm'plaiəns ,ɒfɪsə/ *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 /kəm'plaiəns test/ *noun* any of various audit procedures followed to ensure that accounting procedures

within a company are reasonable and comply with regulations

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

compound /kəm'paʊnd/ *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 /,kɒmpaʊnd 'dɪskaʊnt/ *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 /'kɒmpaʊndɪŋ ,pɪəriəd/ *noun* the period over which compound interest is calculated

compound interest /,kɒmpaʊnd 'ɪntərəst/ *noun* interest which is added to the capital and then earns interest itself

compound journal entry /'kɒmpaʊnd ,dʒɜːn(ə)l ,entri/ *noun* an entry in a journal that comprises more than individual equally matched debit and credit items

comprehensive income /,kɒmpriːhensɪv 'ɪnkʌm/ *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 /,kɒmpriːhensɪv ɪn'ʃʊərəns/, **comprehensive policy** /,kɒmpriːhensɪv 'pɒlɪsi/ *noun* an insurance policy which covers you against all risks which are likely to happen

comprehensive tax allocation /,kɒmpriːhensɪv 'tæks ,æləkeɪʃ(ə)n/ *noun* the setting aside of money to cover deferred tax

compromise /'kɒmprəmaɪz/ *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 /kən'trəʊlə/ *noun* a financial controller

Comptroller and Auditor General /kən,tɹəʊlə ənd ,ɔːdɪtə 'dʒen(ə)rəl/ *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 /kəm,pʌlsəri ə 'njuːrɪti/ *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 /kəm,pʌlsəri ,lɪkwɪ'deɪʃ(ə)n/ *noun* same as **compulsory winding up**

compulsory purchase /kəm,pʌlsəri 'pɜːtʃɪs/ *noun* the purchase of an annuity with the fund built up in a personal pension scheme

compulsory winding up /kəm,pʌlsəri ,waɪndɪŋ 'ʌp/ *noun* liquidation which is ordered by a court

compulsory winding up order /kəm ,pʌlsəri ,waɪndɪŋ 'ʌp ,ɔːdə/ *noun* an order from a court saying that a company must be wound up

computable /kəm'pjuːtəb(ə)l/ *adjective* possible to calculate

computation /,kɒmpjuːteɪʃ(ə)n/ *noun* a calculation

computational error /,kɒmpjuːteɪʃ(ə)nəl 'erə/ *noun* a mistake made in calculating

compute /kəm'pjuːt/ *verb* to calculate, to do calculations

computerise /kəm'pjuːtəraɪz/, **computerize** *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 /kən,sɪlˌmənt əv 'æsets/ *noun* the act of hiding assets so that creditors do not know they exist

concept /'kɒnsɛpt/ *noun* an idea □ **concept of capital maintenance** 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 maintenance of operating capacity the concept of capital maintenance measured in terms of the changes in the current values of fixed assets, stock and working capital. Profit can only be taken if the total value of these assets, called the 'net operating assets', including adjustments for changes in prices affecting these assets, increases during an accounting period.

conceptual framework /kən,septʃuəl 'freɪmwɜːk/ *noun* a set of theoretical prin-

ciples 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.

concern /kən'sɜ:n/ *noun* a business or company

concession /kən'seʃ(ə)n/ *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 ○ *She runs a jewellery concession in a department store.* **3.** an allowance, e.g. a reduction of tax or price

concessionaire /kən,seʃə'neə/ *noun* a person or business that has the right to be the only seller of a product in a place

concessionary fare /kən,seʃ(ə)nəri'feə/ *noun* a reduced fare for some types of passenger such as pensioners, students or employees of a transport company

conciliation /kən,sɪli'eɪʃ(ə)n/ *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 /kən'dɪʃ(ə)n/ *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 /kən'dɪʃ(ə)n(ə)l/ *adjective* provided that specific conditions are taken into account

conditionality /kən,dɪʃ(ə)'nælɪti/ *noun* the fact of having conditions attached

conditional sale /kən,dɪʃ(ə)nəl'seɪl/ *noun* a sale which is subject to conditions, such as a hire-purchase agreement

conditions of employment /kən,dɪʃ(ə)nz əv ɪm'plɔɪmənt/ *plural noun* the terms of a contract of employment

conditions of sale /kən,dɪʃ(ə)nz əv'seɪl/ *plural noun* special features that apply to a particular sale, e.g. discounts or credit terms

Confederation of Asian and Pacific Accountants /kən,fedə'reɪʃ(ə)n əv,ɛɪʒ(ə)n ən pə,sɪfɪk ə'kaʊntənts/ *noun* full form of **CAPA**

confidential report /,kɒnfɪdɪnʃəl rɪ'pɔ:t/ *noun* a secret document which must not be shown to other people

conflict of interest /,kɒnflɪkt əv'ɪntrəst/ *noun* a situation where a person or

firm may profit personally from decisions taken in an official capacity

conglomerate /kən'glɒmərət/ *noun* a group of subsidiary companies linked together and forming a group, each making very different types of products

connected persons /kə,nektɪd'pɜ:s(ə)nz/ *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 /kɒn,seɪ,næʃənəl də æ,kɒmtæ'bɪlɪteɪ/ *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 /kən,sensəs æd'aɪdem/ *phrase* a Latin phrase meaning 'agreement to this same thing': real agreement to a contract by both parties

conservative /kən'sɜ:vətɪv/ *adjective* careful, not overestimating ○ *His forecast of expenditure was very conservative* or *She made a conservative forecast of expenditure.*

'...we are calculating our next budget income at an oil price of \$15 per barrel.

We know it is a conservative projection, but we do not want to come in for a shock should prices dive at any time during the year' [*Lloyd's List*]

conservatively /kən'sɜ:vətɪvli/ *adverb* not overestimating ○ *The total sales are conservatively estimated at £2.3m.*

consideration /kən,sɪdə'reɪʃ(ə)n/ *noun* **1.** serious thought ○ *We are giving consideration to moving the head office to Scotland.*

2. something valuable exchanged as part of a contract

consign /kən'saɪn/ *verb* □ **to consign goods to someone** to send goods to someone for them to use or to sell for you

consignation /,kɒnsaɪ'neɪʃ(ə)n/ *noun* the act of consigning

consignee /,kɒnsaɪ'ni:/ *noun* a person who receives goods from someone for their own use or to sell for the sender

consignment /kən'saɪnmənt/ *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

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

consignment accounts /kən'saɪnmənt ə'kaʊnts/ *plural noun* accounts kept by both consignee and consignor, showing quantities, dates of shipment, and payments for stocks held

consignment note /kən'saɪnmənt nəʊt/ *noun* a note saying that goods have been sent

consignor /kən'saɪnə/ *noun* a person who consigns goods to someone

consistency /kən'sɪstənsi/ *noun* one of the basic accounting concepts, that items in the accounts should be treated in the same way from year to year

consolidate /kən'sɒlɪdeɪt/ *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 /kən'sɒlɪdeɪtɪd ə'kaʊnts/ *plural noun* accounts where the financial position of several different companies, i.e. a holding company and its subsidiaries, are recorded together

consolidated balance sheet /kən'sɒlɪdeɪtɪd 'bæləns ʃi:t/ *noun* the balance sheets of subsidiary companies grouped together into the balance sheet of the parent company. Also called **group balance sheet**

consolidated cash flow statement /kən'sɒlɪdeɪtɪd 'kæʃ fləʊ 'stɛɪtmənt/ *noun* a cash flow statement for a group of enterprises and its parent company as a whole

consolidated financial statement /kən'sɒlɪdeɪtɪd fɑɪ'nænʃəl 'stɛɪtmənt/ *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 /kən'sɒlɪdeɪtɪd 'fʌnd/ *noun* money in the Exchequer which comes from tax revenues and is used to pay for government expenditure

consolidated income statement /kən'sɒlɪdeɪtɪd 'ɪnkʌm 'stɛɪtmənt/ *noun* an income statement for a group of enterprises and its parent company as a whole

consolidated profit and loss account /kən'sɒlɪdeɪtɪd 'prɒfɪt ən 'lɒs ə 'kaʊnt/ *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 /kən'sɒlɪ'deɪʃ(ə)n/ *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 /kən'sɒlɪ'deɪʃ(ə)n ə'dʒʌstmənts/ *plural noun* necessary changes and deletions made to financial records when consolidating the accounts of a group of enterprises

consolidation difference /kən'sɒlɪ'deɪʃ(ə)n ,dɪf(ə)rəns/ *noun* the difference between the price paid for a subsidiary and the value of the assets and liabilities obtained in the purchase

consols /'kɒnsɒlz/ *plural noun* government bonds which pay interest but do not have a maturity date

consortium /kən'sɔ:tɪəm/ *noun* a group of companies which work together ○ *A consortium of Canadian companies* or *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 /,kɒnstənt 'pɜ:tʃɪŋɪŋ ,paʊə/ *noun* same as **current purchasing power**

constraint /kən'streɪnt/ *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 /kən'streɪnt beɪst ,kɒstɪŋ/ *noun* a costing method that takes account of restraints on capacity, e.g. the capacity of machinery

Consultative Committee of Accountancy Bodies /kən'sʌltətɪv kə'mɪtɪ əv ə'kaʊntənsɪ ,bɒdɪz/ *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 /kən'sʌltɪŋ/ *adjective* giving specialist advice ○ *a consulting engineer*

consulting actuary /kən'sʌltɪŋ 'æktʃuəri/ *noun* an independent actuary who advises large pension funds

consumable goods /kən'sju:məb(ə)l 'gʊdz/, **consumables** *plural noun* goods which are bought by members of the public

and not by companies. Also called **consumer goods**

consumed cost /kən,sju:md 'kɒst/ *noun* same as **sunk cost**

consumer /kən'sju:mə/ *noun* a person or company that buys and uses goods and services ○ *Gas consumers are protesting at the increase in prices.* ○ *The factory is a heavy consumer of water.*

consumer council /kən,sju:mə 'kaʊns(ə)/ *noun* a group representing the interests of consumers

consumer credit /kən,sju:mə 'kredit/ *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 /kən,sju:mə 'kredit ækt/ *noun* an Act of Parliament which licenses lenders, and requires them to state clearly the full terms of loans which they make, including the APR

consumer goods /kən,sju:mə 'gʊdz/ *plural noun* same as **consumable goods**

Consumer Price Index /kən,sju:mə 'praɪs ɪndeks/ *noun* 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' [*Business Times (Lagos)*]

consumer protection /kən,sju:mə prə 'tekfən/ *noun* the activity of protecting consumers against unfair or illegal traders

consumer spending /kən,sju:mə 'spendɪŋ/ *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 /kən'sʌmpf(ə)n tæks/ *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 /'kɒntækt kə,mɪti/ *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 /kən,testɪd 'teɪkəʊvə/ *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 /kən'tɪndʒənsɪ fʌnd/ *noun* money set aside in case it is needed urgently

contingent expenses /kən,tɪndʒənt ɪk 'spensɪz/ *plural noun* expenses which will be incurred only if something happens

contingent gain /kən,tɪndʒənt 'geɪn/ *noun* a possible gain that is conditional on the occurrence of a certain event in the future

contingent liability /kən,tɪndʒənt ɪləʊ 'bɪlɪti/ *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 /kən,tɪndʒənt 'lɒs/ *noun* a possible loss that is conditional on the occurrence of a certain event in the future

contingent policy /kən,tɪndʒənt 'pɒlɪsi/ *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 /kən,tɪndʒənt rɪ 'zɜ:v/ *noun* a fund set aside to meet unexpected costs, e.g. an increase in interest rates

continuing professional development /kən,tɪnjʊɪŋ prə,fesj(ə)n(ə)l dɪ 'veləpmənt/ *noun* full form of **CPD**

continuous disclosure /kən,tɪnjʊəs dɪs'kləʊʒə/ *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 /kən,tɪnjʊəs ɪm'pru:vmənt/ *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 /kən,tɪnjʊəsli kən'temp(ə)rəri ə'kaʊntɪŋ/ *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

in the value as all items are measured in the same way. Abbreviation **CoCoA**

contra /'kɒntrə/ *noun* an accounting term used when debits are matched with related credits in an account or set of accounts

contra account /'kɒntrə ə,kəʊnt/ *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 *noun* /'kɒntrækt/ **1.** a legal agreement between two parties ○ *to draw up a contract* ○ *to draft a contract* ○ *to sign a contract* □ **the contract is binding on both parties** both parties signing the contract must do what is agreed ○ **under contract** bound by the terms of a contract ○ *The firm is under contract to deliver the goods by November.* □ **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** /kən'trækt/ 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 ˌkɒstɪŋ/ *noun* a method of costing large projects, where the contracted work will run over several accounting periods

contracting party /kən'træktɪŋ ˌpɑ:ti/ *noun* a person or company that signs a contract

contract note /'kɒntrækt nəʊt/ *noun* a note showing that shares have been bought or sold but not yet paid for, also including the commission

contract of employment /,kɒntrækt əv ɪm'plɔɪmənt/ *noun* a contract between an employer and an employee stating all the conditions of work. Also called **employment contract**

contract of service /,kɒntrækt əv 'sɜ:vɪs/ *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 /kən'træktə/ *noun* a person or company that does work according to a written agreement

contractual /kən'træktʃuəl/ *adjective* according to a contract ○ *contractual conditions*

contractual liability /kən'træktʃuəl ˌlaɪə'bɪlɪti/ *noun* a legal responsibility for something as stated in a contract

contractually /kən'træktʃuəli/ *adverb* according to a contract ○ *The company is contractually bound to pay our expenses.*

contractual obligation /kən'træktʃuəl ˌɒblɪ'geɪʃ(ə)n/ *noun* something that a person is legally forced to do through having signed a contract to do □ **to fulfil your contractual obligations** to do what you have agreed to do in a contract

contract work /'kɒntrækt wɜ:k/ *noun* work done according to a written agreement

contra entry /'kɒntrə ˌentri/ *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 /kən'trɪbjʊ:t/ *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 /,kɒntrɪ'bju:ʃ(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 /,kɒntrɪbjʊ:ʃ(ə)n ˌɪŋkʌm ˌsteɪtmənt/ *noun* 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 /,kɒntrɪ'bju:ʃ(ə)n ˌmɑ:dʒɪn/ *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 /kɒntrɪ ˌbjʊ:ʃ(ə)n əv ˌkæpɪt(ə)l/ *noun* money paid to a company as additional capital

contributor of capital /kən'trɪbjʊtəv əv ˌkæpɪt(ə)l/ *noun* a person who contributes capital

contributory /kən'trɪbjʊt(ə)ri/ *adjective* causing or helping to cause ○ *Falling exchange rates have been a contributory factor in the company's loss of profits.*

control account /kən'trəʊl ə,kəʊnt/ *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 /kən, trəʊləb(ə)l 'veəriəns/ *noun* a difference between actual and budgeted amounts that is considered as being within the control of the budget centre manager

controlled company /kən, trəʊld 'kʌmp(ə)nɪ/ *noun* company where more than 50% (or in the USA, 25%) of the shares belong to one owner

controlled economy /kən, trəʊld ɪ 'kɒnəmi/ *noun* an economy where most business activity is directed by orders from the government

controller /kən' trəʊlə/ *noun* **1.** a person who controls something, especially the finances of a company **2.** *US* the chief accountant in a company

control limits /kən' trəʊl ,lɪmɪts/ *plural noun* limits on quantities or values which, if exceeded, trigger intervention from management

control period /kən' trəʊl ,pɪəriəd/ *noun* the fraction of the financial year, e.g., a month, for which separate totals are given in a budget

control risk /kən' trəʊl rɪsk/ *noun* that aspect of an audit risk that involves a client's internal control system

control totals /kən' trəʊl ,təʊt(ə)lz/ *plural noun* in auditing, totals calculated for important data fields, used as a check of data processing standards

conventional cost system /kən ,venʃ(ə)n(ə)l 'kɒst ,sɪstəm/ *noun* a standard system for applying overhead costs to products and services, using only unit-based cost drivers

conversion /kən' vɜ:ʃ(ə)n/ *noun* the action of changing convertible loan stock into ordinary shares

conversion costs /kən' vɜ:ʃ(ə)n kɒsts/ *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 /kən, vɜ:ʃ(ə)n əv 'fʌndz/ *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 /kən' vɜ:ʃ(ə)n ,pɪəriəd/ *noun* a time during which convertible loan stock may be changed into ordinary shares

conversion price /kən' vɜ:ʃ(ə)n praɪs/, **conversion rate** /kən' vɜ:ʃ(ə)n reɪt/ *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 /kən' vɜ:ʃ(ə)n ,vælju:/ *noun* a value of convertible stock, including the extra value of the ordinary shares into which they may be converted

convert /kən' vɜ:t/ *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 /kən, vɜ:tə'bɪləti/ *noun* the ability of a currency to be exchanged for another easily

convertible currency /kən, vɜ:təb(ə)l 'kʌrənsi/ *noun* a currency which can easily be exchanged for another

convertible debenture /kən, vɜ:təb(ə)l dɪ'bentʃə/ *noun* a debenture or loan stock which can be exchanged for ordinary shares at a later date

convertible loan stock /kən, vɜ:təb(ə)l 'ləʊn stɒk/ *noun* money lent to a company which can be converted into shares at a later date

convertibles /kən' vɜ:təb(ə)lz/ *plural noun* corporate bonds or preference shares which can be converted into ordinary shares at a set price on set dates

conveyance /kən'veɪəns/ *noun* a legal document which transfers a property from the seller to the buyer

conveyancer /kən'veɪənsə/ *noun* a person who draws up a conveyance

conveyancing /kən'veɪənsɪŋ/ *noun* the work of legally transferring a property from a seller to a buyer

COO *abbreviation* chief operating officer

cooling-off period /, ku:lɪŋ 'ɒf ,pɪəriəd/ *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 /kəʊ'ɒp(ə)rətɪv sə,saɪəti/ *noun* an organisation where customers and employees are partners and share the profits

cooperative store /kəʊ'ɒp(ə)rətɪv stɔ:/ *noun* a store owned by those who shop there as well as by its workers

coproperty /kəʊ'prɒpəti/ *noun* the ownership of property by two or more people together

coproprietor /,kəʊprə'praɪətə/ *noun* a person who owns a property with another person or several other people

copyright /'kɒpraɪt/ *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 /'kɒpraɪt ækt/ *noun* an Act of Parliament making copyright legal, and controlling the copying of copyright material

copyright deposit /,kɒpraɪt dɪ'pɒzɪt/ *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 /'kɒpraɪt ˌhəʊldə/ *noun* a person who owns a copyright and who can expect to receive royalties from it

copyright law /'kɒpraɪt lɔ:/ *noun* laws concerning the protection of copyright

copyright notice /'kɒpraɪt ˌnəʊtɪs/ *noun* a note in a book showing who owns the copyright and the date of ownership

corporate /'kɔ:p(ə)rət/ *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' [*Citizen (Ottawa)*]

corporate bond /'kɔ:p(ə)rət bɒnd/ *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 /,kɔ:p(ə)rət 'faɪnæns/ *noun* the financial affairs of companies

corporate governance /,kɔ:p(ə)rət 'ɡʌv(ə)nəns/ *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 /,kɔ:p(ə)rət 'ləʊn/ *noun* a loan issued by a corporation

corporate name /,kɔ:p(ə)rət 'neɪm/ *noun* the name of a large corporation

corporate plan /,kɔ:p(ə)rət 'plæn/ *noun* a plan for the future work of a whole company

corporate planning /,kɔ:p(ə)rət 'plænɪŋ/ *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 /,kɔ:p(ə)rət 'prɒfɪts/ *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 /,kɔ:p(ə)rət 'reɪdə/ *noun* a person or company which buys a stake in another company before making a hostile takeover bid

corporation /,kɔ:pə'reɪʃ(ə)n/ *noun* **1.** a large company **2.** US a company which is incorporated in the United States **3.** a municipal authority

corporation income tax /,kɔ:pə'reɪʃ(ə)n ɪ'nkʌm tæks/ *noun* a tax on profits made by incorporated companies

corporation loan /,kɔ:pə'reɪʃ(ə)n ləʊn/ *noun* a loan issued by a local authority

corporation tax /,kɔ:pə'reɪʃ(ə)n tæks/ *noun* a tax on profits and capital gains made by companies, calculated before dividends are paid. Abbreviation **CT**

correcting entry /kɔ:rektɪŋ 'entri/ *noun* an entry made in accounts to make something right which was previously wrong

correlation /,kɒrə'leɪʃ(ə)n/ *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 adjustment

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 /'kɒst əb,zɔ:pʃən/ *noun* any system in which costs are assigned to units produced

cost accountant /'kɒst ə,kaʊntənt/ *noun* an accountant who gives managers information about their business costs

cost accounting /'kɒst ə,kaʊntɪŋ/ *noun* the process of preparing special accounts of manufacturing and sales costs

cost accumulation /,kɒst ə,kju:mju 'leɪf(ə)n/ *noun* a system of presenting costs in an account

cost allocation /'kɒst ,æləkeɪf(ə)n/ *noun* the way in which overhead expenses are related to various cost centres

cost analysis /'kɒst ə,næləsɪs/ *noun* the process of calculating in advance what a new product will cost

cost apportionment /'kɒst ə ,pɔ:ʃ(ə)nmənt/ *noun* the sharing out of common overhead costs among various cost centres

cost assignment path /,kɒst ə 'sainmənt ,pɑ:θ/ *noun* a link between a cost and its cost object

cost-based price /'kɒst beɪst ,praɪs/ *noun* a price for a particular product or service based on that portion of overall costs assigned to it

cost behaviour pattern /,kɒst bɪ 'heɪvjə ,pæt(ə)n/ *noun* the extent to which a cost will change as the level of activity of a business changes

cost-benefit analysis /,kɒst 'benɪt ə ,næləsɪs/ *noun* the process of comparing the costs and benefits of various possible ways of using available resources. Also called **benefit-cost analysis**

cost centre /'kɒst ,sentə/ *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 /,kɒst ət 'kɒst ,kɒnsept/ *noun* the practice of valuing assets with reference to their acquisition cost

cost control /'kɒst kən,trəʊl/ *noun* the process of ensuring that a business's actual costs do not exceed predetermined acceptable limits

cost-cutting /'kɒst ,kʌtɪŋ/ *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 /'kɒst ,draɪvə/ *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 /,kɒstɪ 'fektɪv/ *adjective* giving good value when compared with the original cost ○ *We find advertising in the Sunday newspapers very cost-effective.*

cost-effectiveness /,kɒst ɪ'fektɪvnəs/, **cost efficiency** /,kɒst ɪ'fɪʃənsɪ/ *noun* the quality of being cost-effective ○ *Can we calculate the cost-effectiveness of air freight against shipping by sea?*

cost element /'kɒst ,elɪmənt/ *noun* a single element of a total cost, e.g. the cost of depreciation of an item or the cost of warehousing the item

cost estimation /'kɒst ,estɪmeɪf(ə)n/ *noun* the process of determining cost behaviour patterns

cost factor /'kɒst ,fæktə/ *noun* any activity or item of material, equipment or personnel that incurs a cost

cost function /kɒst 'fʌŋkʃ(ə)n/ *noun* a mathematical function that links a company's total costs to its output and factor costs

cost hierarchy /'kɒst ,haɪərə:ki/ *noun* a system for classifying a company's activities according to the costs they incur

costing /'kɒstɪŋ/ *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 /'kɒstli/ *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 /'kɒst ,mænɪdʒmənt/ *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 /'kɒst ,mænɪdʒmənt ,fʌŋkʃ(ə)n/ *noun* the management of those activities that help determine accurate costs

cost modelling /'kɒst ,mɒd(ə)lɪŋ/ *noun* the use of a costing system to give a clear view of the costs and profitability of a product or service

cost object /'kɒst ˌɒbdʒɪkt/ *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 /,kɒst əv 'bɒrəʊɪŋ/ *noun* an interest rate paid on borrowed money

cost of capital /,kɒst əv 'kæpɪt(ə)l/ *noun* interest paid on the capital used in operating a business

cost of goods sold /,kɒst əv ˌɡʊdz 'səʊld/ *noun* same as **cost of sales**

cost of living /,kɒst əv 'lɪvɪŋ/ *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 /,kɒst əv 'lɪvɪŋ ə,dʒʌstmənt/ *noun* an increase in wages or salary that compensates for an increase in the cost of living

cost-of-living allowance /,kɒst əv 'lɪvɪŋ ə,ləʊəns/ *noun* an addition to normal salary to cover increases in the cost of living

cost-of-living bonus /,kɒst əv 'lɪvɪŋ ˌbʊnəs/ *noun* money paid to meet an increase in the cost of living

cost-of-living increase /,kɒst əv 'lɪvɪŋ ˌɪnkri:s/ *noun* an increase in salary to allow it to keep up with the increased cost of living

cost-of-living index /,kɒst əv 'lɪvɪŋ ˌɪndeks/ *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 /,kɒst əv rɪ 'pleɪsmənt/ *noun* same as **replacement cost**

cost of sales /,kɒst əv 'seɪlz/ *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 /,kɒst əv 'seɪlz ə,dʒʌstmənt/ *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 /,kɒst '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 /'kɒst pu:l/ *noun* a grouping of individual costs, e.g. by department or by type of job

cost price /'kɒst 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 /'kɒst rɪ ˌdʌkʃən ˌprəʊgræm/ *noun* a programme of cutting costs in order to improve profitability

costs /kɒsts/ *plural noun* the expenses involved in a court case ○ *The judge awarded costs to the defendant.* ○ *Costs of the case will be borne by the prosecution.*

costs of nonconformance /,kɒsts əv ˌnɒnkən'fɔ:məns/ *plural noun* costs incurred by a company in rectifying defects in products or services sold

costs of quality /,kɒsts əv 'kwɒləti/ *plural noun* costs incurred in applying quality control standards

cost summary schedule /,kɒst ˌsʌməri ˌʃedju:l/ *noun* a method of determining the cost to be transferred to a department's finished goods inventory account

cost-volume-profit analysis /,kɒst ˌvɒljʊ:m 'prɒfɪt ə,næləsɪs/ *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 /,kəʊtɜ:mɪnəs 'pɪəriəd ˌendz/ *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 /'kaʊnsəl tæks/ *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 /kaʊnt/ *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 /'kaʊntəbɪd/ *noun* a higher bid in reply to a previous bid ○ *When I bid \$20 she put in a counterbid of \$25.*

counter-claim /'kaʊntə kleɪm/ *noun* a claim for damages made in reply to a previous claim ○ *Jones claimed £25,000 in dam-*

ages against Smith, and Smith entered a counter-claim of £50,000 for loss of office.

counterfeit /'kauntəfɪt/ *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 /'kauntəfɔɪl/ *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 /,kauntə'mɑ:nd/ *verb* to say that an order must not be carried out ○ *to countermand an order* □ **to countermand an order** to say that an order must not be carried out

counter-offer /'kauntər ɔfə/ *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 /'kauntəpɑ:ti/ *noun* each of the other parties to a contract, considered from the viewpoint of a particular party

counterpurchase /'kauntəpɜ:tʃɪs/ *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 /'kauntəsain/ *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 /'kauntətɹeɪd/ *noun* a trade which does not involve payment of money, but something such as a barter or a buy-back deal instead

countervailing duty /'kauntəveɪlɪŋ ˌdʒɜ:ti/ *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 /'kauntɪŋ haʊs/ *noun* a department dealing with cash (*dated*)

country risk /'kʌntri 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 /'ku:pən/ *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 /'ku:pən reɪt/ *noun* the percentage fixed interest rate on a government bond or a debenture

coupon security /'ku:pən sɪ,kjuəri:ti/ *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 /'kʌvənənt/ *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 /'kʌvə/ *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 /'kʌv(ə)rɪdʒ/ *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 /'kʌvəd ɔpʃ(ə)n/ *noun* an option the owner of which is also the owner of the shares for the option

cover note /'kʌvə nəʊt/ *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 /,si: pi: di:/ *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 /kriːɪtɪv ə 'kaʊntənsi/, **creative accounting** /kriːɪtɪv ə 'kaʊntɪŋ/ *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 /'kredit/ *noun* **1.** a period of time allowed before a customer has to pay a debt incurred for goods or services ○ *to give someone six months' credit* ○ *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. ○ *to enter \$100 to someone's credit* ○ *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 ○ *to credit an account with £100* or *to credit £100 to an account*

credit account /'kredit əˌkaʊnt/ *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 /'kredit ˌeɪdʒənsi/ *noun* a company which reports on the creditworthiness of customers to show whether they should be allowed credit. Also called **credit bureau**

credit agreement /'kredit əˌɡri:mənt/ *noun* a document that sets out the terms under which credit is made available, or the agreement enshrined in such a document

credit analysis /'kredit əˌnæləʊsɪs/ *noun* the process of assessing a potential borrower's creditworthiness

credit balance /'kredit ˌbæləns/ *noun* a balance in an account showing that more money has been received than is owed ○ *The account has a credit balance of £100.*

credit bank /'kredit bæŋk/ *noun* a bank which lends money

credit bureau /'kredit ˌbjʊərəʊ/ *noun* US same as **credit agency**

credit card /'kredit kɑ:d/ *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. † **charge card**

credit card holder /'kredit kɑ:d ˌhəʊldə/ *noun* a person who has a credit card

credit column /'kredit ˌkɒləm/ *noun* the right-hand column in accounts showing money received

credit control /'kredit kənˌtrəʊl/ *noun* a check that customers pay on time and do not owe more than their credit limit

credit controller /'kredit kənˌtrəʊlə/ *noun* a member of staff whose job is to try to get payment of overdue invoices

credit entry /'kredit ˌentri/ *noun* an entry on the credit side of an account

credit facilities /'kredit fəˌsɪlɪtiz/ *plural noun* an arrangement with a bank or supplier to have credit so as to buy goods

credit freeze /'kredit fri:z/ *noun* a period when lending by banks is restricted by the government

credit limit /'kredit ˌlɪmɪt/ *noun* the largest amount of money which a customer can borrow

credit line /'kredit laɪn/ *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 /'kredit nəʊt/ *noun* a note showing that money is owed to a customer ○ *The company sent the wrong order and so had to issue a credit note.* Abbreviation **C/N**

creditor /'kreditə/ *noun* a person or company that is owed money, i.e. a company's creditors are its liabilities

creditor days /'kreditə deɪz/ *plural noun* the number of days on average that a company requires to pay its creditors. † **debtor days**

creditors /'kreditəz/ *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 /'kreditəz ˌmi:tɪŋ/ *noun* a meeting of all the people to whom an insolvent company owes money, to decide how to obtain the money owed

credit rating /'kredit ˌreɪtɪŋ/ *noun* an amount which a credit agency feels a customer will be able to repay

credit reference /'kredit ˌref(ə)rəns/ *noun* a credit rating or other indication of the creditworthiness of a company or individual

credit-reference agency /'kredit ˌref(ə)rəns ˌeɪdʒənsi/ *noun* same as **credit agency**

credit report /ˌkredɪt rɪ'pɔ:t/ *noun* information about an individual or entity relevant to a decision to grant credit

credit risk /'kredɪt rɪsk/ *noun* a risk that a borrower may not be able to repay a loan

credit side /'kredɪt saɪd/ *noun* the right-hand column of accounts showing money received

credit squeeze /'kredɪt skwi:z/ *noun* a period when lending by the banks is restricted by the government

credit union /'kredɪt ˌju:njən/ *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 /'kredɪt,wɜ:ðɪnəs/ *noun* the extent to which an individual or organisation is creditworthy

creditworthy /'kredɪt,wɜ:ði/ *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 /'kraɪsɪs/ *noun* a serious economic situation where decisions have to be taken rapidly ○ *a banking crisis* ○ *The government stepped in to try to resolve the international crisis.* ○ *Withdrawals from the bank have reached crisis level.*

crisis management /'kraɪsɪs ˌmænɪdʒmənt/ *noun* **1.** management of a business or a country's economy during a period of crisis **2.** actions taken by an organisation to protect itself when unexpected events or situations occur that could threaten its success or continued operation (NOTE: Crisis situations may result from external factors such as the development of a new product by a competitor or changes in legislation, or from internal factors such as a product failure or faulty decision-making, and often involve the need to make quick decisions on the basis of uncertain or incomplete information.)

critical-path method /ˌkrɪtɪk(ə)l 'pɑ:θ ˌmeθəd/ *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.’ [InformationWeek]

CRO *abbreviation* Companies Registration Office

cross-border /ˌkrɒs ˈbɔ:də/ *adjective* from one country to another, covering several countries

cross-border services /ˌkrɒs ˈbɔ:də ˈsɜ:vɪsɪz/ *plural noun* accountancy services provided by an accountancy firm in one country for a client in another country

crossed cheque /ˌkrɒst ˈtʃek/ *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 /'krɒs ˌhəʊldɪŋz/ *plural 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 rate /'krɒs reɪt/ *noun* an exchange rate between two currencies expressed in a third currency

cross-subsidy /ˌkrɒs ˈsʌbsɪdi/ *noun* the process of deliberately assigning costs to items in an account in such a way that some items are undercosted and some overcosted

crown jewels /ˌkraʊn ˈdʒu:əlz/ *plural noun* the most valuable assets of a company, the reason why other companies may want to make takeover bids

crystallise /'krɪstəlaɪz/, **crystallize** *verb* to become chargeable on an asset ○ *a deferred gain is crystallised when you realise the gain by selling the asset*

CT *abbreviation* corporation tax

cum /kʌm/ *preposition* with

cum all /ˌkʌm ˈɔ:l/ *adverb* including all entitlements

cum coupon /ˌkʌm ˈku:pən/ *adverb* with a coupon attached or before interest due on a security is paid

cum dividend /ˌkʌm ˈdɪvɪdənd/, **cum div** *adverb* including the next dividend still to be paid

cum rights /ˌkʌm ˈraɪts/ *adverb* sold with the right to purchase new shares in a rights issue

cumulative /'kju:mjʊlətɪv/ *adjective* added to regularly over a period of time

cumulative interest /ˌkju:mjʊlətɪv ˈɪntrəst/ *noun* the total amount of interest that has been charged on a loan up to a given point

cumulative preference share /ˌkju:mjʊlətɪv ˈpref(ə)rəns ʃeə/ *noun* a

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 /,kju:mjələtɪv ,weɪtɪd 'æv(ə)rɪdʒ kɒst/,
cumulative weighted average price /,kju:mjələtɪv ,weɪtɪd 'æv(ə)rɪdʒ praɪs/
noun 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 /'kʌrənsɪ/ *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 /'kʌrənsɪ ,bækɪŋ/
noun gold or government securities which maintain the strength of a currency

currency band /'kʌrənsɪ bænd/ *noun* the exchange rate levels between which a currency is allowed to move without full devaluation

currency basket /'kʌrənsɪ ,bɑːskɪt/
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 /'kʌrənsɪ klɔːz/ *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 /'kʌrənsɪ ,fjuːtʃəz/
plural noun purchases of foreign currency for delivery at a future date

currency hedging /'kʌrənsɪ ,hedʒɪŋ/
noun a method of reducing exchange rate risk by diversifying currency holdings and adjusting them according to changes in exchange rates

currency mismatching /'kʌrənsɪ ,mɪsmætʃɪŋ/ *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 /'kʌrənsɪ ,muːvmənts/ *plural noun* fluctuations in the value of the world's currencies that occur as they are traded

currency note /'kʌrənsɪ nəʊt/ *noun* a bank note

currency reserves /'kʌrənsɪ rɪˌzɜːvz/
plural noun foreign money held by a government to support its own currency and to pay its debts

currency swap /'kʌrənsɪ swɒp/ *noun* **1.** 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 /'kʌrənt əˌkaʊnt/ *noun* **1.** an account in a bank from which the customer can withdraw money when he or she wants. Current accounts do not always pay interest. ○ *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 /,kʌrənt 'æsets/ *plural 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 /,kʌrənt 'kɒst/ *noun* the amount it would cost to replace an asset at current prices

current cost accounting /,kʌrənt 'kɒst əˌkaʊntɪŋ/ *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 /,kʌrənt ,laɪə'bɪlɪtɪz/
plural 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 /,kʌrənt 'pɜːtʃɪsɪŋ ,paʊə/ *noun* a method of accounting which takes inflation into

account by using constant monetary units (actual amounts multiplied by a general price index). Also called **constant purchasing power**

current ratio /,kʌrənt 'reɪʃiə/ *noun* a ratio of current assets to current liabilities showing if a company may not be able to meet its immediate debts

current value /'kʌrənt ,vælju:/ *noun* a figure that represents the amount by which current assets are greater than current liabilities

current value accounting /,kʌrənt 'vælju: ə,kəʊntɪŋ/ *noun* a reassessment of the value of assets and liabilities

current year /,kʌrənt 'jɪə/ *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 /,kʌrənt 'jɪ:ld/ *noun* a dividend calculated as a percentage of the current price of a share on the stock market

curve /kɜ:v/ *noun* a line which is not straight, e.g. a line on a graph ○ *The graph shows an upward curve.*

cushion /'kʊʃ(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 /kʌ'stəʊdiən/ *noun* a bank whose principal function is to maintain and grow the assets contained in a trust

custom /'kʌstəm/ *noun* the use of a shop by regular shoppers

customer /'kʌstəmə/ *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 /,kʌstəmə ,prɒfɪtə'bɪlɪti/ *noun* the amount of profit generated by each individual customer. Usually a small percentage of customers generate the most profit.

customer profitability analysis /,kʌstəm ,prɒfɪtə'bɪlɪti ə,nælɪsɪs/ *noun* analysis of the revenues and costs associated with particular customers

customer service department /,kʌstəmə 'sɜ:vɪs dɪ,pɑ:tmənt/ *noun* a department which deals with customers and their complaints and orders

customise /'kʌstəmaɪz/, **customize** *verb* to change something to fit the special needs of a customer ○ *We use customised computer terminals.*

customs /'kʌstəmz/ *plural noun* the government department which organises the collection of taxes on imports, or an office of this department at a port or airport ○ *He was stopped by customs.* ○ *Her car was searched by customs.*

Customs and Excise /,kʌstəmz ən 'eksəɪz/ *noun* a former UK government department which organised the collection of taxes on imports and also collected VAT. It merged with the Inland Revenue to form HM Revenue & Customs in 2005.

customs barrier /'kʌstəmz ,bæriə/ *noun* any provision intended to make trade more difficult, e.g. a high level of duty

customs broker /'kʌstəmz ,brəʊkə/ *noun* a person or company that takes goods through customs for a shipping company

customs clearance /'kʌstəmz ,kliərəns/ *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 /'kʌstəmz deklə ,reɪʃ(ə)n/ *noun* a statement showing goods being imported on which duty will have to be paid ○ *to fill in a customs declaration form*

customs duty /'kʌstəmz ,dju:ti/ *noun* a tax on goods imported into a country

customs entry point /,kʌstəmz 'entri pɔɪnt/ *noun* a place at a border between two countries where goods are declared to customs

customs examination /'kʌstəmz ɪg ,zæmɪneɪʃ(ə)n/ *noun* the inspection of goods or baggage by customs officials

customs formalities /'kʌstəmz fɔ: ,mæltɪz/ *plural noun* a declaration of goods by the shipper and examination of them by customs

customs officer /'kʌstəmz ,ɒfɪsə/ *noun* a person working for the customs department of a country

customs seal /'kʌstəmz si:l/ *noun* a seal attached by a customs officer to a box, to show that the contents have not passed through customs

customs tariff /'kʌstəmz ,tærɪf/ *noun* a list of taxes to be paid on imported goods

customs union /'kʌstəmz ,juːnjən/ *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 11%' [*Wall Street Journal*]

'...the US bank announced a cut in its prime from 10½ per cent to 10 per cent' [*Financial Times*]

'Opec has on average cut production by one third since 1979' [*Economist*]

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 /'kʌtbæk/ *noun* a reduction ○ *cutbacks in government spending*

cut-off /'kʌt ɒf/ *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

CVP analysis /,siː viː 'piː ə,næɪlɪsɪs/ *noun* same as **cost-volume-profit analysis**

cycle /'saɪk(ə)l/ *noun* a set of events which happen in a regularly repeated sequence

cyclical /'sɪklɪk(ə)l/ *adjective* happening in cycles

cyclical factors /,sɪklɪk(ə)l 'fæktəz/ *plural noun* the way in which a trade cycle affects businesses

D

D/A *abbreviation* deposit account

damages /'dæmɪdʒɪz/ *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 /'deɪndʒə ˌmʌni/ *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 /'deɪtəstri:m/ *noun* a data system available online, giving information about securities, prices, stock exchange transactions, etc.

date of bill /,deɪt əv 'bɪl/ *noun* a date when a bill will mature

date of maturity /,deɪt əv mə'tjʊərɪti/ *noun* same as **maturity date**

date of record /,deɪt əv 'rekɔ:d/ *noun* the date when a shareholder must be registered to qualify for a dividend

date stamp /'deɪt stæmp/ *noun* a stamp with rubber figures which can be moved, used for marking the date on documents

dawn raid /dɔ:n 'reɪd/ *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 bʊk/ *noun* a book with an account of sales and purchases made each day

DCF *abbreviation* discounted cash flow

DD *abbreviation* direct debit

dead account /,ded ə'kaʊnt/ *noun* an account which is no longer used

dead loss /,ded 'lɒs/ *noun* a total loss ○ *The car was written off as a dead loss.*

dead money /,ded 'mʌni/ *noun* money which is not invested to make a profit

deal /di:l/ *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 /'di:lə/ *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 /'di:lɪŋ/ *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 /'diə ˌmʌni/ *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 ˌbenɪfɪt/ *noun* insurance benefit paid to the family of someone who dies in an accident at work

death duty /'deθ ˌdʒu:ti/ *noun* same as **inheritance tax**

death in service /,deθ ɪn 'sɜ:vɪs/ *noun* an insurance benefit or pension paid when someone dies while employed by a company

death tax /'deθ tæks/ *noun* same as **inheritance tax**

debenture /dɪ'bentʃə/ *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 /dɪ'bentʃə bɒnd/ *noun* **US 1.** a certificate showing that a debenture has been issued **2.** an unsecured loan

debenture capital /dɪ'bentʃə ,kæpɪt(ə)l/ *noun* capital borrowed by a company, using its fixed assets as security

debenture holder /dɪ'bentʃə ,həʊldə/ *noun* a person who holds a debenture for money lent

debenture issue /dɪ'bentʃə ,ɪʃuː/ *noun* the activity of borrowing money against the security of the company's assets

debenture stock /dɪ'bentʃə stɒk/ *noun* a form of debt instrument in which a company guarantees payments on a fixed schedule or at a fixed rate of interest

debit /'deɪt/ *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 /'deɪtəb(ə)l/ *adjective* able to be debited

debit balance /'deɪt ,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 /'deɪt kɑːd/ *noun* a plastic card, similar to a credit card, but which debits the holder's account immediately through an EPOS system

debit column /'deɪt ,kɒləm/ *noun* the left-hand column in accounts showing the money paid or owed to others

debit entry /'deɪt ,entri/ *noun* an entry on the debit side of an account

debit note /'deɪt 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 /,deɪts ən '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 /'deɪt saɪd/ *noun* a left-hand column of accounts showing money owed or paid to others

debt /det/ *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 /'det kə ,leɪkʃən/ *noun* the act of collecting money which is owed

debt collection agency /'det kə ,leɪkʃən ,eɪdʒənsɪ/ *noun* a company which

collects debts for other companies for a commission

debt collector /'det kə ,leɪktə/ *noun* a person who collects debts

debt-convertible bond /,det kən ,vɜːtɪb(ə)l 'bɒnd/ *noun* a floating-rate bond which can be converted to a fixed rate of interest. ◊ **droplock bond**

debt counselling /'det ,kaʊnsəlɪŋ/ *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 /,det 'ekwɪtɪ ,reɪʃiəʊ/ *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 /'det ,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 /'detə/ *noun* a person who owes money

debtor days /'detə deɪz/ *plural noun* the number of days on average that it takes a company to receive payment for what it sells. ◊ **creditor days**

debtors /'detəz/ *noun* all money owed to a company as shown in the accounts

debtors control account /'detəz kən ,trəʊl ə ,kaʊnt/ *noun* an account used to summarise the balances on the individual sales ledger accounts

debtor side /'detə saɪd/ *noun* the debit side of an account

debtors ledger /'detəz ,ledʒə/ *noun* same as **sales ledger**

debtors turnover ratio /,detəz 'tɜːnəʊvə ,reɪʃiəʊ/ *noun* the average time which debtors take to pay

debt ratio /'det ,reɪʃiəʊ/ *noun* the debts of a company shown as a percentage of its equity plus loan capital

debt rescheduling /'det riː ,fedʒuːlɪŋ/ *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 /'desaɪl/ *noun* one of a series of nine figures below which one tenth or several tenths of the total fall

decimalisation /,desɪm(ə)laɪ'zeɪʃ(ə)n/, **decimalization** *noun* the process of changing to a decimal system

decimalise /'desɪm(ə)laɪz/, **decimalize** *verb* to change something to a decimal system

decimal point /,desɪm(ə)l 'pɔɪnt/ *noun* a dot which indicates the division between the whole unit and its smaller parts, e.g. 4.75

decimal system /'desɪm(ə)l ,sɪstəm/ *noun* a system of mathematics based on the number 10

decision support system /dɪ'sɪʒ(ə)n sə,pɔ:t ,sɪstəm/ *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 /dɪ'sɪʒ(ə)n ,θɪəri/ *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 /dɪ'sɪʒ(ə)n tri:/ *noun* a model for decision-making, showing the possible outcomes of different decisions ○ *This computer programme incorporates a decision tree.*

declaration /,deklə'reɪf(ə)n/ *noun* an official statement

declaration date /,deklə'reɪf(ə)n deɪt/ *noun* *US* the date on which a board of directors declares the dividend to be paid

declaration of bankruptcy /,deklə'reɪf(ə)n əv 'bæŋkrʌptsi/ *noun* an official statement that someone is bankrupt

declaration of income /,deklə'reɪf(ə)n əv 'ɪŋkʌm/ *noun* same as **income tax return**

declaration of solvency /,deklə'reɪf(ə)n əv 'sɒlv(ə)nsi/ *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 /dɪ'kleə/ *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 /dɪ'kleəd/ *adjective* having been made public or officially stated

declared value /dɪ'kleəd 'vælju:/ *noun* the value of goods entered on a customs declaration

decline /dɪ'klaɪn/ *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.*

'Saudi oil production has declined by three quarters to around 2.5m barrels a day' [*Economist*]

'...this gives an average monthly decline of 2.15 per cent during the period' [*Business Times (Lagos)*]

'...share prices disclosed a weak tendency right from the onset of business and declined further, showing losses over a broad front' [*The Hindu*]

declining balance method /dɪ,klaɪnɪŋ 'bæləns ,meθəd/ *noun* *US* same as **reducing balance method**

decrease /dɪ'kri:s/ *verb* to fall or to become less ○ *Imports are decreasing.* ○ *The value of the pound has decreased by 5%.*

deduct /dɪ'dʌkt/ *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 /dɪ'dʌktɪb(ə)l/ *adjective* possible to deduct

deduction /dɪ'dʌkʃən/ *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 /di:d/ *noun* a legal document or written agreement

deed of arrangement /,di:d əv ə 'reɪndʒmənt/ *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 /,di:d əv ə 'saɪnmənt/ *noun* a document which legally transfers a property from a debtor to a creditor

deed of covenant /,di:d əv 'kʌvəmənt/ *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

Kingdom, it is often used for making regular payments to a charity.

deed of partnership /,di:d əv 'pɑ:tənʃɪp/ *noun* agreement which sets up a partnership

deed of transfer /,di:d əv 'trænsfɜ:/ *noun* a document which transfers the ownership of shares

deep pocket /,di:p 'pøkɪt/ *noun* a company which provides finance for another

defalcation /,di:fæl'keɪʃ(ə)n/ *noun* the illegal use of money by someone who is not the owner but who has been trusted to look after it

default /dɪ'fɔ:lt/ *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 /dɪ'fɔ:ltə/ *noun* a person who defaults

default notice /dɪ'fɔ:lt nɔ:tɪs/ *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** (NOTE: The US term is **notice of default**.)

defer /dɪ'fɜ:/ *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 /dɪ'fɜ:mənt/ *noun* the act of leaving until a later date ○ *deferment of payment* ○ *deferment of a decision*

deferred annuity /dɪ,fɜ:d ə'nju:ətɪ/ *noun* an investment that does not pay out until at least one year after the final premium has been paid

deferred consideration /dɪ,fɜ:d kən ,sɪdə'reɪʃ(ə)n/ *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 /dɪ'fɜ:d kɒst/ *noun* a cost with future benefit that extends beyond the current accounting period

deferred credit /dɪ,fɜ:d 'kredɪt/ *noun* income received but not yet entered in accounts as income

deferred creditor /dɪ,fɜ:d 'kredɪtə/ *noun* a person who is owed money by a bankrupt but who is paid only after all other creditors

deferred expenditure /dɪ,fɜ:d ɪk 'spendɪtʃə/ *noun* expenditure incurred now but reflected in the accounts of future years

deferred maintenance /dɪ,fɜ:d 'meɪntənəns/ *noun* a failure to carry out maintenance, e.g. to machinery, that adversely affects its value, recorded in accounts

deferred payment /dɪ,fɜ:d 'pəɪmənt/ *noun* **1.** money paid later than the agreed date **2.** payment for goods by instalments over a long period

deferred revenue /dɪ,fɜ:d 'revənju:/ *noun* revenue carried forward to future accounting periods

deferred tax /dɪ,fɜ:d 'tæks/ *noun* a tax which may become payable at some later date

deficiency /dɪ'fɪʃ(ə)nsɪ/ *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 /'defɪsɪt/ *noun* the amount by which spending is higher than income

deficit financing /'defɪsɪt ˌfaɪnænsɪŋ/ *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 /di:'fleɪʃ(ə)n/ *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 /di:'fleɪʃ(ə)n(ə)rɪ/ *adjective* causing deflation ○ *The government has introduced some deflationary measures in the budget.*

deflator /di:'fleɪtə/ *noun* the amount by which a country's GNP is reduced to take inflation into account

degearing /di:'gɪərɪŋ/ *noun* a reduction in gearing, reducing a company's loan capital in relation to the value of its ordinary shares

del credere /,del 'kreɪdərə/ *noun* an amount added to a charge to cover the possibility of not being paid

del credere agent /,del 'kreɪdərə ,eɪdʒənt/ *noun* an agent who receives a high

commission because he or she guarantees payment by customers

delinquency /dɪ'ɪŋkwənsi/ *noun* US the fact of being overdue in payment of an account, an interest payment, etc.

delinquent /dɪ'ɪŋkwənt/ *adjective* US referring to an account or payment of tax which is overdue

deliver /dɪ'lɪvə/ *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 /dɪ'lɪvəd praɪs/ *noun* a price which includes packing and transport

delivery /dɪ'lɪv(ə)ri/ *noun* **1.** a consignment of goods being delivered ○ *We take in three deliveries a day.* ○ *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 /dɪ'lɪv(ə)ri,saɪk(ə)l,taɪm/ *noun* the interval between the time of accepting an order and the time of making the final delivery

delivery month /dɪ'lɪv(ə)ri mʌnθ/ *noun* a month in a futures contract when actual delivery will take place

delivery note /dɪ'lɪv(ə)ri nəʊt/ *noun* a list of goods being delivered, given to the customer with the goods

delivery of goods /dɪ,lɪv(ə)ri əv 'gʊdz/ *noun* the transport of goods to a customer's address

delivery order /dɪ'lɪv(ə)ri ,ɔ:də/ *noun* the instructions given by the customer to the person holding her goods, to tell her where and when to deliver them

delivery time /dɪ'lɪv(ə)ri taɪm/ *noun* the number of days before something will be delivered

demand /dɪ'mɑ:nd/ *noun* **1.** an act of asking for payment **2.** an act of asking for something and insisting on getting it ○ *The management refused to give in to union demands for a meeting.* ■ **verb** **1.** the need that customers have for a product or their eagerness to buy it ○ *There was an active demand for oil shares on the stock market.* ○ *The factory had to cut production when demand slackened.* ○ *The office cleaning company cannot keep up with the demand for its services.* □ **to meet or fill a demand** to supply what is needed ○ *The factory had to increase pro-*

duction to meet the extra demand. **2.** to ask for something and expect to get it ○ *She demanded a refund.* ○ *The suppliers are demanding immediate payment of their outstanding invoices.*

'...spot prices are now relatively stable in the run-up to the winter's peak demand' [*Economist*]

'...the demand for the company's products remained strong throughout the first six months of the year with production and sales showing significant increases' [*Business Times (Lagos)*]

'...growth in demand is still coming from the private rather than the public sector' [*Lloyd's List*]

demand bill /dɪ'mɑ:nd bɪl/ *noun* a bill of exchange which must be paid when payment is asked for

demand price /dɪ'mɑ:nd praɪs/ *noun* the price at which a quantity of goods will be bought

demerge /di:'mɜ:dʒ/ *verb* to separate a company into several separate parts

demerger /di:'mɜ:dʒə/ *noun* the separation of a company into several separate parts, especially used of companies which have grown by acquisition

demise /dɪ'maɪz/ *noun* **1.** a death ○ *On his demise the estate passed to his daughter.* **2.** the act of granting a property on a lease ■ *verb* to grant property on a lease

demonetisation /di:,mʌnɪtaɪ'zeɪʃ(ə)n/, **demonetization** *noun* the act of stopping a coin or note being used as money

demonetise /di:'mʌnɪtaɪz/, **demonetize** *verb* to stop a coin or note being used as money

demurrage /dɪ'mɜ:rɪdʒ/ *noun* money paid to a customer when a shipment is delayed at a port or by customs

demutualisation /di:,mju:tʃuəlaɪ'zeɪʃ(ə)n/, **demutualization** *noun* the process by which a mutual society, such as a building society, becomes a publicly owned corporation

demutualise /di:'mju:tʃuəlaɪz/, **demutualize** /di:'mju:tʃuəlaɪz/ *verb* to stop having mutual status and become a publicly owned corporation by selling shares to the general public on the stock market

denomination /dɪ,nɒmɪ'neɪʃ(ə)n/ *noun* a unit of money on a coin, banknote or stamp ○ *We collect coins of all denominations for charity.* ○ *Small denomination notes are not often counterfeited.*

departmental accounts /,di:pɑ:tment(ə)l ə'kaʊnts/ *plural noun*

accounts which analyse the sales of different departments or products of a company

Department for Education and Skills /dɪ,pɑ:t'mənt fɔə 'edʒu,keɪʃ(ə)n ən 'skɪlz/ *noun* a British government department responsible for education and training. Abbreviation **DFES**

Department of Trade and Industry /dɪ,pɑ:t'mənt əv 'treɪd ənd 'ɪndəstri/ *noun* a British government department which deals with areas such as commerce, international trade and the stock exchange. Abbreviation **DTI**

dependent variable /dɪ,pɛndənt 'veəriəb(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 /dɪ'pɒzɪt/ *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 /dɪ'pɒzɪt ə,kəʊnt/ *noun* a bank account which pays interest but on which notice has to be given to withdraw money. Abbreviation **D/A**

depository /dɪ'pɒzɪtəri/ *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 /dɪ'pɒzɪtə/ *noun* a person who deposits money in a bank, building society, etc.

depository /dɪ'pɒzɪt(ə)ri/ *noun* a person or company with whom money or documents can be deposited (NOTE: Do not confuse with **depository**.)

deposit slip /dɪ'pɒzɪt slɪp/ *noun* *US* same as **paying-in slip**

deposit-taking institution /dɪ,pɒzɪt ,teɪkɪŋ ,ɪnstɪ'tju:ʃ(ə)n/, **depository institution** /dɪ,pɒzɪt(ə)ri ,ɪnstɪ'tju:ʃ(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 /dɪ'pri:ʃiəb(ə)l/ *adjective* possible to depreciate

depreciable asset /dɪ,prɪ:ʃiəb(ə)l 'æset/ *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 /dɪ'pri:ʃiəb(ə)l kɒst/ *noun* a cost that can be applied to more than one accounting period

depreciable life /dɪ,prɪ:ʃiəb(ə)l 'laɪf/ *noun* the period over which the cost of an asset may be spread

depreciate /dɪ'pri:ʃiət/ *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 depreciated by 10% over the year* ○ *The pound has depreciated by 5% against the dollar.*

depreciation /dɪ,prɪ:ʃi'eɪʃ(ə)n/ *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 /dɪ,prɪ:ʃi'eɪʃ(ə)n ə,kəʊntɪŋ/ *noun* the process of spreading the cost of an asset over its useful life

depreciation provision /dɪ,prɪ:ʃi'eɪʃ(ə)n prə,vɪʒ(ə)n/ *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 /dɪ,prɪ:ʃi'eɪʃ(ə)n reɪt/ *noun* the rate at which an asset is depreciated each year in the company accounts

depress /dɪ'pres/ *verb* to reduce something ○ *Reducing the money supply has the effect of depressing demand for consumer goods.*

depressed market /dɪ,prest 'mɑ:kɪt/ *noun* a market where there are more goods than customers

deregulate /dɪ'regjuleɪt/ *verb* to remove government controls from an industry ○ *The US government deregulated the banking sector in the 1980s.*

deregulation /dɪ,regju'leɪʃ(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 last' [*Lloyd's List*]

derivative instruments /dɪ,rɪvətɪv 'ɪnstrʊmənts/, **derivatives** /dɪ,rɪvətɪvz/ *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 /,dezɪgneɪtɪd ə 'kaʊnt/ *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 /,di:teɪld 'ɔ:dɪt/ *noun* an audit that involves examining all or most of a company's transactions, rather than a sample of them

devaluation /,di:vælju'eɪʃ(ə)n/ *noun* a reduction in the value of a currency against other currencies ○ *the devaluation of the rand*

devalue /di:'vælju:/ *verb* to reduce the value of a currency against other currencies ○ *The pound has been devalued by 7%.*

development costs /dɪ'veləpmənt kɒsts/ *plural noun* costs of developing new or improved products, sometimes also incorporating a portion of standard overhead costs

devise /dɪ'vaɪz/ *noun* the act of giving freehold land to someone in a will ■ *verb* to give freehold property to someone in a will

devisee /dɪvaɪ'zi:/ *noun* a person who receives freehold property in a will

DFES *abbreviation* Department for Education and Skills

differential tariffs /,dɪfərənsjəl 'tærɪfs/ *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 /'dɪdʒɪt/ *noun* a single number ○ *a seven-digit phone number*

digital analysis /,dɪdʒɪt(ə)l ə'næləsɪs/ *noun* auditing techniques that investigate the digits in accounting numbers to reveal fraud and error

diluted earnings per share /daɪ,lʊ:tɪd ,ɜ:rɪŋɪŋz pə 'ʃeə/ *noun* a hypothetical measure of the quality of a company's earnings per share that assumes all convertible securities are exercised

dilution of shareholding /daɪ,lʊ:f(ə)n əv 'ʃeəhəʊldɪŋ/ *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 /dɪ'mɪnɪʃ/ *verb* to become smaller ○ *Our share of the market has diminished over the last few years.*

direct allocation method /,daɪrekt ,ælə'keɪʃ(ə)n ,meθəd/, **direct method** /daɪ'rekt ,meθəd/ *noun* a method of relating the costs incurred by service departments of a company to the production departments

direct cost /daɪ,rekt 'kɒst/ *noun* a cost which can be directly related to the making of a product, i.e. its production cost

direct cost variance /daɪ,rekt kɒst 'veəriəns/ *noun* the difference between the planned direct costs for a product and the actual direct costs

direct debit /daɪ,rekt 'deɪbɪt/ *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 /daɪ,rekt ɪk'spensɪz/ *plural noun* expenses excluding materials, labour or purchase of stock for resale which are incurred in making a product

directional testing /daɪ,rekʃən(ə)l 'testɪŋ/ *noun* an auditing technique by which work is reduced by testing debits only for overstatement and credits only for understatement

directive /daɪ'rektɪv/ *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 method.)

direct labour costs /daɪ,rekt 'leɪbə ,kɒsts/ *plural noun* the cost of employing those workers directly involved in producing a particular product, not including materials or overheads

direct materials cost /daɪ,rekt mə 'tɪəriəlz ,kɒst/ *noun* the cost of the materials used in producing a particular product

director /daɪ'rektə/ *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*]

directorate /daɪ'rekt(ə)rət/ *noun* a group of directors

Director of the Budget /daɪ'rektər əv ðə 'bʌdʒɪt/ *noun* the member of a government in charge of the preparation of the budget

director's fees /daɪ'rektəz fi:z/ *plural noun* money paid to a director for attendance at board meetings

directorship /daɪ'rektəʃɪp/ *noun* the post of director ○ *She was offered a directorship with Smith Ltd*

directors' report /daɪ'rektəz rɪ.pɔ:t/ *noun* the annual report from the board of directors to the shareholders

direct product profitability /daɪ'rekt ,prɒdʌkt ,prɒfɪtə'bɪlɪti/ *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 /daɪ'rekt 'ʃeə ,əʊnəʃɪp/ *noun* the ownership of shares by private individuals, buying or selling through brokers, and not via holdings in unit trusts

direct tax /daɪ'rekt 'tæks/ *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 /daɪ'rekt tæk'seɪʃ(ə)n/ *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 /'dɜ:ti fləʊt/ *noun* the process of floating a currency, in which the government intervenes to regulate the exchange rate

disallow /,dɪsə'laʊ/ *verb* not to accept a claim for insurance ○ *She claimed £2,000 for fire damage, but the claim was disallowed.*

disallowable /,dɪsə'laʊəb(ə)l/ *adjective* not able to be allowed for tax relief ○ *The use of a car for private travel is a disallowable expense.* Opposite **allowable**

disburse /dɪs'bɜ:s/ *verb* to pay money

disbursement /dɪs'bɜ:smənt/ *noun* the payment of money

discharge /dɪs'tʃɑ:dʒ/ *noun* /'dɪstʃɑ:dʒ/ **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** while carrying out her duties as director ■ **verb 1.** to pay a debt □ **to discharge a bank-**

rupt to release someone from bankruptcy because they have has paid their debts **2.** □ **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 /dɪs,tʃɑ:dʒd 'bæŋkrɒpt/ *noun* a person who has been released from being bankrupt because his or her debts have been paid

disclaimer /dɪs'kleɪmə/ *noun* a legal refusal to accept responsibility

disclose /dɪs'kləʊz/ *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 /dɪs'kləʊzə/ *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 /dɪs ,kləʊzər əv 'ʃeəhəʊldɪŋ/ *noun* the act of making public the fact that someone owns shares in a company

discount *noun* /'dɪskaʊnt/ **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 or 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* /dɪs'kaʊnt/ **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 /'dɪskaʊntəb(ə)l/ *adjective* possible to discount ○ *These bills are not discountable.*

discounted cash flow /,dɪskaʊntɪd 'kæʃ 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 /,dɪskaʊntɪd 'vælju:/ *noun* the difference between the face value of a share and its lower market price

discounter /'dɪskaʊntə/ *noun* a person or company that discounts bills or invoices, or sells goods at a discount

discount for cash /,dɪskaʊnt fə 'kæʃ/ *noun* same as **cash discount**

discount house /'dɪskaʊnt haʊs/ *noun* a financial company which specialises in discounting bills

discount rate /'dɪskaʊnt reɪt/ *noun* the rate charged by a central bank on any loans it makes to other banks

discrepancy /dɪ'skrepənsi/ *noun* a lack of agreement between figures in invoices or accounts

discretion /dɪ'skreʃ(ə)n/ *noun* the ability to decide what should be done

discretionary account /dɪ ,skreʃ(ə)n(ə)rɪ ə'kaʊnt/ *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 /dɪ ,skreʃ(ə)n(ə)rɪ 'klaɪənt/ *noun* a client whose funds are managed on a discretionary basis

discretionary cost /dɪ ,skreʃ(ə)n(ə)rɪ 'kɒst/ *noun* a cost that can vary greatly within an accounting period and is determined by the appropriate budget holder

discretionary funds /dɪ ,skreʃ(ə)n(ə)rɪ 'fʌndz/ *plural noun* funds managed on a discretionary basis

discretionary trust /dɪ ,skreʃ(ə)n(ə)rɪ 'trʌst/ *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 /dɪsɪ ,kɒnəmɪz əv 'skeɪl/ *plural noun* a situation where increased production leads to a higher production cost per unit or average production cost

disequilibrium /,dɪsɪ:kwi'ɪbrɪəm/ *noun* an imbalance in the economy when supply does not equal demand

dishonoured cheque /dɪs ,ɒnəd 'tʃek/ *noun* a cheque which the bank will not pay because there is not enough money in the account to pay it

disinvest /,dɪsɪn'vest/ *verb* to reduce investment by not replacing capital assets when they wear out

disinvestment /,dɪsɪn'vestmənt/ *noun* a reduction in capital assets by not replacing them when they wear out

dispensation /,dɪspen'seɪʃ(ə)n/ *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 /dɪ ,spəʊzəb(ə)l ,pɜːs(ə)nəl 'ɪnkʌm/ *noun* the income left after tax and National Insurance have been deducted. Also called **take-home pay**

disposal /dɪ'spəʊz(ə)l/ *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 /dɪ'spəʊz(ə)lz/ *plural noun* assets which have been sold or scrapped

disqualification /dɪs ,kwɒlɪfɪ'keɪʃ(ə)n/ *noun* 1. the act of making someone disqualified to do something 2. 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 /dɪs'kwɒlɪfaɪ/ *verb* to make a person unqualified to do something, such as to be a director of a company

dissolution /,dɪsə'luːʃ(ə)n/ *noun* the ending of a partnership

dissolve /dɪ'zɒlv/ *verb* to bring to an end ○ to dissolve a partnership

distrain /dɪ'streɪn/ *verb* to seize goods to pay for debts

distress /dɪ'stres/ *noun* the act of taking someone's goods to pay for debts

distress merchandise /dɪ'stres ,mɜːtʃændaɪs/ *noun* US goods sold cheaply to pay a company's debts

distress sale /dɪ'stres seɪl/ *noun* a sale of goods at low prices to pay a company's debts

distributable /dɪs'trɪbjʊtəb(ə)l/ *adjective* possible to distribute

distributable profits /dɪs ,trɪbjʊtəb(ə)l 'prɒfɪts/ *plural noun* profits which can be distributed to shareholders as dividends if the directors decide to do so

distributable reserve /dɪ ,strɪbjʊtəb(ə)l rɪ'zɜːv/ *noun* a reserve fund that is able to be distributed to shareholders in the form of dividends

distribute /dɪ'strɪbjʊ:t/ *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 /dɪˌstrɪbjʊtɪd 'prɒfɪts/ *plural noun* profits passed to shareholders in the form of dividends

distribution /,dɪstrɪ'bjuːʃ(ə)n/ *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 distribution manager.*

'British distribution companies are poised to capture a major share of the European market' [*Management News*]

distribution cost /,dɪstrɪ'bjuːʃ(ə)n ,kɒst/, **distribution expense** /,dɪstrɪ'bjuːʃ(ə)n ɪkˌspens/, **distribution overhead** /,dɪstrɪ'bjuːʃ(ə)n ˌəʊvəhed/ *noun* expenditure involved in warehousing, packing and sending products for sale

distribution network /,dɪstrɪ'bjuːʃ(ə)n ,netwɜːk/ *noun* a series of points or small warehouses from which goods are sent all over a country

distribution of income /,dɪstrɪbjʊːʃ(ə)n əv 'ɪnkʌm/ *noun* the payment of dividends to shareholders

distributor /dɪ'strɪbjʊtə/ *noun* a company which sells goods for another company which makes them

distributorship /dɪ'strɪbjʊtəʃɪp/ *noun* the position of being a distributor for a company

District Bank /,dɪstrɪkt '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 /daɪˌvɜːsɪfɪ'keɪʃ(ə)n/ *noun* the process in which a company begins to engage in a new and different type of business

diversify /daɪˌvɜːsɪfaɪ/ *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 /daɪ'vestɪtʃə/ *noun* the sale of an asset

dividend /'dɪvɪdend/ *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 /'dɪvɪdend tʃek/ *noun* US same as **dividend warrant**

dividend cover /'dɪvɪdend ,kʌvə/ *noun* the ratio of profits to dividends paid to shareholders

dividend forecast /'dɪvɪdend ,fɔːkɑːst/ *noun* a forecast of the amount of an expected dividend

dividend growth model /,dɪvɪdend grəʊθ 'mɒd(ə)l/ *noun* a financial model that assesses the value of a company using figures for its current and assumed future dividend payments

dividend mandate /'dɪvɪdend ,mændeɪt/ *noun* authorisation by a shareholder to the company, to pay his or her dividends directly into a bank account

dividend payout /'dɪvɪdend ,peɪəʊt/ *noun* money paid as dividends to shareholders

dividend per share /,dɪvɪdend pə 'ʃeə/ *noun* an amount of money paid as dividend for each share held

dividend warrant /'dɪvɪdend ,wɒrənt/ *noun* a cheque which makes payment of a dividend (NOTE: The US term is **dividend check**.)

dividend yield /'dɪvɪdend jɪːld/ *noun* a dividend expressed as a percentage of the current market price of a share

dividend yield basis /'dɪvɪdend jɪːld ,beɪsɪs/ *noun* a method of valuing shares in a company, by which the dividend per share is divided by the expected dividend yield

divisional headquarters /dɪˌvɪʒ(ə)nəl hed'kwɔːtəz/ *plural noun* the main office of a division of a company

divisor /dɪ'vaɪzə/ *noun* a number divided into another number

document /'dɒkjʊmənt/ *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 /,dɒkjʊ'ment(ə)ri/ *adjective* in the form of documents ○ *documentary evidence*

documentary credit /,dɒkjʊment(ə)ri 'kredɪt/ *noun* a credit document used in export trade, when a bank issues a letter of credit against shipping documents

documentation /,dɒkjʊmen'teɪʃ(ə)n/ *noun* all the documents referring to something ○ *Please send me the complete documentation concerning the sale.*

dollar /'dɒlə/ *noun* a unit of currency used in the US and other countries such as Aus-

tralia, Bahamas, Barbados, Bermuda, Brunei, Canada, Fiji, Hong Kong, Jamaica, New Zealand, Singapore and Zimbabwe ○ *The US dollar rose 2%*. ○ *They sent a cheque for fifty Canadian dollars*. ○ *It costs six Australian dollars*.

dollar area /'dɒləɹ ˌeəriə/ *noun* an area of the world where the US dollar is the main trading currency

dollar balances /'dɒlə bælənsɪz/ *plural noun* a country's trade balances expressed in US dollars

dollar-cost averaging /,dɒləɹ kɒst ˌæv(ə)rɪdʒɪŋ/ *noun* ▶ **pound-cost averaging**

dollar crisis /'dɒlə ˌkraɪsɪs/ *noun* a fall in the exchange rate for the US dollar

dollar gap /,dɒlə ˌgæp/ *noun* a situation where the supply of US dollars is not enough to satisfy the demand for them from overseas buyers

dollar millionaire /,dɒlə ˌmɪljə'neɪ/ *noun* a person who has more than one million dollars

dollar stocks /,dɒlə ˌstɒks/ *plural noun* shares in US companies

domestic production /də'mestɪk prə ˌdʌkʃən/ *noun* the production of goods for use in the home country

domicile /'dɒmɪsaɪl/ *noun* the country where someone lives or where a company's office is registered ■ *verb* □ **she is domiciled in Denmark** she lives in Denmark officially

donation /dəʊ'neɪʃ(ə)n/ *noun* a gift, especially to a charity

donee /,dəʊ'ni:z/ *noun* a person who receives a gift from a donor

donor /'dɒnə/ *noun* a person who gives, especially someone who gives money

dormant /'dɔ:mənt/ *adjective* no longer active or no longer operating

dormant account /,dɔ:mənt ə'kaʊnt/ *noun* a bank account which is no longer used

dormant company /,dɔ:mənt ˌkʌmp(ə)ni/ *noun* company which has not made any transactions during an accounting period

dot.com /,dɒt ˌkɒm/, **dot-com** /,dɒt ˌkɒm/ *noun* a business that markets its products through the Internet, rather than by using traditional marketing channels

double-entry bookkeeping /,dʌb(ə)l ˌentri ˌbʊkki:pɪŋ/ *noun* the most commonly used system of bookkeeping, based on the principle that every financial transac-

tion is accounted for on both the credit and debit side of an account

double taxation /,dʌb(ə)l tæk'seɪʃ(ə)n/ *noun* the act of taxing the same income twice

double taxation agreement /,dʌb(ə)l tæk'seɪʃ(ə)n ə'grɪ:mənt/, **double taxation treaty** /,dʌb(ə)l tæk'seɪʃ(ə)n ˌtri:ti/ *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 /,dʌb(ə)l tæk'seɪʃ(ə)n rɪˌli:f/ *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 /'daʊtʃ(ə)l/ *adjective* □ **doubtful debt** a debt which may never be paid □ **doubtful loan** a loan which may never be repaid

doubtful debt provision /,daʊtʃ(ə)l ˌdet prəˌvɪʒ(ə)n/ *noun* ▶ **bad debt provision**

doubtful loan /,daʊtʃ(ə)l ˌlɔʊn/ *noun* a loan which may never be repaid

downgrade /'daʊnɡreɪd/ *verb* **1.** to reduce the status of an employee or position ○ *The post was downgraded in the company reorganisation.* **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 /,daʊn ˌpeɪmənt/ *noun* part of a total payment made in advance ○ *We made a down payment of \$100.*

downside factor /'daʊnsaɪd ˌfæktə/, **downside potential** /,daʊnsaɪd pə ˌtenʃ(ə)l/ *noun* the possibility of making a loss in an investment

downside risk /'daʊnsaɪd rɪsk/ *noun* the risk that an investment will fall in value. Opposite **upside potential**

down time /'daʊn taɪm/ *noun* the time when a machine is not working or not available because it is broken or being mended

downturn /'daʊntɜ:n/ *noun* a downward trend in sales or profits ○ *a downturn in the market price* ○ *The last quarter saw a downturn in the economy.*

DPP *abbreviation* direct profit profitability
draft /dra:ft/ *noun* **1.** an order for money to be paid by a bank ○ *We asked for payment by banker's draft.* **2.** a first rough plan or document which has not been finished ○ *The finance depart* ○ *A draft of the contract* or *The draft contract is waiting for the MD's comments.* ○ *He drew up the draft agree-*

ment on the back of an envelope. ■ *verb* to make a first rough plan of a document ○ *to draft a letter* ○ *to draft a contract* ○ *The contract is still being drafted or is still in the drafting stage.*

drafting /'drɑ:ftɪŋ/ *noun* an act of preparing the draft of a document ○ *The drafting of the contract took six weeks.*

drain /dreɪn/ *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 /drɔ:/ *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 /'drɔ:bæk/ *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 /'drɔ:daʊn/ *noun* the act of drawing money which is available under a credit agreement

drawee /drɔ:'i:/ *noun* the person or bank asked to make a payment by a drawer

drawer /'drɔ:ə/ *noun* the person who writes a cheque or a bill asking a drawee to pay money to a payee

drawing account /'drɔ:ɪŋ ə,kaʊnt/ *noun* a current account, or any account from which the customer may take money when he or she wants

drawings /'drɔ:ɪŋz/ *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 /'drɔ:ɪŋz ə,kaʊnt/ *noun* an account showing amounts drawn by partners in a partnership

drop /drɒp/ *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*]

droplock bond /'drɒplɒk bɒnd/ *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 /,draɪ 'gʊdz/ *plural noun* cloth, clothes and household goods

DTI *abbreviation* Department of Trade and Industry

dual currency bond /,dju:əl 'kʌrənsɪ bɒnd/ *noun* a bond which is paid for in one currency but which is repayable in another on redemption

dual listing /,dju:əl 'lɪstɪŋ/ *noun* the listing of a share on two stock exchanges

dual pricing /,dju:əl 'praɪsɪŋ/ *noun* the practice of setting different prices for a given product in the different market in which it is sold

dual resident /,dju:əl 'rezɪd(ə)nt/ *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 'tʃek/ *noun* a cheque which cannot be cashed because the person writing it does not have enough money in the account to pay it

due /dju:/ *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 /'dju: deɪt/ *noun* the date on which a debt is required to be paid

due diligence /,dju: 'dɪlɪdʒəns/ *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 /dju:z/ *plural noun* orders taken but not supplied until new stock arrives

dumping /'dʌmpɪŋ/ *noun* the act of getting rid of excess goods cheaply in an overseas market ○ *The government has passed*

anti-dumping legislation. ○ *Dumping of goods on the European market is banned.*

Dun & Bradstreet /,dʌŋ ən 'brædstri:t/
noun an organisation which produces reports on the financial rating of companies, and also acts as a debt collection agency.

Abbreviation **D&B**

duty /'dju:ti/ *noun* 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 /,dju:ti 'fri:/ *adjective, adverb*
 sold with no duty to be paid ○ *She bought duty-free perfume at the airport.* ○ *He bought the watch duty-free.*

duty-paid goods /,dju:ti 'peɪd ɡʊdz/
plural noun goods where the duty has been paid

E

e- /i:/ *prefix* referring to electronics or the Internet

EAA *abbreviation* European Accounting Association

e. & o.e. *abbreviation* errors and omissions excepted

early withdrawal /ɜ:li wɪð'drɔ:əl/ *noun* the act of withdrawing money from a deposit account before the due date ○ *Early withdrawal usually incurs a penalty.*

earmark /'ɔ:mɑ:k/ *verb* to reserve for a special purpose ○ *to earmark funds for a project* ○ *The grant is earmarked for computer systems development.*

earn /ɜ:n/ *verb* **1.** to be paid money for working ○ *to earn £100 a week* ○ *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 /ɜ:nd 'ɪnkʌm/ *noun* income from wages, salaries, pensions, fees, rental income, etc., as opposed to 'unearned' income from investments

earnest /'ɜ:nɪst/ *noun* money paid as an initial payment by a buyer to a seller, to show commitment to the contract of sale

earning capacity /'ɜ:nɪŋ kə'pæsɪti/,

earning power /'ɜ:nɪŋ 'paʊə/ *noun* the amount of money someone should be able to earn

earning potential /'ɜ:nɪŋ pə'tenʃəl/ *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 /'ɜ:nɪŋ 'paʊə/ *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 /'ɜ:nɪŋz/ *plural noun* **1.** salary, wages, dividends or interest received ○ *High earnings in top management reflect the heavy responsibilities involved.* ○ *The cal-*

ulation 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*]

'...last fiscal year the chain reported a 116% jump in earnings, to \$6.4 million or \$1.10 a share' [*Barrons*]

earnings before interest, taxes, depreciation and amortisation

/ɜ:nɪŋz bɪ'fɔ: ɪn'trəst 'tæksɪz dɪ'prɪ:ʃi'eɪʃ(ə)n ənd ə'mɔ:təɪ'zeɪʃ(ə)n/ *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

/ɜ:nɪŋz bɪ'fɔ: 'ɪntrəst ən tæks/ *noun* the amount earned by a business before deductions are made for tax and interest payments. Abbreviation **EBIT**

earnings cap /'ɜ:nɪŋz kæp/ *noun* the upper limit on the amount of salary that can be taken into account when calculating pensions

earnings growth /'ɜ:nɪŋz grəʊθ/ *noun* an increase in profit per share

earnings performance /'ɜ:nɪŋz pə'fɔ:məns/ *noun* a way in which shares earn dividends

earnings per share /ɜ:nɪŋz pə 'ʃeə/ *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

/ɜ:nɪŋz rɪ'leɪtɪd kɒn'trɪ'bju:ʃ(ə)nz/ *plural noun* contributions to social security which rise as the employee's earnings rise

earnings-related pension /ɜ:nɪŋz rɪ'leɪtɪd 'penʃən/ *noun* a pension which is linked to the size of a person's salary

earnings surprises /'ɜ:nɪŋz sə,praɪzɪz/ *plural noun* an announced income level for a company that is significantly higher or lower than that forecast by analysts

earnings yield /'ɜ:nɪŋz jɪ:ld/ *noun* the money earned in dividends per share as a percentage of the current market price of the share

ease /i:z/ *verb* to fall a little ○ *The share index eased slightly today.*

easy market /,i:zi 'mɑ:kɪt/ *noun* a market where few people are buying, so prices are lower than they were before

easy money /,i:zi 'mʌni/ *noun* 1. money which can be earned with no difficulty 2. a loan available on easy repayment terms

easy money policy /,i:zi 'mʌni pəʊlɪsi/ *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 /,i:zi 'tɜ:mz/ *plural noun* financial terms which are not difficult to accept ○ *The shop is let on very easy terms.*

EBIT /'i:bit/ *abbreviation* earnings before interest and tax

EBITDA /'i:bit,dɑ:/ *abbreviation* earnings before interest, taxes, depreciation and amortisation

EBRD *abbreviation* European Bank for Reconstruction and Development

e-business /'i: ,bɪznɪs/ *noun* a general term that refers to any type of business activity on the Internet, including marketing, branding and research ○ *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 /,i: 'kɒmɜ:s/ *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 /ɪ,kɒnə'metɪks/ *noun* the study of the statistics of economics, using computers to analyse these statistics and make forecasts using mathematical models

economic /,i:kə'nɒmɪk/ *adjective* 1. providing enough money to make a profit ○ *The flat is let at an economic rent.* ○ *It is hardly economic for the company to run its own warehouse.* 2. referring to the financial state of a country ○ *economic trends* ○ *Economic planners are expecting a consumer-led boom.* ○ *The economic situation is getting worse.* ○ *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 /,i:kə'nɒmɪk(ə)/ *adjective* saving money or materials or being less expensive ○ *This car is very economical.* □ **an economical use of resources** the fact of using resources as carefully as possible

Economic and Monetary Union /,i:kə'nɒmɪk ən ,mʌnɪt(ə)rɪ 'ju:njən/ *noun* same as **European Monetary Union**

economic crisis /,i:kə'nɒmɪk 'kraɪsɪs/, **economic depression** /,i:kə'nɒmɪk dɪ 'preʃ(ə)n/ *noun* a situation where a country is in financial collapse ○ *The government has introduced import controls to solve the current economic crisis.*

economic cycle /,i:kə'nɒmɪk 'saɪk(ə)/ *noun* a period during which trade expands, then slows down and then expands again

economic development /,i:kə'nɒmɪk dɪ'veləpmənt/ *noun* improvements in the living standards and wealth of the citizens of a country ○ *The government has offered tax incentives to speed up the economic development of the region.* ○ *Economic development has been relatively slow in the north, compared with the rest of the country.*

economic forecaster /,i:kə'nɒmɪk 'fɔ:kɑ:stə/ *noun* a person who says how he or she thinks a country's economy will perform in the future

economic growth /,i:kə'nɒmɪk 'grəʊθ/ *noun* the rate at which a country's national income grows

economic life /,i:kə'nɒmɪk 'laɪf/ *noun* the extent of trade and manufacturing in a country, regarded as a measure of its relative prosperity

economic model /,i:kə'nɒmɪk 'mɒd(ə)/ *noun* a computerised plan of a country's

economic system, used for forecasting economic trends

economic order quantity /i:kənɒmɪk 'ɔ:də,kwɒntɪti/ *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 /i:kənɒmɪk 'plæniŋ/ *noun* plans made by a government for the future financial state of a country

economics /i:kənɒmɪks/ *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 /i:kənɒmɪk 'sæŋkʃ(ə)nz/ *plural 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 /i:kənɒmɪk stæɡ'neɪʃ(ə)n/ *noun* a lack of expansion in the economy

economic value added /i:kənɒmɪk 'vælju:'ædɪd/ *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 /i,kənəmɪz əv 'skeɪl/ *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 /i,kənəmɪz əv 'skəʊp/ *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 /i'kənɒmɪst/ *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 /i'kənəmɪ/ *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 /i'kənəmɪ draɪv/ *noun* a vigorous effort to save money or materials

ECP *abbreviation* Eurocommercial paper

ecu /'ekju:/, **ECU** *abbreviation* European Currency Unit

ED *abbreviation* exposure draft

EDI *abbreviation* electronic data interchange

EEA *abbreviation* European Economic Area

effect /ɪ'fekt/ *noun* **1.** a result ○ *The effect 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 **3.** meaning □ **a clause to the effect that** a clause which means that ■ *verb* to carry out

effective /ɪ'fektɪv/ *adjective* **1.** actual, as opposed to theoretical **2.** □ **a clause effective as from January 1st** a clause which starts to be applied on January 1st **3.** 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 /ɪ,fektɪv 'æŋjuəl'reɪt/ *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 /ɪ'fektɪv deɪt/ *noun* the date on which a rule or contract starts to be applied, or on which a transaction takes place

effective demand /ɪ,fektɪv dɪ'mɑ:nd/ *noun* demand for a product made by individuals and institutions with sufficient wealth pay for it

effective exchange rate /ɪ,fektɪv ɪks'tʃeɪndʒ'reɪt/ *noun* a rate of exchange for a currency calculated against a basket of currencies

effective price /ɪ,fektɪv 'praɪs/ *noun* a share price which has been adjusted to allow for a rights issue

effective rate /ɪ,fektɪv'reɪt/ *noun* the real interest rate on a loan or deposit, i.e., the APR

effective tax rate /ɪˌfektɪv ˈtæks ˌreɪt/ *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 /ɪˌfektɪv ˈjɪld/ *noun* actual yield shown as a percentage of the price paid after adjustments have been made

efficiency ratio /ɪˈfɪʃ(ə)nsi ˈreɪʃ(ə)ʊ/ *noun* a measure of the efficiency of a business, expressed as expenditure divided by revenue

efficiency variance /ɪˈfɪʃ(ə)nsi ˌveəriəns/ *noun* the discrepancy between the actual cost of making a product and the standard cost

Efficient Market Hypothesis /ɪˌfɪʃ(ə)nt ˈmɑːkɪt haɪˌpəθəʊsɪs/, **Efficient Markets Hypothesis** /ɪˌfɪʃ(ə)nt ˈmɑːkɪts haɪˌpəθəʊsɪs/ *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 /ˈeftpɒz/ *abbreviation* electronic funds transfer at point of sale

EIB *abbreviation* European Investment Bank

eighty/twenty law /ˌeɪti ˈtwenti ruːl/, **80/20 law** *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 /ɪˈlæstɪk/ *adjective* able to expand or contract easily because of small changes in price

elasticity /ɪˌlæˈstɪsɪti/ *noun* the ability to change easily in response to a change in circumstances

eldercare /ˈeldəkeə/ *noun* assurance services sold to elderly people and their families

-elect /ɪlekt/ *suffix* referring to a person who has been elected but has not yet started the term of office

electronic banking /ɪˌelektrɒnɪk ˈbæŋkɪŋ/ *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 /ɪˌelektrɒnɪk ˈdeɪtə ɪntətʃeɪndʒ/ *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 /ɪˌelektrɒnɪk ˈfʌndz ˌtrænsfɜː/ *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 /ɪˌelektrɒnɪk ˈfʌndz ˌtrænsfɜː ət ˌpɔɪnt əv ˈseɪl/ *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 /ɪˌelektrɒnɪk ˈlɒdʒmənt ˌsɜːvɪs/ *noun* a British system for filing your tax return electronically. Abbreviation **ELS**

electronic point of sale /ɪˌelektrɒnɪk ˌpɔɪnt əv ˈseɪl/ *noun* a system where sales are charged automatically to a customer's credit card and stock is controlled by the shop's computer. Abbreviation **EPOS**

electronic version of the tax return /ɪˌelektrɒnɪk ɪˌvɜːʃ(ə)n əv ðə ˈtæks rɪˌtʁɪːn/ *noun* a method of making an individual's tax return using email. Abbreviation **EVR**

ELS *abbreviation* Electronic Lodgement Service

email /ˈiːmeɪl/, **e-mail** *noun* **1.** a system of sending messages from one computer terminal to another, using a modem and telephone lines ○ *You can contact me by phone or email if you want.* **2.** a message sent electronically ○ *I had six emails from him today.* ■ *verb* to send a message from one computer to another, using a modem and telephone lines ○ *She emailed her order to the warehouse.* ○ *I emailed him about the meeting.*

embargo /ɪmˈbɑːgəʊ/ *noun* **1.** a government order which stops a type of trade □ **to impose or put an embargo on trade with a country** to say that trade with a country must not take place ○ *The government has put an embargo on the export of computer equipment.* **2.** a period of time during which specific information in a press release must not be published (NOTE: The plural is **embargoes**.) ■ *verb* **1.** to stop trade, or not to allow something to be traded ○ *The government has embargoed trade with countries that are in breach of international agreements.* **2.** not to allow publication of

information for a period of time ○ *The news of the merger has been embargoed until next Wednesday.*

embezzle /ɪm'beɪz(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 /ɪm'beɪz(ə)lmənt/ *noun* the act of embezzling ○ *He was sent to prison for six months for embezzlement.*

embezzler /ɪm'beɪz(ə)lə/ *noun* a person who embezzles

EMH *abbreviation* Efficient Market Hypothesis

emoluments /ɪ'mɒljʊmənts/ *plural noun* pay, salary or fees, or the earnings of directors who are not employees (NOTE: US English uses the singular **emolument**.)

employed /ɪm'plɔɪd/ *adjective* **1.** in regular paid work **2.** referring to money used profitably ■ *plural noun* people who are working ○ *the employers and the employed*

employee /ɪm'plɔɪi/ *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 /ɪm,plɔɪi:kɒntrɪ'bju:ʃ(ə)n/ *noun* a contribution paid by an employee towards his or her pension

employee share ownership plan /ɪm,plɔɪi:'ʃeə,əʊnəʃɪp,plæn/, **employee share ownership programme** /ɪm,plɔɪi:'ʃeə,əʊnəʃɪp,prəʊgræm/, **employee share scheme** /ɪm,plɔɪi:'ʃeə,ski:m/ *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 /ɪm'plɔɪə/ *noun* a person or company that has regular employees and pays them

employer's contribution /ɪm,plɔɪəz:kɒntrɪ'bju:ʃ(ə)n/ *noun* money paid by an employer towards an employee's pension

employers' liability insurance /ɪm,plɔɪəz,lɪə'bɪlɪtɪɪn,ʃʊərəns/ *noun* insurance to cover accidents which may happen at work, and for which the company may be responsible

employment contract /ɪm,plɔɪmənt'kɒntrækt/ *noun* same as **contract of employment**

employment income /ɪm'plɔɪmənt,ɪnkʌm/ *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

encash /ɪn'kæʃ/ *verb* to cash a cheque, to exchange a cheque for cash

encashable /ɪn'kæʃəb(ə)l/ *adjective* possible to cash

encashment /ɪn'kæʃmənt/ *noun* an act of exchanging something for cash

encumbrance /ɪn'kʌmbɾəns/ *noun* a liability which is attached usually to a property or land, e.g. a mortgage or charge

endorse /ɪn'dɔ:s/ *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

endorsee /ɪndɔ:'si:/ *noun* a person whose name is written on a bill or cheque as having the right to cash it

endorsement /ɪn'dɔ:smənt/ *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

endorser /ɪn'dɔ:sə/ *noun* a person who endorses a bill or cheque which is then paid to him or her

endowment /ɪn'dəʊmənt/ *noun* the act of giving money to provide a regular income

endowment assurance /ɪn'dəʊmənt ə,ʃʊərəns/, **endowment insurance** /ɪn'dəʊmənt ɪn,ʃʊərəns/ *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

endowment mortgage /ɪn'dəʊmənt,ɪn,ɔ:ɪdʒ/ *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

endowment policy /ɪn'dəʊmənt,ɪn,ɔ:lɪsi/ *noun* same as **endowment assurance**

end product /ɪ,ɛnd 'prɒdʌkt/ *noun* a manufactured product resulting from a production process

energy costs /'enədʒi kɒsts/ *plural noun* costs of gas, electricity, etc., as shown in accounts

enforce /ɪn'fɔ:s/ *verb* to make sure something is done or that a rule is obeyed ○ *to enforce the terms of a contract*

enforcement /ɪn'fɔ:smənt/ *noun* the act of making sure that something is obeyed ○ *enforcement of the terms of a contract*

engagement /ɪn'geɪdʒmənt/ *noun* an agreement to do something

engagement letter /ɪn'geɪdʒmənt ,letə/ *noun* 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 /ɪn'teɪl/ *noun* a legal condition which passes ownership of a property only to some specific persons

enterprise /'entəpraɪz/ *noun* **1.** a system of carrying on a business **2.** a business

enterprise accounting /'entəpraɪz ə ,kaʊntɪŋ/ *noun* accounts prepared for the whole of a business, not merely for a department or other subdivisions

Enterprise Investment Scheme /,entəpraɪz ɪn'vestmənt ski:m/ *noun* 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 /'entəpraɪz rɪ,zɔ:s ,plænɪŋ/ *noun* 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 /'entəpraɪz zəʊn/ *noun* 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 /,entə 'teɪnmənt ə,ləʊəns/ *noun* an amount of money set aside by a company for entertaining clients and visitors

entertainment expenses /,entə 'teɪnmənt ɪk,spensɪz/ *plural noun* money spent on giving meals to business visitors

entitle /ɪn'taɪt(ə)/ *verb* to give the right to someone to have something ○ *After one year's service the employee is entitled to four weeks' holiday.*

entitlement /ɪn'taɪt(ə)lmənt/ *noun* a person's right to something

entity /'entɪti/ *noun* a single separate body or organisation

entity accounting /'entɪti ə,kaʊntɪŋ/ *noun* 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 /,ɒntɹəprə'nɜ:z/ *noun* a person who is willing to take commercial risks by starting or financing commercial enterprises

entrepreneurial /,ɒntɹəprə'nɜ:zɪəl/ *adjective* taking commercial risks ○ *an entrepreneurial decision*

entry /'entri/ *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 /'entri praɪs/ *noun* the replacement cost of an asset recorded in an account

entry value /'entri ,vælju:/ *noun* replacement cost, the cost of replacing an asset already bought or a service already received and accounted for

environmental accounting /ɪn ,vaɪrənmənt(ə)l ə'kaʊntɪŋ/ *noun* 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 /ɪn ,vaɪrən 'ment(ə)l rɪ,pɔ:ɪtɪŋ/ *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 /'i:ps/, **EPOS**, **EPoS** *abbreviation* electronic point of sale

EPS *abbreviation* earnings per share

equal /'i:kwəl/ *adjective* exactly the same ○ *Male and female employees have equal pay.* ■ *verb* to be the same as ○ *Production this month has equalled our best month ever.* (NOTE: **equalling** – **equalled**. The US spelling is **equaling** – **equaled**.)

equalise /'i:kwəlaɪz/, **equalize** *verb* to make equal ○ *to equalise dividends*

equally /'i:kwəli/ *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.*

equate /ɪ'kwert/ *verb* to reduce to a standard value

equation /ɪ'kweɪʒ(ə)n/ *noun* a set of mathematical rules applied to solve a problem ○ *The basic accounting equation is that assets equal liabilities plus equity.*

equilibrium /iːkwɪ'libriəm/ *noun* the state of balance in the economy where supply equals demand or a country's balance of payments is neither in deficit nor in excess

equities /'ekwɪtɪz/ *plural noun* ordinary shares

'...in the past three years commercial property has seriously underperformed equities and dropped out of favour as a result' [*Investors Chronicle*]

equity /'ekwɪti/ *noun* **1.** the right to receive dividends from the profit of a company in which shares are owned **2.** the value of a company that is the property of its shareholders, calculated as the value of the company's assets minus the value of its liabilities, not including the ordinary share capital **3.** the value of an asset minus any loans outstanding on it **4.** a fair system of laws, the system of British law which developed 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 /'ekwɪti ə'kaʊntɪŋ/ *noun* a method of accounting which puts part of the profits of a subsidiary into the parent company's books

equity capital /'ekwɪti ˌkæpɪt(ə)l/ *noun* 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 preference shareholders.)

equity dividend cover /'ekwɪti ˈdɪvɪdend ˌkʌvə/ *noun* an accounting ratio, calculated by dividing the distributable profits during a given period by the actual dividend paid in that period, that indicates the likelihood of the dividend being maintained in future years. † **capital reserves**

equity finance /'ekwɪti ˌfaɪnæns/ *noun* finance for a company in the form of ordinary shares paid for by shareholders

equity gearing /'ekwɪti ˌɡɪərɪŋ/ *noun* the ratio between a company's borrowings at interest and its ordinary share capital

equity kicker /'ekwɪti ˌkɪkə/ *noun* 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 /'ekwɪti ˌʃeə ˌkæpɪt(ə)l/ *noun* a company's issued share capital less capital which carries preferential rights. Equity share capital normally comprises ordinary shares.

equity sweetener /'ekwɪti ˌswi:t(ə)nə/ *noun* an incentive to encourage people to lend a company money, in the form of a warrant giving the right to buy shares at a later date and at an agreed price

equivalence /ɪ'kwɪvələns/ *noun* the condition of having the same value or of being the same

equivalent /ɪ'kwɪvələnt/ *noun* a person who is the equal of someone else

equivalent production /ɪˌkwɪvələnt prə'dʌkʃən/ *noun* a way of measuring units produced by a company that combines parts of units produced into whole-unit equivalents

equivalent taxable yield /ɪˌkwɪvələnt ˌtæksəb(ə)l ˈjɪ:ld/ *noun* the level of taxable investment required to provide the same return as some other form of investment

equivalent unit /ɪˌkwɪvələnt ˈju:nɪt/ *noun* a unit of unfinished production calculated 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 /ˌerəz ənd əʊˌmɪʃ(ə)nz ɪk'septɪd/ *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 /'eskəleɪt/ *verb* to increase steadily

escalator clause /'eskəleɪtə ˌklɔ:z/, **escalation clause** *noun* 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 /ɪ'skeɪp ˌklɔ:z/ *noun* a clause in a contract which allows one of the parties to avoid carrying out the terms of the contract under conditions

escrow /'eskraʊ/ *noun* US an agreement between two parties that something should be held by a third party until conditions are fulfilled

escrow account /'eskraʊ ə,kaʊnt/ *noun*
 US an account where money is held in escrow until a contract is signed or until goods are delivered

ESOP *abbreviation* employee share ownership plan

establishment /ɪ'stæblɪʃmənt/ *noun* **1.** a commercial business ○ *He runs an important printing establishment.* **2.** the number of people working in a company

establishment charges /ɪ'stæblɪʃmənt ˌtʃɑːdʒɪz/ *plural noun* the cost of people and property in a company's accounts

estate /ɪ'steɪt/ *noun* property left by a dead person

estate accounting /ɪ'steɪt ə,kaʊntɪŋ/ *noun* the preparation of financial accounts by the person administering the estate of someone deceased

estate duty /ɪ'steɪt ˌdʒuːtɪ/ *noun* a tax paid on the property left by a dead person (NOTE: now called **inheritance tax**)

estate tax /ɪ'steɪt tæks/ *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 *noun* /'estɪmət/ **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.* ■ *verb* /'estɪmeɪt/ 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 /'estɪmeɪtɪd/ *adjective* calculated approximately ○ *estimated sales* ○ *Costs were slightly more than the estimated figure.*

estimated cost /'estɪmeɪtɪd kɒst/ *noun* necessary future expenditure that the purchase of something entails, e.g. future running costs or future repairs

estimated liability /ˌestɪmeɪtɪd ˌlaɪə'bɪlɪtɪ/ *noun* a liability that exists but has a cost that can only be estimated as yet, as can any future tax liability

estimation /ˌestɪ'meɪʃ(ə)n/ *noun* an approximate calculation

estimator /'estɪmeɪtə/ *noun* a person whose job is to calculate estimates for carrying out work

EU *abbreviation* European Union ○ *EU ministers met today in Brussels.* ○ *The US is increasing its trade with the EU.*

euro /'jʊərəʊ/ *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- /jʊərəʊ/ *prefix* referring to Europe or the European Union

euro account /'jʊərəʊ ə,kaʊnt/ *noun* a bank account in euros

Eurobond /'jʊərəʊbɒnd/ *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 /'jʊərəʊtʃek/ *noun* a cheque which can be cashed in any European bank. The Eurocheque system is based in Brussels.

Eurocommercial paper /jʊərəʊtkɒmɜːʃ(ə)l 'peɪpə/ *noun* a form of short-term borrowing in Eurocurrencies. **Abbreviation** ECP

eurocredit /'jʊərəʊkredɪt/ *noun* a large bank loan in a Eurocurrency, usually provided by a group of banks to a large commercial undertaking

Eurocurrency /'jʊərəʊkʌrənsɪ/ *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 /'jʊərəʊdɪˌpɒzɪt/ *noun* a deposit of Eurodollars in a bank outside the US

Eurodollar /'jʊərəʊdɒlə/ *noun* a US dollar deposited in a bank outside the US, used mainly for trade within Europe ○ *a Eurodollar loan* ○ *the Eurodollar markets*

euroequity /'jʊərəʊˌekwɪtɪ/ *noun* a share in an international company traded on European stock markets outside its country of origin

Euroland /'jʊərəʊlənd/ *noun* same as **Eurozone**

euronote /'juərəʊnəʊt/ *noun* a short-term Eurocurrency bearer note

euro-option /'juərəʊ ɒpʃ(ə)n/ *noun* an option to buy European bonds at a later date

Europe /'juərəp/ *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 /,juərə'pi:ən/ *adjective* referring to Europe ○ *They do business with several European countries.*

European Accounting Association /,juərə'pi:ən ə'kaʊntɪŋ ə,səʊsiəf(ə)n/ *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 /,juərə'pi:ən bæŋk fə rɪkən'straktʃ(ə)n ən dɪ'veləpmənt/ *noun* a bank, based in London, which channels aid from the EU to Eastern European and Central Asian countries. Abbreviation **EBRD**

European Central Bank /,juərə'pi:ən ,sentrəl 'bæŋk/ *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 /,juərə'pi:ən 'kʌrənsɪ ,ju:nɪt/ *noun* the official monetary unit of the European Union from 1979 to 1999. Abbreviation **ECU**

European Economic Area /,juərə'pi:ən ,i:kənɒmɪk 'eəriə/ *noun* 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 /,juərə'pi:ən ,fedəreɪf(ə)n əv ə 'kaʊntənts/ *noun* the representative organisation for the accountancy profession in Europe

European Financial Reporting Advisory Group /,juərə'pi:ən faɪ'nænʃ(ə)l rɪ 'pɔ:ɪtɪŋ/ *noun* a group that advises on the technical assessment of accounting standards in Europe

European Free Trade Association /,juərə'pi:ən fri: 'treɪd ə,səʊsiəf(ə)n/ *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 /,juərə'pi:ən ɪn'vestmənt 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 /,juərə'pi:ən 'mʌnɪt(ə)rɪ ,sɪstəm/ *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 /,juərə'pi:ən 'mʌnɪt(ə)rɪ ,ju:nɪjən/ *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 January 1999. The euro became legal tender for these member states from 2002. Abbreviation **EMU**

European Social Charter /,juərə'pi:ən ,səʊf(ə)l 'tʃɑ:tə/ *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 /,juərə'pi:ən 'ju:nɪjən/ *noun* a group of European countries linked together by the Treaty of Rome. Abbreviation **EU**

euroyen /'juərəʊ,jen/ *noun* a Japanese yen deposited in a European bank and used for trade within Europe

Eurozone /'juərəʊzəʊn/ *noun* the European countries which use the euro as a common currency, seen as a group. Also called **Euroland**

'...the European Central Bank left the door open yesterday for a cut in Eurozone interest rates' [*Financial Times*]

'...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*]

EVA *abbreviation* economic value added

evade /ɪ'veɪd/ *verb* to try to avoid something □ **to evade tax** to try illegally to avoid paying tax

evaluate /ɪ'vælju:et/ *verb* to calculate a value for something ○ *to evaluate costs* ○ *We will evaluate jobs on the basis of their contribution to the organisation as a whole.* ○ *We need to evaluate the experience and qualifications of all the candidates.*

evaluation /ɪ,vælju'eɪʃ(ə)n/ *noun* the process of calculating the value of an asset

evasion /ɪ'veɪʒ(ə)n/ *noun* the act of avoiding something

EVR *abbreviation* electronic version of the tax return

ex /eks/ *prefix* out of or from ■ **adverb** without

exact /ɪg'zækt/ *adjective* strictly correct, not varying in any way from, e.g. not any more or less than, what is stated ○ *The exact time is 10.27.* ○ *The salesgirl asked me if I had the exact sum, since the shop had no change.*

exact interest /ɪg,zækt 'ɪntrəst/ *noun* annual interest calculated on the basis of 365 days, as opposed to ordinary interest which is calculated on 360 days

exactly /ɪg'zæktli/ *adverb* not varying in any way from, e.g. not any more or less than, what is stated ○ *The total cost was exactly £6,500.*

ex-all /,eks 'ɔ:l/ *adjective* referring to a share price where the share is sold without the dividend, rights issue or any other current issue. *Abbreviation xa*

ex ante /,eks 'ænti/ *adverb* a Latin phrase meaning '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.)

exceed /ɪk'si:d/ *verb* to be more than ○ *a discount not exceeding 15%* ○ *Last year costs exceeded 20% of income for the first time.*

exceptional items /ɪk,sɛpʃən(ə)l 'aɪtəmz/ *plural noun* 1. items which arise from normal trading but which are unusual

because of their size or nature (NOTE: Such items are shown separately in a note to the company's accounts but not on the face of the P & L account unless they are profits or losses 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.) 2. items in a balance sheet which do not appear there each year and which are included in the accounts before the pre-tax profit is calculated, as opposed to extraordinary items which are calculated after the pre-tax profit

exception report /ɪk'sɛpʃən rɪ,pɔ:t/ *noun* a report which flags discrepancies between a company's actual and expected performance, used to identify issues which then need investigating

excess /'ɛkses/; /ɪk'ses/ *noun, adjective* an amount which is more than what is allowed ○ *an excess of expenditure over revenue* ○ *Excess costs have caused us considerable problems.*

excess capacity /,ɛkses kə'pæsɪti/ *noun* spare capacity which is not being used

excess profit /,ɛkses 'prɒfɪt/ *noun* a level of profit that is higher than a level regarded as normal

excess profits tax /,ɛkses 'prɒfɪts tæks/ *noun* a tax on excess profit

excess reserves /ɪk,sɛs rɪ'zɜ:vz/ *plural noun* US reserves held by a financial institution that are higher than those required by the regulatory authorities. As such reserves may indicate that demand for loans is low, banks often sell their excess reserves to other institutions. Compare **required reserves**

exchange /ɪks'tʃeɪndʒ/ *noun* 1. the act of giving one thing for another 2. a market for shares, commodities, futures, etc. ■ **verb** 1. □ **to exchange something (for something else)** to give one thing in place of something else ○ *He exchanged his motorcycle for a car.* ○ *Goods can be exchanged only on production of the sales slip.* 2. to change money of one country for money of another ○ *to exchange euros for pounds*

'...under the barter agreements, Nigeria will export crude oil in exchange for trucks, food, planes and chemicals' [*Wall Street Journal*]

exchangeable /ɪks'tʃeɪndʒəb(ə)l/ *adjective* possible to exchange

exchange controls /ɪks'tʃeɪndʒ kən ,trəʊlz/ *plural noun* government restrictions

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,tʃeɪndʒ 'krɒs reɪts/ *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,tʃeɪndʒ ,dɪ:lə/ *noun* a person who buys and sells foreign currency

exchange dealings /ɪks,tʃeɪndʒ ,dɪ:lɪŋz/ *plural noun* the buying and selling of foreign currency

exchange gain /ɪks,tʃeɪndʒ geɪn/,

exchange loss /ɪks,tʃeɪndʒ lɒs/ *noun* a gain or loss made from changes in the exchange rate which take place during the period of the transaction

exchange premium /ɪks,tʃeɪndʒ ,prɪ:mɪəm/ *noun* an extra cost above the usual rate for buying a foreign currency

exchanger /ɪks,tʃeɪndʒə/ *noun* a person who buys and sells foreign currency

exchange rate /ɪks,tʃeɪndʒ reɪt/ *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 'tʃeɪndʒ reɪt ,mekənɪz(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,tʃeɪndʒ reɪt ,pærɪti/ *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,tʃeɪndʒ træn,zækʃən/ *noun* a purchase or sale of foreign currency

Exchequer /ɪks'tʃekə/ ◇ **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'tʃekə stɒks/ *plural noun* same as **Treasury stocks**

excise duty /'eksɪz ,dʒu:ti/ *noun* a tax on goods such as alcohol and petrol which are produced in the country

excise tax /'ɪksɪz tæks/ *noun* US a tax levied for a particular purpose

exclude /ɪk'sklu:d/ *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 /ɪk'sklu:z(ə)n klɔ:z/ *noun* a clause in an insurance policy or warranty which says which items or events are not covered

exclusive agreement /ɪk'sklu:sɪv ə 'grɪ:mənt/ *noun* an agreement where a person is made sole agent for a product in a market

exclusive of tax /ɪk'sklu:sɪv əv 'tæks/ *adjective* not including tax ○ *All payments are exclusive of tax.*

exclusivity /,eks'klu:sɪvɪti/ *noun* the exclusive right to market a product

ex coupon /,eks 'ku:pən/ *adverb* without the interest coupons or after interest has been paid

ex dividend /,eks 'dɪvɪdend/, **ex div** /,eks 'dɪv/ *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 /'eksɪkjʊt/ *verb* to carry out an order ○ *Failure to execute orders may lead to dismissal.* ○ *There were many practical difficulties in executing the managing director's instructions.*

execution /,eksɪ'kju:f(ə)n/ *noun* the carrying out of a commercial order or contract

executive /ɪg'zekjʊtɪv/ *adjective* putting decisions into action

executive director /ɪg,zekjʊtɪv daɪ 'rektə/ *noun* 1. 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 /ɪg,zekjʊtɪv 'paʊə/ *noun* the right to act as director or to put decisions into action

executive share option scheme /ɪg ,zekjʊtɪv 'ʃeə əpʃən ,ski:m/ *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 /ɪg'zekjʊtə/ *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.*

executrix /ɪg'zekjʊtrɪks/ *noun* a female executor

exempt /ɪg'zempt/ *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 /ɪg,zempt 'æsets/ *plural noun* assets such as cars which are not subject to capital gains tax when sold

exempt gift /ɪg,zempt 'ɡɪft/ *noun* a gift that is not subject to US gift tax

exempt investment fund /ɪg,zempt ɪn'vestmənt 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 /ɪg'zemptʃ(ə)n/ *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 /ɪg,zempt sə'plɑɪz/ *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 /'eksəsaɪz/ *noun* 1. the use of something 2. a financial year ○ *during the current exercise* ■ *verb* to use ○ *The chairwoman exercised her veto to block the motion.*

exercise date /'eksəsaɪz deɪt/ *noun* the date when an option can be put into effect

exercise price /'eksəsaɪz praɪs/ *noun* the price at which an option will be put into effect

ex gratia /,eks 'ɡreɪʃə/ *adjective* as an act of favour, without obligation

exit /'eksɪt/ *noun* the way in which an investor can realise their investment, e.g. by selling the company they have invested in

exit charge /'eksɪt tʃɑ:dʒ/, **exit fee** /'eksɪt fi:/ *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

exit price /'eksɪt praɪs/ *noun* the price at which an investor sells an investment or at which a firm sells up and leaves a market

exit value /'eksɪt ,vælju:/ *noun* income that would be received if an asset or a business were sold

ex officio /,ɛks ə'fɪʃiəʊ/ *adjective, adverb* because of an office held ○ *The treasurer is ex officio a member or an ex officio member of the finance committee.*

expand /ɪk'spænd/ *verb* to get bigger, or make something bigger ○ *an expanding economy* ○ *The company is expanding fast.* ○ *We have had to expand our sales force.*

expansion /ɪk'spænsən/ *noun* an increase in size ○ *The expansion of the domestic market.* ○ *The company had difficulty in financing its current expansion programme.*

'...inflation-adjusted GNP moved up at a 1.3% annual rate, its worst performance since the economic expansion began' [*Fortune*]

'...the businesses we back range from start-up ventures to established businesses in need of further capital for expansion' [*Times*]

'...the group is undergoing a period of rapid expansion and this has created an exciting opportunity for a qualified accountant' [*Financial Times*]

ex parte /,ɛks 'pɑ:ti/ *phrase* a Latin phrase meaning 'on behalf of'

expected annual activity /ɪk,spektɪd ,ænjʊəl æk'tɪvɪti/ *noun* a company's anticipated level of activity or production for a given year

expected value /ɪk,spektɪd 'vælju:/ *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.

expenditure /ɪk'spendɪtʃə/ *noun* the amount of money spent

expense /ɪk'spens/ *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 /ɪk'spens ə,kəʊnt/ *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 /ɪk'spensɪz/ *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.*

expert system /'ɛkspɜ:t ,sɪstəm/ *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 /,ɛkspə'reɪʃ(ə)n/ *noun* the act of coming to an end ○ *the expiration of an insurance policy* ○ *to repay before the expiration of the stated period*

expiration date /,ɛkspə'reɪʃ(ə)n deɪt/ *noun* US same as **expiry date**

expire /ɪk'spaɪə/ *verb* to come to an end ○ *The lease expires in 2010.*

expiry /ɪk'spaɪəri/ *noun* the act of coming to an end ○ *the expiry of an insurance policy*

expiry date /ɪk'spaɪəri deɪt/ *noun* a date when something will end

exponent /ɪk'spəʊnənt/ *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 2³, which equals 8

exponential smoothing /ɛkspə ,nenʃ(ə)l 'smu:ðɪŋ/ *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 *noun* /'ɛkspɔ:t/ 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** ■ *verb* /ɪk'spɔ:t/ 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 /,ɛkspɔ:'teɪʃ(ə)n/ *noun* the act of sending goods to foreign countries for sale

Export Credit Guarantee Department /,ɛkspɔ:t ,kredɪt ,gærən'ti: dɪ ,pɑ:tmənt/ *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 /'ɛkspɔ:t dɪ ,pɑ:tmənt/ *noun* the section of a company which deals in sales to foreign countries

export duty /'ɛkspɔ:t ,dʒɜ:ti/ *noun* a tax paid on goods sent out of a country for sale

exporter /ɪk'spɔ:tə/ *noun* a person, company, or country that sells goods in foreign countries ○ *a major furniture exporter* ○ *Canada is an important exporter of oil or an important oil exporter.*

export house /'ɛkspɔ:t haus/ *noun* a company which specialises in the export of goods manufactured by other companies

export licence /'ɛkspɔ:t ,ləɪs(ə)ns/ *noun* a government permit allowing something to be exported ○ *The government has refused an export licence for computer parts.*

export manager /'ɛkspɔ:t ,mænɪdʒə/ *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 /'ɛkspɔ:t/s/ *plural noun* goods sent to a foreign country to be sold ○ *Exports to Africa have increased by 25%.* ▽ **export** (NOTE: Usually used in the plural, but the singular form is used before a noun.)

ex post /,ɛks 'pəʊst/ *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 flexed, and standards can reflect factors such as unanticipated changes in technology and in price levels.)

exposure /ɪk'spəʊʒə/ *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 /ɪk'spəʊʒə dra:ft/ *noun* a document produced by a body before a new authoritative pronouncement is published. It invites accountants and other interested parties to comment on matters raised by the draft. Abbreviation **ED**

expressly /ɪk'spresli/ *adverb* clearly in words ○ *The contract expressly forbids sales to the United States.*

ex-rights /,ɛks 'raɪts/ *adjective* referring to a share price where the share is sold without a recent rights issue. Abbreviation **xr**

extend /ɪk'stend/ *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 /ɪk'stendɪd 'kredɪt/ *noun* **1.** credit allowing the borrower a very long time to pay ○ *We sell to Australia on extended credit.* **2.** US an extra long credit used by commercial banks borrowing from the Federal Reserve

Extensible Business Reporting Language /ɪk'stensɪb(ə)l ˌbɪznɪs rɪ 'pɔːtɪŋ ˌlæŋɡwɪdʒ/ *noun* full form of **XBRL**

extension /ɪk'stɛnʃən/ *noun* an additional period of time allowed for something, e.g. the repayment of a debt

extensive /ɪk'stɛnsɪv/ *adjective* very large or covering a wide area ○ *an extensive network of sales outlets* ○ *an extensive recruitment drive*

external /ɪk'stɜːn(ə)l/ *adjective* **1.** outside a country. Opposite **internal** **2.** outside a company

external account /ɪk'stɜːn(ə)l ə'kaʊnt/ *noun* an account in a British bank belonging to someone who is living in another country

external audit /ɪk'stɜːn(ə)l 'ɔːdɪt/ *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

external auditing /ɪk'stɜːn(ə)l 'ɔːdɪtɪŋ/ *noun* an action of auditing a set of accounts by an external auditor

external auditor /ɪk'stɜːn(ə)l 'ɔːdɪtə/ *noun* an independent person who audits the company's accounts

external debt /ɪk'stɜːn(ə)l 'det/ *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'stɜːn(ə)l 'feɪljə ,kɒsts/ *plural noun* costs incurred as a result of products proving faulty, e.g. the cost of replacements and lost sales

external funds /ɪk'stɜːn(ə)l 'fʌndz/ *plural noun* same as **external debt**

external growth /ɪk'stɜːn(ə)l 'grəʊθ/ *noun* the growth of a firm by buying other companies, rather than by expanding existing sales or products. Opposite **internal growth**

external liabilities /ɪk'stɜːn(ə)l ˌlaɪə 'bɪlɪtɪz/ *plural noun* money owed to lenders and other creditors outside a company

external trade /ɪk'stɜːn(ə)l 'treɪd/ *noun* trade with foreign countries. Opposite **internal trade**

extract /'ɛkstrækt/ *noun* a printed document which is part of a larger document ○ *He sent me an extract of the accounts.*

extraordinary item /ɪk'strɔːd(ə)n(ə)rɪ ˌaɪtəm/ *noun* a large item of income or expenditure entered into accounts that is unusual in nature and also occurs very infrequently

F

face value /,feɪs 'væljuː/ *noun* the value written on a coin, banknote or share certificate

'...travellers cheques cost 1% of their face value – some banks charge more for small amounts' [*Sunday Times*]

facility /fə'sɪlɪti/ *noun* the total amount of credit which a lender will allow a borrower

facility fee /fə'sɪlɪti fiː/ *noun* a charge made to a borrower by a bank for arranging credit facilities

facility-sustaining activities /fə,sɪlɪti sə,steɪnɪŋ æk'tɪvɪtiz/ *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. ◊ **hierarchy of activities**

factor /'fæktə/ *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 **3.** a person or company which is responsible for collecting debts for companies, by buying debts at a discount on their face value **4.** a person who sells for a business or another person and earns a commission ■ *verb* to buy debts from a company at a discount

'...factors 'buy' invoices from a company, which then gets an immediate cash advance representing most of their value. The balance is paid when the debt is met. The client company is charged a fee as well as interest on the cash advanced' [*Times*]

factorial /fæk'tɔːriəl/ *noun* the product of all the numbers below a number ○ *example: 4 factorial = 1x2x3x4 = 24* (NOTE: **4 factorial** is written **4!**)

factoring /'fæktərɪŋ/ *noun* the business of buying debts from a firm at a discount and then enforcing the payment of the debt

factoring charges /'fæktərɪŋ,tʃɑːdʒɪz/ *plural noun* the cost of selling debts to a factor for a commission

factors of production /,fæktəz əv prə'dʌkʃən/ *plural noun* land, labour and capital, i.e. the three things needed to produce a product

factory gate price /,fækt(ə)rɪ 'geɪt praɪs/ *noun* the actual cost of manufacturing goods before any mark-up is added to give profit (NOTE: 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 /'fækt(ə)rɪ ,əʊvəhed/ *noun* same as **production overhead**

FAE *abbreviation* Final Admitting Exam

fail /feɪl/ *verb* to be unsuccessful ○ *The prototype failed its first test.*

failure /'feɪljə/ *noun* an act of breaking down or stopping ○ *the failure of the negotiations*

failure costs /'feɪljə kɒsts/ *plural noun* costs that include external failure costs as well as associated costs, e.g. the cost of running a complaints department

fair /feə/ *adjective* reasonable, with equal treatment

fair dealing /,feə 'diːlɪŋ/ *noun* the legal buying and selling of shares

fair market value /,feə ,mɑːkɪt 'væljuː/ *noun* same as **fair value**

fair price /,feə 'praɪs/ *noun* a good price for both buyer and seller

fair trade /,feə 'treɪd/ *noun* an international business system where countries agree not to charge import duties on some items imported from their trading partners

fair value /,feə 'væljuː/ *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 **2.** 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 /,feə weə ən 'teə/ *noun* acceptable damage caused by normal use ○ *The insurance policy covers most damage but not fair wear and tear to the machine.*

fall /fɔ:l/ *noun* a sudden reduction or loss of value ○ *a fall in the exchange rate* ○ *a fall in the price of gold* ○ *a fall on the Stock Exchange* ○ *Profits showed a 10% fall.* ■ **verb 1.** to be reduced suddenly to a lower price or value ○ *Shares fell on the market today.* ○ *Gold shares fell 10% or fell 45 cents on the Stock Exchange.* ○ *The price of gold fell for the second day running.* ○ *The pound fell against the euro.* **2.** to happen or to take place ○ *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 *phrasal verb* to be late in doing something ○ *They fell behind with their mortgage repayments.*

falling /'fɔ:lɪŋ/ *adjective* becoming smaller or dropping in price

'...falling profitability means falling share prices' [*Investors Chronicle*]

false /fɔ:ls/ *adjective* not true or not correct ○ *to make a false claim for a product* ○ *to make a false entry in the balance sheet*

false accounting /,fɔ:ls ə'kaʊntɪŋ/ *noun* the criminal offence of changing, destroying or hiding accounting records for a dishonest purpose

false market /,fɔ:ls 'mɑ:kɪt/ *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:lsɪfɪ'keɪʃ(ə)n/ *noun* the act of making false entries in accounts

falsify /'fɔ:lsɪfaɪ/ *verb* to change something to make it wrong ○ *They were accused of falsifying the accounts.*

family company /'fæm(ə)li ,kʌmp(ə)ni/ *noun* a company in which most of the shares are owned by members of a family

f. & f. *abbreviation* fixtures and fittings

FASB *abbreviation* Financial Accounting Standards Board

favourable trade balance /,feɪv(ə)rəb(ə)l 'treɪd ,bæləns/ *noun* a situation where a country exports more than it imports ○ *The country has had an adverse balance of trade for the second month running.*

favourable variance /,feɪv(ə)rəb(ə)l 'veəriəns/ *noun* variance which shows that the actual result is better than expected

fax /fæks/ *noun* a system for sending the exact copy of a document via telephone lines ○ *Can you confirm the booking by fax?* ■ **verb** to send a message by fax ○ *The details of the offer were faxed to the brokers this morning.* ○ *I've faxed the documents to our New York office.*

FCA *abbreviation* Fellow of the Institute of Chartered Accountants in England and Wales

FCCA *abbreviation* Fellow of the Association of Chartered Certified Accountants

FCR *abbreviation* full cost recovery

FD *abbreviation* financial director

feasibility study /,fi:zə'bɪlɪtɪ ,stʌdi/ *noun* the careful investigation of a project to see whether it is worth undertaking ○ *We will carry out a feasibility study to decide whether it is worth setting up an agency in North America.*

federal /'fed(ə)rəl/ *adjective 1.* referring to a system of government where a group of states are linked together in a federation **2.** referring to the central government of the United States ○ *Most federal offices are in Washington.*

'...federal examiners will determine which of the privately-insured savings and loans qualify for federal insurance' [*Wall Street Journal*]

'...since 1978 America has freed many of its industries from federal rules that set prices and controlled the entry of new companies' [*Economist*]

Federal Funds /,fed(ə)rəl 'fʌndz/ *plural noun* deposits by commercial banks with the Federal Reserve Banks, which can be used for short-term loans to other banks

Federal Reserve /,fed(ə)rəl rɪ'zɜ:v/, **Federal Reserve System** /,fed(ə)rəl rɪ'zɜ:v ,sɪstəm/ *noun* the system of federal government control of the US banks, where the Federal Reserve Board regulates money

supply, prints money, fixes the discount rate and issues government bonds

Federal Reserve Bank /ˌfed(ə)rəl rɪ 'zɜːv bæŋk/ *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 /ˌfed(ə)rəl rɪ 'zɜːv bɔːd/ *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 /ˌfedə'reɪʃ(ə)n/ *noun* a group of societies, companies or organisations which have a central organisation which represents them and looks after their common interests ○ *a federation of trades unions* ○ *the employers' federation*

Fédération des Experts-Comptables Européen *noun* same as **European Federation of Accountants**

Fed Funds /ˌfed fʌndz/ *plural noun* US same as **Federal Funds** (*informal*)

fed funds rate /ˌfed fʌndz ˌreɪt/ *noun* the rate charged by banks for lending money deposited with the Federal Reserve to other banks

fee /fiː/ *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.* ○ *The consultant's fee was much higher than we expected.*

fee work /fiː wɜːk/ *noun* any work on a project carried out by independent workers or contractors, rather than by the organisation's employees

fellow /ˈfeləʊ/ *noun* a title given to senior members of a professional association. Junior members are usually called ‘associates’.

fiat money /ˈfiːæt ˌmʌni/ *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 /fɪk.tɪʃəs ˈæsets/ *plural noun* assets which do not really exist, but are entered as assets to balance the accounts

fiddle /ˈfɪd(ə)l/ (*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 /fɪˈdjuːʃjəri/ *noun, adjective* (a person) in a position of trust ○ *Directors*

have fiduciary duty to act in the best interests of the company.

fiduciary deposits /fɪˌdjuːʃəri dɪ ˈpɒzɪtɪz/ *plural noun* bank deposits which are managed for the depositor by the bank

FIFO /ˈfaɪfəʊ/ *abbreviation* first in first out
forty-fifty /ˌfɔːtɪ ˈfɪfti/ *adjective, adverb* half

figure /ˈfɪɡə/ *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 /ˈfɪɡəz/ *plural noun* **1.** written numbers **2.** the results for a company ○ *the figures for last year or last year's figures*

file /faɪl/ *noun* **1.** documents kept for reference **2.** a section of data on a computer, e.g. payroll, address list, customer accounts ○ *How can we protect our computer files?* ■ *verb* **1.** to make an official request **2.** to register something officially ○ *to file an application for a patent* ○ *to file a return to the tax office*

file copy /ˈfaɪl ˌkɒpi/ *noun* a copy of a document which is kept for reference in an office

filing date /ˈfaɪlɪŋ deɪt/ *noun* the date by which income tax returned must be filed with the Inland Revenue

final accounts /ˌfaɪn(ə)l əˈkaʊnts/ *plural noun* the accounts produced at the end of an accounting period, including the balance sheet and profit and loss account

Final Admitting Exam /ˌfaɪn(ə)l əd ˈmɪtɪŋ ɪɡ.zæm/ *noun* a final examination set by the ICAEW to admit student accountants as chartered accountants. Abbreviation **FAE**

final closing date /ˌfaɪn(ə)l ˈklɒzɪŋ deɪt/ *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 /ˌfaɪn(ə)l dɪˈmɑːnd/ *noun* a last reminder that payment of a debt is due, after which a supplier normally sues for payment

final discharge /ˌfaɪn(ə)l ˈdɪstʃɑːdʒ/ *noun* a final payment the completes the repayment of a debt

final dividend /ˌfaɪn(ə)l ˈdɪvɪdend/ *noun* a dividend paid at the end of a year's trading, which has to be approved by the shareholders at an AGM

finalise /'faɪnəlaɪz/, **finalize** *verb* to agree final details ○ *We hope to finalise the agreement tomorrow.* ○ *After six weeks of negotiations the loan was finalised yesterday.*

final settlement /,faɪn(ə)l 'set(ə)lmənt/ *noun* the last payment which settles a debt

finance /'faɪnəns/ *noun* **1.** money used by a company, provided by the shareholders or by loans ○ *Where will they get the necessary finance for the project?* (NOTE: The US term is **financing**) **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*]

Finance Act /'faɪnəns ækt/ *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 /,faɪnəns ən 'tæks ,traɪbjʊn(ə)lz/ *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 and to adjudicate on matters relating to certain decisions of the Financial Services Authority and the Pensions Regulator

Finance Bill /'faɪnəns bɪl/ *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 /'faɪnəns kən ,traʊl/ *noun* an accountant whose main task is to manage the company's monetary resources

finance lease /'faɪnəns li:z/ *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 /'faɪnəns ,li:zɪŋ/ *noun* leasing a property under a finance lease

finance market /'faɪnəns ,mɑ:kɪt/ *noun* a place where large sums of money can be lent or borrowed

finances /'faɪnənsɪz/ *plural noun* money or cash which is available ○ *the bad state of the company's finances*

financial /faɪ'nænʃəl/ *adjective* relating to money

Financial Accountant /faɪ,nænʃ(ə)l ə 'kaʊntənt/ *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 /faɪ,nænʃ(ə)l ə 'kaʊntɪŋ/, **financial accountability** /faɪ ,nænʃ(ə)l ə 'kaʊntənsɪ/ *noun* **1.** the form of accounting in which financial reports are produced to provide investors or other external parties with information on a company's financial status. Compare **management accounting** **2.** the process of classifying and recording a company's transactions and presenting them in the form of profit and loss accounts, balance sheets and cash flow statements for a given accounting period

Financial Accounting Standards Board /faɪ,nænʃ(ə)l ə ,kaʊntɪŋ 'stændədz ,bɔ:d/ *noun* the body which regulates accounting standards in the USA. Abbreviation **FASB**

financial adviser /faɪ,nænʃəl əd'vaɪzə/ *noun* a person or company that gives financial advice to clients for a fee

financial aid /faɪ,nænʃəl 'eɪd/ *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 /faɪ ,nænʃəl ə'næləsɪs ,sɒftweə/ *noun* software that can produce information on trends and calculate ratios using information from an online database

financial assistance /faɪ,nænʃəl ə 'sɪstəns/ *noun* help in the form of money

financial calendar /faɪ,nænʃəl 'kælɪndə/ *noun* a list of significant events and dates in a company's financial reporting year

financial correspondent /faɪ,nænʃəl ,kɔrɪ'spɒndənt/ *noun* a journalist who writes articles on money matters for a newspaper

financial director /faɪ'nænʃəl daɪ ,rektə/ *noun* the member of a board of directors who is responsible for a company's financial operations. Abbreviation **FD**

financial engineering /faɪ,nænʃəl ,endʒɪ'nɪərɪŋ/ *noun* the act of converting one type of financial instrument into another

financial futures /faɪ,nænʃəl 'fju:tʃəz/, **financial futures contract** /faɪ,nænʃəl

'fju:tʃəz ,kɒntrækt/ *noun* a contract for the purchase of gilt-edged securities for delivery at a date in the future. Also called **financials**

financial futures market /faɪ,nænʃəl 'fju:tʃəz ,mɑ:kɪt/ *noun* the market in gilt-edged securities for delivery at a date in the future

financial information system /faɪ ,nænʃəl ,ɪnfə'meɪʃ(ə)n ,sɪstəm/ *noun* a computer-based system that analyses and gathers financial information for use in running a business

financial institution /faɪ,nænʃəl ,ɪnstɪ 'tju:ʃ(ə)n/ *noun* a bank, investment trust or insurance company whose work involves lending or investing large sums of money

financial instrument /faɪ,nænʃəl 'ɪnstɹʊmənt/ *noun* 1. 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 2. 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 /faɪ,nænʃəl ,ɪntə'mi:diəri/ *noun* an institution which takes deposits or loans from individuals and lends money to clients

financial leverage /faɪ,nænʃəl 'levərɪdʒ/ *noun* ▶ **gearing**

financially /fɪ'nænʃəli/ *adverb* regarding money □ **a company which is financially sound** a company which is profitable and has strong assets

financial management /faɪ,nænʃəl 'mænɪdʒmənt/ *noun* the management of the acquisition and use of long- and short-term capital by a business

financial position /faɪ,nænʃəl pə 'zɪʃ(ə)n/ *noun* the state of a person's or company's bank balance in terms of assets and debts

financial projection /faɪ,nænʃəl prə 'dʒɛkʃən/ *noun* business planning that deals with budgets and estimates of future financing needs

financial report /faɪ,nænʃəl rɪ'pɔ:t/ *noun* a document which gives the financial position of a company or of a club, etc.

Financial Reporting Council /faɪ ,nænʃ(ə)l rɪ'pɔ:tɪŋ ,kaʊns(ə)l/ *noun* the UK's independent regulator for corporate reporting and governance

Financial Reporting Review Panel /faɪ,nænʃ(ə)l rɪ'pɔ:tɪŋ rɪ'vju: ,pæn(ə)l/

noun 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 /faɪ ,nænʃ(ə)l rɪ'pɔ:tɪŋ ,stændədz/ *plural noun* a series of accounting standards issued by the Accounting Standards Board outlining common accounting practice. Abbreviation **FRSs**

financial resources /faɪ,nænʃəl rɪ 'zɔ:sɪz/ *plural noun* the supply of money for something ○ *a company with strong financial resources*

financial review /faɪ,nænʃəl rɪ'vju:/ *noun* an examination of an organisation's finances

financial risk /faɪ,nænʃəl 'rɪsk/ *noun* 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 /faɪ'nænʃəlz/ *plural noun* same as **financial futures**

financial services /faɪ,nænʃəl 'sɜ:vɪsɪz/ *plural noun* services such as banking and insurance the main business of which is the management and transfer of money

Financial Services Act /faɪ,nænʃəl 'sɜ:vɪsɪz ækt/ *noun* an Act of the British Parliament which regulates the offering of financial services to the general public and to private investors

Financial Services Authority /faɪ ,nænʃ(ə)l 'sɜ:vɪsɪz ɔ:θɔ:rəti/ *noun* 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 /faɪ,nænʃəl 'steɪtmənt/ *noun* a document which shows the financial situation of a company ○ *The*

accounts department has prepared a financial statement for the shareholders.

financial statement analysis /faɪˌnænsjəl 'steɪtmənt əˌnæləsɪs/ *noun* any of various methods used for evaluating the past, current and projected performance of a company

financial supermarket /faɪˌnænsjəl 'su:pəmə:kɪt/ *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 /faɪˌnænsj(ə)l 'taɪmz/ *noun* an important British financial daily newspaper (printed on pink paper). Abbreviation **FT**

financial year /faɪˌnænsjəl 'jɪə/ *noun* the twelve-month period for which a company produces accounts. A financial year is not necessarily the same as a calendar year.

financier /faɪ'nænsiəl/ *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 /'faɪndəz fi:/ *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 /,faɪn 'tju:nɪŋ/ *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 /,fɪnɪʃt 'ɡʊdz/ *plural noun* manufactured goods which are ready to be sold

fire insurance /'faɪər ɪnˌʃʊərəns/ *noun* insurance against damage by fire

firm /fɜ:m/ *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* **2.** 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 firmed 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 /'fɜ:mnəs/ *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 /,fɜ:m 'praɪs/ *noun* a price which will not change ○ *They are quoting a firm price of \$1.23 a unit.*

firm sale /,fɜ:m 'seɪl/ *noun* a sale which does not allow the purchaser to return the goods

first in first out /,fɜ:st ɪn ˌfɜ:st 'aʊt/ *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 /,fɜ:st 'ɒpʃən/ *noun* allowing someone to be the first to have the possibility of deciding something

first quarter /,fɜ:st 'kwɔ:təl/ *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 /,fɜ:st jɪər ə 'ləʊəns/ *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 /'fɪskəl/ *adjective* referring to tax or to government revenues

fiscal drag /,fɪskəl 'dræɡ/ *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 /,fɪskəl 'meʒəz/ *plural noun* tax changes made by a government to improve the working of the economy

fiscal year /,fɪskəl 'jɪə/ *noun* a twelve-month period on which taxes are calculated. In the UK this is April 6th to April 5th.

'...last fiscal year the chain reported a 116% jump in earnings' [*Barron's*]

fittings /'fɪtɪŋz/ *plural noun* items which are sold with a property but are not permanently fixed, e.g. carpets or shelves. \diamond **fixtures**

fixed assets /,fɪkst 'æsets/ *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 'æset ,tɜ:nəʊvəl/ *noun* a measure of how efficient a company's property and equipment is in generating revenue

fixed asset unit /,fɪkst 'æset ,ju:nɪt/ *noun* a single item of the fixed assets of a company, e.g. a specific piece of equipment

fixed budget /,fɪkst 'bʌdʒɪt/ *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 'kæpɪt(ə)/ *noun* capital in the form of buildings and machinery

fixed charge /,fɪkst 'tʃɑ:dʒ/ *noun* a charge over a particular asset or property

fixed costs /,fɪkst 'kɒsts/ *plural noun* business costs which do not change with the quantity of the product made

fixed deduction /,fɪkst dɪ'dʌkʃən/ *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 dɪ'pɒzɪt/ *noun* a deposit which pays a stated interest over a set period

fixed exchange rate /,fɪkst ɪks'tʃeɪndʒ ,reɪt/ *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 ɪk'spensɪz/ *plural noun* expenses which do not vary with different levels of production, e.g. rent, staff salaries and insurance

fixed income /,fɪkst 'ɪnkʌm/ *noun* income which does not change from year to year, as from an annuity

fixed-interest /,fɪkst 'ɪntrəst/ *adjective* having an interest rate which does not vary

fixed-interest investments /,fɪkst ,ɪntrəst ɪn'vestmənts/ *plural noun* invest-

ments producing a level of interest which does not change

fixed-interest securities /,fɪkst ,ɪntrəst sɪ'kjuərəɪtɪz/ *plural noun* securities such as government bonds which produce a level of interest which does not change

fixed-price /,fɪkst 'praɪs/ *adjective* having a price which cannot be changed

fixed-price agreement /,fɪkst 'praɪs ə ,grɪ:mənt/ *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 'reɪt/ *noun* a rate, e.g. an exchange rate, which does not change

fixed rate loan /,fɪkst reɪt 'ləʊn/ *noun* a loan on which the rate of interest stays the same for the duration of the loan

fixed scale of charges /,fɪkst skeɪl əv 'tʃɑ:dʒɪz/ *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 'jɪ:ld/ *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 'fɪtɪŋz/ *plural noun* 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 rɪ,pɔ:t/ *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 \circ *The market was flat today.* **2.** not changing in response to different conditions \circ *a 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 'reɪt/ *noun* a charge which always stays the same \circ *a flat-rate increase of 10%* \circ *We pay a flat rate for electricity each quarter.*

flat tax /,flæt 'tæks/ *noun* a tax levied at one fixed rate whatever an individual's income

flat yield /flæt 'ji:ld/ *noun* an interest rate as a percentage of the price paid for fixed-interest stock

flex /fleks/ *verb* to adjust figures in order to reflect changes in circumstances since the original figures were produced ○ *flexing a budget*

flexibility /,fleksɪ'bɪlɪti/ *noun* the ability to be easily changed ○ *There is no flexibility in the company's pricing policy.*

'...they calculate interest on their 'flexible' mortgage on an annual basis rather than daily. Charging annual interest makes a nonsense of the whole idea of flexibility which is supposed to help you pay off your mortgage more quickly' [*Financial Times*]

flexible /'fleksɪb(ə)l/ *adjective* possible to alter or change ○ *We try to be flexible where the advertising budget is concerned.* ○ *The company has adopted a flexible pricing policy.*

flexible budget /,fleksɪb(ə)l 'bʌdʒɪt/ *noun* a budget which changes in response to changes in sales turnover or output

flight of capital /,flaɪt əv 'kæpɪt(ə)l/ *noun* a rapid movement of capital out of one country because of lack of confidence in that country's economic future

flight to quality /,flaɪt tə 'kwɒlɪti/ *noun* a tendency of investors to buy safe blue-chip securities when the economic outlook is uncertain

float /fləʊt/ *noun* **1.** cash taken from a central supply and used for running expenses ○ *The sales reps have a float of £100 each.* **2.** 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.* **3.** the process of allowing a currency to settle at its own exchange rate, without any government intervention **4.** 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 ■ **verb** 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 /'fləʊtɪŋ/ *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 /,fləʊtɪŋ 'kæpɪt(ə)l/ *noun* the portion of capital invested in current assets, as distinct from that invested in fixed assets or capital assets

floating charge /'fləʊtɪŋ tʃɑ:dʒ/ *noun* a charge linked to any of the company's assets in a category, but not to any specific item

floating rate /'fləʊtɪŋ reɪt/ *noun* **1.** same as **variable rate** **2.** an exchange rate for a currency, which can vary according to market demand, and is not fixed by the government

floating-rate notes /,fləʊtɪŋ reɪt 'nəʊts/ *plural noun* Eurocurrency loans arranged by a bank which are not at a fixed rate of interest. Abbreviation **FRNs**

floor /flɔ:/ *noun* 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 price /'flɔ: praɪs/ *noun* the lowest price, a price which cannot go any lower

floor space /'flɔ: speɪs/ *noun* an area of floor in an office or warehouse ○ *We have 3,500 square metres of floor space to let.*

flop /flɒp/ *noun* a failure, or something which has not been successful ○ *The new model was a flop.*

flow chart /'fləʊ tʃɑ:t/, **flow diagram** /'fləʊ ,daɪəgræm/ *noun* a chart which shows the arrangement of work processes in a series

fluctuate /'flʌktʃueɪt/ *verb* to move up and down ○ *Prices fluctuated between £1.10 and £1.25.* ○ *The pound fluctuated all day on the foreign exchange markets.*

fluctuation /,flʌktʃu'eɪʃ(ə)n/ *noun* an up and down movement ○ *the fluctuations of the yen* ○ *the fluctuations of the exchange rate*

FOB, f.o.b. *abbreviation* free on board

folio /'fəʊliəʊ/ *noun* a page with a number, especially two facing pages in an account book which have the same number ■ **verb** to put a number on a page

forced sale /,fɔ:st 'seɪl/ *noun* a sale which takes place because a court orders it or because it is the only way to avoid a financial crisis

force majeure /,fɔ:s mə'ʒɜ:/ *noun* something which happens which is out of the control of the parties who have signed a contract, e.g. a strike, war, or storm

forecast /'fɔ:kɑ:st/ *noun* a description or calculation of what will probably happen in

the future ○ *The chairman did not believe the sales director's forecast of higher turnover.*

forecast dividend /fɔ:kɑ:st 'dɪvɪdnd/ *noun* a dividend which a company expects to pay at the end of the current year. Also called **prospective dividend**

forecaster /'fɔ:kɑ:stə/ *noun* a person who says what he or she thinks will happen in the future

forecasting /'fɔ:kɑ:stɪŋ/ *noun* the process of calculating what will probably happen in the future ○ *Manpower planning will depend on forecasting the future levels of production.*

foreclose /fɔ:'kləʊz/ *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 /fɔ:'kləʊzə/ *noun* an act of foreclosing

foreign banks /,fɒrɪn 'bæŋks/ *plural noun* banks from other countries which have branches in a country

foreign branch /,fɒrɪn 'brɑ:ntʃ/ *noun* a branch of a company in another country. The accounts of foreign branches may cause problems because of varying exchange rates.

foreign company /,fɒrɪn 'kʌmp(ə)ni/ *noun* a company that is registered in a foreign country

foreign currency /,fɒrɪn 'kʌrənsi/ *noun* money of another country

foreign currency account /,fɒrɪn 'kʌrənsi ə,kəʊnt/ *noun* a bank account in the currency of another country, e.g. a dollar account in a UK bank

foreign currency reserves /,fɒrɪn 'kʌrənsi rɪ,zɜ:vz/ *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 /,fɒrɪn 'z:nɪŋz/ *plural noun* earnings received from employment in a foreign country

foreign entity /,fɒrɪn 'entɪti/ *noun* a person or incorporated company based in a foreign country

foreign exchange /,fɒrɪn ɪks'tʃeɪndʒ/ *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 /,fɒrɪn ɪks'tʃeɪndʒ ,brəʊkə/, **foreign exchange dealer** /,fɒrɪn ɪks'tʃeɪndʒ ,di:lə/ *noun* a person who deals on the foreign exchange market

foreign exchange dealing /,fɒrɪn ɪks'tʃeɪndʒ ,di:lɪŋ/ *noun* the business of buying and selling foreign currencies

foreign exchange market /,fɒrɪn ɪks'tʃeɪndʒ ,mɑ:kɪt/ *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 /,fɒrɪn ɪks'tʃeɪndʒ rɪ,zɜ:vz/ *plural noun* same as **foreign currency reserves**

foreign exchange transfer /,fɒrɪn ɪks'tʃeɪndʒ ,trænsfɜ:z/ *noun* the sending of money from one country to another

foreign income /,fɒrɪn 'ɪnkʌm/ *noun* income derived from sources in a foreign country

foreign investments /,fɒrɪn ɪn'vestmənts/ *plural noun* money invested in other countries

foreign money order /,fɒrɪn 'mʌni ,ɔ:də/ *noun* a money order in a foreign currency which is payable to someone living in a foreign country

foreign tax credit /,fɒrɪn 'tæks ,kredit/ *noun* a tax advantage that applies in the case of taxes paid to or in another country

foreign trade /,fɒrɪn 'treɪd/ *noun* a trade with other countries

forensic /fə'rensɪk/ *adjective* referring to the courts or to the law in general

forensic accounting /fə'rensɪk ə 'kaʊntɪŋ/ *noun* the scrutinisation of an entity's past financial activities in order to discover whether illegal practices have been used at any time

forensic partner /fə'rensɪk 'pɑ:tənə/ *noun* a partner in an accountancy firm who deals with litigation

foreseeable loss /fɔ:,si:əb(ə)l 'lɒs/ *noun* a loss which is expected to occur during a long-term contract

forfeiting /'fɔ:fɪtɪŋ/ *noun* the action of providing finance for exporters, where an agent or forfeiter accepts a bill of exchange

from an overseas customer; he or she buys the bill at a discount, and collects the payments from the customer in due course

forfeit /'fɔ:fit/ *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

forfeit clause /'fɔ:fit klɔ:z/ *noun* a clause in a contract which says that goods or a deposit will be taken away if the contract is not obeyed

forfeiture /'fɔ:fitʃə/ *noun* the act of forfeiting a property

form /fɔ:m/ *noun* 1. □ **form of words** words correctly laid out for a legal document □ **receipt in due form** a correctly written receipt 2. an official printed paper with blank spaces which have to be filled in with information ○ *a pad of order forms* ○ *You have to fill in form A20.* ○ *Each passenger was given a customs declaration form.* ○ *The reps carry pads of order forms.*

formal /'fɔ:m(ə)/ *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 /,fɔ:m(ə)l 'dɒkjʊmənts/ *plural noun* documents giving full details of a takeover bid

formality /fɔ:'mæliɪti/ *noun* something which has to be done to obey the law

form letter /'fɔ:m ,letə/ *noun* a letter which can be sent without any change to several correspondents, e.g. a letter chasing payment

forward /'fɔ:wəd/ *adjective* in advance or to be paid at a later date

forward accounting /'fɔ:wəd ə ,kaʊntɪŋ/ *noun* the practice of using accounting procedures to forecast a business's future performance

forwardation /,fɔ:wəd'eɪf(ə)n/ *noun* a situation in which the cash price is lower than the forward price (NOTE: The opposite is **backwardation**.)

forward contract /'fɔ:wəd ,kɒntrækt/ *noun* a one-off agreement to buy currency, shares or commodities for delivery at a later date at a specific price

forward cover /'fɔ:wəd ,kʌvə/ *noun* an arrangement to cover the risks on a forward contract

forward delivery /,fɔ:wəd dɪ'li:v(ə)ri/ *noun* a delivery at some date in the future which has been agreed between the buyer and seller

forward exchange rate /,fɔ:wəd ɪks 'tʃeɪndʒ reɪt/ *noun* a rate for purchase of foreign currency at a fixed price for delivery at a later date ○ *What are the forward rates for the pound?* Also called **forward rate**

forward financial statement /,fɔ:wəd faɪ,nænʃ(ə)l 'steɪtmənt/ *noun* an estimate of a company's future financial position

forwarding agent /'fɔ:wədɪŋ ,eɪdʒənt/ *noun* a person or company which arranges shipping and customs documents

forward integration /,fɔ:wəd ,ɪntə 'greɪf(ə)n/ *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 /,fɔ:wəd 'mɑ:dʒɪn/ *noun* the difference between the current price and the forward price

forward market /,fɔ:wəd 'mɑ:kɪt/ *noun* a market for purchasing foreign currency, oil or commodities for delivery at a later date

forward price /'fɔ:wəd praɪs/ *noun* a price of goods which are to be delivered in the future

forward rate /'fɔ:wəd reɪt/ *noun* same as **forward exchange rate**

forward sales /'fɔ:wəd seɪlz/ *plural noun* sales of shares, commodities or foreign exchange for delivery at a later date

forwards spreading /,fɔ:wədʒ 'spredɪŋ/ *noun* the act of spreading lump sum income over several years in the future

forward trading /'fɔ:wəd ,treɪdɪŋ/ *noun* the activity of buying or selling commodities for delivery at a later date

founder /'faʊndə/ *noun* a person who starts a company

401(k) plan /,fɔ: əθ wʌn 'keɪ plæn/ *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 /,fɔ:θ 'kwɔ:tə/ *noun* a period of three months from 1st October to the end of the year

fraction /'frækʃən/ *noun* a very small amount ○ *Only a fraction of the new share issue was subscribed.*

fractional /'frækʃənəl/ *adjective* very small

fractional certificate /'frækʃənəl sə ,tʃɪkət/ *noun* a certificate for part of a share

franc /fræŋk/ *noun* **1.** a former unit of currency in France and Belgium ○ *French francs* or *Belgian francs* **2.** a unit of currency in Switzerland and several other currencies ○ *It costs twenty-five Swiss francs.*

franchise /'fræntʃaɪz/ *noun* a licence to trade using a brand name and paying a royalty for it ○ *He's bought a printing franchise or a pizza franchise.* ■ *verb* to sell licences for people to trade using a brand name and paying a royalty ○ *His sandwich bar was so successful that he decided to franchise it.*

'...many new types of franchised businesses will join the ranks of the giant chains of fast-food restaurants, hotels and motels and rental car agencies' [*Franchising Opportunities*]

franchisee /,fræntʃaɪ'zi:/ *noun* a person who runs a franchise

franchiser /'fræntʃaɪzə/ *noun* a person who licenses a franchise

franchising /'fræntʃaɪzɪŋ/ *noun* the act of selling a licence to trade as a franchise ○ *She runs her sandwich chain as a franchising operation.*

franco /'fræŋkəʊ/ *adverb* free

franked /fræŋkd/ *adjective* on which tax has already been paid

fraud /frɔ:d/ *noun* the act of making money by making people believe something which is not true ○ *He got possession of the property by fraud.* ○ *She was accused of frauds relating to foreign currency.*

fraudulent /'frɔ:dʒələnt/ *adjective* not honest, or aiming to cheat people ○ *a fraudulent transaction*

fraudulently /'frɔ:dʒələntli/ *adverb* not honestly ○ *goods imported fraudulently*

fraudulent misrepresentation /,frɔ:dʒələnt mɪs,reprɪzən'teɪʃ(ə)nəl/ *noun* the act of making a false statement with the intention of tricking a customer

fraudulent trading /,frɔ:dʒələnt 'treɪdɪŋ/ *noun* the process of carrying on the business of a company, knowing that the company is insolvent

FRB *abbreviation* **1.** Federal Reserve Bank **2.** Federal Reserve Board

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 /,fri: 'kæʃ ,fləʊ/ *noun* the level of cash flow after the deduction of interest payments, tax payments, dividends and ongoing capital expenditure

free competition /,fri: ,kɒmpə'tɪʃ(ə)nəl/ *noun* the fact of being free to compete without government interference

free currency /,fri: 'kʌrənsi/ *noun* a currency which is allowed by the government to be bought and sold without restriction

free enterprise /,fri: 'entəpraɪz/ *noun* a system of business free from government interference

freeholder /'fri:həʊldə/ *noun* a person who owns a freehold property

freehold property /'fri:həʊld ,prɒpəti/ *noun* property which the owner holds for ever and on which no rent is paid

free issue /,fri: 'ɪʃu:/ *noun* same as **bonus issue**

free market /,fri: 'mɑ:kɪt/ *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 /,fri ,mɑ:kɪt ɪ 'kɒnəmi/ *noun* an economic system where the government does not interfere in business activity in any way

free on board /,fri: ɒn 'bɔ:d/ *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 /,fri: rɪ'zɜ:vz/ *plural noun* the part of a bank's reserves which are above the statutory level and so can be used for various purposes as the bank wishes

free-standing additional voluntary contribution /,fri: ,stændɪŋ ə,dɪʃ(ə)nəl ,vɒlənt(ə)rɪ ,kɒntrɪ'bju:ʃ(ə)nəl/ *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 /,fri: 'treɪd/ *noun* a system where goods can go from one country to another without any restrictions

free trade area /,fri: 'treɪd ,eəriə/ *noun* a group of countries practising free trade

free trader /,fri: 'treɪdə/ *noun* a person who is in favour of free trade

free trade zone /,fri: 'treɪd ,zəʊn/ *noun* an area where there are no customs duties

freeze /fri:z/ *noun* □ a **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 /freɪt/ *noun* the cost of transporting goods by air, sea, or land ○ *At an auction, the buyer pays the freight.*

freightage /'freɪtɪdʒ/ *noun* the cost of transporting goods

freight costs /'freɪt kɒsts/ *plural noun* money paid to transport goods

freight forward /,freɪt 'fɔ:wəd/ *noun* a deal where the customer pays for transporting the goods

friendly society /'frendli sə,səreɪti/ *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 /'frɪndʒ ,benɪfɪt/ *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 /frʌnt/ *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 /,frʌnt 'end/ *adjective* referring to the start of an investment or insurance

front-end loaded /'frʌnt end ,ləʊdɪd/ *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 /'frʌnt end ,ləʊdɪŋ/ *noun* the practice of deducting commission and administrative costs relating to an investment or insurance plan from the early payments the customer makes

frozen /'frəʊz(ə)n/ *adjective* not allowed to be changed or used ○ *Wages have been frozen at last year's rates.*

frozen account /'frəʊz(ə)n ə,kaʊnt/ *noun* a bank account where the money cannot be moved or used because of a court order

frozen assets /,frəʊz(ə)n 'æsets/ *plural noun* a company's assets which by law cannot be sold because someone has a claim against them

frozen credits /,frəʊz(ə)n 'kredɪtɪz/ *plural noun* credits in an account which cannot be moved

FRRP *abbreviation* Financial Reporting Review Panel

FRSs *abbreviation* Financial Reporting Standards

frustrate /frʌ'streit/ *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 /,fʊtsi wʌn 'hʌndrəd/ *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 /,fʊtsi ,æktʃʊəreɪz 'ʃeə ,ɪndɪsɪz/ *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 /fʊl/ *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 /,fʊl 'kɒst rɪ,kʌvəri/
noun the practice by which organisations such as charities seek enough funding to cover all their costs, including overheads. Abbreviation **FCR**

full cover /,fʊl 'kʌvə/ *noun* insurance cover against a wide range of risks

full employment /,fʊl ɪm'plɔɪmənt/
noun a situation where all the people who can work have jobs

full price /,fʊl 'praɪs/ *noun* a price with no discount ○ *She bought a full-price ticket.*

full production costs /,fʊl prə'dʌkʃən ,kɒsts/ *plural noun* all the costs of manufacturing a product, including both fixed and variable costs

full rate /,fʊl 'reɪt/ *noun* the standard charge for a service, with no special discounts applied

full repairing lease /,fʊl rɪ'peəriŋ ,li:s/
noun a lease where the tenant has to pay for all repairs to the property

full-service banking /,fʊl ,sɜ:vɪs 'bæŋkɪŋ/ *noun* banking that offers a whole range of services including mortgages, loans, pensions, etc.

full-time /'fʊl taɪm/ *adjective, adverb* working all the usual working time, i.e. about eight hours a day, five days a week ○ *She's in full-time work* or *She works full-time* or *She's in full-time employment.* ○ *He is one of our full-time staff.*

fully diluted earnings per share /,fʊli daɪ,lju:tɪd ,ɜ:nɪŋz pə 'ʃeə/, **fully diluted EPS** /,fʊli ,daɪlu:tɪd ,ɪ pi: 'es/ *plural 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 /,fʊli peɪd ʌp 'kæpɪt(ə)l/ *noun* all money paid for the issued capital shares

function /'fʌŋkʃən/ *noun* a mathematical formula, where a result is dependent upon several other numbers

functional accounting /'fʌŋkʃən(ə)l ə ,kaʊntɪŋ/ *noun* a form of accounting that classifies accountancy items according to the function they perform in an organisation

functional budget /,fʌŋkʃən(ə)l 'bʌdʒɪt/ *noun* a budget relating to a specific function such as marketing or personnel

functional reporting of expenses /,fʌŋkʃən(ə)l rɪ,pɔ:tɪŋ əv ɪk'spensɪz/ *noun* the element of functional accounting that deals with expenses

function cost /'fʌŋkʃən kɒst/ *noun* the category of item for which costs are incurred

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. † **funds** ■ *verb* to provide money for a purpose ○ *The company does not have enough resources to fund its expansion programme.*

'...the S&L funded all borrowers' development costs, including accrued interest' [*Barrons*]

fund accounting /'fʌnd ə ,kaʊntɪŋ/
noun the preparation of financial statements for an entity such as a non-profitmaking organisation, in order to show how money has been spent rather than how much profit has been made

fundamental analysis /,fʌndəmənt(ə)l ə'næləʊsɪs/ *noun* an assessment of how the external and internal influences on a company's activities should affect investment decisions

fundamental assumptions /,fʌndəmənt(ə)l ə'sʌmpʃ(ə)ns/ *plural noun* the basic assumptions on which the preparation of accounts depends (NOTE: These assumptions are: that the company is a going concern, that the principles on which the accounts are prepared do not change from year to year, that revenues and costs are accrued (i.e., they are written into the accounts when they occur, not when they are received or paid).)

fundamental issues /,fʌndəmənt(ə)l 'ɪʃu:z/ *plural noun* matters relating to a company's profits or assets

fundamental research /,fʌndəmənt(ə)l rɪ'sɜ:tʃ/, **fundamental analysis** /,fʌndəmənt(ə)l ə'næləʊsɪs/ *noun* an examination of the basic factors which affect a market

fundamentals /,fʌndə'ment(ə)lz/ *plural noun* the basic realities of a stock market or of a company, e.g. its assets, profitability and dividends

funded /'fʌndɪd/ *adjective* backed by long-term loans ○ *long-term funded capital*

funded scheme /,fʌndɪd 'ski:m/ *noun* a pension scheme where money is invested in securities to create a fund from which the pension is later paid

funding /'fʌndɪŋ/ *noun* **1.** money for spending ○ *The bank is providing the funding for the new product launch.* **2.** the act of changing a short-term debt into a long-term

loan ○ *The capital expenditure programme requires long-term funding.*

fund management /'fʌnd ,mæniðʒmənt/ *noun* the business of dealing with the investment of sums of money on behalf of clients

funds /fʌndz/ *plural noun* **1.** money which is available for spending ○ *The company has no funds to pay for the research programme.* ♢ **non-sufficient funds** □ **to convert funds to your own use** to use someone else's money for yourself **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 /'fʌndz fləʊ/ *noun* □ **budgeted funds flow statement** a plan of anticipated incoming funds and the use to which they will be put □ **funds flow method of budgeting** preparing a budget of funds flow, as opposed to a budget of expenditure □ **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 /,fʌndʒə'bɪlɪti/ *noun* a measure of how easily an asset can be exchanged for something similar

fungible /'fʌndʒəb(ə)l/ *adjective* referring to a security which can be exchanged for another of the same type

funny money /'fʌni ,mʌni/ *noun* an unusual type of financial instrument created by a company

future delivery /,fju:tʃə dr'li:v(ə)ri/ *noun* delivery at a later date

futures /'fju:tʃəz/ *plural noun* shares, currency or commodities that are bought or sold for now for delivery at a later date ○ *Gold rose 5% on the commodity futures market yesterday.*

'...cocoa futures plummeted in November to their lowest levels in seven years' [*Business in Africa*]

futures contract /'fju:tʃəz ,kɒntrækt/ *noun* a contract for the purchase of commodities for delivery at a date in the future

futures exchange /'fju:tʃəz ɪks ,tʃeɪndʒ/ *noun* a commodity market which only deals in futures

future value /,fju:tʃə 'vælju:/ *noun* 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

G

GAAP *abbreviation* Generally Accepted Accounting Principles

gain /geɪn/ *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 ■ *verb* **1.** to get or to obtain ○ *She gained some useful experience working in a bank.* □ **to gain control of a business** to buy more than 50% of the shares so that you can direct the business **2.** to rise in value ○ *The dollar gained six points on the foreign exchange markets.*

galloping inflation /,gæləpɪŋ ɪn 'fleɪʃ(ə)n/ *noun* very rapid inflation which is almost impossible to reduce

gap analysis /'gæp ə,næləsɪs/ *noun* analysis of a market to try to find a particular area that is not at present being satisfied ○ *Gap analysis showed that there was a whole area of the market we were not exploiting.*

gap financing /'gæp ˌfaɪnənsɪŋ/ *noun* the process of arranging extra loans such as a bridging loan to cover a purchase not covered by an existing loan

garnishee /,gɑ:nɪ'ʃi:/ *noun* a person who owes money to a creditor and is ordered by a court to pay that money to a creditor of the creditor, and not to the creditor himself

garnishee order /,gɑ:nɪ'ʃi: ˌɔ:də/ *noun* a court order, making a garnishee pay money not to the debtor, but to a third party

GAS *abbreviation* Government Accountability Service

GDP *abbreviation* gross domestic product

gear /gɪə/ *verb* to link something to something else

gearing /'gɪərɪŋ/ *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

gearing ratio /'gɪərɪŋ ˌreɪʃɪəʊ/ *noun* any ratio that compares equity to borrowing

general audit /,dʒen(ə)rəl ˌɔ:dɪt/ *noun* the process of examining all the books and accounts of a company

general average /,dʒen(ə)rəl ˈæv(ə)rɪdʒ/ *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 /,dʒen(ə)rəl ˈbæləns ˌʃi:t/ *noun* the standard form of balance sheet used by non-commercial organisations such as charities and government departments

General Commissioners /,dʒen(ə)rəl kə'mɪʃ(ə)nəz/ *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 /,dʒen(ə)rəl ˈdæmɪdʒɪz/ *plural noun* damages awarded by court to compensate for a loss which cannot be calculated, such as an injury

general expenses /,dʒen(ə)rəl ɪk ˈspensɪz/ *plural noun* minor expenses of various kinds incurred in the running of a business

general fund /'dʒen(ə)rəl fʌnd/ *noun* a unit trust with investments in a variety of stocks

general insurance /,dʒen(ə)rəl ɪn ˈʃʊərəns/ *noun* insurance relating to various potential losses, e.g. theft or damage, but excluding life insurance

general ledger /'dʒen(ə)rəl ˌledʒə/ *noun* a book which records a company's income and expenditure in general

general lien /,dʒen(ə)rəl ˈli:ən/ *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. ◊ **banker's lien**

Generally Accepted Accounting Principles

/ˌdʒen(ə)rəli ək,septɪd ə 'kaʊntɪŋ ˌprɪnsɪp(ə)lz/ plural noun US a summary of best practice in respect of the form and content of financial statements and auditor's reports, and of accounting policies and disclosures adopted for the preparation of financial information. GAAP does not have any statutory or regulatory authority in the United Kingdom, unlike in a number of other countries where the term is in use, such as the United States, Canada. Abbreviation **GAAP**

generally accepted auditing standards

/ˌdʒen(ə)rəli ək,septɪd 'ɔːdɪtɪŋ ˌstændədz/ plural noun guidelines that are designed to inform the work of auditors and set out the auditor's responsibilities

general manager

/ˌdʒen(ə)rəl 'mænɪdʒə/ noun a manager in charge of the administration of a company

general meeting

/ˌdʒen(ə)rəl 'miːtɪŋ/ noun a meeting of all the shareholders of a company or of all the members of a society

general partner

/ˌdʒen(ə)rəl 'pɑːtnə/ noun a partner in a business whose responsibility for its debts is not limited and, therefore, whose personal assets may be at risk if the company's assets are not sufficient to discharge its debts

general partnership

/ˌdʒen(ə)rəl 'pɑːtnəʃɪp/ noun the relationship of a general partner to his or her company

general undertaking

/ˌdʒen(ə)rəl ˌʌndə'teɪkɪŋ/ 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

/'gɪft eɪd/ 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

/'gɪft ɪntə 'vɪːvʊs/ noun a gift given to another living person. Abbreviation **GIV**

gift tax

/'gɪft tæks/ noun a tax on gifts. Only gifts between husband and wife are exempt.

gilt-edged

/'gɪlt edʒd/ adjective used to describe an investment which is very safe

gilt-edged securities

/'gɪlt edʒd sɪ 'kʃʊərɪtɪz/ plural noun investments in British government stock

gilts */gɪlts/ plural noun* same as **government bonds**

giro */'dʒaɪrəʊ/ noun* same as **bank giro**

GIV *abbreviation* gift inter vivos

GM *abbreviation* gross margin

GNP *abbreviation* gross national product

goal congruence */'gəʊl ˌkɒŋgruəns/ noun* a situation that leads individuals or companies to take actions which are in their own best interests

go-go fund */'gəʊ gəʊ ˌfʌnd/ noun* a fund which aims to give very high returns because it is invested in speculative stocks

going concern */'gəʊɪŋ kən'sɜːn/ noun* a company that is actively trading and making a profit

going concern value */'gəʊɪŋ kən'sɜːn ˌvæljuː/ noun* the value of a company as it continues trading as opposed to its break-up value

gold bullion */'gəʊld 'bʊliən/ noun* bars of gold

gold card */'gəʊld kɑːd/ noun* a credit card issued to important customers, i.e., those with a high income, which gives certain privileges such as a higher spending limit than ordinary credit cards

golden handcuffs */'gəʊld(ə)n 'hændkʌfs/ plural noun* a contractual arrangement to make sure that a valued member of staff stays in their job, by which they are offered special financial advantages if they stay and heavy penalties if they leave

golden handshake */'gəʊld(ə)n 'hændʃeɪk/ noun* a large, usually tax-free, sum of money given to a director who retires from a company before the end of his or her service contract ○ *The retiring director received a golden handshake of £250,000.*

golden parachute agreement

/'gəʊld(ə)n 'pærəˌʃuːt əˌɡriːmənt/ noun a contract that gives a senior manager very generous monetary compensation if his or job is lost as a result of a merger or acquisition

golden share */'gəʊld(ə)n 'ʃeə/ noun* a share in a privatised company which is retained by the government and carries special privileges such as the right to veto foreign takeover bids

goldmine */'gəʊldmaɪn/ noun* a mine which produces gold

gold point */'gəʊld pɔɪnt/ noun* an amount by which a currency which is linked to gold can vary in price

gold reserves */'gəʊld rɪˌzɜːvz/ plural noun* the country's store of gold kept to pay international debts

goods /gʊdz/ *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 /,gʊdz ən 'tʃæt(ə)lz/ *plural noun* movable personal possessions

Goods and Services Tax /,gʊdz ən 'sɜːvɪsɪz 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 'praɪvət/ *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 /'gʌv(ə)n/ *verb* to rule a country ○ *The country is governed by a group of military leaders.*

governance /'gʌv(ə)nəns/ *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 /,gʌv(ə)nənt ə'kaʊntənsɪ 'sɜːvɪs/ *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 /,gʌv(ə)nɪ'ment(ə)l/ *adjective* referring to a government

government-backed /'gʌv(ə)nənt 'bækt/ *adjective* backed by the government

government bonds /,gʌv(ə)nənt '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 /,gʌv(ə)nənt kən'træktə/ *noun* a company which supplies the government with goods by contract

government-controlled /'gʌv(ə)nənt kən'trəʊld/ *adjective* under the direct control of the government ○ *Advertisements cannot be placed in the government-controlled newspapers.*

government economic indicators /,gʌv(ə)nənt ,iːkənɒmɪk 'ɪndɪkeɪtəz/ *plural noun* statistics which show how the country's economy is going to perform in the short or long term

government grant /,gʌv(ə)nənt 'grɑːnt/ *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 /,gʌv(ə)nənt 'ləʊn/ *noun* money lent by the government

government-regulated /'gʌv(ə)nənt ,regjʊlətɪd/ *adjective* of which the affairs are subject to government regulation

government sector /,gʌv(ə)nənt 'sektə/ *noun* same as **public sector**

government securities /,gʌv(ə)nənt sɪ'kjʊərɪtɪz/ *plural noun* same as **government bonds**

government-sponsored /'gʌv(ə)nənt ,spɒnsəd/ *adjective* encouraged by the government and backed by government money ○ *She is working in a government-sponsored scheme to help small businesses.*

government stock /,gʌv(ə)nənt 'stɒk/ *noun* same as **government bonds**

government support /,gʌv(ə)nənt sə'pɔːt/ *noun* a financial help given by the government ○ *The aircraft industry relies on government support.*

governor /'gʌv(ə)nəl/ *noun* **1.** a person in charge of an important institution **2.** *US* one of the members of the Federal Reserve Board

grace /greɪs/ *noun* a favour shown by granting a delay ○ *to give a creditor a period of grace or two weeks' grace*

graduate /'grædʒuət/ *noun* a person who has obtained a degree

graduated /'grædʒuətɪd/ *adjective* changing in small regular stages

graduated income tax /,grædʒuətɪd 'ɪŋkʌm tæks/ *noun* a tax which rises in steps, with those having the highest income paying the highest percentage of tax

graduated pension scheme /,grædʒuətɪd 'penʃən ski:m/ *noun* a pension scheme where the benefit is calculated as a percentage of the salary of each person in the scheme

graduated taxation /,grædʒuətɪd tæks 'seɪʃ(ə)n/ *noun* same as **progressive taxation**

grand /grænd/ *noun* one thousand pounds or dollars (*informal*) ○ *They offered him fifty grand for the information.* ○ *She's earning fifty grand plus car and expenses.*

grand total /,grænd 'təʊt(ə)l/ *noun* the final total made by adding several subtotals

grant /grɑ:n/ *noun* money given by the government to help pay for something ○ *The laboratory has a government grant to cover the cost of the development programme.* ○ *The government has allocated grants towards the costs of the scheme.* ■ *verb* to agree to give someone something ○ *to grant someone a loan or a subsidy* ○ *to grant someone three weeks' leave of absence* ○ *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 /grɑ:n'tɔ:/ *noun* a person who grants a property to another

graph /grɑ:f/ *noun* a diagram which shows the relationship between two sets of quantities or values, each of which is represented on an axis ○ *A graph was used to show salary increases in relation to increases in output.* ○ *According to the graph, as average salaries have risen so has absenteeism.*

gratis /'græʃɪs/ *adverb* free or not costing anything ○ *We got into the exhibition gratis.*

greenback /'gri:nbæk/ *noun* *US* a dollar bill (*informal*)

'...gold's drop this year is of the same magnitude as the greenback's 8.5% rise' [*Business Week*]

green card /,gri:n 'kɑ:d/ *noun* **1.** a special British insurance certificate to prove that a car is insured for travel abroad **2.** an identity card and work permit for a person going to live in the US

green currency /,gri:n 'kʌrənsi:/ *noun* formerly, a currency used in the EU for calculating agricultural payments. Each country had an exchange rate fixed by the Commission, so there were 'green pounds', 'green francs', 'green marks', etc.

greenmail /'gri:nmeɪl/ *noun* the practice of making a profit by buying a large number of shares in a company, threatening to take the company over, and then selling the shares back to the company at a higher price

'...he proposes that there should be a limit on greenmail, perhaps permitting payment of a 20% premium on a maximum of 8% of the stock' [*Duns Business Month*]

Green Paper /,gri:n 'peɪpəl/ *noun* a report from the British government on proposals for a new law to be discussed in Parliament. Compare **White Paper**

green pound /,gri:n 'paʊnd/ *noun* a value for the British pound used in calculating agricultural prices and subsidies in the EU

green report /'gri:n rɪ'pɔ:t/ *noun* a part of a company's annual report dealing with ecological matters

grey market /'greɪ 'mɑ:kt/ *noun* an unofficial market run by dealers, where new issues of shares are bought and sold before they officially become available for trading on the Stock Exchange even before the share allocations are known

gross /grəʊs/ *noun* twelve dozen (144) ○ *He ordered four gross of pens.* (NOTE: no plural) ■ *adjective* total, with no deductions ■ *adverb* with no deductions ○ *My salary is paid gross.*

'...gross wool receipts for the selling season to end June appear likely to top \$2 billion' [*Australian Financial Review*]

gross domestic product /,grəʊs də 'mestɪk 'prɒdʌkt/ *noun* the annual value of goods sold and services paid for inside a country. Abbreviation **GDP**

gross earnings /,grəʊs 'ɜ:ɪnɪŋz/ *plural noun* total earnings before tax and other deductions

gross income /,grəʊs 'ɪŋkʌm/ *noun* a salary before tax is deducted

gross interest /,grəʊs 'ɪntrəst/ *noun* the interest earned on a deposit or security before the deduction of tax. ▻ **net interest**

gross margin /,grəʊs 'mɑ:dʒɪn/ *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 /,grəʊs 'mɑ:dʒɪn ,praɪsɪŋ/ *noun* pricing that takes into account the total production costs of a product

gross margin ratio /,grəʊs 'mɑ:dʒɪn ,reɪʃiəʊ/ *noun* same as **gross profit margin**

gross national product /,grəʊs ,næʃ(ə)nəl 'prɒdʌkt/ *noun* the annual value of goods and services in a country including income from other countries. Abbreviation **GNP**

gross profit /,grəʊs 'prɒfɪt/ *noun* a profit calculated as sales income less the cost of the goods sold, i.e. without deducting any other expenses

gross profit analysis /,grəʊs 'prɒfɪt ə ,næləsɪs/ *noun* analysis of the discrepancy between actual profit and budgeted profit or previous year's profit

gross profit margin /,grəʊs 'prɒfɪt ,mɑ:dʒɪn/ *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 /,grəʊs 'prɒfɪt ,mɛθəd/ *noun* a method of estimating inventory at the point of preparing an interim report

gross receipts /,grəʊs rɪ'si:ts/ *plural noun* the total amount of money received before expenses are deducted

gross salary /,grəʊs 'sæləri/ *noun* same as **gross income**

gross sales /,grəʊs 'seɪlz/ *plural noun* money received from sales before deductions for goods returned, special discounts, etc. ○ *Gross sales are impressive since many buyers seem to be ordering more than they will eventually need.*

gross turnover /,grəʊs 'tɜ:nəʊvə/ *noun* the total turnover including VAT and discounts

gross yield /,grəʊs 'ji:l/ *noun* a profit from investments before tax is deducted

ground landlord /'graʊnd ,lændlə:d/ *noun* a person or company that owns the freehold of a property which is then let and sublet ○ *Our ground landlord is an insurance company.*

ground rent /'graʊnd rent/ *noun* a rent paid by the main tenant to the ground landlord

group /gru:p/ *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 /'gru:p ə ,kaʊnts/ *plural noun* accounts for a holding company and its subsidiaries

group balance sheet /,gru:p 'bæləns ,ʃi:t/ *noun* same as **consolidated balance sheet**

group depreciation /,gru:p dɪ ,pri:ʃi 'eɪʃ(ə)n/ *noun* a way of calculating depreciation for multiple assets that are similar in nature and have a similar useful life

group financial statement /,gru:p faɪ 'nænʃ(ə)l ,steɪtmənt/ *noun* same as **consolidated financial statement**

group results /,gru:p rɪ'zʌltz/ *plural noun* the end-of-year financial statements and accounts of a group of companies

growth /grəʊθ/ *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 /'grəʊθ ,ɪndeks/ *noun* an index showing the growth in a company's revenues, earnings, dividends or other figures

growth prospects /'grəʊθ ,prɒspekts/ *plural noun* potential for growth in a share

growth rate /'grəʊθ reɪt/ *noun* the speed at which something grows

GST *abbreviation* Goods and Services Tax
'...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 /,gærən'ti:/ *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 /,gærən'ti:d ,bɒnd/
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 /,gærənti:d 'weɪdʒ/
noun a wage which a company promises will not fall below a specific figure

guarantor /,gærən'tɔ:/ *noun* a person who promises to pay another person's debts if he or she should fail to ○ *She stood guarantor for her brother.*

H

half-year /,hɑ:f 'ji:əl/ *noun* six months of an accounting period

half-yearly /,hɑ:f 'ji:əli/ *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 /'hændliŋ tʃɑ:dʒ/ *noun* money to be paid for packing, invoicing and dealing with goods which are being shipped

hard cash /,hɑ:d 'kæʃ/ *noun* money in notes and coins, as opposed to cheques or credit cards

hard currency /,hɑ:d 'kʌrənsi/ *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 /'hɑ:d(ə)nɪŋ/ *adjective* (of a market) slowly moving upwards

hard landing /,hɑ:d 'lændɪŋ/ *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 /,hed ən 'ʃəʊldəz/ *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 /'hedli:s/ *noun* a lease from the freehold owner to a tenant

headline inflation rate /,hedlaim ɪn 'fleɪf(ə)n ,reit/ *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 /,hed 'ɒfɪs/ *noun* an office building where the board of directors works and meets

headquarters /hed'kwɔ:təz/ *plural noun* the main office, where the board of directors meets and works ○ *The company's headquarters are in New York.*

heads of agreement /,hedz əv ə 'gri:mənt/ *plural noun* 1. a draft agreement with not all the details complete 2. the most important parts of a commercial agreement

health insurance /'helθ ɪn,fʊərəns/ *noun* insurance which pays the cost of treatment for illness, especially when travelling abroad

healthy /'helθi/ *adjective* □ a **healthy balance sheet** which shows a good profit

heavy industry /,hevi 'ɪndəstri/ *noun* an industry which deals in heavy raw materials such as coal or makes large products such as ships or engines

hedge /hedʒ/ *noun* a protection against a possible loss, which involves taking an action which is the opposite of an action taken earlier ■ *verb* 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 /'hedʒ fʌnd/ *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 /'hedʒɪŋ/ *noun* the act of buying investments at a fixed price for delivery later, so as to protect against possible loss

hereditament /,herɪ'dɪtəmənt/ *noun* a property, including land and buildings

hidden asset /,hɪd(ə)n 'æset/ *noun* an asset which is valued much less in the company's accounts than its true market value

hidden economy /,hɪd(ə)n ɪ'kɒnəmi/ *noun* same as **black economy**

hidden reserves /,hɪd(ə)n ɪ'zɜ:vz/ *plural noun* **1.** reserves which 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 /'hɪd(ə)n tæks/ *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 /,haɪəɹə:ki əv æk'tɪvɪtɪz/ *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*]

'...in a leveraged buyout the acquirer raises money by selling high-yielding debentures to private investors' [*Fortune*]

higher-rate tax /,haɪə reɪt 'tæks/ *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 /,haɪ 'faɪnəns/ *noun* the lending, investing and borrowing of very large sums of money organised by financiers

high gearing /,haɪ 'gɪərɪŋ/ *noun* a situation where a company has a high level of borrowing compared to its share price

high-income /,haɪ 'ɪnkʌm/ *adjective* used for referring to a fund that yields a high rate of return ○ *high-income shares* ○ *a high-income portfolio*

highly-g geared company /,haɪli ɡɪəd 'kʌmp(ə)ni/ *noun* a company which has a high proportion of its funds from fixed-interest borrowings

highly-paid /,haɪli 'peɪd/ *adjective* earning a large salary

high yield /,haɪ 'jɪ:l/ *noun* a dividend yield which is higher than is usual for the type of company

hike /haɪk/ *noun* an increase ■ *verb* to increase

hire /'haɪə/ *noun* an arrangement whereby customers pay money to be able to use a car, boat or piece of equipment owned by someone else for a time (NOTE: The more usual term in the US is **rent**)

hire purchase /,haɪə 'pɜ:tʃɪs/ *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 /,haɪə 'pɜ:tʃɪs ə,ɡri:mənt/ *noun* a contract to pay for something by instalments

hire-purchase company /,haɪə 'pɜ:tʃɪs ,kʌmp(ə)ni/ *noun* a company which provides money for hire purchase

historical cost /hɪ,stɔ:rɪk(ə)l 'kɒst/, **historic cost** /hɪ,stɔ:rɪk 'kɒst/ *noun* the actual cost of purchasing something which was bought some time ago

historical cost accounting /hɪ ,stɔ:rɪk(ə)l 'kɒst ə,kəʊntɪŋ/ *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 /hɪ,stɔ:rɪk(ə)l kɒst 'kɒnsɛpt/, **historical cost conven-**

tion /hɪ, stɔːrɪk(ə)l kɒst kən'venʃən/ *noun*
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'.)

historical cost depreciation /hɪ, stɔːrɪk(ə)l 'kɒst dɪ,prɪ:'fɛɪʃ(ə)n/ *noun*
depreciation based on the original cost of the asset

historical figures /hɪ, stɔːrɪk(ə)l 'fɪgəz/ *plural noun*
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 /hɪ, stɔːrɪk(ə)l 'praɪsɪŋ/ *noun*
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 /hɪ, stɔːrɪk(ə)l 'sʌməri/ *noun*
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 /hɪ, stɔːrɪk(ə)l 'treɪdɪŋ reɪndʒ/ *noun*
the difference between the highest and lowest price for a share or bond over a period of time

hive /haɪv/ *verb*

hive off *phrasal verb* to split off part of a large company to form a smaller subsidiary
○ *The new managing director hived off the retail sections of the company.*

HM Revenue & Customs /,eɪtʃ ,em ,revənʃu: ən 'kʌstəmz/ *noun*
a UK government department which deals with taxes on imports and on products such as alcohol produced in the country. It also deals with VAT and tax credits. Abbreviation **HMRC**

HM Treasury /,eɪtʃ ,em 'trezəri/ *noun*
the UK government department responsible for managing the country's public revenues. The department is run on a day-to-day basis by the Chancellor of the Exchequer.

hoard /hɔːd/ *verb* to buy and store goods in case of need

hoarder /'hɔːdə/ *noun* a person who buys and stores goods in case of need

hold /həʊld/ *noun* **1.** the bottom part of a ship or aircraft, in which cargo is carried **2.** the action of keeping something ■ *verb* **1.** to own or to keep something ○ *She holds 10% of the company's shares.* **2.** to make something happen ○ *The receiver will hold an auction of the company's assets.* **3.** not to

sell ○ *You should hold these shares – they look likely to rise.*

‘...as of last night, the bank's shareholders no longer hold any rights to the bank's shares’ [*Sunday Morning Post*]

hold down *phrasal verb* to keep at a low level ○ *We are cutting margins to hold our prices down.*

‘...real wages have been held down; they have risen at an annual rate of only 1% in the last two years’ [*Sunday Times*]

hold up *phrasal verb* **1.** to stay at a high level ○ *Share prices have held up well.* ○ *Sales held up during the tourist season.* **2.** to delay something ○ *The shipment has been held up at customs.* ○ *Payment will be held up until the contract has been signed.*

holder /'həʊldə/ *noun* **1.** a person who owns or keeps something ○ *holders of government bonds or bondholders* ○ *holder of stock or of shares in a company* ○ *holder of an insurance policy or policy holder* **2.** a thing which keeps something, which protects something

holders of record /,həʊldəz əv 'rekɔːd/ *plural noun*
the owners of a company's shares

hold harmless letter /,həʊld 'hɑːmləs ,letə/ *noun*
a letter issued by parties to a business deal to reporting accountants stating that the accountants will not be held responsible for any losses suffered on the deal

holding /'həʊldɪŋ/ *noun*
a group of shares owned ○ *She has sold all her holdings in the Far East.* ○ *The company has holdings in German manufacturing companies.*

holding company /'həʊldɪŋ ,kʌmp(ə)ni/ *noun* **1.** a company which owns more than 50% of the shares in another company. ◊ **subsidiary company** **2.** a company which exists only or mainly to own shares in subsidiary companies. ◊ **subsidiary**

holding cost /'həʊldɪŋ kɒst/ *noun*
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 /,həʊm 'bæŋkɪŋ/ *noun*
a system of banking using a personal computer in your own home to carry out various

financial transactions such as paying invoices or checking your bank account

home loan /'həʊm ləʊn/ *noun* a loan by a bank or building society to help someone buy a house

home trade /,həʊm 'treɪd/ *noun* trade in the country where a company is based

honorarium /,ɒnə'reəriəm/ *noun* money paid to a professional person such as an accountant or a lawyer when a specific fee has not been requested (NOTE: The plural is **honoraria**.)

honorary /'ɒnərəri/ *adjective* not paid a salary for the work done for an organisation
○ *He is honorary president of the translators' association.*

honorary secretary /,ɒnərəri 'sekrət(ə)ri/ *noun* a person who keeps the minutes and official documents of a committee or club, but is not paid a salary

honorary treasurer /,ɒnərəri 'trezərə/ *noun* a treasurer who does not receive any fee

honour /'ɒnə/ *verb* to pay something because it is owed and is correct
○ *to honour a bill* (NOTE: The US spelling is **honor**.)

horizontal integration /,hɒrɪzənt(ə)l ,ɪntɪ'greɪʃ(ə)n/ *noun* the process of joining similar companies or taking over a company in the same line of business as yourself

hostile bid /,hɒstəl 'bɪd/ *noun* same as **contested takeover**

hot money /,hɒt 'mʌni/ *noun* **1.** money which is moved from country to country to get the best returns **2.** money that has been obtained by dishonest means. † **money laundering**

hour /aʊə/ *noun* **1.** a period of time lasting sixty minutes **2.** sixty minutes of work
○ *She earns £14 an hour.* ○ *We pay £16 an hour.*

house /haʊs/ *noun* a company
○ *the largest London finance house* ○ *a brokerage house* ○ *a publishing house*

household goods /,haʊshəʊld 'gʊdz/ *plural noun* items which are used in the home

human capital accounting /,hju:mən 'kæpɪt(ə)l ə,kɑʊntɪŋ/ *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**

hurdle rate /'hɜ:d(ə)l reɪt/ *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

hybrid /'haɪbrɪd/ *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

hyper- /haɪpə/ *prefix* very large

hyperinflation /,haɪpərəɪn'fleɪʃ(ə)n/ *noun* inflation which is at such a high percentage rate that it is almost impossible to reduce

hypothecation /haɪ,pəθə'keɪʃ(ə)n/ *noun* **1.** 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 **2.** an action of earmarking money derived from specific sources for related expenditure, as when investing taxes from private cars or petrol sales solely on public transport

IAASB *abbreviation* International Auditing and Assurance Standards Board

IAS *abbreviation* International Accounting Standards

IASB *abbreviation* International Accounting Standards Board

IASC *abbreviation* International Accounting Standards Committee

IBRD *abbreviation* International Bank for Reconstruction and Development (the World Bank)

ICAEW *abbreviation* Institute of Chartered Accountants in England and Wales

ICAI *abbreviation* Institute of Chartered Accountants in Ireland

ICANZ *abbreviation* Institute of Chartered Accountants of New Zealand

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 /aɪ'diəl kə,pæsi'ti/ *noun* the greatest volume of output possible, which would be produced only in ideal conditions in which optimum capacity was maintained constantly

idle capacity /'aɪd(ə)l kə,pæsi'ti/ *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 /,aɪd(ə)l kə 'pæsi'ti, veəriəns/ *noun* a level of capacity that is lower than that forecast or budgeted for

idle capital /,aɪd(ə)l 'kæpi't(ə)l/ *noun* capital which is not being used productively

idle time /'aɪd(ə)l taɪm/ *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 /ɪ'li:g(ə)l/ *adjective* not legal or against the law

illegality /ɪ'li:gə'liti/ *noun* the fact of being illegal

illegally /ɪ'li:gəli/ *adverb* against the law ○ *He was accused of illegally laundering money.*

illicit /ɪ'li:sɪt/ *adjective* not legal or not permitted ○ *the illicit sale of alcohol*

illiquid /ɪ'li:kwi:d/ *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

IMA *abbreviation* 1. Institute of Management Accountants 2. Investment Management Association

IMF *abbreviation* International Monetary Fund

immovable /ɪ'mu:vəb(ə)l/ *adjective* impossible to move

immovable property /ɪ,mu:vəb(ə)l 'prɒpə'ti/ *noun* houses and other buildings on land

impact /'ɪmpækt/ *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 /'ɪmpækt ,stetmənt/ *noun* a written statement outlining the effects of something on an individual or company

impairment of capital /ɪm,pɛəmənt əv 'kæpi't(ə)l/ *noun* the extent to which the value of a company is less than the par value of its shares

impairment of value /ɪm,pəʊmənt əv 'vælju:/ *noun* a decline in the value of an asset such that its original cost can never be recovered

impersonal account /ɪm,pɜ:s(ə)n(ə)l ə 'kaʊnt/ *noun* 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. †

account, personal account

implement /'ɪmplɪ,ment/ *verb* to put into action ○ *to implement an agreement* ○ *to implement a decision*

implementation /,ɪmplɪmənt'teɪʃ(ə)n/ *noun* the process of putting something into action ○ *the implementation of new rules*

import /ɪm'pɔ:t/ *verb* to bring goods from abroad into a country for sale ○ *The company imports television sets from Japan.* ○ *This car was imported from France.*

importation /,ɪmpɔ:'teɪʃ(ə)n/ *noun* the act of importing ○ *The importation of arms is forbidden.* ○ *The importation of livestock is subject to very strict controls.*

import ban /'ɪmpɔ:t bæn/ *noun* a government order forbidding imports of a particular kind or from a particular country ○ *The government has imposed an import ban on arms.*

import duty /'ɪmpɔ:t ,dju:ti/ *noun* a tax on goods imported into a country

importer /ɪm'pɔ:tə/ *noun* a person or company that imports goods ○ *a cigar importer* ○ *The company is a big importer of foreign cars.*

import-export /,ɪmpɔ:t 'ekspɔ:t/ *adjective, noun* referring to business which deals with both bringing foreign goods into a country and sending locally made goods abroad ○ *Rotterdam is an important centre for the import-export trade.* ○ *She works in import-export.*

import levy /'ɪmpɔ:t ,levi/ *noun* a tax on imports, especially in the EU a tax on imports of farm produce from outside the EU

import quota /'ɪmpɔ:t ,kwɒtə/ *noun* a fixed quantity of a particular type of goods which the government allows to be imported ○ *The government has imposed a import quota on cars.*

import restrictions /'ɪmpɔ:t rɪ ,strɪkʃ(ə)nz/ *plural noun* actions taken by a government to reduce the level of imports by imposing quotas, duties, etc.

imports /'ɪmpɔ:ts/ *plural noun* goods brought into a country from abroad for sale

○ *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 /'ɪmpɔ:t ,sɜ:tʃɑ:dʒ/ *noun* the extra duty charged on imported goods, to try to stop them from being imported and to encourage local manufacture

impose /ɪm'pəʊz/ *verb* to give orders for something regarded as unpleasant or unwanted, such as a tax or a ban ○ *to impose a tax on bicycles* ○ *They tried to impose a ban on smoking.* ○ *The government imposed a special duty on oil.*

imposition /,ɪmpə'zɪʃ(ə)n/ *noun* the act of imposing something

impound /ɪm'paʊnd/ *verb* to take something away and keep it until a tax is paid ○ *Customs impounded the whole cargo.*

impounding /ɪm'paʊndɪŋ/ *noun* an act of taking something and keeping it until a tax is paid

imprest account /'ɪmprest ə,kaʊnt/ *noun* 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 imprest, 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.

imprest system /'ɪmprest ,sɪstəm/ *noun* 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 /ɪm,pru:vd 'ɒfə/ *noun* an offer which is larger or has better terms than the previous offer

imputation system /,ɪmpju:'teɪʃ(ə)n ,sɪstəm/ *noun* 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 /ɪn,æktɪv ə'kaʊnt/ *noun* a bank account which is not used over a period of time

inactive market /ɪn,æktɪv 'mɑ:kɪt/ *noun* a stock market with few buyers or sellers

incentive /ɪn'sentɪv/ *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

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 /ɪn'sentɪv ˌbəʊnəs/,

incentive payment /ɪn'sentɪv ˌpeɪmənt/ *noun* an extra payment offered to employees to make them work better

incentive scheme /ɪn'sentɪv ski:m/ *noun* a plan to encourage better work by paying higher commission or bonuses ○ *Incentive schemes are boosting production.*

incentive stock option /ɪn'sentɪv 'stɒk ɒpʃən/ *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 /ɪn'kəʊət/ *adjective* referring to an instrument which is incomplete

incidence of tax /ɪn'sɪd(ə)ns əv 'tæks/ *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 /ɪn'sɪd(ə)l ɪk 'spensɪz/ *plural noun* small amounts of money spent at various times in addition to larger amounts

include /ɪn'klu:d/ *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 /ɪn'klu:sɪv/ *adjective* counting something in with other things ○ *inclusive of tax* ○ *not inclusive of VAT*

income /'ɪnkʌm/ *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 /'ɪnkʌm əˌkaʊnt/ *noun* an account that lists revenue and expenses, as distinct from a balance sheet account

income bond /'ɪnkʌm bɒnd/ *noun* a bond that pays a rate of return in proportion to the issuer's income

income distribution /'ɪnkʌm dɪstrɪ ˌbjʊ:ʃ(ə)n/ *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 /'ɪnkʌm ɡɪərɪŋ/ *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 /ɪnkʌm pə 'hed/, **income per capita** *noun* same as **per capita income**

income recognition /'ɪnkʌm ˌrekəɡnɪʃ(ə)n/ *noun* the policy under which income is shown in an account

income shares /'ɪnkʌm ʃeəz/ *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 /'ɪnkʌm ˌsmu:ðɪŋ/ *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 /'ɪnkʌm ˌsʌmərɪ/ *noun* a summary showing a company's net profit or net loss for the year

income support /'ɪnkʌm əpˌɔ:t/ *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 /'ɪnkʌm tæks/ *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 /'ɪnkʌm tæks ˌfɔ:m/ *noun* a form to be completed which declares all income to the tax office

income tax return /'ɪnkʌm tæks rɪ ˌtɜ:n/ *noun* a completed tax form, with details of income and allowances. Also called **declaration of income, tax return**

income units /'ɪnkʌm ˌju:nɪts/ *plural noun* units in a unit trust, from which the

investor receives dividends in the form of income

incomplete records /,ɪnkəmpli:t 'rekɔ:dz/ *plural noun* an accounting system which is not double-entry bookkeeping. Various degrees of incompleteness can occur, e.g., **single-entry bookkeeping**, in which usually only a cash book is maintained.

inconvertible /,ɪnkən'vɜ:təb(ə)l/ *adjective* referring to currency which cannot be easily converted into other currencies

incorporate /ɪn'kɔ:pəreɪt/ *verb* **1.** to bring something in to form part of a main group ○ *Income from the 1998 acquisition is incorporated into the accounts.* **2.** to form a registered company ○ *a company incorporated in the US* ○ *an incorporated company* ○ *J. Doe Incorporated*

incorporation /ɪn'kɔ:pə'reɪʃ(ə)n/ *noun* an act of incorporating a company

increase *noun* /'ɪnkri:s/ **1.** an act of becoming larger ○ *There have been several increases in tax or tax increases in the last few years.* ○ *There is an automatic 5% increase in price or price increase on January 1st.* ○ *Profits showed a 10% increase or an increase of 10% on last year.* **2.** a higher salary ○ *increase in pay or pay increase* ○ *The government hopes to hold salary increases to 3%.* □ **she had two increases last year** her salary went up twice ■ *verb* /ɪn'kri:s/ **1.** to grow bigger or higher ○ *Profits have increased faster than the increase in the rate of inflation.* ○ *Exports to Africa have increased by more than 25%.* ○ *The price of oil has increased twice in the past week.* □ **to increase in size or value** to become larger or more valuable **2.** to make something bigger or higher □ **the company increased her salary to £50,000** the company gave her a rise in salary to £50,000

'...turnover has the potential to be increased to over 1 million dollars with energetic management and very little capital' [*Australian Financial Review*]

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

increment /'ɪŋkrɪmənt/ *noun* a regular automatic increase in salary ○ *an annual increment* □ **salary which rises in annual increments of £1000** each year the salary is increased by £1000

incremental /,ɪŋkrɪ'ment(ə)l/ *adjective* rising automatically in stages

incremental analysis /,ɪŋkrɪmənt(ə)l ə 'næləsɪs/ *noun* analysis of the changes in

costs and revenues that occur when business activity changes

incremental budgeting /,ɪŋkrɪmənt(ə)l 'bʌdʒɪtɪŋ/ *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 /,ɪŋkrɪmənt(ə)l 'kɔst/ *noun* the cost of making extra units above the number already planned. This may then include further fixed costs.

incremental increase /,ɪŋkrɪmənt(ə)l 'ɪnkri:s/ *noun* an increase in salary according to an agreed annual increment

incremental scale /,ɪŋkrɪmənt(ə)l 'skeɪl/ *noun* a salary scale with regular annual salary increases

incur /ɪn'kɜ:z/ *verb* to make yourself liable to something

'...the company blames fiercely competitive market conditions in Europe for a £14m operating loss last year, incurred despite a record turnover' [*Financial Times*]

indebted /ɪn'detɪd/ *adjective* owing money to someone ○ *to be indebted to a property company*

indemnification /ɪn,demɪnɪfɪ'keɪʃən/ *noun* payment for damage

indemnify /ɪn'demɪnaɪ/ *verb* to pay for damage ○ *to indemnify someone for a loss*

indemnity /ɪn'demɪnɪti/ *noun* **1.** a guarantee of payment after a loss ○ *She had to pay an indemnity of £100.* **2.** compensation paid after a loss

indent /'ɪndent/ *noun* an order placed by an importer for goods from overseas ○ *They put in an indent for a new stock of soap.*

indenture /ɪn'dentʃə/ *noun* US a formal agreement showing the terms of a bond issue

independent company /,ɪndɪpəndənt 'kʌmp(ə)ni/ *noun* a company which is not controlled by another company

independent financial adviser /,ɪndɪpəndənt faɪ'nænʃ(ə)l əd'vaɪzə/ *noun* a person who gives impartial advice on financial matters, who is not connected with any financial institution. Abbreviation **IFA**

independent variable /,ɪndɪpəndənt 'veəriəb(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 /'ɪndeks/ *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 /,ɪndek'seɪʃ(ə)n/ *noun* the linking of something to an index

indexed portfolio /,ɪndekst pɔ:tɪ 'fəʊliəʊ/ *noun* a portfolio of shares in all the companies which form the basis of a stock exchange index

index fund /'ɪndeks fʌnd/ *noun* an investment fund consisting of shares in all the companies which are used to calculate a Stock Exchange index

index-linked /'ɪndeks ˌɪŋkt/ *adjective* rising automatically by the percentage increase in the cost of living ○ *index-linked government bonds* ○ *Inflation did not affect her as she has an index-linked pension.*

'...two-year index-linked savings certificates now pay 3 per cent a year tax free, in addition to index-linking' [*Financial Times*]

index number /'ɪndeks ˌnʌmbə/ *noun* a number showing the percentage rise of something over a period

index tracker /'ɪndeks ˌtrækə/ *noun* an investor or fund manager who tracks an index

index-tracking /'ɪndeks ˌtrækiŋ/ *adjective* adjusted to follow changes in a particular index, e.g. the Bank of England's base rate

indicator /'ɪndɪkətə/ *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*]

'...we may expect the US leading economic indicators for April to show faster economic growth' [*Australian Financial Review*]

'...other indicators, such as high real interest rates, suggest that monetary conditions are extremely tight' [*Economist*]

indirect costs /,ɪndaɪrekt 'kɒsts/, **indirect expenses** /,ɪndaɪrekt ɪk'spensɪz/ *plural noun* costs which are not directly related to the making of a product, e.g. cleaning, rent or administration

indirect labour costs /,ɪndaɪrekt ˈleɪbə ˌkɒsts/ *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 /,ɪndaɪrekt ˌlaɪə'bɪlɪti/ *noun* an obligation that may arise in future, as, e.g., if a lawsuit is brought against the company

indirect material cost /,ɪndaɪrekt mə ˈtɪəriəl ˌkɒst/, **indirect materials cost** /,ɪndaɪrekt mə ˈtɪəriəlz ˌkɒst/ *noun* the cost of materials which cannot be allocated to the production of a particular product

indirect tax /,ɪndaɪrekt ˈtæks/ *noun* a tax such as VAT paid to someone who then pays it to the government

indirect taxation /,ɪndaɪrekt ˌtæks ˈseɪʃ(ə)n/ *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 /,ɪndɪvɪdʒuəl rɪ'taɪəmənt əˌkaʊnt/ *noun* US a tax-deferred pension scheme, that allows individuals to make contributions to a personal retirement fund. Abbreviation **IRA**

Individual Savings Account /,ɪndɪvɪdʒuəl ˈseɪvɪŋz əˌkaʊnt/ *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 /,ɪndɪvɪdʒuəl ˌvɒlənt(ə)rɪ ə'veɪntʃmənt/ *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**

inducement /ɪn'dju:smənt/ *noun* something which helps to persuade someone to do something ○ *They offered her a company car as an inducement to stay.*

industrial arbitration tribunal /ɪn ˌdʌstriəl ˌɑ:bɪ'treɪʃ(ə)n ˌtraɪˌbju:n(ə)/ *noun* a court which decides in industrial disputes

industrial tribunal /ɪn ˌdʌstriəl ˌtraɪ ˌbju:n(ə)/ *noun* a court which can decide in disputes about employment

'ACAS has a legal obligation to try and solve industrial grievances before they reach industrial tribunals' [*Personnel Today*]

inflation /ɪn'fleɪʃ(ə)n/ *noun* a greater increase in the supply of money or credit than in the production of goods and services, resulting in higher prices and a fall in the purchasing power of money ○ *to take measures to reduce inflation* ○ *High interest rates tend to increase inflation.* □ **we have 3% inflation or inflation is running at 3%** prices are 3% higher than at the same time last year

inflation accounting /ɪn'fleɪʃ(ə)n ə'kaʊntɪŋ/ *noun* an accounting system in which inflation is taken into account when calculating the value of assets and the preparation of accounts

inflationary /ɪn'fleɪʃ(ə)n(ə)ri/ *adjective* tending to increase inflation ○ *inflationary trends in the economy*

'...inflationary expectations fell somewhat this month, but remained a long way above the actual inflation rate, according to figures released yesterday. The annual rate of inflation measured by the consumer price index has been below 2 per cent for over 18 months' [*Australian Financial Review*]

inflation-proof /ɪn'fleɪʃ(ə)n pru:f/ *adjective* referring to a pension, etc. which is index-linked, so that its value is preserved in times of inflation

inflow /ɪnfləʊ/ *noun* the act of coming in or being brought in

'...the dollar is strong because of capital inflows rather than weak because of the trade deficit' [*Duns Business Month*]

influx /ɪnflʌks/ *noun* an inflow, especially one where people or things come in in large quantities ○ *an influx of foreign currency into the country* ○ *an influx of cheap labour into the cities*

'...the retail sector will also benefit from the expected influx of tourists' [*Australian Financial Review*]

inherit /ɪn'herɪt/ *verb* to get something from a person who has died ○ *When her father died she inherited the shop.* ○ *He inherited £10,000 from his grandfather.*

inheritance /ɪn'herɪt(ə)ns/ *noun* property which is received from a dead person

inheritance tax /ɪn'herɪt(ə)ns tæks/ *noun* tax payable on wealth or property worth above a certain amount and inherited after the death of someone. The current threshold is £285,000, and the estate is liable

for 40% tax on the excess amount. Abbreviation **IHT**. Also called **death duty**

in-house /ɪn 'haʊs/ *adverb, adjective* done by someone employed by a company on their premises, not by an outside contractor ○ *the in-house staff* ○ *We do all our data processing in-house.*

initial capital /ɪ,ɪnɪʃ(ə)l 'kæpɪt(ə)l/ *noun* capital which is used to start a business

initial public offering /ɪ,ɪnɪʃ(ə)l ɪ'pʌblɪk 'ɒf(ə)rɪŋ/ *noun* **US** the process of offering shares in a corporation for sale to the public for the first time. Abbreviation **IPO** (NOTE: The UK term is **offer for sale**.)

initial sales /ɪ,ɪnɪʃ(ə)l 'seɪlz/ *plural noun* the first sales of a new product

initial yield /ɪ,ɪnɪʃ(ə)l 'jɪ:ld/ *noun* the estimated yield of an investment fund at the time when it is launched

initiate /ɪ'nɪʃɪeɪt/ *verb* to start ○ *to initiate discussions*

injection /ɪn'dʒekʃən/ *noun* □ **a capital injection of £100,000 or an injection of £100,000 capital** putting £100,000 into an existing business

injunction /ɪn'dʒʌŋkʃ(ə)n/ *noun* a court order telling someone not to do something ○ *He got an injunction preventing the company from selling his car.*

inland /ɪn'lænd/ *adjective* inside a country

inland freight charges /ɪn'lænd 'freɪt ʃɑ:dʒɪz/ *plural noun* charges for carrying goods from one part of the country to another

inland postage /ɪn'lænd 'pəʊstɪdʒ/ *noun* postage for a letter to another part of the same country

Inland Revenue /ɪn'lænd 'revənju:/ *noun* a former UK government department which dealt with taxes such as income tax, corporation tax, capital gains tax and inheritance tax, but not duties such as Value Added Tax. It merged with the Customs and Excise to form HM Revenue & Customs in 2005. ○ *He received a letter from the Inland Revenue.* (NOTE: The US term is **Internal Revenue Service** or **IRS**.)

Inland Revenue Commissioner /ɪn'lænd 'revənju: kə,mɪʃ(ə)nə/ *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 /ɪnpu:t kɒst/ *noun* the cost of overhead items such as labour and material used in the production of goods or services

inputs /'ɪnpʊts/ *plural noun* goods or services bought by a company and which may be liable to VAT

input tax /'ɪnpʊt tæks/ *noun* VAT which is paid by a company on goods or services bought

insider /ɪn'saɪdə/ *noun* a person who works in an organisation and therefore knows its secrets

insider trading /ɪn'saɪdə 'treɪdɪŋ/, **insider buying** /,ɪnsaɪdə 'baɪɪŋ/, **insider dealing** /ɪn'saɪdə 'di:ɪlɪŋ/ *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 /ɪn'sɒlvənsi/ *noun* the fact of not being able to pay debts. Opposite **solvent** (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 /ɪn'sɒlvənsi præk'tɪʃ(ə)nəl/ *noun* a person who advises insolvent companies

insolvent /ɪn'sɒlvənt/ *adjective* not able to pay debts ○ *The company was declared insolvent.* (NOTE: see note at **insolvency**)

inspect /ɪn'spekt/ *verb* to examine in detail ○ *to inspect a machine or an installation* ○ *Officials from the DTI have come to inspect the accounts.*

inspection /ɪn'spektʃ(ə)n/ *noun* the close examination of something ○ *to make an inspection* or *to carry out an inspection of a machine or an installation*

inspector /ɪn'spektə/ *noun* an official who inspects ○ *The inspectors will soon be round to make sure the building is safe.*

inspectorate /ɪn'spekt(ə)rət/ *noun* an authority to which inspectors are responsible

inspector of taxes /ɪn'spektər əv 'tæksɪz/ *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 /ɪn'spektər əv 'weɪts ən 'meɪzəz/ *noun* a

government official who inspects weighing machines and goods sold in shops to see if the quantities and weights are correct

instalment /ɪn'stɔ:lmənt/ *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 /'ɪnstɪtju:t/ *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 /,ɪnstɪtju:t əv 'tʃɑ:təd ə,kəʊntənts ɪn 'ɪŋglənd ən 'weɪlz/ *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 /,ɪnstɪtju:t əv 'tʃɑ:təd ə,kəʊntənts ɪn 'aɪələnd/ *noun* the oldest and largest professional body for accountants in Ireland, founded in 1888 with the aims of promoting best practice in chartered accountancy and maintaining high standards of professionalism among its members. Abbreviation **ICAI**

Institute of Chartered Accountants in Scotland /,ɪnstɪtju:t əv 'tʃɑ:təd ə,kəʊntənts ɪn 'skɒtlənd/ *noun* the world's oldest professional body for accountants, based in Edinburgh. Abbreviation **ICAS**

Institute of Chartered Accountants of New Zealand /,ɪnstɪtju:t əv 'tʃɑ:təd ə,kəʊntənts əv nju: 'zi:lənd/ *noun* the only professional accounting body in New Zealand, representing over 26,000 members in that country and abroad. Abbreviation **ICANZ**

Institute of Financial Accountants /,ɪnstɪtju:t əv faɪ'nænʃ(ə)l ə'kaʊntənts/ *noun* a professional body, established in 1916, which aims to set technical and ethical standards in UK financial accountancy. Abbreviation **IFA**

institution /,ɪnstɪ'tju:ʃ(ə)n/ *noun* an organisation or society set up for a particular purpose. ♢ **financial institution**

institutional /,ɪnstɪ'tju:ʃ(ə)n(ə)l/ *adjective* relating to an institution, especially a financial institution

'...during the 1970s commercial property was regarded by big institutional investors as an alternative to equities' [*Investors Chronicle*]

institutional

investor /,ɪnstɪtjuːʃ(ə)n(ə)l ɪn'vestə/ *noun* **1.** a financial institution which invests money in securities **2.** an organisation (such as a pension fund or insurance company) with large sums of money to invest

instruction /ɪn'strʌkʃən/ *noun* an order which tells what should be done or how something is to be used ○ *She gave instructions to his stockbroker to sell the shares immediately.*

instrument /'ɪnstɹʊmənt/ *noun* **1.** a tool or piece of equipment ○ *The technician brought instruments to measure the output of electricity.* **2.** a legal document

insufficient funds /,ɪnsəfɪʃ(ə)nt 'fʌndz/ *plural noun* **US** same as **non-sufficient funds**

insurable /ɪn'fʊərəb(ə)/ *adjective* possible to insure

insurable interest /ɪn'fʊərəb(ə)l 'ɪntrəst/ *noun* the value of the thing insured which is attributed to the person who is taking out the insurance

insurance /ɪn'fʊərəns/ *noun* an agreement that in return for regular payments called 'premiums', a company will pay compensation for loss, damage, injury or death ○ *to take out insurance* ○ *Repairs will be paid for by the insurance.*

insurance adjuster /ɪn'fʊərəns ə ,dʒʌstə/ *noun* **US** same as **loss adjuster**

insurance agent /ɪn'fʊərəns ,eɪdʒənt/, **insurance broker** /ɪn'fʊərəns ,brəʊkə/ *noun* a person who arranges insurance for clients

insurance claim /ɪn'fʊərəns kleɪm/ *noun* a request to an insurance company to pay compensation for damage or loss

insurance company /ɪn'fʊərəns ,kʌmp(ə)ni/ *noun* a company whose business is insurance

insurance contract /ɪn'fʊərəns ,kɒntrækt/ *noun* an agreement by an insurance company to insure

insurance cover /ɪn'fʊərəns ,kʌvə/ *noun* protection guaranteed by an insurance policy

insurance policy /ɪn'fʊərəns ,pɒlɪsi/ *noun* a document which shows the conditions of an insurance contract

insurance premium /ɪn'fʊərəns ,priːmiəm/ *noun* an annual payment made

by a person or a company to an insurance company

insurance premium tax /ɪn'fʊərəns ,priːmiəm ,tæks/ *noun* a tax on household, motor vehicle, travel and other general insurance

insurance rates /ɪn'fʊərəns reɪts/ *plural noun* the amount of premium which has to be paid per £1000 of insurance

insure /ɪn'fʊə/ *verb* to have a contract with a company whereby, if regular small payments are made, the company will pay compensation for loss, damage, injury or death ○ *to insure a house against fire* ○ *to insure someone's life* ○ *to insure against loss of earnings* ○ *She was insured for £100,000.*

insurer /ɪn'fʊərə/ *noun* a company which insures (NOTE: For life insurance, UK English prefers to use **assurer**.)

intangible /ɪn'tændʒɪb(ə)l/ *adjective* not possible to touch

intangible assets /ɪn,tændʒɪb(ə)l 'æsets/, **intangible fixed assets** /ɪn ,tændʒɪb(ə)l fɪkst 'æsets/, **intangibles** /ɪn 'tændʒɪb(ə)lz/ *plural noun* assets that have a value but which cannot be seen, e.g. goodwill or a trademark

intangible value /ɪn'tændʒɪb(ə)l ,væljuː/ *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 /,ɪntɪgreɪtɪd ə 'kaʊnts/ *plural noun* accounting records that show both financial and cost accounts

integration /,ɪntɪ'greɪʃ(ə)n/ *noun* the act of bringing several businesses together under a central control

inter-bank /,ɪntə 'bæŋk/ *adjective* between banks

inter-bank loan /,ɪntə bæŋk 'ləʊn/ *noun* a loan from one bank to another

intercompany account /ɪntə ,kʌmp(ə)ni ə'kaʊnt/ *noun* an account that records transactions between companies that are affiliated to each other

inter-company dealings /,ɪntə ,kʌmp(ə)ni 'diːlɪŋz/, **inter-company transactions** /,ɪntə ,kʌmp(ə)ni træn 'zækʃ(ə)nz/ *plural noun* dealings or transactions between two companies in the same group

intercompany profit /ɪntə,kʌmp(ə)ni 'prɒfɪt/ *noun* the profit on services provided to a related company

interest /'ɪntrəst/ *noun* **1.** payment made by a borrower for the use of money, calculated as a percentage of the capital borrowed □ **high interest, low interest** interest at a high or low percentage **2.** money paid as income on investments or loans ○ *to receive interest at 5%* ○ *deposit which yields or gives or produces or bears 5% interest* ○ *account which earns interest at 10% or which earns 10% interest* ○ *The bank pays 10% interest on deposits.* ○ *The loan pays 5% interest.* **3.** 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 /,ɪntrəst ,beərɪŋ dɪ'pɒzɪts/ *plural noun* a deposit of money with a financial institution that pays interest on the deposit

interest charges /'ɪntrəst ,tʃɑ:dʒɪz/ *plural noun* money paid as interest on a loan

interest coupon /'ɪntrəst ,ku:pɒn/ *noun* a slip of paper attached to a government bond certificate which can be cashed to provide the annual interest

interest cover /'ɪntrəst ,kʌvə/ *noun* the ability to pay interest payments on a loan

interested party /,ɪntrestɪd 'pɑ:ti/ *noun* a person or company with a financial interest in a company

interest expense /'ɪntrəst ɪk,spens/ *noun* the cost of the interest payments on borrowed money

interest-free credit /,ɪntrəst fri: 'kredɪt/ *noun* a credit or loan where no interest is paid by the borrower ○ *The company gives its staff interest-free loans.*

interest rate /'ɪntrəst reɪt/ *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 /'ɪntrəst reɪt ,mɑ:dʒɪn/ *noun* the difference between the interest a bank pays on deposits and the interest it charges on loans

interest rate swap /'ɪntrəst reɪt ,swɒp/ *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 /,ɪntrəst 'sensɪtɪv/ *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 /'ɪntrəst jɪ:ld/ *noun* a yield on a fixed-interest investment

interim /'ɪntərɪm/ *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 ■ *noun* a statement of interim profits or dividends

'...the company plans to keep its annual dividend unchanged at 7.5 per share, which includes a 3.75 interim payout' [*Financial Times*]

interim audit /'ɪntərɪm ,ɔ:dɪt/ *noun* an audit carried out for a period within a full accounting year, often for a half year

interim dividend /,ɪntərɪm 'dɪvɪdend/ *noun* a dividend paid at the end of a half-year

interim financial statement /,ɪntərɪm faɪ,nænʃəl 'steɪtmənt/ *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 /,ɪntərɪm 'peɪmənt/ *noun* a payment of part of a dividend

interim receiver /,ɪntərɪm rɪ'si:və/ *noun* a receiver appointed to deal with a person's affairs until a bankruptcy order is made

intermediate debt /,ɪntə'mi:diət det/ *noun* a form of debt which has to be repaid between four and ten years' time

internal /ɪn'tɜ:n(ə)/ *adjective* **1.** inside a company **2.** inside a country or a region

internal audit /ɪn,tɜ:n(ə)l 'ɔ:dɪt/ *noun* an audit carried out by a department inside the company

internal auditor /ɪn,tɜ:n(ə)l 'ɔ:dɪtə/ *noun* a member of staff who audits a company's accounts

internal control /ɪn,tɜ:n(ə)l kən'trəʊl/ *noun* a system set up by the management of a company to monitor and control the company's activities

internal growth /ɪn,tɜ:n(ə)l 'grəʊθ/ *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**

internal rate of return /ɪn,tɜ:n(ə)l reɪt əv rɪ'tɜ:n/ *noun* an average annual yield of an investment, where the interest earned over a period of time is the same as the orig-

inal cost of the investment. Abbreviation **IRR**

internal reporting /ɪn,tɜ:n(ə)l rɪ'pɔ:tɪŋ/ *noun* financial information gathered and communicated within a company

Internal Revenue Service /ɪn,tɜ:n(ə)l 'revənʃu: ,sɜ:vɪs/ *noun* in the United States, the branch of the federal government charged with collecting the majority of federal taxes. Abbreviation **IRS**

internal trade /ɪn,tɜ:n(ə)l 'treɪd/ *noun* trade between various parts of a country. Opposite **external trade**

International Accounting Standards /ɪntənæʃ(ə)nəl ə'kaʊntɪŋ ,stændədʒ/ *plural noun* standards of accounting procedure set and monitored, since 2001, by the International Accounting Standards Board

International Accounting Standards Board /ɪntənæʃ(ə)nəl ə'kaʊntɪŋ 'stændədʒ ,bɔ:d/ *noun* a London-based independent organisation established to set international standards for accounting procedures. Abbreviation **IASB**

International Accounting Standards Committee /ɪntənæʃ(ə)nəl ə'kaʊntɪŋ 'stændədʒ kə'mɪti/ *noun* formerly, an organisation based in London that worked towards achieving global agreement on accounting standards. It was made part of the International Accounting Standards Board in 2001. Abbreviation **IASC**

International Bank for Reconstruction and Development /ɪntənæʃ(ə)nəl bæŋk fə ,ri:kənstrʌkʃ(ə)n ən dɪ 'veləp'mənt/ *noun* the official name of the World Bank. Abbreviation **IBRD**

International Centre for Settlement of Investment Disputes

/ɪntənæʃ(ə)nəl ,sentə fə ,set(ə)lmənt əv ɪn'vestmənt dɪ,sɜ:ju:ts/ *noun* one of the five institutions that comprises the World Bank Group. It was established in 1966 to undertake the role previously undertaken in a personal capacity by the President of the World Bank in assisting in mediation or conciliation of investment disputes between governments and private foreign investors. The overriding consideration in its establishment was that a specialist institution could help to promote increased flows of international investment. Although ICSID has close links to the World Bank, it is an autonomous organisation. Abbreviation **ICSID**

International Federation of Accountants /ɪntənæʃ(ə)nəl ,fedəreɪʃ(ə)n əv ə'kaʊntənts/ *noun* a glo-

bal organisation for the accountancy profession that seeks to protect the public interest by encouraging high quality practices by the world's accountants

International Financial Reporting Standards /ɪntənæʃ(ə)nəl faɪ,næŋʃ(ə)l rɪ'pɔ:tɪŋ ,stændədʒ/ *plural noun* an internationally agreed set of high-quality, understandable and enforceable global standards for financial reporting

International Monetary Fund /ɪntənæʃ(ə)nəl 'mʌnɪt(ə)rɪ ,fʌnd/ *noun* 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 money markets /ɪntənæʃ(ə)nəl 'mʌni ,mɑ:kɪts/ *plural noun* markets such as the Euromarket, the international market for lending or borrowing in Eurocurrencies

international reserves /ɪntənæʃ(ə)nəl rɪ'zɜ:vz/ *plural noun* same as **foreign currency reserves**

international trade /ɪntənæʃ(ə)nəl 'treɪd/ *noun* trade between different countries

Internet /'ɪntənət/ *noun* an international network linking thousands of computers using telephone, cable and satellite links ○ *He searched the Internet for information on cheap tickets to the US* ○ *Much of our business is done on the Internet.* ○ *Internet sales form an important part of our turnover.*

'...they predict a tenfold increase in sales via internet or TV between 1999 and 2004' [*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*]

Internet banking /ɪntənət 'bæŋkɪŋ/ *noun* the operation of a bank account over the Internet

interpolation /ɪn,tɜ:pə'leɪʃ(ə)n/ *noun* a method of estimating a value between two established values

intervene /ɪntə'vi:n/ *verb* to try to make a change in a situation in which you have not been involved before

intervention /ɪntə'venʃən/ *noun* the act of becoming involved in a situation in order to change it ○ *the central bank's intervention in the banking crisis*

intervention mechanism /,ɪntə'venʃən,mekə'nɪz(ə)m/ *noun* a method used by central banks in maintaining exchange rate parities, e.g. buying or selling foreign currency

inter vivos /,ɪntə'vei:vʊs/ *phrase* a Latin phrase, 'between living people'

inter vivos trust /,ɪntə'vei:vʊs trʌst/ *noun* a trust set up by one person for another living person

intestacy /ɪn'testəsi/ *noun* the state of having died without having made a will

intestate /ɪn'testət/ *adjective* □ **to die intestate** to die without having made a will

intrinsic value /ɪn'trɪnsɪk'veljʊ:/ *noun* the material value of something ○ *These objects have sentimental value, but no intrinsic value at all.* ○ *The intrinsic value of jewellery makes it a good investment.*

introduction /,ɪntrə'dʌkʃ(ə)n/ *noun* the act of bringing an established company to the Stock Exchange (i.e., getting permission for the shares to be traded on the Stock Exchange, used when a company is formed by a demerger from an existing larger company, and no new shares are being offered for sale)

invalid /ɪn'velɪd/ *adjective* not valid or not legal ○ *This permit is invalid.* ○ *The claim has been declared invalid.*

invalidate /ɪn'velɪdeɪt/ *verb* to make something invalid ○ *Because the company has been taken over, the contract has been invalidated.*

invalidation /ɪn'velɪ'deɪʃən/ *noun* the act of making invalid

invalidity /,ɪnvə'lɪdɪti/ *noun* the fact of being invalid ○ *the invalidity of the contract*

inventory /'ɪnvənt(ə)ri/ *noun* **1.** especially US all the stock or goods in a warehouse or shop ○ *to carry a high inventory* ○ *to aim to reduce inventory* Also called **stock** **2.** a list of the contents of a building such as a house for sale or an office for rent ○ *to draw up an inventory of fixtures and fittings* ■ *verb* to make a list of stock or contents

inventory control /'ɪnvənt(ə)ri kən'trəʊl/ *noun* US same as **stock control**

inventory financing /'ɪnvənt(ə)ri,fainənsɪŋ/ *noun* especially US the use of money from working capital to purchase stock for resale

inventory turnover /'ɪnvənt(ə)ri,tʊ:rnəʊvə/ *noun* especially US the total value of stock sold during a year, divided by the value of the goods remaining in stock

invest /ɪn'vest/ *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*]

investment /ɪn'vestmənt/ *noun* **1.** the placing of money so that it will produce interest and increase in value ○ *They called for more government investment in new industries.* ○ *She was advised to make investments in oil companies.* **2.** a share, bond or piece of property bought in the hope that it will produce more money than was used to buy it

'...investment trusts, like unit trusts, consist of portfolios of shares and therefore provide a spread of investments' [*Investors Chronicle*]

'...investment companies took the view that prices had reached rock bottom and could only go up' [*Lloyd's List*]

investment analyst /ɪn'vestmənt,æ'nəlɪst/ *noun* a person working for a stockbroking firm, who analyses the performance of companies in a sector of the market, or the performance of a market sector as a whole, or economic trends in general

investment appraisal /ɪn'vestmənt ə'preɪz(ə)/ *noun* the analysis of the future profitability of capital purchases as an aid to good management

investment bank /ɪn'vestmənt bæŋk/ *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 /ɪn'vestmənt,kʌmp(ə)ni/ *noun* 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 /ɪn'vestmənt grɑ:nt/ *noun* a government grant to a company to help it to invest in new machinery

investment income /ɪn'vestmənt,ɪnkʌm/ *noun* income from investments, e.g. interest and dividends. Compare **earned income**

Investment Management Association /ɪn'vestmənt'mænɪdʒmənt ə'səʊsɪeɪʃ(ə)n/ *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 /ɪn'vestmənt ,prɒpəti/ *noun* property which is held for letting

investment revaluation reserve /ɪn'vestmənt ri:væljuəɪʃən rɪ,zɜ:v/ *noun* the capital reserve where changes in the value of a business's investment properties are disclosed when they are revalued

investment trust /ɪn'vestmənt trʌst/ *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 /ɪn'vestmənt ,tɜ:nəʊvəl/ *noun* income earned on capital invested in a business

investor /ɪn'vestə/ *noun* a person who invests money

investor protection /ɪn'vestə prə ,tekʃ(ə)n/ *noun* legislation to protect small investors from unscrupulous investment brokers and advisers

Investors in Industry /ɪn'vestəz ɪn 'ɪndəstri/ *plural noun* a finance group partly owned by the big British High Street banks, providing finance especially to smaller companies. Abbreviation **3i**

invisible assets /ɪn,vɪzɪb(ə)l 'æsets/ *plural noun* US same as **intangible assets**

invisible earnings /ɪn,vɪzɪb(ə)l 'ɜ:nɪŋz/ *plural noun* foreign currency earned by a country by providing services, receiving interests or dividends, but not by selling goods

invisible exports /ɪn,vɪzɪb(ə)l 'ekspɔ:ts/ *plural noun* services, e.g. banking, insurance and tourism, that are provided to customers overseas and paid for in foreign currency. Opposite **visible exports**

invisible imports /ɪn,vɪzɪb(ə)l 'ɪmpɔ:ts/ *plural noun* services that overseas companies provide to domestic customers who pay for them in local currency. Opposite **visible imports**

invisibles /ɪn'veɪzɪb(ə)lz/ *plural noun* invisible imports and exports

invisible trade /ɪn,vɪzɪb(ə)l 'treɪd/ *noun* trade involving invisible imports and exports. Opposite **visible trade**

invoice /'ɪnvɔɪs/ *noun* a note asking for payment for goods or services supplied ○ *your invoice dated November 10th* ○ *to make out an invoice for £250* ○ *to settle or*

to pay an invoice ○ *They sent in their invoice six weeks late.* ■ **verb** to send an invoice to someone ○ *to invoice a customer*

invoice discounting /'ɪnvɔɪs ,dɪskaʊntɪŋ/ *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 /'ɪnvɔɪs praɪs/ *noun* the price as given on an invoice, including any discount and VAT

invoice register /'ɪnvɔɪs ,redʒɪstə/ *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 /'ɪnvɔɪsɪŋ/ *noun* the work of sending invoices ○ *All our invoicing is done by computer.*

invoicing department /'ɪnvɔɪsɪŋ dɪ ,pɑ:tmənt/ *noun* the department in a company which deals with preparing and sending invoices

involuntary bankruptcy /ɪn ,vɒlənt(ə)rɪ 'bæŋkrʌptsi/ *noun* US an application by creditors to have a person or corporation made bankrupt (NOTE: The UK term is **compulsory winding up**.)

inward /'ɪnwəd/ *adjective* towards the home country

inward bill /'ɪnwəd 'bɪl/ *noun* a bill of lading for goods arriving in a country

IOU /'aɪ əʊ 'ju:/ *noun* 'I owe you', a signed document promising that you will pay back money borrowed ○ *to pay a pile of IOUs* ○ *I have a pile of IOUs which need paying.*

IPO *abbreviation* initial public offering

IRA /'aɪrə/ *abbreviation* US Individual Retirement Account

IRC *abbreviation* Inland Revenue Commissioner

IRR *abbreviation* internal rate of return

irrecoverable debt /ɪrɪ,kʌv(ə)rəb(ə)l 'det/ *noun* a debt which will never be paid

irredeemable bond /ɪrɪ,dɪ:məb(ə)l 'bɒnd/ *noun* a government bond which has no date of maturity and which therefore provides interest but can never be redeemed at full value

irrevocable /ɪ'revəkəb(ə)l/ *adjective* unchangeable

irrevocable letter of credit /ɪˌrevəkəb(ə)lˌleɪtər əvˈkredɪt/ *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 /ˈaɪsə/ *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 /ɪˌɪʃuːdˈkæpɪt(ə)l/ *noun* an amount of capital which is given out as shares to shareholders

issued price /ɪˌɪʃuːdˈpraɪs/, **issue price** /ˈɪʃuːpraɪs/ *noun* the price of shares in a new company when they are offered for sale for the first time

issuer /ˈɪʃuə/ *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 /ˈaɪtəmaɪz/, **itemize** *verb* to make a detailed list of things ○ *Itemising the sales figures will take about two days.*

IVA *abbreviation* Individual Voluntary Arrangement

J

J curve /'dʒeɪ 'kɜ:v/ *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 /'dʒɒb kɑ:d/ *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 /'dʒɒb ,kɒstɪŋ/ *noun* the process of calculating the cost of a single job or batch of work. Also called **specific order costing**

job order /'dʒɒb ,ɔ:də/ *noun* an authorised order for the production of goods or services

job order costing /'dʒɒb ,ɔ:də ,kɒstɪŋ/ *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 ○ *a joint undertaking* **2.** one of two or more people who work together or who are linked ○ *They are joint beneficiaries of the will.* ○ *The two countries are joint signatories of the treaty.*

joint account /'dʒɔɪnt ə,kəʊnt/ *noun* a bank or building society account shared by two people ○ *Many married couples have joint accounts so that they can pay for household expenses.*

joint and several liability /dʒɔɪnt ən ,sev(ə)rəl ,laɪə'bɪlɪti/ *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 'kɒst/ *noun* the cost of which can be allocated to more than one product, project or service

joint-life annuity /'dʒɔɪnt laɪf ə,njuəti/ *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 ○ *to own a property jointly* ○ *to manage a company jointly* ○ *They are jointly liable for damages.*

joint management /,dʒɔɪnt 'mænɪdʒmənt/ *noun* management done by two or more people

joint ownership /,dʒɔɪnt 'əʊnəʃɪp/ *noun* the owning of a property by several owners

joint products /,dʒɔɪnt 'prɒdʌkts/ *plural 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 rɪ'tɜ:n/ *noun* a tax return that is filed jointly by a husband and wife

joint-stock bank /,dʒɔɪnt 'stɒk ,bæŋk/ *noun* a bank which is a public company quoted on the Stock Exchange

joint-stock company /'dʒɔɪnt stɒk ,kʌmp(ə)ni/ *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 'ventʃə/ *noun* a situation where two or more companies join together for one specific large business project

journal /'dʒɜ:n(ə)l/ *noun* a book with the account of sales and purchases made each day

journal entry /'dʒɜ:n(ə)l ,entri/ *noun* a record of the accounting information for a business transaction, made at first in a journal and later transferred to a ledger

judgment /'dʒʌdʒmənt/, **judgement** *noun* a legal decision or official decision of a court □ **to pronounce judgment, to give your judgment on something** to give an official or legal decision about something

judgment creditor /'dʒʌdʒmənt ,kredɪtə/ *noun* a person who has been given a court order making a debtor pay him a debt

judgment debtor /'dʒʌdʒmənt ˌdetə/ *noun* a debtor who has been ordered by a court to pay a debt

junior capital /ˌdʒuːniə 'kæpɪt(ə)/ *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 /ˌdʒuːniə 'mɔːgɪdʒ/ *noun* a second mortgage

junior partner /ˌdʒuːniə 'pɑːtnə/ *noun* a person who has a small part of the shares in a partnership

junior security /ˌdʒuːniə sɪ'kjʊərɪti/ *noun* a security which is repaid after other securities

just-in-time /ˌdʒʌst ɪn 'taɪm/ *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

K *abbreviation* one thousand □ **'salary: £20K+'** salary more than £20,000 per annum

Keogh plan /'ki:əʊ ,plæn/ *noun* *US* a private pension plan allowing self-employed businesspeople and professionals to set up pension and retirement plans for themselves

key-person insurance /'ki: pɜ:s(ə)n ɪn ˌʃʊərəns/ *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 /'ki: reɪt/ *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 /'kɪkbæk/ *noun* an illegal commission paid to someone, especially a government official, who helps in a business deal

kicker /'kɪkə/ *noun* a special inducement to buy a bond, e.g. making it convertible to

shares at a preferential rate (*informal*)

kite /kaɪt/ *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 /'kɪti/ *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 /'nəʊ haʊ ˌfʌnd/ *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 /'nɒlɪdʒ ˌmænɪdʒmənt/ *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

L

labour /'leɪbə/ *noun* **1.** heavy work (NOTE: The US spelling is **labor**.) □ **labour is charged at £15 an hour** each hour of work costs £15 **2.** workers, the workforce ○ *We will need to employ more labour if production is to be increased.* ○ *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 /'leɪbə kɒsts/ *plural noun* the cost of the employees employed to make a product, not including materials or overheads

labour efficiency variance /'leɪbə ɪ ,fɪʃ(ə)nsɪ ,veəriəns/ *noun* the discrepancy between the usual or expected labour time used to produce something and the actual time used

labour force /'leɪbə fɔːs/ *noun* all the employees in a company or in an area ○ *The management has made an increased offer to the labour force.* ○ *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 /'leɪbə ,mɑːkɪt/ *noun* the number of people who are available for work ○ *25,000 school-leavers have just come on to the labour market.*

labour rate (price) variance /'leɪbə reɪt ,praɪs ,veəriəns/ *noun* any change to the normal hourly rate paid to workers

labour relations /'leɪbə rɪ ,leɪʃ(ə)nz/ *plural noun* relations between management and employees ○ *The company has a history of bad labour relations.*

labour turnover /'leɪbə ,tʊːnəʊvə/ *noun* the movement of employees with some leaving their jobs and others joining. Also called **turnover of labour**

labour variance /'leɪbə ,veəriəns/ *noun* any discrepancy between the actual cost of labour in an organisation and the standard industry cost

Laffer curve /'læfə kɜːv/ *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 /læɡ/ *verb* to be behind or to be slower than something

lagging indicator /'læɡɪŋ ,ɪndɪkeɪtə/ *noun* an indicator which shows a change in economic trends later than other indicators, e.g. the gross national product. Opposite **leading indicator**

landlord /'lændlɔːd/ *noun* a person or company which owns a property which is let

land register /'lænd ,redʒɪstə/ *noun* a list of pieces of land, showing who owns each and what buildings are on it

land registration /'lænd redʒɪ ,streɪʃ(ə)n/ *noun* a system of registering land and its owners

Land Registry /'lænd ,redʒɪstri/ *noun* a government office where details of land ownership and sales are kept

land tax /'lænd tæks/ *noun* a tax on the amount of land owned

lapse /læps/ *verb* to stop being valid, or to stop being active ○ *The guarantee has lapsed.*

lapsed option / ,læpst 'ɒpʃən/ *noun* an option which has not been taken up, and now has expired

last in first out / ,lɑːst ɪn ,fɜːst 'aʊt/ *phrase* an accounting method where stock is valued at the price of the earliest purchases. Abbreviation **LIFO**. Compare **first in first out**

last quarter / ,lɑːst 'kwɔːtə/ *noun* a period of three months at the end of the financial year

last will and testament / ,lɑːst ,wɪl ən 'testəmənt/ *noun* a will, a document by

which a person says what he or she wants to happen to their property when they die

launder /'lɔ:ndə/ *verb* to pass illegal profits, money from selling drugs, money which has not been taxed, etc., into the banking system ○ *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 /'laʊtrəʊ/ *abbreviation* Life Assurance and Unit Trust Regulatory Organisation

law /lɔ:/ *noun* **1.** ♣ **laws** **2.** □ **inside or within the law** obeying the laws of a country □ **against or outside the law** not according to the laws of a country ○ *The company is possibly operating outside the law.* □ **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 /'lɔ:f(ə)/ *adjective* acting within the law

law of supply and demand /,lɔ: əv sə ,plɑ: ən dɪ'mɑ:nd/ *noun* a general rule that the amount of a product which is available is related to the needs of potential customers

laws /lɔ:z/ *plural noun* rules by which a country is governed and the activities of people and organisations controlled

lay out *phrasal verb* to spend money ○ *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 /,li:d 'bæŋk/ *noun* the main bank in a loan syndicate

leading indicator /,li:diŋ 'ɪndɪkeɪtə/ *noun* an indicator such as manufacturing order books which shows a change in economic trends earlier than other indicators. Opposite **lagging indicator**

lead manager /,li:d 'mæni:dʒə/ *noun* a person who organises a syndicate of underwriters for a new issue of securities

leads and lags /,li:dz ən 'lægz/ *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 /'li:d taɪm/ *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 /,li:d 'ʌndəraɪtə/ *noun* an underwriting firm which organises the underwriting of a share issue (NOTE: The US term is **managing underwriter**.)

learning curve /'lɜ:nɪŋ kɜ:v/ *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 /li:z/ *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 ○ *to rent office space on a twenty-year lease* □ **the lease expires next year or the lease runs out next year** the lease comes to an end next year ■ *verb* **1.** to let or rent offices, land or machinery for a period ○ *to lease offices to small firms* ○ *to lease equipment* **2.** to use an office, land or machinery for a time and pay a fee ○ *to lease an office from an insurance company* ○ *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 /'li:shəʊld/ *noun, adjective* possessing property on a lease, for a fixed time ○ *to buy a property leasehold* ○ *We are currently occupying a leasehold property.* ○ *The company has some valuable leaseholds.* ■ *noun* a property held on a lease from a freeholder ○ *The company has some valuable leaseholds.*

leaseholder /'li:shəʊldə/ *noun* a person who holds a property on a lease

leasing /'li:sɪŋ/ *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 /,li:sɪŋ ə'gri: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 /'ledʒə/ *noun* a book in which accounts are written

legacy /'legəsi/ *noun* a piece of property given by someone to someone else in a will

legal /'li:g(ə)l/ *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 /,li:g(ə)l 'kæpɪt(ə)l/ *noun* the amount of shareholders' equity in a company that is not reduced when dividends are paid

legal charge /,li:g(ə)l 'tʃɑ:dʒ/ *noun* a legal document held by the Land Registry showing who has a claim on a property

legal claim /'li:g(ə)l kleɪm/ *noun* a statement that someone owns something legally ○ *He has no legal claim to the property.*

legal costs /'li:g(ə)l kɒsts/, **legal charges** /'li:g(ə)l 'tʃɑ:dʒɪz/, **legal expenses** /'li:g(ə)l ɪk'spensɪz/ *plural noun* money spent on fees to lawyers ○ *The clerk could not afford the legal expenses involved in suing her boss.*

legal currency /,li:g(ə)l 'kʌrənsi/ *noun* money which is legally used in a country

legal tender /,li:g(ə)l 'tendə/ *noun* coins or notes which can be legally used to pay a debt

legatee /,legə'ti:/ *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* or *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 /'lendə/ *noun* a person who lends money

lender of the last resort /,lendə əv ðə 'lɑ:st rɪ'zɔ:t/ *noun* a central bank which lends money to commercial banks

lending limit /'lendɪŋ 'lɪmɪt/ *noun* a restriction on the amount of money a bank can lend

lending margin /'lendɪŋ 'mɑ:dʒɪn/ *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.*

■ **preposition** minus, with a sum removed ○ *purchase price less 15% discount* ○ *interest less service charges* ■ **adverb** not as much

lessee /le'si:/ *noun* a person who has a lease or who pays money for a property he or she leases

lessor /le'sɔ:/ *noun* a person who grants a lease on a property

let /let/ *verb* to allow the use of a house, an office or a farm to someone for the payment of rent (NOTE: The US term is **rent**.)

letter of acknowledgement /,letə əv ək'nɒlɪdʒmənt/ *noun* a letter which says that something has been received

letter of credit /,letə əv 'kredit/ *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 /,letə əv ɪn 'demnɪti/ *noun* a letter promising payment as compensation for a loss

letter of intent /,letə əv ɪn'tent/ *noun* a letter which states what a company intends to do if something happens

letter of licence /,letə əv 'laɪs(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 /,letəz 'peɪtənt/ *plural noun* the official term for a patent

level /'lev(ə)l/ *verb* □ **to level off** or **to level out** to stop rising or falling ○ *Profits have levelled off over the last few years.* ○ *Prices are levelling out.*

leverage /'levərɪdʒ/ *noun* **1.** same as **gearing** **2.** the act of borrowing money at fixed interest which is then used to produce more money than the interest paid

leveraged /'li:vərɪdʒ/ *adjective* borrowing relatively large sums of money in order to finance assets

leveraged buyout /,li:vərɪdʒd 'baɪaʊt/, **leveraged takeover** /,li:vərɪdʒd

'teikəʊnəl/ *noun* an act of buying all the shares in a company by borrowing money against the security of the shares to be bought. Abbreviation **LBO**

'...the offer came after management had offered to take the company private through a leveraged buyout for \$825 million' [*Fortune*]

levy /'levi/ *noun* money which is demanded and collected by the government

'...royalties have been levied at a rate of 12.5% of full production' [*Lloyd's List*]

liabilities /,lɪərə'bɪlɪtɪz/ *plural noun* the debts of a business, including dividends owed to shareholders ○ *The balance sheet shows the company's assets and liabilities.* □ **to discharge your liabilities in full** to pay everything which you owe

liability /,lɪərə'bɪlɪti/ *noun* **1.** a legal responsibility for damage, loss or harm ○ *The two partners took out insurance to cover employers' liability.* **2.** responsibility for a payment such as the repayment of a loan

LIBOR /'lɪbɔː/ *abbreviation* London Interbank Offered Rate

licensed deposit-taker /,lɪs(ə)nst dɪ 'pɒzɪt ,teɪkə/, **licensed institution** /,lɪs(ə)nst ,ɪnstɪ'tjuːʃ(ə)n/ *noun* a deposit-taking 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. Abbreviation **LDT**

lien /'liːən/ *noun* the legal right to hold someone's goods and keep them until a debt has been paid

life assurance /'laɪf ə,ʃʊərəns/ *noun* insurance which pays a sum of money when someone dies, or at an agreed date if they are still alive

Life Assurance and Unit Trust Regulatory Organisation /,laɪf ə,ʃʊərəns ən ,juːnɪt trɑːst 'regjʊlət(ə)rɪ ,ɔːgənaɪzɪʃ(ə)n/ *noun* an organisation set up to regulate the operations of life assurance companies and unit trusts, now replaced by the FSA. Abbreviation **LAU-TRO**

life assurance company /'laɪf ə ,ʃʊərəns ,kʌmp(ə)nɪ/ *noun* a company providing life assurance, but usually also providing other services such as investment advice

life-cycle costing /'laɪf ,saɪk(ə)l ,kɒstɪŋ/ *noun* an estimate of the likely revenue generated by, and costs incurred by, a product over its life cycle

life expectancy /'laɪf ɪk,spektənsɪ/ *noun* the number of years a person is likely to live

life insurance /'laɪf ɪn,ʃʊərəns/ *noun* US same as **life assurance**

life interest /,laɪf 'ɪntrəst/ *noun* a situation where someone benefits from a property as long as he or she is alive

life tables /'laɪf ,teɪb(ə)lz/ *plural noun* same as **actuarial tables**

LIFO /'laɪfəʊ/ *abbreviation* last in first out

limit /'lɪmɪt/ *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 /,lɪmɪ'teɪʃ(ə)n/ *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 /,lɪmɪtɪd 'kʌmp(ə)nɪ/ *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 /,lɪmɪtɪd ,lɪərə'bɪlɪti/ *noun* a situation where someone's liability for debt is limited by law

limited liability company /,lɪmɪtɪd ,lɪərə'bɪlɪti 'kʌmp(ə)nɪ/ *noun* same as **limited company**

limited partner /,lɪmɪtɪd 'pɑːtnə/ *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 /,lɪmɪtɪd 'pɑːtnəʃɪp/ *noun* a registered business where the liability of the partners is limited to the amount of capital they have each provided to the business and where the partners may not take part in the running of the business

limiting factor /,lɪmɪtɪŋ 'fæktə/ *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

profit ○ *The short holiday season is a limiting factor on the hotel trade.*

line item budget /'laɪn aɪtəm ˌbʌdʒɪt/ *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 /,laɪn əv 'kredɪt/ *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 /lɪŋk/ *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 /'lɪkwɪd/ *adjective* easily converted to cash, or containing a large amount of cash

liquid assets /,lɪkwɪd 'æsets/ *plural noun* cash, or investments which can be quickly converted into cash

liquidation /,lɪkwɪ'deɪʃ(ə)n/ *noun* **1.** 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** the company was closed and its assets sold

liquidation value /,lɪkwɪ'deɪʃ(ə)n ,vælju:/ *noun* the amount of money that would be yielded by a quick sale of all of a company's assets

liquidator /'lɪkwɪdeɪtə/ *noun* a person named to supervise the closing of a company which is in liquidation

liquidity /lɪ'kwɪdɪti/ *noun* cash, or the fact of having cash or assets which can be changed into cash

liquidity ratio /lɪ'kwɪdɪti ,reɪʃiəʊ/ *noun* an accounting ratio used to measure an organisation's liquidity. It is calculated by taking the business's current assets, minus its stocks, divided by its current liabilities. Also called **acid test ratio**, **quick ratio**

listed company /,lɪstɪd 'kʌmp(ə)ni/ *noun* a company whose shares can be bought or sold on the Stock Exchange

listed securities /,lɪstɪd sɪ'kjʊərɪtɪz/ *plural noun* shares which can be bought or sold on the Stock Exchange, shares which appear on the official Stock Exchange list

Listing Agreement /'lɪstɪŋ ə,ɡri:mənt/ *noun* a document which a company signs when being listed on the Stock Exchange, in which it promises to abide by stock exchange regulations

listing details /'lɪstɪŋ ˌdɪːteɪlz/ *plural noun* details of a company which are published when the company applies for a stock exchange listing (the US equivalent is the 'registration statement')

listing particulars /'lɪstɪŋ pə,tɪkjuːləz/ *plural noun* same as **listing details**

listing requirements /'lɪstɪŋ rɪ ˌkwaɪəmənts/ *plural noun* the conditions which must be met by a corporation before its stock can be listed on the New York Stock Exchange

litigation /,lɪtɪ'ɡeɪʃ(ə)n/ *noun* the bringing of a lawsuit against someone

loan /ləʊn/ *noun* money which has been lent

'...over the last 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' [*Financial Times*]

loan capital /'ləʊn ˌkæpɪt(ə)l/ *noun* a part of a company's capital which is a loan to be repaid at a later date

loan stock /'ləʊn stɒk/ *noun* stock issued to an organisation in return for a loan. Loan stock earns interest.

local /'ləʊk(ə)l/ *adjective* located in or providing a service for a restricted area

'...each cheque can be made out for the local equivalent of £100 rounded up to a convenient figure' [*Sunday Times*]

'...the business agent for Local 414 of the Store Union said his committee will recommend that the membership ratify the agreement' [*Toronto Star*]

'EC regulations insist that customers can buy cars anywhere in the EC at the local pre-tax price' [*Financial Times*]

local authority /,ləʊk(ə)l ɔ:'θɔrɪti/ *noun* an elected section of government which runs a small area of the country

local currency /,ləʊk(ə)l ˌkʌrənsi/ *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 /,ləʊk(ə)l ˌɡʌv(ə)nmənt/ *noun* elected authorities and administrative organisations which deal with the affairs of small areas of a country

lock into /,lɒk 'ɪntə/, **lock in** /,lɒk 'ɪn/ *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.*

London Interbank Offered Rate /ˌlʌndən ˌɪntəˈbæŋk ˈɒfəd reɪt/ *noun* the rate at which banks offer to lend Eurodollars to other banks. Abbreviation **LIBOR**

long /lɒŋ/ *adjective* for a large period of time

long bond /ˌlɒŋ ˌbɒnd/, **long coupon bond** /ˌlɒŋ ˌkuːpən ˌbɒnd/ *noun* a bond which will mature in more than ten years' time

long credit /ˌlɒŋ ˈkredɪt/ *noun* credit terms which allow the borrower a long time to pay

long-dated bill /ˌlɒŋ ˌdeɪtɪd ˈbɪl/ *noun* a bill which is payable in more than three months' time

long-dated stocks /ˌlɒŋ ˌdeɪtɪd ˈstɒks/ *plural noun* same as **longs**

long lease /ˌlɒŋ ˈliːs/ *noun* a lease which runs for fifty years or more ○ *to take an office building on a long lease*

long position /ˌlɒŋ pəˈzɪʃ(ə)n/ *noun* a situation where an investor sells long, i.e. sells forward shares which he or she owns. Compare **short position**

long-range /ˌlɒŋ ˈreɪndʒ/ *adjective* for a long period of time in the future

longs /lɒŋz/ *plural noun* government stocks which will mature in over fifteen years' time. Also called **long-dated stocks**

long-term /ˌlɒŋ ˈtɜːm/ *adjective* relating to a long time into the future ○ *The management projections are made on a long-term basis.* ○ *Sound long-term planning will give the company more direction.*

long-term borrowings /ˌlɒŋ ˈtɜːm ˈbɒrəʊɪŋz/ *plural noun* borrowings which do not have to be repaid for some years

long-term debt /ˌlɒŋ ˈtɜːm ˈdet/ *noun* loans that are not repaid within a year

loose change /ˌluːs ˈtʃeɪndʒ/ *noun* money in coins

lose /luːz/ *verb* **1.** not to have something any more **2.** to have less money ○ *He lost £25,000 in his father's computer company.*

loss /lɒs/ *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

'...against losses of FFr 7.7m two years ago, the company made a net profit of FFr 300,000 last year' [*Financial Times*]

loss adjuster /ˈlɒs əˌdʒʌstə/ *noun* a person who calculates how much insurance should be paid on a claim

loss carryback /ˈlɒs ˌkærɪbæk/ *noun* the process of applying a net operating loss to a previous accounting year

loss carryforward /ˈlɒs ˌkærɪfɔːwəd/ *noun* the process of applying a net operating loss to a following accounting year

loss relief /ˈlɒs rɪˌliːf/ *noun* an amount of tax not to be paid on one year's profit to offset a loss in the previous year

lot /lɒt/ *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 /ˈlɒtəri/ *noun* a game where numbered tickets are sold and prizes given for some of the numbers

lower of cost or market /ˌləʊə əv kɒst ɔː ˈmɑːkɪt/ *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 /ˌləʊ ˈɡɪərɪŋ/ *noun* the fact of not having much borrowing in proportion to your capital

low yield /ˌləʊ ˈjiːld/ *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 /ˈlɔɪəlti ˌbəʊnəs/ *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 /ˌlʌmp ˈsʌm/ *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 /ˈlʌnʃtʃən ˌvaʊtʃə/ *noun* a ticket given by an employer to an employee in addition to their wages, which can be exchanged for food in a restaurant

luxury tax /ˈlʌkʃəri tæks/ *noun* a tax on goods or services that are considered non-essential

M

machine hour rate /mæ,ʃi:n 'aʊə ,reit/ *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- /mækrəʊ/ *prefix* very large, covering a wide area

macroeconomics /,mækrəʊi:kə 'nɒmiks/ *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 /mæ,dʒɔrəti 'ʃeəhəʊldə/ *noun* a person who owns more than half the shares in a company

majority shareholding /mæ,dʒɔrəti 'ʃeəhəʊldɪŋ/ *noun* a group of shares which are more than half the total

majority vote /mæ'dʒɔrɪti vɔʊt/, **majority decision** /mæ'dʒɔrɪti dɪ,sɪʒ(ə)n/ *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 ə: 'baɪ dɪ ,sɪʒ(ə)n/ *noun* a choice between manufacturing a product or component and buying it in

maladministration /,mæləd,mɪni 'streɪf(ə)n/ *noun* incompetent administration

manage /'mænɪdʒ/ *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 /,mænɪdʒd 'ɜ:nɪŋz/ *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 /'mænɪdʒd 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 /'mænɪdʒd reɪt/ *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 /,mænɪdʒd 'ju:nɪt trʌst/ *noun* same as **managed fund**

management /'mænɪdʒmənt/ *noun* **1.** the process of directing or running a business ○ *a management graduate* or *a graduate in management* ○ *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

'mænidʒmənt ə,kauntənt/ noun an accountant who prepares financial information for managers so that they can take decisions

management accounting

'mænidʒmənt ə,kauntɪŋ/ management accountancy *'mænidʒmənt ə 'kauntənsi/ noun* the providing of information to managers, which helps them to plan, to control their businesses and to take decisions which will make them run their businesses more efficiently. Compare **financial accounting**

management accounts

'mænidʒmənt ə,kaunts/ plural noun financial information prepared for a manager so that decisions can be made, including monthly or quarterly financial statements, often in great detail, with analysis of actual performance against the budget

management audit *'mænidʒmənt ɔ:dɪt/ noun* a listing of all the managers in an organisation with information about their skills and experience ○ *The management audit helped determine how many more managers needed to be recruited.*

management buyin *'mænidʒmənt 'baɪn/ noun* the purchase of a subsidiary company by a group of outside directors. Abbreviation **MBI**

management buyout *'mænidʒmənt 'baɪaʊt/ noun* the takeover of a company by a group of employees, usually senior managers and directors. Abbreviation **MBO**

management charge *'mænidʒmənt tʃɑ:dʒ/ noun* same as **annual management charge**

management consultant

'mænidʒmənt kən,sʌltənt/ noun a person who gives advice on how to manage a business

management control system

'mænidʒmənt kən,trəʊl ,sɪstəm/ noun a comprehensive plan designed to ensure that an organisation's resources are used effectively

management decision cycle

'mænidʒmənt dɪ'sɪʒ(ə)n ,saɪk(ə)/ noun a model for efficiency in business 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

'mænidʒmənt ɪnfə'meɪʃ(ə)n ,sɪstəm/ noun a computer-based information system that is specially designed to assist with man-

agement tasks and decision-making. Abbreviation **MIS**

management review *'mænidʒmənt rɪ ,vju:/ noun* an external auditor's evaluation of the performance of the managers of an organisation. Also called **management letter**

management team *'mænidʒmənt ti:m/ noun* all the managers who work in a particular company

manager *'mænidʒə/ noun* **1.** the head of a department in a company ○ *She'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.*

'...the No. 1 managerial productivity problem in America is managers who are out of touch with their people and out of touch with their customers' [Fortune]

managing director *'mænədʒɪŋ daɪ 'rektə/ noun* the director who is in charge of a whole company. Abbreviation **MD**

mandate *'mændət/ noun* an order which allows something to take place

mandatory bid *'mændət(ə)rɪ 'bɪd/ noun* an offer to purchase the shares of a company which has to be made when a shareholder acquires 30% of that company's shares

manipulate *mə'nɪpjʊleɪt/ verb* □ **to manipulate the accounts** to make false accounts so that the company seems profitable

manpower forecasting *'mænpaʊə ,fɔ:kɑ:stɪŋ/ noun* the process of calculating how many employees will be needed in the future, and how many will actually be available

manpower planning *'mænpaʊə ,plænɪŋ/ noun* the process of planning to obtain the right number of employees in each job

manufacturing *'mænju'fæktʃəɪŋ/ noun* the production of machine-made products for sale ○ *We must try to reduce the manufacturing overheads.* ○ *Manufacturing processes are continually being updated.*

manufacturing profit *'mænju'fæktʃəɪŋ ,prɒfɪt/ noun* the difference between the cost of buying a product from another supplier and the cost to the company of manufacturing it itself

manufacturing resource planning

/,mænju'fæktʃəriŋ rɪ,zɔ:s ,plænɪŋ/ noun an integrated computerised information system that integrates all aspects of a company's manufacturing business

margin */'mɑ:dʒɪn/ noun* **1.** the difference between the money received when selling a product and the money paid for it **2.** extra space or time allowed **3.** the difference between interest paid to depositors and interest charged to borrowers by a bank, building society, etc. **4.** a deposit paid when purchasing a futures contract

'...profit margins in the industries most exposed to foreign competition – machinery, transportation equipment and electrical goods – are significantly worse than usual' [*Australian Financial Review*]

marginal */'mɑ:dʒɪn(ə)/ adjective* hardly worth the money paid

marginal analysis */,mɑ:dʒɪn(ə) ə 'næləsɪs/ noun* an assessment of the impact of minor changes on a company, industry or economy

marginal cost */,mɑ:dʒɪn(ə)l 'kɒst/ noun* the cost of making a single extra unit above the number already planned

marginal costing */,mɑ:dʒɪn(ə)l 'kɒstɪŋ/ noun* the costing of a product on the basis of its variable costs only, excluding fixed costs

marginal pricing */,mɑ:dʒɪn(ə)l 'praɪsɪŋ/ noun* **1.** the practice of basing the selling price of a product on its variable costs of production plus a margin, but excluding fixed costs **2.** the practice of making the selling price the same as the cost of a single extra unit above the number already planned

marginal rate of tax */,mɑ:dʒɪn(ə)l reɪt əv 'tæks/, marginal rate of taxation /,mɑ:dʒɪn(ə)l reɪt əv tæks'eɪʃ(ə)n/ noun* the percentage 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. Also called **marginal tax rate**

'...pensioner groups claim that pensioners have the highest marginal rates of tax. Income earned by pensioners above \$30 a week is taxed at 62.5 per cent, more than the highest marginal rate' [*Australian Financial Review*]

marginal revenue */,mɑ:dʒɪn(ə)l 'reɪvənju:/ noun* the income from selling a single extra unit above the number already sold

marginal tax rate */,mɑ:dʒɪn(ə)l 'tæks reɪt/ noun* same as **marginal rate of tax**

margin call */'mɑ:dʒɪn kɔ:l/ noun* 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 */,mɑ:dʒɪn əv 'seɪfti/ noun* the units produced or sales of such units which are above the breakeven 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 */'mɑ:k daʊn/ noun* **1.** a reduction of the price of something to less than its usual price **2.** the percentage amount by which a price has been lowered ○ *There has been a 30% mark-down on all goods in the sale.*

market */'mɑ:kɪt/ noun* **1.** an area where a product might be sold or the group of people who might buy a product ○ *There is no market for this product.* ○ *Our share of the Far eastern market has gone down.* **2.** the possible sales of a specific product or demand for a specific product ○ *There's no market for word processors* ○ *The market for home computers has fallen sharply.* ○ *We have 20% of the UK car market.* **3.** a place where money or commodities are traded **4.** □ **sell at the market** an instruction to stockbroker to sell shares at the best price possible **5.** □ **to put something on the market** to start to offer something for sale ○ *They put their house on the market.* ○ *I hear the company has been put on the market.* □ **the company has priced itself out of the market** the company has raised its prices so high that its products do not sell

'...market analysts described the falls 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' [*Australian Financial Review*]

marketability */,mɑ:kɪtə'bɪləti/ noun* the fact of being able to be sold easily ○ *the marketability of shares in electronic companies*

marketable */'mɑ:kɪtəb(ə)l/ adjective* easily sold

market analysis */,mɑ:kɪt ə'næləsɪs/ noun* the detailed examination and report of a market

market capitalisation */,mɑ:kɪt ,kæpɪtəlaɪ'zeɪʃ(ə)n/ noun* the total market value of a company, calculated by multiplying the price of its shares on the Stock

Exchange by the number of shares outstanding ○ *company with a £1m capitalisation*

market economist /,mɑ:kɪt ɪ 'kɒnəməst/ *noun* a person who specialises in the study of financial structures and the return on investments in the stock market

market forces /,mɑ:kɪt 'fɔ:sɪz/ *plural noun* the influences on the sales of a product which bring about a change in prices

marketing /'mɑ:kɪtɪŋ/ *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:kɪtɪŋ ə ,grɪ:mənt/ *noun* a contract by which one company will market another company's products

marketing cost /'mɑ:kɪtɪŋ kɒst/ *noun* the cost of selling a product, including advertising, packaging, etc.

marketing department /'mɑ:kɪtɪŋ dɪ ,pɑ:tmənt/ *noun* the section of a company dealing with marketing and sales

marketing manager /'mɑ:kɪtɪŋ ,mænrɪdʒə/ *noun* a person in charge of a marketing department ○ *The marketing manager has decided to start a new advertising campaign.*

market leader /,mɑ:kɪt 'li:də/ *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:kɪtmeɪkə/ *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:kɪt ɒpə 'tju:nɪtɪz/ *plural noun* the possibility of finding new sales in a market

market price /'mɑ:kɪt praɪs/ *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:kɪt 'reɪt/ *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:kɪt rɪ'sɜ:tʃ/ *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:kɪt rɪsk ,prɪ:mɪəm/ *noun* the extra return required from a high-risk share to compensate for its higher-than-average risk

market trends /,mɑ:kɪt 'trendz/ *plural noun* gradual changes taking place in a market

market value /,mɑ:kɪt 'vælju:/ *noun* the value of an asset, a share, a product or a company if sold today

mark-up /'mɑ:k ʌp/ *noun* **1.** an increase in price ○ *We put into effect a 10% mark-up of all prices in June.* ○ *Since I was last in the store they have put at least a 5% mark-up on the whole range of items.* **2.** the difference between the cost of a product or service and its selling price □ **we work to a 3.5 times mark-up or to a 350% mark-up** we take the unit cost and multiply by 3.5 to give the selling price

mass production /,mæs prə'dʌkʃən/ *noun* the manufacture of large quantities of identical products

master budget /'mɑ:stə ,bʌdʒɪt/ *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 ,kɒnsept/, **matching convention** /'mætʃɪŋ kən ,venʃən/ *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 /mə'tɪəriəl 'fæktɪz/ *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 /mə,tɪəri'æltɪ/ *noun* the seriousness of an omission or misstatement in accounts

material news /mə,tɪəriəl 'nju:z/ *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 /mə'tɪəriəl rɪ,kwəɪəmənt ,plænɪŋ/ a computer-based system that deals with the ordering and processing of component parts and materials. Abbreviation **MRP**

materials price variance /mə'tɪəriəlz praɪs ,veəriəns/ *noun* the discrepancy between the price actually paid for materials and the price that it was expected would be paid

materials quantity (usage) variance /mə'tɪəriəlz ,kwɒntəti ,veəriəns/ *noun* the discrepancy between the actual quantity of materials used in production and the quantity of materials normally allowed

materials variance /mə'tɪəriəlz ,veəriəns/ *noun* a combination of materials price variance and materials quantity (usage) variance

maternity benefit /mə'tɜ:ntɪ ,benɪfɪt/ *noun* money paid by the National Insurance to a mother when she has her child

maternity pay period /mə'tɜ:ntɪ peɪ ,pɪəriəd/ *noun* a period of eighteen weeks when statutory maternity pay is paid. Abbreviation **MPP**

maturity /mə'tʃʊərɪti/ *noun* the time at which something becomes due for payment or repayment

maturity date /mə'tʃʊərɪti deɪt/ *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 /mə'tʃʊərɪti ,vælju:/ *noun* the amount payable when a bond or other financial instrument matures

maxi ISA /'mæksi ,aɪsə/ *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 /,mæksɪmaɪ'zeɪʃ(ə)n/, **maximization** *noun* the process of making something as large as possible ◊ *profit maximisation* or *maximisation of profit*

maximise /'mæksɪmaɪz/, **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 /'mæksɪmə/ *noun* the largest possible number, price or quantity ◊ *It is the maximum the insurance company will pay.* (NOTE: The plural is **maxima** or **maxiums**.) ◻ **up to a maximum of £10** no more than £10 ■ **adjective** largest possible ◊ *40% is the maximum income tax rate or the maximum rate of tax. ◊ The maximum load for the truck is one ton. ◊ Maximum production levels were reached last week.*

MBI *abbreviation* management buyin

MBO *abbreviation* management buyout

MD *abbreviation* managing director ◊ *She was appointed MD of a property company.*

mean /mi:n/ *adjective* average ◊ *The mean annual increase in sales is 3.20%. ■ 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 /mi:nz/ *noun* a way of doing something ◊ *Do we have any means of copying all these documents quickly? ◊ Bank transfer is the easiest means of payment.* (NOTE: The plural is **means**.) ■ *plural noun* money or resources ◊ *The company has the means to launch the new product. ◊ Such a level of investment is beyond the means of a small private company.*

means test /'mi:nz test/ *noun* an inquiry into how much money someone earns to see if they are eligible for state benefits

means-test /'mi:nz test/ *verb* to find out how much money someone has in savings and assets ◊ *All applicants will be means-tested.*

measure /'meɜ:ə/ *noun* 1. a way of calculating size or quantity 2. a type of action ■ *verb* ◻ **to measure a company's performance** to judge how well a company is doing

measurement of profitability /,meɜ:mənt əv ,prɒfɪtə'bɪlɪti/ *noun* a way of calculating how profitable something is

median /'mi:diən/ *noun* the middle number in a list of numbers

medical insurance /'medɪk(ə)l ɪn ,ʃʊərəns/ *noun* insurance which pays the cost of medical treatment, especially when someone is travelling abroad

medium of exchange /,mi:diəm əv ɪks 'tʃeɪndʒ/ *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 shells.

mediums /'mi:diəmz/ *plural noun* government stocks which mature in seven to fifteen years' time

medium-sized company /,mi:diəm saɪzd 'kʌmp(ə)ni/ *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 /,mi:diəm tɜ:m 'bɒnd/ *noun* a bond which matures within five to fifteen years

member /'membə/ *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 /,membə 'bæŋk/ *noun* a bank which is part of the Federal Reserve system

member firm /,membə 'fɜ:m/ *noun* a stockbroking firm which is a member of a stock exchange

membership /'membəʃɪp/ *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 /,membəz,vɒlənt(ə)ri,'waɪndɪŋ 'ʌp/ *noun* the winding up of a company by the shareholders themselves

memorandum and articles of association /memə,rændəm ənd ,ɑ:tɪk(ə)lz əv ə,səʊsi'eɪʃ(ə)n/, **memorandum of association** /,memərəndəm əv ə,səʊsi'eɪʃ(ə)n/ *noun* 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 /'mɜ:tʃənt/ *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 /'mɜ:tʃənt bæŋk/ *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 /,mɜ:tʃənt 'bæŋkə/ *noun* a person who has a high position in a merchant bank

merchant number /'mɜ:tʃənt ,nʌmbə/ *noun* a number of the merchant, printed at the top of the report slip when depositing credit card payments

merge /mɜ:dʒ/ *verb* to join together ○ *The two companies have merged.* ○ *The firm merged with its main competitor.*

merger /'mɜ:dʒə/ *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 /'mɜ:dʒə ə ,kaʊntɪŋ/ *noun* a way of presenting the accounts of a newly acquired company within the group accounts, so as to show it in the best possible light

mezzanine finance /'metzəni:n ,faɪnəns/ *noun* finance provided to a company after it has received start-up finance

micro- /maɪkrəʊ/ *prefix* very small

microeconomics /'maɪkrəʊ i:kə ,nɒmɪks/ *plural noun* the study of the economics of people or single companies. Compare **macroeconomics** (NOTE: takes a singular verb)

middle management /,mɪd(ə)l 'mænɪdʒmənt/ *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 /'mɪd(ə)l praɪs/ *noun* a price between the buying and selling price, usually shown in indices

mid-month /,mɪd 'mʌnθ/ *adjective* happening in the middle of the month ○ *mid-month accounts*

mid-week /,mɪd 'wi:k/ *adjective* happening in the middle of a week ○ *the mid-week lull in sales*

millionaire /,mɪljə'neə/ *noun* a person who has more than one million pounds or dollars

mini ISA /'mɪni ,aɪsə/ *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 /,mɪnɪmaɪ'zeɪʃ(ə)n/ *noun* making as small as possible

minimum /'mɪnɪməm/ *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 /,mɪnɪməm 'kæʃ ,bæləns/ *noun* a reserve cash fund held to offset unexpected cash shortages

minimum lending rate /,mɪnɪməm 'lendiŋ reɪt/ *noun* the lowest rate of interest formerly charged by the Bank of England to discount houses, now replaced by the base rate

minimum reserves /,mɪnɪməm rɪ 'zɜ:vz/ *plural noun* the smallest amount of reserves which a commercial bank must hold with a central bank

minimum wage /,mɪnɪməm 'weɪdʒ/ *noun* the lowest hourly wage which a company can legally pay its employees

minority interest /maɪ'nɔrəti ,ɪntrəst/ *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 /maɪ,nɔrəti 'ʃeəhəʊldə/ *noun* a person who owns a group of shares but less than half of the shares in a company

minority shareholding /maɪ,nɔrəti 'ʃeəhəʊldɪŋ/ *noun* a group of shares which are less than half the total ◯ *He acquired a minority shareholding in the company.*

minus /'maɪnəs/ *preposition, adverb* less, without ◯ *Net salary is gross salary minus tax and National Insurance deductions.* ◯ *Gross profit is sales minus production costs.*

minus factor /'maɪnəs ,fæktə/ *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 /,mɪsə'prəʊpɪət/ *verb* to use illegally money which is not yours, but with which you have been trusted

misappropriation /,mɪsə'prəʊpɪ 'eɪʃ(ə)n/ *noun* the illegal use of money by someone who is not the owner but who has been trusted to look after it

miscalculate /mɪs'kælkjuleɪt/ *verb* to calculate wrongly, or to make a mistake in calculating something ◯ *The salesman miscalculated the discount, so we hardly broke even on the deal.*

miscalculation /mɪs,kælkju'leɪʃ(ə)n/ *noun* a mistake in calculating

miscount *noun* /'mɪskaʊnt/ a mistake in counting ■ *verb* /mɪs'kaʊnt/ to count wrongly, or to make a mistake in counting something

mismanage /mɪs'mænidʒ/ *verb* to manage something badly ◯ *The company had been badly mismanaged under the previous MD.*

mismanagement /mɪs'mænidʒmənt/ *noun* bad management ◯ *The company failed because of the chairman's mismanagement.*

misrepresent /,mɪsreprɪ'zent/ *verb* to report facts or what someone says wrongly ◯ *Our spokesman was totally misrepresented in the Sunday papers.*

misrepresentation /,mɪs,reprɪzen 'teɪʃ(ə)n/ *noun* the act of making a wrong statement in order to persuade someone to enter into a contract such as one for buying a product or service

misuse *noun* /mɪs'ju:s/ the act of using something, e.g. invested money, for a wrong purpose ◯ *the misuse of funds or of assets* ■ *verb* /mɪs'ju:z/ □ **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 /,mɪkst ɪ'kɒnəmi/ *noun* a system which contains both nationalised industries and private enterprise

modified accounts /,mɒdɪfaɪd ə 'kaʊnts/ *plural noun* ♦ **abbreviated accounts**

monetarism /'mɒnɪtə,rɪz(ə)m/ *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 /'mɒnɪtərɪst/ *noun* a person who believes in monetarism and acts

accordingly ■ *adjective* according to monetarism ○ *monetarist theories*

monetary /'mʌnɪ(ə)ri/ *adjective* referring to money or currency

'...the decision by the government to tighten monetary policy will push the annual inflation rate above the year's previous high' [*Financial Times*]

'...it is not surprising that the Fed started to ease monetary policy some months ago' [*Sunday Times*]

'...a draft report on changes in the international monetary system' [*Wall Street Journal*]

monetary assets /,mʌnɪ(ə)ri 'æsets/ *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 /,mʌnɪ(ə)ri 'aɪtəmz/ *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 /,mʌnɪ(ə)ri 'stændəd/ *noun* a fixed exchange rate for a currency

monetary targets /,mʌnɪ(ə)ri 'tɑ:ɡɪts/ *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 /'mʌnɪ(ə)ri ,ju:nɪt/ *noun* a main item of currency of a country

money /'mʌni/ *noun* coins and notes used for buying and selling □ **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 /,mʌni ət 'kɔ:l/ *noun* same as **call money**

money at call and short notice /,mʌni ət 'kɔ:l ən ʃɔ:t 'nɔ:ʊtɪs/ *noun* in the United Kingdom, balances in an account that are either available upon demand (call) or within 14 days (short notice)

money broker /'mʌni ,brəʊkə/ *noun* a dealer operating in the interbank and foreign exchange markets

money laundering /'mʌni ,lɔ:ndəɪŋ/ *noun* the act of passing illegal money into the banking system

moneylender /'mʌni ,lendə/ *noun* a person who lends money at interest

money lying idle /,mʌni ,laɪŋ 'aɪd(ə)/ *noun* money which is not being used to produce interest, which is not invested in business

money-making /'mʌni ,meɪkɪŋ/ *adjective* able to turn over a profit ○ *a money-making plan*

money market fund /'mʌni ,mɑ:kɪt fʌnd/ *noun* an investment fund, which only invests in money market instruments

money market instruments /'mʌni ,mɑ:kɪt ,ɪnstrʊmənts/ *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 /,mʌni ɒn 'kɔ:l/ *noun* same as **call money**

money order /'mʌni ,ɔ:də/ *noun* a document which can be bought as a way of sending money through the post

money rates /'mʌni reɪts/ *plural noun* rates of interest for borrowers or lenders

money supply /'mʌni sə ,plɑɪ/ *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 /'mʌnɪz/ *plural noun* sums of money ○ *monies owing to the company* ○ *to collect monies due*

monopoly /'mɒnəpəli/ *noun* a situation where one person or company is the only supplier of a particular product or service ○ *to be in a monopoly situation* ○ *The company has the monopoly of imports of Brazilian wine.* ○ *The factory has the absolute monopoly of jobs in the town.*

Monte Carlo method /,mɒntɪ 'kɑ:ləʊ ,meθəd/ *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 /mʌnθ/ *noun* one of twelve periods which make a year ○ *bills due at the end of the current month* ○ *The company pays him £1600 a month.* ○ *She earns £2,000 a month.*

month end /,mʌnθ 'end/ *noun* the end of a calendar month, when accounts have to be drawn up ○ *The accounts department are working on the month-end accounts.*

monthly /'mʌnθli/ *adjective* happening every month or which is received every month ○ *We get a monthly statement from the bank.* ○ *She makes monthly payments to the credit card company.* ○ *He is paying for*

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 transactions which have taken place in his or her account ■ **adverb** every month ○ She asked if she could pay monthly by direct debit. ○ The account is credited monthly.

moonlight /'mu:nlait/ *verb* to do a second job for cash, often in the evening, as well as a regular job (*informal*)

moral hazard /,mɒrəl 'hæzəd/ *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 /,mɒrə'tɔ:riəm/ *noun* a temporary stop to repayments of interest on loans or capital owed ○ The banks called for a moratorium on payments. (NOTE: The plural is **moratoria** or **moratoriums**.)

mortality tables /mɔ:'tæləti ,teɪb(ə)lz/ *plural noun* same as **actuarial tables**

mortgage /'mɔ:ɡɪdʒ/ *noun* a legal agreement 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 /'mɔ:ɡɪdʒ bɒnd/ *noun* a certificate showing that a mortgage exists and that property is security for it

mortgage debenture /'mɔ:ɡɪdʒ dɪ ,bentʃə/ *noun* a debenture where the lender can be repaid by selling the company's property

mortgagee /mɔ:ɡə'dʒi: / *noun* a person or company which lends money for someone to buy a property

mortgage famine /'mɔ:ɡɪdʒ ,fæmɪn/ *noun* a situation where there is not enough money available to offer mortgages to house buyers

mortgager /'mɔ:ɡɪdʒə/, **mortgagor** *noun* a person who borrows money to buy a property

movable /'mu:vəb(ə)l/, **moveable** *adjective* possible to move ○ All the movable property has been seized by the bailiffs.

movable property /,mu:vəb(ə)l 'prɒpəti/ *noun* chattels and other objects which can be moved, as opposed to land

movables /'mu:vəb(ə)lz/, **moveables** *plural noun* movable property

moving average /,mu:vɪŋ 'æv(ə)rɪdʒ/ *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- /mʌlti/ *prefix* referring to many things or many of one thing

multicurrency /,mʌltɪ'kʌrənəsi/ *adjective* in several currencies

multifunctional **card** /,mʌltɪfʌŋkʃən(ə)l 'kɑ:d/ *noun* a plastic card that may be used for two or more purposes, e.g., as a cash card, a cheque card and a debit card

multilateral /,mʌltɪ'læt(ə)rəl/ *adjective* between several organisations or countries ○ a multilateral agreement

multilateral netting /,mʌltɪlæt(ə)rəl 'netɪŋ/ *noun* a method of putting together sums from various sources into one currency, used by groups of banks trading in several currencies at the same time

multimillion /,mʌltɪ'mɪljən/ *adjective* referring to several million pounds or dollars ○ They signed a multimillion pound deal.

multimillionaire /,mʌltɪmɪljə'neə/ *noun* a person who owns property or investments worth several million pounds or dollars

multiple exchange rate /,mʌltɪp(ə)l ɪks'tʃeɪndʒ reɪt/ *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 factory

multiple ownership /,mʌltɪp(ə)l 'əʊnəʃɪp/ *noun* a situation where something is owned by several parties jointly

multiplication sign /,mʌltɪplɪ'keɪʃ(ə)n saɪn/ *noun* a sign (x) used to show that a number is being multiplied by another

multiplier /'mʌltɪpləɪə/ *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 /'mʌltɪpləɪ/ *verb* **1.** to calculate the sum of various numbers added together

a particular number of times ○ *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 /mjuːnɪsɪp(ə)l 'bɒnd/
noun US a bond issued by a town or district

(NOTE: The UK term is **local authority bond**.)

mutual /'mjuːtʃuəl/ *adjective* owned by members, not by shareholders ■ *noun* any commercial organisation that is owned by its members, rather than by shareholders

mutual fund /'mjuːtʃuəl fʌnd/ *noun* US same as **unit trust**

N

naked /'neɪkɪd/ *adjective* used for describing investment that is not protected from risks inherent in a particular position or market

named /neɪmd/ *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 /nə'reɪʃ(ə)n/, **narrative** /'nærətɪv/ *noun* a series of notes and explanations relating to transactions in the accounts

national /'næʃ(ə)nəl/ *adjective* referring to the whole of a particular country

National Audit Office /,næʃ(ə)nəl 'ɔ:ɪtɪ 'ɒfɪs/ *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 /'næʃ(ə)nəl bæŋk/ *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 /,næʃ(ə)nəl 'ɪnkʌm/ *noun* the value of income from the sales of goods and services in a country

national income accounts /,næʃ(ə)nəl 'ɪnkʌm ə,kaʊnts/ *plural noun* economic statistics that show the state of a nation's economy over a given period of time, usually a year. ▽ **gross domestic product, gross national product**

National Insurance /,næʃ(ə)nəl ɪn 'fʊərəns/ *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 /,næʃ(ə)nəl ɪn 'fʊərəns kɒntrɪ,bju:ʃ(ə)n/ *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 /,næʃ(ə)nəl ɪn 'fʊərəns ,nʌmbə/ *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 /,næʃ(ə)nəl ,seɪvɪŋz ənd ɪn'vestmənts/ *noun* a part of the Exchequer, a savings scheme for small investors including savings certificates and premium bonds. *Abbreviation* **NS&I**

National Savings Bank /,næʃ(ə)nəl 'seɪvɪŋz ,bæŋk/ *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 /,næʃ(ə)nəl 'seɪvɪŋz sə,tɪfɪkətɪs/ *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 /,næʃ(ə)nəl ,seɪvɪŋz 'stɒk ,redʒɪstə/ *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 /,negətɪv 'kæri/ *noun* a deal where the cost of finance is more than the return on the capital used

negative cash flow /,negətɪv 'kæʃ fləʊ/ *noun* a situation where more money is going out of a company than is coming in

negative confirmation /,negətɪv ,kɒnfə'meɪʃən/ *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 /,negətɪv 'ekwɪti/ *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 /,negətɪv ɡʊd'wɪl/ *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 /,negətɪv 'jɪ:ld kɜ:v/ *noun* a situation where the yield on a long-term investment is less than that on a short-term investment

negligence /'neglɪdʒəns/ *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 /nɪ,ɡəʊʃiəb(ə)l 'ɪnstrʊmənt/ *noun* a document which can be exchanged for cash, e.g. a bill of exchange or a cheque

negotiable paper /nɪ,ɡəʊʃiəb(ə)l 'peɪpə/ *noun* a document which can be transferred from one owner to another for cash

negotiate /nɪ,ɡəʊʃiət/ *verb* 1. □ **to negotiate terms and conditions or a contract** to discuss and agree the terms of a contract □ **he negotiated a £250,000 loan with the bank** he came to an agreement with the bank for a loan of £250,000 2. to transfer financial instruments, e.g. bearer securities, bills of exchange, cheques and promissory notes, to another person in return for a consideration

negotiation /nɪ,ɡəʊʃi'eɪʃ(ə)n/ *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*]

nest egg /'nest eg/ *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 ■ *verb* 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*]

expected cash flows minus the cost of a

net assets /,net 'æsets/ *plural noun* the amount by which the value of a company's assets is greater than its liabilities

net asset value /,net 'æset ,vælju:/ *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 /,net ,æset ,vælju: pə 'ʃeə/ *noun* the value of a company calculated by dividing the shareholders' funds by the number of shares issued

net book value /,net 'bʊk ,vælju:/ *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 /,net 'bɒrəʊɪŋz/ *plural noun* a company's borrowings, less any cash the company is holding in its bank accounts

net cash flow /,net 'kæʃ ,fləʊ/ *noun* the difference between the money coming in and the money going out of a firm

net cash inflow /,net 'kæʃ ,ɪnfləʊ/ *noun* a situation in which cash receipts exceed cash payments

net current assets /,net ,kʌrənt 'æsets/ *plural noun* the current assets of a company, i.e. cash and stocks, less any liabilities. Also called **net working capital**

net current liabilities /,net ,kʌrənt ,laɪə'bɪlɪtɪz/ *plural noun* current liabilities of a company less its current assets

net dividend per share /,net ,dɪvɪdend pə 'ʃeə/ *noun* the dividend per share after deduction of personal income tax

net income /,net 'ɪnkʌm/ *noun* a person's or organisation's income which is left after taking away tax and other deductions

net interest /,net 'ɪntrəst/ *noun* a figure equal to gross interest minus tax paid on it

net liquid funds /,net ,lɪkwɪd 'fʌndz/ *plural noun* an organisation's cash plus its marketable investments less its short-term borrowings, such as overdrafts and loans

net loss /,net 'lɒs/ *noun* an actual loss, after deducting overheads

net margin /,net 'mɑ:ɪdʒɪn/ *noun* the percentage difference between received price and all costs, including overheads

net present value /,net ,prezənt 'vælju:/ *noun* the present value of the project. Abbreviation **NPV**

net price /,net 'praɪs/ *noun* the price of goods or services which cannot be reduced by a discount

net price method /'net praɪs ,methəd/ *noun* an approach that records the cost of purchases after discounts have been deducted

net proceeds /'net ,prəʊsɪdz/ *plural noun* a figure equal to the amount realised from a transaction minus the cost of making the transaction

net profit /,net 'prɒfɪt/ *noun* the amount by which income from sales is larger than all expenditure. Also called **profit after tax**

net profit ratio /,net 'prɒfɪt ,reɪʃɪəʊ/ *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 /,net ,ri:əlaɪzəb(ə)l 'vælju:/ *noun* the price at which goods in stock could be sold, less any costs incurred in making the sale. Abbreviation **NRV**

net receipts /,net rɪ'si:tɪs/ *plural noun* receipts after deducting commission, tax, discounts, etc.

net relevant earnings /,net ,reləv(ə)nt 'ɜ:niŋz/ *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 /,net rɪ,zɪdʒuəl 'vælju:/ *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 /,net rɪ'tɜ:n/ *noun* a return on an investment after tax has been paid

net salary /,net 'sæləri/ *noun* the salary which is left after deducting tax and National Insurance contributions

net sales /,net 'seɪlz/ *plural noun* the total amount of sales less damaged or returned items and discounts to retailers

net turnover /,net 'tɜ:n,əʊvəl/ *noun* turnover before VAT and after trade discounts have been deducted

net working capital /,net ,wɜ:kɪŋ 'kæpɪt(ə)l/ *noun* same as **net current assets**

net worth /,net 'wɜ:θ/ *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 /,net 'jɪ:ld/ *noun* the profit from investments after deduction of tax

new issue /,nju: 'ɪʃu:/ *noun* an issue of new shares to raise finance for a company

new issues department /,nju: 'ɪʃu:z dɪ,pɑ:tmənt/ *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 /'naɪt 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 /nɪl/ *noun* zero or nothing ○ *The advertising budget has been cut to nil.*

nil paid shares /,nɪl peɪd 'ʃeəz/ *plural noun* new shares which have not yet been paid for

nil return /,nɪl rɪ'tɜ:n/ *noun* a report showing no sales, income, tax, etc.

no-claims bonus /,nəʊ 'kleɪmz ,bəʊnəs/ *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 /'nɒmɪn(ə)l/ *adjective* (of a payment) very small ○ *They are paying a nominal rent.* ○ *The employment agency makes a nominal charge for its services.*

nominal account /'nɒmɪn(ə)l ə,kaʊnt/ *noun* an account for recording transactions relating to a particular type of expense or receipt

nominal capital /,nɒmɪn(ə)l 'kæpɪt(ə)l/ *noun* the total of the face value of all the shares which a company is authorised to issue

nominal interest rate /,nɒmɪn(ə)l 'ɪntrəst reɪt/ *noun* an interest rate expressed as a percentage of the face value of a bond, not on its market value

nominal ledger /,nɒmɪn(ə)l 'ledʒə/ *noun* a book which records a company's transactions in the various accounts

nominal share capital /,nɒmɪn(ə)l 'ʃeə ,kæpɪt(ə)l/ *noun* the total of the face value of all the shares which a company is authorised to issue according to its memorandum of association

nominal value /,nɒmɪn(ə)l 'vælju:/ *noun* same as **face value**

nominee /,nɒmɪ'ni:/ *noun* a person who is nominated, especially someone who is appointed to deal with financial matters on your behalf

nominee account /,nɒmɪ'ni: ə,kaʊnt/ *noun* an account held on behalf of someone

non-acceptance /,nɒn ək'septəns/ *noun* a situation in which the person who is to pay a bill of exchange does not accept it

noncash items /,nɒn kæʃ 'aɪtəmz/ *plural noun* cheques, drafts and similar items which are not in the form of cash

noncontrollable **cost** /,nɒnkəntrəʊləb(ə)l 'kɒst/ *noun* a business cost that the management team cannot influence, e.g. the level of rent payable on buildings occupied

non-coterminous period ends /,nɒnkəʊtɜːmɪnəs 'pɪəriəd ,endz/ *noun* a point at which separate and related accounts cease to cover different accounting periods and begin to run coterminously

non-cumulative preference share /,nɒn ,kju:mjʊlətɪv 'pref(ə)rəns ʃeə/ *noun* a preference share where, if the dividend is not paid in the current year, it is lost

non-current assets /,nɒn ,kʌrənt 'æsets/ *plural noun* ▶ **fixed assets**

non-executive director /nɒn ɪg ,zekjʊtɪv daɪ'rektə/ *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 /,nɒn hɪ'stɔːrɪk/ *adjective* not calculated on a historical cost basis

non-monetary /,nɒn 'mʌnɪt(ə)rɪ/ *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 /,nɒn nɪ ,gəʊʃəb(ə)l 'ɪnstrʊmənt/ *noun* a document which cannot be exchanged for cash, e.g. a crossed cheque

non-performing loan /,nɒn pɜː'fɔːmɪŋ 'ləʊn/ *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 /,nɒnpɹə 'dʌktɪv kə,pæsɪtɪ/ *noun* capacity that produces no net production, e.g. because production needs to be repeated owing to defects in earlier products

nonprofit accounting /nɒn'prɒfɪt ə ,kaʊntɪŋ/ *noun* the accounting policies and methods employed by nonprofit organisations such as charities

non-profit-making organisation /,nɒn ,prɒfɪtmeɪkɪŋ ,ɔːgənəɪ'zeɪʃən/ *noun* an organisation which is not allowed by law to make a profit ○ *Non-profit-making organisations are exempted from tax.* (NOTE: Non-profit-making organisations include charities, professional associations, trade unions, and religious, arts, community, research, and campaigning bodies. The US term is **nonprofit organization**.)

non-recurring items /,nɒn rɪ,kɜːrɪŋ 'aɪtəmz/ *plural noun* items in an income statement that are unusual in nature or do not occur regularly

non-refundable /,nɒn rɪ'fʌndəb(ə)l/ *adjective* not refunded in normal circumstances ○ *You will be asked to make a non-refundable deposit.*

non-resident /,nɒn 'rezɪd(ə)nt/ *noun, adjective* a person who is not considered a resident of a country for tax purposes ○ *He has a non-resident bank account.*

non-sufficient funds /,nɒn sə,fɪʃənt 'fʌndz/ *noun* US a lack of enough money in a bank account to pay a cheque drawn on that account. Abbreviation **NSF**. Also called **insufficient funds, not sufficient funds**

non-tariff barriers /,nɒn 'tærɪf ,bæriəz/ *plural noun* barriers to international trade other than tariffs. They include over-complicated documentation, verification of goods for health and safety reasons and blocked deposits payable by importers to obtain foreign currency. Abbreviation **NTBs**

non-taxable /,nɒn 'tæksəb(ə)l/ *adjective* not subject to tax ○ *non-taxable income* ○ *Lottery prizes are non-taxable.*

non-trade creditor /,nɒn 'treɪd ,kredɪtə/ *noun* a creditor who is not owed money in the normal trade of a business, e.g. a debenture holder or the Inland Revenue

non-voting shares /,nɒn ,vɔʊtɪŋ 'ʃeəz/ *plural noun* shares which do not allow the shareholder to vote at meetings. ▶ **A shares**

normal absorption costing /,nɔːm(ə)l əb'zɔːpʃən ,kɒstɪŋ/ *noun* a method of product costing that averages out fluctuations in overhead costs

normal costs /'nɔːm(ə)l kɒsts/ *plural noun* annual product costs averaged out to give a monthly figure, as distinct from a monthly figure that records seasonal fluctuations in costs

normalise /'nɔːməlaɪz/, **normalize** *verb* to store and represent numbers in a pre-agreed form, usually to provide maximum precision

normal loss /,nɔ:m(ə)l 'lɒs/ *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 /,nɔ:m(ə)l 'spɔɪlɪdʒ/ *noun* the deterioration of products that will always take place, even under the best operating conditions

notary public /,nəʊtəri 'pʌblɪk/ *noun* a lawyer who has the authority to witness documents and spoken statements, making them official (NOTE: The plural is **notaries public**.)

note /nəʊt/ *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 /'nəʊt ɪʃʊəns fə ,sɪlɪti/ *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 /,nəʊt əv 'hænd/ *noun* a document stating that someone promises to pay an amount of money on an agreed date

note payable /,nəʊt 'peɪəb(ə)l/ *noun* a document that gives a guarantee to pay money at a future date

note receivable /,nəʊt rɪ'si:vəb(ə)l/ *noun* a document that gives a guarantee to receive money at a future date

notice of coding /,nəʊtɪs əv 'kɒdɪŋ/ *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 /,nəʊtɪs əv dɪ'fɔ:lt/ *noun* US same as **default notice**

notional /'nəʊʃ(ə)n(ə)l/ *adjective* probable but not known exactly or not quantifiable

notional income /,nəʊʃ(ə)n(ə)l 'ɪnkʌm/ *noun* an invisible benefit which is not money or goods and services

notional rent /,nəʊʃ(ə)n(ə)l 'rent/ *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 /,nɒt nɪ'gəʊʃɪəb(ə)l/ *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 /nəʊ'veɪʃ(ə)n/ *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 /'nʌmbə/ *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.* ■ *verb* to put a figure on a document ○ *to number an order* ○ *I refer to your invoice numbered 1234.*

numbered account /,nʌmbəd ə'kaʊnt/ *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 /'nju:m(ə)rəl/ *noun* a character or symbol which represents a number

O

O & M *abbreviation* organisation and methods

OAP *abbreviation* old age pensioner

objectivity /ˌɒbdʒɪk'tɪvɪti/ *noun* the fact that an accounting item can be verified by supporting evidence, e.g. by a voucher of some kind

obligation /ˌɒblɪ'geɪʃ(ə)n/ *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 /ˌɒbsə'les(ə)n/ *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 /'ɒbsəli:t/ *adjective* no longer used ○ *Computer technology changes so fast that hardware soon becomes obsolete.*

occupational pension /ˌɒkjʊpeɪʃ(ə)nəl 'penʃən/ *noun* a pension which is paid by the company by which an employee has been employed

occupational pension scheme /ˌɒkjʊpeɪʃ(ə)nəl 'penʃən ski:m/ *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 /'ɒkjʊpaɪə/ *noun* a person who lives in a property

O/D *abbreviation* overdraft

odd lot /ˌɒd 'lɒt/ *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 /ɔɪk/ *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 /ˌɒf 'bæləns ʃi:t ,æset/ *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 /ˌɒf 'bæləns ʃi:t ,faɪnənsɪŋ/ *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 /ˌɒf 'bæləns ʃi:t laɪə,bɪlɪti/ *noun* a potential liability that does not feature on the balance sheet

offer /'ɒfə/ *noun* **1.** a statement that you are willing to give or do something, especially 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*

£100,000 for their house ○ *She offered £10 a share.* **2.** to say that you are willing to sell something ○ *They are offering special prices on winter holidays in the US* ○ *We offered the house for sale.*

offer document /'ɒfə ,dɒkjʊmənt/ *noun* a formal document where a company offers to buy shares at some price as part of a takeover bid

offer market /,ɒfəd 'mɑ:kɪt/ *noun* a market where there are more sellers than buyers

offer for sale /,ɒfə fə 'seɪl/ *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 /'ɒf(ə)rɪŋ ,sɜ:kjʊlə/ *noun* a document which gives information about a company whose shares are being sold to the public for the first time

offeror /'ɒfərə/ *noun* a person who makes an offer

offer period /'ɒfə ,pɪərɪəd/ *noun* a time during which a takeover bid for a company is open

offer price /'ɒfə praɪs/ *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 between the two is the 'spread'.

Office of Fair Trading /,ɒfɪs əv feə 'treɪdɪŋ/ *noun* a department of the UK government that protects consumers against unfair or illegal business. Abbreviation **OFT**

Office of Management and Budget /,ɒfɪs əv ,mænɪdʒmənt ən 'bʌdʒɪt/ *noun* US the department of the US government that prepares the federal budget. Abbreviation **OMB**

Office of Thrift Supervision /,ɒfɪs əv 'θrɪft su:pə,vɪz(ə)n/ *noun* US a department of the US government which regulates the savings and loan associations. Abbreviation **OTS**

official books of account /ə,fɪʃ(ə)l bʊks əv ə'kaʊnt/ *plural noun* the official financial records of an institution

Official List /ə,fɪʃ(ə)l 'lɪst/ *noun* a daily publication by the London Stock Exchange of the highest and lowest prices recorded for each share during the trading session

official receiver /ə,fɪʃ(ə)l rɪ'si:və/ *noun* a government official who is appointed to run a company which is in financial difficulties, to pay off its debts as far as possible and to close it down ○ *The company is in the*

hands of the official receiver. Also called **receiver**

official return /ə,fɪʃ(ə)l rɪ'tʃ:ɪn/ *noun* an official report

offload /ɒf'ləʊd/ *verb* to pass something which you do not want to someone else

offset /ɒf'set/ *verb* to balance one thing against another so that they cancel each other out ○ *to offset losses against tax* ○ *Foreign exchange losses more than offset profits in the domestic market.* (NOTE: **offsetting – offset**)

offset account /'ɒfset ə'kaʊnt/ *noun* an account established to allow the gross amount of another account to be reduced

offsetting error /'ɒfsetɪŋ ,erə/ *noun* an accounting error that cancels out another error

offshore /'ɒfʃɔ:/ *adjective, adverb* **1.** on an island or in the sea near to land ○ *an offshore oil field* ○ *an offshore oil platform* **2.** on an island which is a tax haven **3.** based outside a country, especially in a tax haven

offshore banking /,ɒfʃɔ: 'bæŋkɪŋ/ *noun* banking in a tax haven

offshore finance subsidiary /,ɒfʃɔ: 'faɪnæns səb,sɪdiəri/ *noun* 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 /,ɒfʃɔ: faɪ 'nænʃəl ,sentə/ *noun* a country or other political unit that has banking laws intended to attract business from industrialised nations

offshore fund /,ɒfʃɔ: 'fʌnd/ *noun* a fund that is based overseas, usually in a country that has less strict taxation regulations

off-the-shelf company /,ɒf ðə ʃelf 'kʌmp(ə)ni/ *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

OFT *abbreviation* Office of Fair Trading

old age pension /,əʊld eɪdʒ 'penʃən/ *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 /,əʊld eɪdʒ 'penʃ(ə)nə/ *noun* a person who receives the retirement pension. Abbreviation **OAP**

OMB *abbreviation* Office of Management and Budget

ombudsman /'ɒmbʊdzmən/ *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 /'ɒnkoʊsts/ *plural noun* business costs that cannot be charged directly to a particular good or service and must be apportioned across the business

on demand /,ɒn dɪ'mɑ:nd/ *adjective* used to describe an account from which withdrawals may be made without giving a period of notice

one-man business /,wʌn mæn 'bɪznɪs/, **one-man firm** /,wʌn mæn 'fɜ:zm/, **one-man company** /,wʌn mæn 'kʌmp(ə)ni/ *noun* a business run by one person alone with no staff or partners

one-off /,wʌn 'ɒf/ *adjective* done or made only once ○ *one-off item* ○ *one-off deal* ○ *one-off payment*

one-sided /,wʌn 'saɪdɪd/ *adjective* favouring one side and not the other in a negotiation

one-year money /,wʌn jɪə 'mʌni/ *noun* money invested for one year

open /'əʊpən/ *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.** □ **shares opened lower** share prices were lower at the beginning of the day's trading

'...after opening at 79.1 the index touched a peak of 79.2 and then drifted to a low of 78.8' [Financial Times]

open account /,əʊpən ə'kaʊnt/ *noun* an account where the supplier offers the purchaser credit without security

open book management /,əʊpən 'bʊk ,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 /,əʊpən 'tʃek/ *noun* same as **uncrossed cheque**

open credit /,əʊpən 'kredɪt/ *noun* credit given to good customers without security

open-ended /,əʊpən 'endɪd/ *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 /,əʊpən 'endɪd 'kredɪt/ *noun* same as **revolving credit**

open-ended fund /,əʊpən 'endɪd ,fʌnd/ *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 /,əʊpən 'endɪd ɪn'vestmənt ,kʌmp(ə)ni/ *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 /,əʊpən 'endɪd 'mænɪdʒmənt ,kʌmp(ə)ni/ *noun* a company that sells unit trusts (NOTE: The US term is **open-end management company**.)

open-ended trust /,əʊpən 'endɪd ,trʌst/ *noun* a fund in which investors can freely buy and sell units at any time

opening balance /'əʊp(ə)nɪŋ ,bæləns/ *noun* a balance at the beginning of an accounting period

opening balance sheet /,əʊp(ə)nɪŋ 'bæləns ʃi:t/ *noun* an account showing an organisation's opening balances

opening entry /'əʊp(ə)nɪŋ ,entri/ *noun* the first entry in an account

opening price /,əʊp(ə)nɪŋ 'praɪs/ *noun* a price at the start of a day's trading

opening stock /,əʊp(ə)nɪŋ 'stɒk/ *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 /,əʊpən 'mɑ:kɪt/ *noun* a market where anyone can buy or sell

open-market value /,əʊpən 'mɑ:kɪt ,vælju:/ *noun* the price that an asset or secu-

rity would realise if it was offered on a market open to all

operate /'ɒpəreɪt/ *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 /'ɒpəreɪtɪŋ/ *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 /'ɒpəreɪtɪŋ æk'tɪvɪtɪz/ *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 /'ɒpəreɪtɪŋ ˌbʌdʒɪt/ *noun* a forecast of income and expenditure over a period of time

operating budget sequence /'ɒpəreɪtɪŋ ˌbʌdʒɪt ˌsi:kwəns/ *noun* a part of a master budget that records the acquisition and use of resources

operating costing /'ɒpəreɪtɪŋ ˌkɒstɪŋ/ *noun* costing which is based on the costs of services provided

operating costs /'ɒpəreɪtɪŋ kɒsts/ *plural noun* the costs of the day-to-day activities of a company. Also called **operating expenses, running costs**

operating cycle /'ɒpəreɪtɪŋ ˌsaɪk(ə)l/ *noun* the time it takes for purchases of materials for production to generate revenue from sales

operating expenses /'ɒpəreɪtɪŋ ɪkˌspensɪz/ *plural noun* same as **operating costs**

operating lease /'ɒpəreɪtɪŋ li:s/ *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 /'ɒpəreɪtɪŋ ˌlevərɪdʒ/ *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 /'ɒpəreɪtɪŋ lɒs/ *noun* a loss made by a company in its usual business

operating margin /'ɒpəreɪtɪŋ ˌmɑ:dʒɪn/ *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 /'ɒpəreɪtɪŋ pəˌfɔ:məns ˌreɪʃjəʊ/ *noun* a ratio of profitability to sales

operating profit /'ɒpəreɪtɪŋ ˌprɒfɪt/ *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 /'ɒpəreɪtɪŋ ˌrevənju:/ *noun* the amount of income generated as a result of a company's normal business operations

operating risk /'ɒpəreɪtɪŋ rɪsk/ *noun* the risk of having a high operating leverage

operating statement /'ɒpəreɪtɪŋ ˌstetmənt/ *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 /ˌɒpə'reɪʃ(ə)n/ *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 /ˌɒpə'reɪʃ(ə)nəl/ *adjective* referring to the day-to-day activities of a business or to the way in which something is run

operational audit /ˌɒpə'reɪʃ(ə)nəl ˌɔ:dɪt/ *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 /ˌɒpə'reɪʃ(ə)nəl ˌbʌdʒɪt/ *noun* same as **operating budget**

operational costs /ˌɒpə'reɪʃ(ə)nəl ˌkɒsts/ *plural noun* the costs of running a business

operational gearing /,ɒpəreɪf(ə)nəl 'ɡɪərɪŋ/ *noun* a situation where a company has high fixed costs which are funded by borrowings

operational planning /,ɒpəreɪf(ə)nəl 'plænɪŋ/ *noun* the planning of how a business is to be run

operational research /,ɒpəreɪf(ə)nəl rɪ 'sɜ:tɪʃ/ *noun* a study of a company's way of working to see if it can be made more efficient and profitable

operations review /,ɒpə'reɪf(ə)nɪz rɪ ,vjuː/ *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 /,ɒpə'reɪf(ə)n taɪm/ *noun* the time taken for a business operation to be completed

opinion /ə'pɪnjən/ *noun* a piece of expert advice ○ *the lawyers gave their opinion* ○ *to ask an adviser for his opinion on a case*

opportunity cost /,ɒpə'tjuːnɪti kɒst/ *noun* **1.** 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** **2.** the value of another method of investment which could have been used, instead of the one adopted

opportunity cost approach /,ɒpə 'tjuːnɪti kɒst ə,prəʊtʃ/ *noun* the use of the concept of opportunity cost in business decision-making

optimal capital structure /,ɒptɪm(ə)l ,kæpɪt(ə)l 'strʌktʃə/ *noun* the optimal range for a company's capital structure

optimise /'ɒptɪmaɪz/, **optimize** *verb* to allocate such things as resources or capital as efficiently as possible

optimum /'ɒptɪmə/ *adjective* best ○ *The market offers optimum conditions for sales.*

option /'ɒpʃən/ *noun* the opportunity to buy or sell something, such as a security, within a fixed period of time at a fixed price □ **to take up an option or to exercise an option** to accept the option which has been offered and to put it into action ○ *They exercised their option or they took up their option to acquire sole marketing rights to the product.*

option contract /'ɒpʃən ,kɒntrækt/ *noun* a right to buy or sell a specific number of shares at a fixed price

option dealing /'ɒpʃən ,di:lɪŋ/ *noun* the activity of buying and selling share options

option trading /'ɒpʃən ,treɪdɪŋ/ *noun* the business of buying and selling share options

order /'ɔ:də/ *noun* **1.** the way in which records such as filing cards or invoices are arranged ○ *in alphabetical or numerical order* **2.** an official request for goods to be supplied ○ *to give someone an order or to place an order with someone for twenty filing cabinets* ○ *The management ordered the workforce to leave the factory.* □ **to fill an order; to fulfil an order** to supply items which have been ordered ○ *We are so understaffed we cannot fulfil any more orders before Christmas.* □ **items available to order only** items which will be manufactured only if someone orders them □ **on order** ordered but not delivered ○ *This item is out of stock, but is on order.* **3.** a document which allows money to be paid to someone ○ *She sent us an order on the Chartered Bank.* **4.** (Stock Exchange) an instruction to a broker to buy or sell **5.** □ **pay to Mr Smith or order** pay money to Mr Smith or as he orders □ **pay to the order of Mr Smith** pay money directly to Mr Smith or to his account ■ *verb* to ask for goods to be supplied ○ *They ordered a new Rolls Royce for the managing director.*

order book /'ɔ:də bʊk/ *noun* a book which records orders received

order-driven system /'ɔ:də ,drɪv(ə)n ,sɪstəm/, **order-driven market** /,ɔ:də ,drɪv(ə)n 'mɑ:kɪt/ *noun* a price system on a stock exchange where prices vary according to the level of orders. Compare **quote-driven system**

order entry /'ɔ:də ,entri/ *noun* the process of entering information on orders into a processing system

order fulfilment /'ɔ:də fʊl,fɪlmənt/ *noun* the process of supplying items which have been ordered

ordering costs /'ɔ:dərɪŋ kɒsts/ *plural noun* the total of the costs involved in making a purchase order, including telephone and stationery costs

order processing /'ɔ:də ,prəʊsesɪŋ/ *noun* the work of dealing with orders

order receipt time /,ɔ:də rɪ'si:t ,taɪm/ *noun* the interval between the receipt of an order and the point at which it is ready to be despatched

ordinarily resident /,ɔ:d(ə)n(ə)rɪli 'rezɪd(ə)nt/ *adjective* normally living in a country ○ *Mr Schmidt is ordinarily resident in Canada*

ordinary activities /,ɔ:d(ə)n(ə)ri æk 'tɪvɪtɪz/ *plural noun* the usual trading of a company, that is, what the company usually does

ordinary interest /,ɔ:d(ə)n(ə)ri 'ɪntrəst/ *noun* annual interest calculated on the basis of 360 days, as opposed to 'exact interest' which is calculated on 365 days

ordinary resolution /,ɔ:d(ə)n(ə)ri ,rezə 'lu:f(ə)n/ *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 /,ɔ:d(ə)n(ə)ri 'ʃeə ,kæpɪt(ə)l/ *noun* the capital of a company in the form of money paid for ordinary shares

ordinary shareholder /,ɔ:d(ə)n(ə)ri 'ʃeəhəʊldə/ *noun* a person who owns ordinary shares in a company

ordinary shares /'ɔ:d(ə)n(ə)ri 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 /ɔ:,gænrɪk 'grəʊθ/ *noun* same as **internal growth**

organisation /,ɔ:gənaɪ'zeɪʃ(ə)n/, **organization** *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 /,ɔ:gənaɪ'zeɪʃ(ə)n(ə)l/, **organizational** *adjective* referring to the way in which something is organised ○ *The paper gives a diagram of the company's organisational structure.*

organisational chart /,ɔ:gənaɪ'zeɪʃ(ə)n(ə)l tʃɑ:t/ *noun* a chart that shows the relationships of people in an organisation in terms of their areas of authority and responsibility

organisation and methods /,ɔ:gənaɪzeɪʃ(ə)n ən 'meθədz/ *noun* a process of examining how an office works, and suggesting how it can be made more efficient. Abbreviation **O & M**

organisation chart /,ɔ:gənaɪ'zeɪʃ(ə)n tʃɑ:t/ *noun* same as **organisational chart**

organisation costs /,ɔ:gənaɪ'zeɪʃ(ə)n ,kɒsts/ *plural noun* the costs associated with setting up a business, e.g. legal fees and business filing fees

organise /'ɔ:gənaɪz/, **organize** *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 /ə,rɪdʒən(ə)l 'kɒst/ *noun* the total cost of acquiring an asset

original entry /ə,rɪdʒən(ə)l 'entri/ *noun* the act of recording a transaction in a journal

other capital /,ʌðə 'kæpɪt(ə)l/ *noun* capital that is not listed in specific categories

other long-term capital /,ʌðə ,lɒŋ tɜ:m 'kæpɪt(ə)l/ *noun* long-term capital that is not listed in specific categories

other long-term liabilities /,ʌðə ,lɒŋ tɜ:m ,laɪə'bɪlɪtɪz/ *plural noun* obligations with terms greater than one year on which there is no charge for interest in the next year

other short-term capital /,ʌðə ,ʃɔ:t tɜ:m 'kæpɪt(ə)l/ *noun* short-term capital that is not listed in specific categories

OTS *abbreviation* Office of Thrift Supervision

out /aʊt/ *adverb* □ **we are £20,000 out in our calculations** we have £20,000 too much or too little

outgoings /'aʊtgəʊɪŋz/ *plural noun* money which is paid out

outlay /'aʊtleɪ/ *noun* money spent, expenditure

outlook /'aʊtlʊk/ *noun* a view of what is going to happen in the future ○ *The economic outlook is not good.* ○ *The stock market outlook is worrying.*

'American demand has transformed the profit outlook for many European manufacturers' [*Duns Business Month*]

out-of-date cheque /,aʊt əv deɪt 'tʃek/ *noun* a cheque which has not been cleared because its date is too old, normally more than six months

out of pocket /,aʊt əv 'pɒkɪt/ *adjective, adverb* having paid out money personally ○ *The deal has left me out of pocket.*

out-of-pocket expenses /,aʊt əv ,pɒkɪt ɪk'spensɪz/ *plural noun* an amount of money paid back to an employee who has

spent his or her personal money on company business

output /'aʊtpʊt/ *noun* the amount which a company, person, or machine produces ○ *Output has increased by 10%*. ○ *25% of our output is exported*.

'...crude oil output plunged during the last month and is likely to remain near its present level for the near future' [*Wall Street Journal*]

output per hour /,aʊtpʊt pər 'aʊə/ *noun* the amount of something produced in one hour

output tax /'aʊtpʊt tæks/ *noun* VAT charged by a company on goods or services sold, and which the company pays to the government

outright /,aʊt'raɪt/ *adverb, adjective* completely

outside director /,aʊtsaɪd daɪ'rektə/ *noun* same as **non-executive director**

outsource /'aʊtsɔ:s/ *verb* to use a source outside a company or business to do the work that is needed

'The services unit won outsourcing contracts from the Environmental Protection Agency and NASA, which the company says played a significant part in the increase.' [*InformationWeek*]

outsourcing /'aʊtsɔ:sɪŋ/ *noun* **1.** the practice of obtaining services from specialist bureaux or other companies, rather than employing full-time staff members to provide them **2.** 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.)

'...organizations in the public and private sectors are increasingly buying in specialist services – or outsourcing – allowing them to cut costs and concentrate on their core business activities' [*Financial Times*]

outstanding /aʊt'stændɪŋ/ *adjective* not yet paid or completed

outstanding cheque /aʊt'stændɪŋ 'tʃek/ *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 /,əʊvə'ɒbzɔ:bd/ *overhead* /,əʊvə'hed/ *noun* an

absorbed overhead which ends up by being higher than the actual overhead incurred

overabsorption /,əʊvə'ɒb'zɔ:pʃ(ə)n/ *noun* a situation where the actual overhead incurred is less than the absorbed overhead. Opposite **underabsorption**

overall /,əʊvər'ɔ:l/ *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 /,əʊvərəʊl,bæləns əv 'peɪmənts/ *noun* the total of current and long-term balance of payments

overall capitalisation rate /,əʊvərəʊl ,kæpɪt(ə)laɪ'zeɪʃ(ə)n ,reɪt/ *noun* net operating income, other than debt service, divided by value

overall return /,əʊvərəʊl rɪ'tɜ:n/ *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 /,əʊvə'bɒrəd/ *adjective* referring to a company which has very high borrowings compared to its assets, and has difficulty in meeting its interest payments

overcapitalised /,əʊvə'kæpɪtəlaɪzd/ *overcapitalized adjective* referring to a company with more capital than it needs

overcharge *noun* /'əʊvətʃɑ:dʒ/ a charge which is higher than it should be ○ *to pay back an overcharge* ■ *verb* /,əʊvə'tʃɑ:dʒ/ to ask someone for too much money ○ *They overcharged us for our meals.* ○ *We asked for a refund because we'd been overcharged.*

overdraft /'əʊvədɾɑ:ft/ *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 /,əʊvə'drɔ:/ *verb* to take out more money from a bank account than there is in it

overdue /,əʊvə'dju:/ *adjective* having not been paid on time

overdue account /,əʊvədʒu: ə'kaʊnt/ *noun* an account whose holder owes money that should have been paid earlier

overestimate /,əʊvə'restɪmeɪt/ *verb* to think something is larger or worse than it really is ○ *She overestimated the amount of time needed to fit out the factory.* ○ *They overestimated the costs of moving the offices to central London.*

overgeared /,əʊvə'gɪəd/ *adjective* referring to a company which has high borrowings in comparison to its assets

overhang /'əʊvəhæŋ/ *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 /,əʊvəhed əb'zɔ:pʃən reɪt/ *noun* a rate at which production costs are increased to absorb higher overhead costs

overhead budget /,əʊvəhed 'bʌdʒɪt/ *noun* a plan of probable overhead costs

overhead cost variance /,əʊvəhed kɒst 'veəriəns/ *noun* the difference between the overhead cost absorbed and the actual overhead costs incurred, both fixed and variable

overhead expenditure variance /,əʊvəhed ɪk'spendɪtʃə 'veəriəns/ *noun* the difference between the budgeted overhead costs and the actual expenditure

overheads /'əʊvəhedz/ *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 /,əʊvələp 'prɒfɪt/ *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 /,əʊvə'peɪd/ *adjective* paid too much ○ *Our staff are overpaid and underworked.*

overpay /,əʊvə'peɪ/ *verb* to pay too much to someone or for something ○ *We overpaid the invoice by \$245.*

overpayment /,əʊvə'peɪmənt/ *noun* an act of paying too much

overrider /'əʊvərəɪdɪə/, **overriding commission** /,əʊvərəɪdɪŋ kə'mɪʃ(ə)n/ *noun* a special extra commission which is above all other commissions

overseas /'əʊsvə:sɪz/, /,əʊvə'si:z/ *noun* foreign countries ○ *The profits from over-*

seas are far higher than those of the home division.

overseas division /,əʊsvə:sɪz dɪ 'vɪʒ(ə)n/ *noun* the section of a company dealing with trade with other countries

overseas funds /,əʊsvə'sɪz fʌndz/ *plural noun* investment funds based in other countries

overseas markets /,əʊsvə:sɪz 'mɑ:kɪts/ *plural noun* markets in foreign countries

overseas taxation /,əʊsvə:sɪz tæks 'seɪʃ(ə)n/ *noun* † **double taxation, double taxation agreement**

overseas trade /,əʊsvə:sɪz 'treɪd/ *noun* same as **foreign trade**

overspend /,əʊvə'spend/ *verb* to spend too much □ **to overspend your budget** to spend more money than is allowed in your budget

overspending /,əʊvə'spendɪŋ/ *noun* the act of spending more than is allowed ○ *The board decided to limit the overspending by the production departments.*

overstate /,əʊvə'steɪt/ *verb* to enter in an account a figure that is higher than the actual figure ○ *the company accounts overstate the real profit*

overstatement /,əʊvə'steɪtmənt/ *noun* the fact of entering in an account a figure that is higher than the actual figure

overstock /,əʊvə'stɒk/ *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 /'əʊsvəstɒks/ *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 /,əʊvə ðə 'kaʊntə ,mɑ:kɪt/ *noun* a secondary market in shares which are not listed on the main Stock Exchange

over-the-counter sales /,əʊvə ðə 'kaʊntə ,seɪlz/ *plural noun* the legal selling of shares that are not listed in the official Stock Exchange list, usually carried out by telephone

overtime /'əʊvətəɪm/ *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 /'əʊvətəɪm peɪ/ *noun* pay for extra time worked

overtrading /,əʊvə'treɪdɪŋ/ *noun* a situation where a company increases sales and

production too much and too quickly, so that it runs short of cash

overvalue /,əʊvə'væljuː/ *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 /,əʊnə 'ɒkjʊpaɪə/ *noun* a person who owns the property in which he or she lives

owners' equity /,əʊnəz 'ekwɪti/ *noun* the value of the shares in a company owned by the owners of the company

P

package deal /'pækɪdʒ ˌdi:l/ *noun* 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.*

paid /peɪd/ *adjective* **1.** for which money has been given ○ *The invoice is marked 'paid'.* **2.** referring to an amount which has been settled ○ *The order was sent carriage paid.*

paid-in capital /,peɪd ɪn 'kæpɪt(ə)l/ *noun* capital in a business which has been provided by its shareholders, usually in the form of payments for shares above their par value

paid-up shares /,peɪd ʌp 'ʃeəz/ *noun* shares which have been completely paid for by the shareholders

paper /'peɪpə/ *noun* **1.** a document which can represent money, e.g. a bill of exchange or a promissory note **2.** shares in the form of share certificates

paper gain /,peɪpə 'geɪn/ *noun* same as **paper profit**

'...the profits were tax-free and the interest on the loans they incurred qualified for income tax relief; the paper gains were rarely changed into spending money' [*Investors Chronicle*]

paper loss /,peɪpə 'lɒs/ *noun* a loss made when an asset has fallen in value but has not been sold. Also called **unrealised loss**

paper millionaire /,peɪpə ˌmɪljə'neə/ *noun* a person who owns shares which, if sold, would be worth one million pounds or dollars

paper money /,peɪpə 'mʌni/ *noun* payments in paper form, e.g., cheques

paper offer /,peɪpə 'ɒfə/ *noun* a takeover bid where the purchasing company offers its shares in exchange for shares in the company being taken over, as opposed to a cash offer

paper profit /,peɪpə 'prɒfɪt/ *noun* a profit on an asset which has increased in price but

has not been sold ○ *He is showing a paper profit of £25,000 on his investment.* Also called **paper gain, unrealised profit**

par /pɑː/ *adjective* equal, at the same price

parallel economy /,pærəleɪ ɪ'kɒnəmi/ *noun* same as **black economy**

parallel loan /,pærəleɪ 'ləʊn/ *noun* same as **back-to-back loan**

parameter /pə'ræmɪtə/ *noun* a fixed limit ○ *The budget parameters are fixed by the finance director.* ○ *Spending by each department has to fall within agreed parameters.*

parcel of shares /,pɑːs(ə)l əv 'ʃeəz/ *noun* a fixed number of shares which are sold as a group ○ *The shares are on offer in parcels of 50.*

parent company /'peərənt ˌkʌmp(ə)ni/ *noun* a company which owns more than 50% of the shares of another company

Pareto's Law /pə'reɪ:təʊz lɔː/, **Pareto Effect** /pə'reɪ:təʊ ɪ'fekt/ *noun* the theory that incomes are distributed in the same way in all countries, whatever tax regime is in force, and that a small percentage of a total is responsible for a large proportion of value or resources. Also called **eighty/twenty law**

pari passu /,pəri 'pæsuː/ *adverb* a Latin phrase meaning 'equally' ○ *The new shares will rank pari passu with the existing ones.*

parity /'pærɪti/ *noun* **1.** the state of being equal □ **the pound fell to parity with the dollar** the pound fell to a point where one pound equalled one dollar **2.** a situation when the price of a commodity, foreign currency or security is the same in different markets

'...the draft report on changes in the international monetary system casts doubt about any return to fixed exchange-rate parities' [*Wall Street Journal*]

Parliamentary Public Accounts Committee /,pɑːləmənt(ə)rɪ ˌpʌblɪk ə 'kaʊnts kə,mɪti/ *noun* a UK parliamentary committee established in 1961 to examine that the sums of money agreed by Parliament for public spending are properly spent

part exchange /,pɑ:t ɪks'tʃeɪndʒ/ *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 /'pɑ:ʃ(ə)l/ *adjective* not complete

participate /pɑ:'tɪsɪpeɪt/ *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 /pɑ: ,tɪsɪpeɪtɪŋ 'pref(ə)rəns ʃeəz/, **participating preferred stock** /pɑ:,tɪsɪpeɪtɪŋ prɪ ,fɜ:d 'stɒk/ *plural noun* preference shares which get an extra bonus dividend if company profits reach a high level

participative budgeting /pɑ:,tɪsɪpətɪv 'bʌdʒɪtɪŋ/ *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**

partly-paid capital /,pɑ:tli peɪd 'kæpɪt(ə)l/ *noun* a capital which represents partly-paid shares

partly-paid up shares /,pɑ:tli peɪd ʌp 'ʃeəz/, **partly-paid shares** /,pɑ:tli peɪd 'ʃeəz/ *plural noun* shares in which the shareholders have not paid the full face value

partner /'pɑ:tnə/ *noun* a person who works in a business and has an equal share in it with other partners ○ *I became a partner in a firm of solicitors.*

partnership /'pɑ:tnəʃɪp/ *noun* an unregistered business where two or more people (but not more than twenty) share the risks and profits according to a partnership agreement ○ *to go into partnership with someone* ○ *to join with someone to form a partnership*

partnership accounts /'pɑ:tnəʃɪp ə ,kaʊnts/ *plural noun* the capital and current accounts of each partner in a partnership, or the accounts recording the partnership's business activities

partnership agreement /'pɑ:tnəʃɪp ə ,grɪ:mənt/ *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**

part-owner /,pɑ:t 'əʊnə/ *noun* a person who owns something jointly with one or more other people ○ *I am part-owner of the restaurant.*

part-ownership /,pɑ:t 'əʊnəʃɪp/ *noun* a situation where two or more persons own the same property

part payment /,pɑ:t 'peɪmənt/ *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 /,pɑ:t 'taɪm/ *adjective, adverb* not working for the whole working week ○ *a part-time employee*

party /'pɑ:ti/ *noun* a person or organisation involved in a legal dispute or legal agreement ○ *How many parties are there to the contract?* ○ *The company is not a party to the agreement.*

par value /,pɑ: 'vælju:/ *noun* same as **face value**

passbook /'pɑ:sbʊk/ *noun* same as **bank book**

'...instead of customers having transactions recorded in their passbooks, they will present plastic cards and have the transactions printed out on a receipt' [*Australian Financial Review*]

patent /'peɪtənt, 'pætənt/ *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 type of light bulb* ○ *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 /'peɪtənt ,eɪdʒənt/ *noun* a person who advises on patents and applies for patents on behalf of clients

patent office /'peɪtənt ,ɒfɪs/ *noun* a government office which grants patents and supervises them

patent rights /'peɪtənt raɪts/ *plural noun* the rights which an inventor holds because of a patent

paternity leave /pə'tɜ:nɪti li:v/ *noun* a short period of leave given to a father to be away from work when his partner has a baby
pathfinder prospectus /'pɑ:θfaɪndə prə'spektəs/ *noun* a preliminary prospectus about a company which is going to be launched on the Stock Exchange, sent to potential major investors before the issue date, giving details of the company's background, but not giving the price at which shares will be sold

pay /peɪ/ *noun* a salary or wages, money given to someone for regular work ■ **verb 1.** to give money to buy an item or a service ○ *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 **2.** to produce or distribute money (NOTE: **paying – paid**) **3.** to give an

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)/ *adjective* due to be paid

payable to order /ˌpeɪəb(ə)l tə ˈɔːdə/ *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 kləʊz/ *noun* a clause in a contract which states the terms for repaying a loan

payback period /ˈpeɪbæk ˌpɪəriəd/ *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 deɪ/ *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 dɪfəˌrenʃənz/ *plural 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 /ˈpeɪiː/ *noun* a person who receives money from someone, or the person whose name is on a cheque

payer /ˈpeɪə/ *noun* a person who gives money to someone

pay hike /ˈpeɪ haɪk/ *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 ˌeɪdʒənt/ *noun* a bank which pays dividend or interest to a bondholder

paying-in book /ˌpeɪɪŋ ˈɪn bʊk/ *noun* a book of forms for paying money into a bank account or a building society account

paying-in slip /ˌpeɪɪŋ 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 /ˈpeɪmɑːstə/ *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 cash 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 tɜːmz/ *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

pay negotiations /'peɪ nɪɡəʊʃi ,eɪʃ(ə)nɪz/ **pay talks** /'peɪ tɔːks/ *plural noun* discussions between management and employees about pay increases

payoff /'peɪəf/ *noun* money paid to finish paying something which is owed, such as money paid to an employee when his or her employment is terminated

'...the finance director of the group is to receive a payoff of about £300,000 after deciding to leave the company and pursue other business opportunities' [*Times*]

payout /'peɪaʊt/ *noun* money paid to help a company or person in difficulties, a subsidy ○ *The company only exists on payouts from the government.*

'...after a period of recession followed by a rapid boost in incomes, many tax payers embarked upon some tax planning to minimize their payouts' [*Australian Financial Review*]

payout ratio /'peɪaʊt ,reɪʃiəʊ/ *noun* the percentage of a company's earnings that it pays out in dividends (NOTE: The opposite is **dividend cover**.)

pay packet /'peɪ ,pækɪt/ *noun* wages or salary, or an envelope containing cash wages and a pay slip

pay review /'peɪ rɪ,vjuː/ *noun* an occasion when an employee's salary is considered and usually increased ○ *I'm soon due for a pay review and hope to get a rise.*

pay rise /'peɪ raɪz/ *noun* an increase in pay

payroll /'peɪrəʊl/ *noun* **1.** the list of people employed and paid by a company ○ *The company has 250 on the payroll.* **2.** the money paid by a company in salaries ○ *The office has a weekly payroll of £10,000.*

payroll costs /'peɪrəʊl kɒsts/ *plural noun* the running costs of payroll administration, as well as the actual salaries themselves

payroll giving scheme /,peɪrəʊl 'ɡɪvɪŋ ,ski:m/ *noun* a scheme by which an employee pays money to a charity directly out of his or her salary. The money is deducted by the employer and paid to the charity; the employee gets tax relief on such donations.

payroll ledger /'peɪrəʊl ,ledʒə/ *noun* a list of staff and their salaries

payroll register /'peɪrəʊl ,redʒɪstə/ *noun* a central register of payroll information

payroll tax /'peɪrəʊl tæks/ *noun* a tax on the people employed by a company

pay scale /'peɪ skeɪl/ *noun* a hierarchy of wage levels, typically varying according to

job title, salary or length of service. Also called **salary scale**, **wage scale**

pay slip /'peɪ slɪp/, **pay statement** /'peɪ ,steɪtmənt/ *noun* a piece of paper showing the full amount of an employee's pay, and the money deducted as tax, pension and National Insurance contributions

pay threshold /'peɪ θreʃhəʊld/ *noun* a point at which pay increases because of a threshold agreement

PBIT *abbreviation* profit before interest and tax

P/C *abbreviation* petty cash

P/E *abbreviation* price/earnings

pecuniary /pɪ'kjuːniəri/ *adjective* referring to money

peg /peg/ *verb* to maintain or fix something at a specific level

penalise /'piːnəlaɪz/, **penalize** *verb* to punish or fine someone ○ *to penalise a supplier for late deliveries* ○ *They were penalised for bad time-keeping.*

penalty /'pen(ə)ltɪ/ *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. The most common penalty is a high rate of interest on an unauthorised overdraft.

penetration pricing /,penɪ'treɪʃ(ə)n ,praɪsɪŋ/ *noun* the practice of pricing a product low enough to achieve market penetration ○ *Penetration pricing is helping us acquire a bigger market share at the expense of short-term profits.*

pension /'penʃən/ *noun* money paid regularly to someone who no longer works

pensionable /'penʃənəb(ə)l/ *adjective* able to receive a pension

pensionable earnings /,penʃənəb(ə)l 'ɜːnɪŋz/ *plural noun* earnings being received at the moment of retirement, on which the pension is calculated

pension contributions /'penʃən kɒntrɪ,bjuːʃ(ə)nɪz/ *plural noun* money paid by a company or employee into a pension fund

pension entitlement /'penʃən ɪn ,tɑːt(ə)lmənt/ *noun* the amount of pension which someone has the right to receive when he or she retires

pensioner /'penʃənə/ *noun* a person who receives a pension

pension fund /'penʃən fʌnd/ *noun* a large sum of money made up of contributions from employees and their employer

which provides pensions for retired employees

pension funds /'penʃən fʌndz/ *plural noun* investments managed by pension companies to produce pensions for investors

pension income /'penʃən ɪnkʌm/ *noun* income which you receive from a pension scheme

pension scheme /'penʃən ski:m/, **pension plan** /'penʃən plæn/ *noun* an arrangement by which an employer and, usually, an employee pay into a fund that is invested to provide the employee with a pension on retirement

PEP *abbreviation* Personal Equity Plan

per /pɜː, pə/ *preposition* **1.** □ as per according to **2.** for each □ **we pay £10 per hour** we pay £10 for each hour worked □ **the earnings per share** the dividend received for each share □ **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 /pə 'ænəm/ *adverb* in a year
○ *What is their turnover per annum?* ○ *What is his total income per annum?* ○ *She earns over £100,000 per annum.*

P/E ratio /,pi: 'i: ,reɪfɪəʊ/ *noun* same as **price/earnings ratio**

per capita /pə 'kæpɪtə/ *adjective, adverb* for each person

per capita income /pə ,kæpɪtə 'ɪnkʌm/ *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 /pə 'sent/ *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' [*Hongkong Standard*]

percentage /pə'sentɪdʒ/ *noun* an amount shown as part of one hundred

'...state-owned banks cut their prime rates a percentage point to 11%' [*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 /pə'sentɪdʒ 'dɪskaʊnt/ *noun* a discount calculated at an amount per hundred

percentage increase /pə'sentɪdʒ ɪnkriːs/ *noun* an increase calculated on the basis of a rate for one hundred

percentage point /pə'sentɪdʒ pɔɪnt/ *noun* 1 per cent

percentile /pə'sentɪl/ *noun* one of a series of ninety-nine figures below which a percentage of the total falls

per day /pə 'deɪ/, **per diem** /,pɜ: 'di:em/ *adverb* for each day

perform /pə'fɔ:m/ *verb* to do well or badly

performance /pə'fɔ:məns/ *noun* **1.** the way in which someone or something acts ○ *Last year saw a dip in the company's performance.* □ **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 /pə'fɔ:məns ɔ:dɪt/ *noun* an investigation into the efficiency of a particular area of an organisation, or of the organisation as a whole

performance rating /pə'fɔ:məns ,reɪtɪŋ/ *noun* a judgment of how well a share or a company has performed

performance report /pə'fɔ:məns rɪ ,pɔ:t/ *noun* a report of the findings of a performance audit

per head /pə 'hed/ *adverb* for each person
○ *Allow £15 per head for expenses.* ○ *Representatives cost on average £50,000 per head per annum.*

period bill /'pɪəriəd bɪl/ *noun* a bill of exchange payable on a certain date rather than on demand. Also known as **term bill**

period cost /'pɪəriəd kɒst/ *noun* a fixed cost, such as rent or insurance, which is related to a period of time

period end /'pɪəriəd end/ *noun* the date which marks the end of a particular accounting period, e.g. the end of the financial year

periodicity concept /,pɪəriədɪsɪtɪ ,kɒnsept/ *noun* a legal requirement that states that entities must produce required financial documentation at agreed times

periodic stock check /,pɪərɪəndɪk 'stɒk ,tʃek/ *noun* the counting of stock at some point in time, usually at the end of an accounting period

periodic weighted average cost /,pɪərɪəndɪk ,weɪtɪd ,æv(ə)rɪdʒ 'kɒst/, **periodic weighted average price** /,pɪərɪəndɪk ,weɪtɪd ,æv(ə)rɪdʒ 'praɪs/ *noun* the average price per unit of stock delivered in a period calculated at the end of the period. Compare **cumulative weighted average cost**

period of account /,pɪərɪəd əv ə'kaʊnt/ *noun* the period usually covered by a firm's accounts

period of qualification /,pɪərɪəd əv ,kwɒlɪf'keɪʃ(ə)n/ *noun* the time which has to pass before someone qualifies for something

perk /pɜ:k/ *noun* an extra item given by a company to employees in addition to their salaries, e.g. company cars or private health insurance (*informal*) ○ *She earns a good salary and in addition has all sorts of perks.*

perpetual inventory system /pɜ: ,petʃʊəl 'ɪnventəri ,sɪstəm/ *noun* a stock control system by which the stock is continually counted as it moves into and out of the warehouse, so avoiding having to close the warehouse for annual stock checks. Abbreviation **PIIS**

perpetuity /,pɜ:pɪt'ju:ti/ *noun* same as **annuity**

perquisite /'pɜ:kwɪzɪt/ *noun* same as **perk**

personal /'pɜ:s(ə)n(ə)l/ *adjective* referring to one person □ **apart from the family shares, she has a personal shareholding in the company** apart from shares belonging to her family as a group, she has shares which she owns herself

personal account /'pɜ:s(ə)n(ə)l ə ,kaʊnt/ *noun* an account for recording amounts receivable from or payable to a person or an entity. ◊ **impersonal account**

personal allowance /,pɜ:s(ə)n(ə)l ə 'laʊəns/ *noun* a part of a person's income which is not taxed

personal assets /,pɜ:s(ə)n(ə)l 'æsets/ *plural noun* movable assets which belong to a person

Personal Equity Plan /,pɜ:s(ə)nəl 'ekwɪtɪ plæn/ *noun* a share-based investment replaced by the ISA in 1999. Abbreviation **PEP**

personal financial planning /,pɜ:s(ə)n(ə)l faɪ,nænsjəl 'plænɪŋ/ *noun* 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 /,pɜ:s(ə)n(ə)l aɪ,dentɪfɪ'keɪʃ(ə)n ,nʌmbə/ *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 /,pɜ:s(ə)n(ə)l 'ɪnkʌm/ *noun* the income received by an individual person before tax is paid

Personal Investment Authority /,pɜ:s(ə)nəl ɪn'vestmənt ə:θɔ:rətɪ/ *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 /,pɜ:s(ə)nəl 'ləʊn/ *noun* a loan to a person for household or other personal use, not for business use

personal pension plan /,pɜ:s(ə)n(ə)l 'penʃən ,plæn/ *noun* a pension plan which applies to one employee only, usually a self-employed person, not to a group. Abbreviation **PPP**

personal property /,pɜ:s(ə)n(ə)l 'prɒpətɪ/ *noun* things which belong to a person ○ *The fire caused considerable damage to personal property.*

personal representative /,pɜ:s(ə)n(ə)l ,reprɪ'zentətɪv/ *noun* a person who is the executor of a will or the administrator of the estate of a deceased person

PERT /pɜ:t/ *abbreviation* programme evaluation and review technique

petroleum revenues /pə'trəʊliəm ,revənju:z/ *plural noun* income from selling oil

petroleum revenue tax /pə'trəʊliəm 'revənju: ,tæks/ *noun* a British tax on revenues from companies extracting oil from the North Sea. Abbreviation **PRT**

petty cash /,petɪ 'kæʃ/ *noun* a small amount of money kept in an office to pay small debts. Abbreviation **P/C**

petty cash voucher /,petɪ 'kæʃ ,vaʊtʃəl/ *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 /ˌpeti ɪk'spensɪz/ *plural noun* small sums of money spent

phase /feɪz/ *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.*

'...the budget grants a tax exemption for \$500,000 in capital gains, phased in over the next six years' [*Toronto Star*]

phase out *phrasal verb* to remove something gradually ○ *Smith Ltd will be phased out as a supplier of spare parts.*

phoenix company /'fi:nɪks ˌkʌmp(ə)ni/ *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 /ˌfɪzɪk(ə)l 'æset/ *noun* an asset that is a physically existing thing, as opposed to cash or securities

physical inventory /ˌfɪzɪk(ə)l 'ɪnvənt(ə)ri/ *noun* *US* same as **physical stock**

physical market /ˌfɪzɪk(ə)l 'mɑ:kɪt/ *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 /ˌfɪzɪk(ə)l 'praɪs/ *noun* a current cash price for a commodity for immediate delivery

physicals /'fɪzɪk(ə)lz/ *plural noun* actual commodities which are sold on the current market, as opposed to futures

physical stock /ˌfɪzɪk(ə)l 'stɒk/ *noun* the actual items of stock held in a warehouse

PIA *abbreviation* Personal Investment Authority

piece rate /'pi:s reɪt/ *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*

piecework /'pi:swɜ:k/ *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 /'paɪ tʃɑ:t/ *noun* a diagram where information is shown as a circle cut up into sections of different sizes

pilferage /'pɪlfərəɪdʒ/, **pilfering** /'pɪlfərɪŋ/ *noun* the stealing of small amounts of money or small items from an office or shop

PIN /pɪn/ *abbreviation* Personal Identification Number

PIS *abbreviation* perpetual inventory system

placement /'pleɪsmənt/ *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 /'pleɪsɪŋ/ *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 /ˌpleɪn vəˌnɪlə 'swɒp/ *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 /ˌplɒn kɒm'tɑ:blə/ *noun* in France, a uniformly structured and detailed bookkeeping system that companies are required to comply with

planned economy /ˌplænd ɪ'kɒnəmi/ *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 /ˌplænd ˌɒbsə 'les(ə)nɪs/ *noun* same as **built-in obsolescence** ○ *Planned obsolescence was condemned by the consumer organisation as a cynical marketing ploy.*

plant and machinery /ˌplɑ:nt ən mə 'ʃi:nəri/ *noun* equipment used to help someone trade such as trucks, tools, office furniture, computers, ladders, etc.

plant asset /'plɑ:nt ,æset/ *noun* any fixed asset such as machinery

plant ledger /'plɑ:nt ,ledʒə/ *noun* a ledger that records information relating to specific items of plant, including information on replacements and repairs

plastic /'plæstɪk/ *noun* credit cards and charge cards (*informal*)

Plc, PLC, plc *abbreviation* public limited company

plus /plʌs/ *preposition* added to ○ *Her salary plus commission comes to more than £45,000.* ○ *Production costs plus overheads are higher than revenue.* ■ *adverb* more than □ **houses valued at £100,000 plus** houses valued at over £100,000

pocket /'pɒkɪt/ *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 /,pɔɪz(ə)n 'pɪl/ *noun* an action taken by a company to make itself less attractive to a potential takeover bid

policy cost /'pɒlɪsi kɒst/ *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 /,pɔ:təb(ə)l 'penʃən/, **portable pension plan** /,pɔ:təb(ə)l 'penʃən plæn/ *noun* a pension entitlement which can be moved from one company to another without loss as an employee changes jobs

portfolio investments /pɔ:t,fəʊliəʊ ɪn 'vestmənts/ *plural noun* investments in shares and government stocks, as opposed to investments in property, etc.

portfolio management /pɔ:t,fəʊliəʊ ,mæniʒmənt/ *noun* the systematic buying and selling shares in order to make the highest-possible profits for a single investor

portfolio theory /pɔ:t,fəʊliəʊ ,θəri/ *noun* a basis for managing a portfolio of investments, i.e. a mix of safe stocks and more risky ones

position /pə'zɪʃ(ə)n/ *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 /pə'zɪʃ(ə)n ,ɔ:ɪtɪ/ *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 /,pɒzɪtɪv 'kæri/ *noun* a situation in which the cost of financing an investment is less than the return obtained from it

positive cash flow /,pɒzɪtɪv 'kæʃ fləʊ/ *noun* a situation in which more money is coming into a company than is going out

positive confirmation /,pɒzɪtɪv ,kɒnfə 'meɪʃən/ *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 /,pɒzɪtɪv ɡʊd'wɪl/ *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 /,pɒzɪtɪv 'jɪ:ld ,kɜ:v/ *noun* a situation where the yield on a short-term investment is less than that on a long-term investment

possess /pə'zes/ *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**

possession /pə'zeɪʃ(ə)n/ *noun* the fact of owning or having something

possessions /pə'zeɪʃ(ə)nz/ *plural noun* property, things owned ○ *They lost all their possessions in the fire.* Compare **repossession**

post-acquisition /pəʊst ,ækwɪ'zɪʃ(ə)n/ *adjective* taking place after a company has been acquired

post-acquisition profit /,pəʊst ,ækwɪ ,zɪʃ(ə)n 'prɒfɪt/ *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 ə 'kredɪt/ *verb* to enter a credit item in a ledger

post-balance sheet event /,pəʊst ,bæləns ʃi:t ɪ'vent/ *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 balance-sheet review /,pəʊst 'bæləns ʃi:t rɪ,vju:/ *noun* those procedures of an audit that relate to the interval between the date of the financial statements and the completion date of the audit fieldwork

postdate /,pəʊst 'deɪt/ *verb* to put a later date on a document ○ *He sent us a postdated cheque.* ○ *Her cheque was postdated to June.*

post-purchase costs /,pəʊst 'pɜ:tʃɪs ,kɒsts/ *plural noun* costs incurred after a capital expenditure decision has been implemented 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 /'paʊndɪdʒ/ *noun* a rate charged per pound in weight

pound-cost averaging /,paʊnd kɒst 'æv(ə)rɪdʒɪŋ/ *noun* the practice of buying securities at different times, but always spending the same amount of money

pound sterling /,paʊnd 'stɜ:ɪŋ/ *noun* the official term for the UK currency

power /'paʊə/ *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: **10⁵**. Say: 'ten to the power five')

power of attorney /,paʊə əv ə'tɜ:ni/ *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 /,pri: ,ækwɪzɪʃən 'prɒfɪts/ *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 /,pri: ,ækwɪzɪʃən 'raɪt ,daʊn/ *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 /pri:'bɪlɪŋ/ *noun* the practice of submitting a bill for a product or service before it has actually been delivered

preceding year /prɪ,'si:dɪŋ 'jɪə/ *noun* the year before the accounting year in question
□ **taxed on a preceding year basis** tax on income or capital gains arising in the previous year is payable in the current year

pre-emption right /pri:'empʃən raɪt/ *noun* the right of an existing shareholder to be first to buy a new stock issue

pre-emptive /,pri: 'emptɪv/ *adjective* done before anyone else takes action in order to stop something happening

preference dividend /'pref(ə)rəns ,dɪvɪdend/ *noun* a dividend paid on preference shares

preference shares /'pref(ə)rəns 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**.)

preferential creditor /,prefərənf(ə)l 'kredɪtə/ *noun* a creditor who must be paid first if a company is in liquidation. Also called **preferred creditor**

preferential debt /,prefərənf(ə)l 'det/ *noun* a debt which is paid before all others

preferential payment /,prefərənfəl 'peɪmənt/ *noun* a payment to a preferential creditor

preferential shares /,prefə'renf(ə)l ʃeəz/ *plural noun* shares which are part of a new issue and are set aside for the employees of the company

preferred creditor /prɪ,fɜ:d 'kredɪtə/ *noun* same as **preferential creditor**

preferred shares /prɪ,fɜ:d 'ʃeəz/, **preferred stock** /prɪ,fɜ:d 'stɒk/ *plural noun* same as **preference shares**

pre-financing /,pri: 'faɪnænsɪŋ/ *noun* money paid in advance by customers to help finance a project the future products of which the customer contracts to buy by making additional payments

preliminary announcement /prɪ ,lɪmɪn(ə)rɪ ə'naʊnsmənt/ *noun* an announcement of a company's full-year results, given out to the press before the detailed annual report is released

preliminary audit /prɪ,lɪmɪn(ə)rɪ 'ɔ:dɪt/ *noun* audit fieldwork carried out before the end of the accounting period in question

preliminary prospectus /prɪ ,lɪmɪn(ə)rɪ prə'spektʌs/ *noun* same as **pathfinder prospectus**

premium /'pri:miəm/ *noun* **1.** a regular payment made to an insurance company for the protection provided by an insurance policy **2.** an amount to be paid to a landlord or a tenant for the right to take over a lease ○ *flat to let with a premium of £10,000* ○ *annual rent: £8,500, premium: £25,000* **3.** an extra sum of money in addition to a usual charge, wage, price or other amount **4.** a gift, discount or other incentive to encourage someone to buy

premium bond /'pri:miəm bɒnd/ *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 /,pri:miəm 'ɪnkʌm/ *noun* income which an insurance company derives from premiums paid by insured persons

premium on redemption /,pri:miəm ɒn rɪ'dempʃən/ *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 /pri:,peɪd ɪk'spensɪz/ *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 /pri:,peɪd 'ɪntrəst/ *noun* interest paid in advance of its due date

prepay /pri:'peɪ/ *verb* to pay something in advance (NOTE: **prepaying** – **prepaid**)

prepayment /pri:'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 /pri:'peɪmənt ,pen(ə)lti/ *noun* US a charge levied on someone who repays a loan such as a mortgage before it is due

present value /,prez(ə)nt 'vælju:/ *noun* **1.** the value something has now ○ *In 1984 the pound was worth five times its present value.* **2.** 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 /,prezə'veɪʃ(ə)n əv 'kæpɪt(ə)l/ *noun* an approach to financial management that protects a person's or company's capital by arranging additional forms of finance

pretax /'pri:tæks/, **pre-tax** *adjective* before tax has been deducted or paid

'...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 /,pri:tæks 'prɒfɪt/ *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 /,pri:tæks 'prɒfɪt ,mɑ:dʒɪn/ *noun* the pretax profit shown as a percentage of turnover in a profit and loss account

preventive costs /prɪ'ventɪv kɒsts/ *plural noun* those costs incurred in seeking to prevent defects in products and services supplied, e.g. the cost of training programmes

previous balance /,pri:vɪəs 'bæləns/ *noun* a balance in an account at the end of the accounting period before the current one

price /praɪs/ *noun* money which has to be paid to buy something □ **cars in the £18–19,000 price range** cars of different makes, selling for between £18,000 and £19,000 ■ *verb* to give a price to a product ○ *We have two used cars for sale, both priced at £5,000.*

price ceiling /'praɪs ,si:lɪŋ/ *noun* a limit beyond which prices will not or cannot rise

price change /'praɪs tʃeɪndʒ/ *noun* an amount by which the price of a share moves during a day's trading

price controls /'praɪs kɒn,troʊlz/ *plural noun* legal measures to prevent prices rising too fast

price cutting /'praɪs ,kʌtɪŋ/ *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 /'praɪs ,kʌtɪŋ wɔ:/ *noun* same as **price war**

price differential /'praɪs dɪfərənʃəl/ *noun* the difference in price between products in a range

price/earnings ratio /,praɪs 'z:nɪŋz ,reɪʃɪəʊ/ *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*

shares sell at a P/E ratio of 7 Also called **P/E ratio**. Abbreviation **PER**

price fixing /'praɪs ˌfɪksɪŋ/ *noun* an illegal agreement between companies to charge the same price for competing products

price-insensitive /ˌpraɪs ɪn'sensətɪv/ *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 /'praɪs reɪndʒ/ *noun* a series of prices for similar products from different suppliers

price-to-sales ratio /ˌpraɪs tə 'seɪlz ˌreɪʃiəʊ/ *noun* the ratio of the total value of a company's shares to its sales for the previous twelve months

price variance /'praɪs ˌveəriəns/ *noun* the discrepancy between the actual price of a unit produced and the standard price

price war /'praɪs wɔː/ *noun* a competition between companies to get a larger market share by cutting prices. Also called **price-cutting war**

pricing /'praɪsɪŋ/ *noun* the act of giving a price to a product

pricing model /'praɪsɪŋ ˌmɒd(ə)l/ *noun* a computerised system for calculating a price, based on costs, anticipated margins, etc.

pricing policy /'praɪsɪŋ ˌpɒlɪsi/ *noun* a company's policy in giving prices to its products ○ *Our pricing policy aims at producing a 35% gross margin.*

primary commodities /ˌpraɪməri kə ˈmɒdɪtɪz/ *plural noun* farm produce grown in large quantities, e.g. corn, rice or cotton

primary industry /ˌpraɪməri ˈɪndəstri/ *noun* an industry dealing with basic raw materials such as coal, wood, or farm produce

prime /praɪm/ *adjective* **1.** most important **2.** basic ■ *noun* same as **prime rate**

prime bills /ˌpraɪm ˈbɪlz/ *plural noun* bills of exchange which do not involve any risk

prime cost /ˌpraɪm ˈkɒst/ *noun* the cost involved in producing a product, excluding overheads

prime rate /'praɪm reɪt/ *noun* *US* the best rate of interest at which a bank lends to its customers. Also called **prime**

prime sites /ˌpraɪm ˈsaɪts/ *plural noun* the most valuable commercial sites, i.e. in main shopping streets. Compare **secondary sites**

priming /'praɪmɪŋ/ *noun* ▶ **pump priming**

principal /'prɪnsɪp(ə)l/ *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 marketmaker buying securities on his or her own account **3.** money invested or borrowed on which interest is paid ○ *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 NorKr 145m with the principal aim of making capital gains on the second-hand market' [*Lloyd's List*]

prior charge percentage /ˌpraɪə ˈtʃɑːdʒ pə'sentɪdʒ/ *noun* same as **priority percentage**

priority /praɪ'ɔːrɪti/ *noun* □ **to have priority over or to take priority over something** to be more important than something ○ *Reducing overheads takes priority over increasing turnover.* ○ *Debenture holders have priority over ordinary shareholders.*

priority percentage /praɪ'ɔːrɪti pə ˈsentɪdʒ/ *noun* the proportion of a business's net profit that is paid in interest to preference shareholders and holders of debt capital. Also called **prior charge percentage**

prior period adjustment /'praɪə ˌpɪəriəd əˌdʒʌstmənt/ *noun* a change in the revenue or expenses for a previous accounting period, introduced in order to correct an error or to apply a new accounting policy

prior year adjustments /ˌpraɪə ˌjɪər ə ˈdʒʌstmənts/ *plural noun* adjustments made to accounts for previous years, because of changes in accounting policies or because of errors

private /'praɪvət/ *adjective* belonging to a single person or to individual people, not to a company or the state □ **a letter marked 'private and confidential'** a letter which must not be opened by anyone other than the person it is addressed to □ **to sell (a house) by private treaty** to sell (a house) to another person not by auction

private bank /ˌpraɪvət ˈbæŋk/ *noun* **1.** a bank that is owned by a single person or a limited number of private shareholders **2.** a bank that provides banking facilities to high net worth individuals. ◊ **private banking**

private banking /,praɪvət 'bæŋkɪŋ/ *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 /,praɪvət 'kʌmp(ə)ni/ *noun* a registered company whose shares are not offered for sale to the public

private debt /,praɪvət 'det/ *noun* money owed by individuals and organisations other than governments

private enterprise /,praɪvət 'entəpraɪz/ *noun* businesses that are owned privately, not nationalised ○ *The project is completely funded by private enterprise.*

private income /,praɪvət 'ɪnkʌm/ *noun* income from dividends, interest or rent which is not part of a salary

private investor /,praɪvət ɪn'vestə/ *noun* an ordinary person with money to invest

private limited company /,praɪvət ,lɪmɪtɪd 'kʌmp(ə)ni/ *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**

privately held company /,praɪvətli held 'kʌmp(ə)ni/ *noun* US company controlled by a few shareholders or its directors. Also called **closed corporation**

private ownership /,praɪvət 'əʊnəʃɪp/ *noun* a situation in which a company is owned by private shareholders

private placement /,praɪvət 'pleɪsmənt/ *noun* the sale of securities for the purpose of investment, not for resale

private placing /,praɪvət 'pleɪsɪŋ/, **private placement** /,praɪvət 'pleɪsmənt/ *noun* the act of placing a new issue of shares with a group of selected financial institutions

private practice /,praɪvət 'præktɪs/ *noun* accounting services offered to clients, as opposed to accounting work carried out as an employee of a company

private property /,praɪvət 'prɒpəti/ *noun* property which belongs to a private person, not to the public

private sector /'praɪvət ,sektə/ *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 institutions dealing in money) ○ *The expansion is completely funded by the private sector.* ○ *Salaries in the private sector have increased faster than in the public sector.*

'...in the private sector the total number 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 treaty /,praɪvət 'tri:tɪ/ *noun* an agreement between individual persons

probability /,prɒbə'bɪləti/ *noun* the likelihood that something will happen, expressed mathematically

probability distribution /,prɒbə'bɪləti ,dɪstrɪbjʊ:ʃ(ə)n/ *noun* a mathematical formula that shows the probability for each value of a variable in a statistical study

probate /'prəʊbeɪt/ *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 /prə'sɪ:dʒərəl ,ɔ:dɪt/ *noun* the process of evaluating all policies, controls and other procedures of a business

procedure /prə'sɪ:dʒə/ *noun* a way in which something is done ○ *The inquiry found that the company had not followed the approved procedures.*

'...this was a serious breach of disciplinary procedure and the dismissal was unfair' [*Personnel Management*]

proceeds /'prəʊsɪ:dz/ *plural noun* money received from selling something

process /'prəʊses/ *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 /'prəʊses ,kɒstɪŋ/ *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 /'prəʊses kɒst rɪ ,pɔ:t/ *noun* a set of schedules that managers use to track costs in a process costing system

processing /'prəʊsesɪŋ/ *noun* the act of sorting information ○ *the processing of information or of statistics by a computer*

producer /prə'dʒu:sə/ *noun* same as **supplier** ○ *a country which is a producer of high-quality watches* ○ *The company is a major car producer.*

producers' price index /prə'dju:sə 'praɪs ɪndeks/ *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 /'prɒdʌkt/ *noun* **1.** something which is made or manufactured **2.** a manufactured item for sale

product advertising /'prɒdʌkt ˌædvə'taɪzɪŋ/ *noun* the advertising of a particular named product, not the company which makes it

product analysis /'prɒdʌkt əˌnæləsɪs/ *noun* an examination of each separate product in a company's range to find out why it sells, who buys it, etc.

product cost /'prɒdʌkt kɒst/ *noun* the total cost of goods produced but not yet sold

product costing system /'prɒdʌkt ˌkɒstɪŋ ˌsɪstəm/ *noun* a set of procedures that provides information on unit cost

product design /'prɒdʌkt dɪˌzɑɪn/ *noun* the design of consumer products

product development /'prɒdʌkt dɪˌveləpmənt/ *noun* the process of improving an existing product line to meet the needs of the market

production /prə'dʌkʃən/ *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 /prə'dʌkʃən ˌbʌdʒɪt/ *noun* a plan of the level of manufacturing required to satisfy budgeted sales and inventory expectations

production cost /prə'dʌkʃən kɒst/ *noun* the cost of making a product

production department /prə'dʌkʃən dɪˌpɑ:tmənt/ *noun* the section of a company which deals with the making of the company's products

production line /prə'dʌkʃən laɪn/ *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 /prə'dʌkʃən ˌmæɪnɪdʒə/ *noun* the person in charge of the production department

production overhead /prə'dʌkʃən ˌəʊvəhed/ *noun* the indirect costs of production which are absorbed into the cost of goods produced. Also called **factory overhead**

production target /prə'dʌkʃən ˌtɑ:ɡɪt/ *noun* the number of units a business is expected to produce

production unit /prə'dʌkʃən ˌju:nɪt/ *noun* a separate small group of employees producing a product

production yield variance /prə'dʌkʃən ʃi:lɪd ˌveəriəns/ *noun* a discrepancy between expected levels of productivity and actual levels, for a given amount of input

productive capital /prəˌdʌktɪv ˌkæpɪt(ə)/ *noun* capital which is invested to give interest

productivity /ˌprɒdʌk'tɪvɪti/ *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 /ˌprɒdʌk'tɪvɪti əˌɡri:mənt/ *noun* an agreement to pay a productivity bonus

productivity bonus /ˌprɒdʌk'tɪvɪti ˌbɒnəs/ *noun* an extra payment made to employees because of increased production per employee

productivity drive /ˌprɒdʌk'tɪvɪti draɪv/ *noun* an extra effort to increase productivity

product life cycle /ˌprɒdʌkt ˌlaɪf ˌsaɪk(ə)/ *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 /'prɒdʌkt ˌmæɪnɪdʒmənt/ *noun* the process of overseeing the making and selling of a product as an independent item

product mix /'prɒdʌkt mɪks/ *noun* the range of different products which a company has for sale

product mix decisions /'prɒdʌkt mɪks dɪˌsɪʒ(ə)nz/ *plural noun* decisions about which products or services to concentrate on in order to maximise total profits

product unit cost /ˌprɒdʌkt ˌju:nɪt ˌkɒst/ *noun* the cost of manufacturing a single unit of product

profession /prə'feɪʃ(ə)n/ *noun* **1.** an occupation for which official qualifications are needed and 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*

'...one of the key advantages of an accountancy qualification is its worldwide marketability. Other professions are not so lucky: lawyers, for example, are much more limited in where they can work' [Accountancy]

professional /prə'feɪʃ(ə)nəl/ *adjective* referring to one of the professions ○ *The accountant sent in his bill for professional services.* ○ *We had to ask our lawyer for professional advice on the contract.* □ **professional man, professional woman** a man or woman who works in one of the professions such as a lawyer, doctor or accountant

professional fees /prə'feɪʃ(ə)nəl 'fi:z/ *plural noun* fees paid to lawyers, accountants, architects, etc.

profit /'prɒfɪt/ *noun* money gained from a sale which is more than the money spent on making the item sold or on providing the service offered □ **to take your profit** to sell shares at a higher price than was paid for them, and so realise the profit, rather than to keep them as an investment □ **to make a profit** to have more money as a result of a deal

profitability /,prɒfɪtə'bɪləti/ *noun* **1.** the ability to make a profit ○ *We doubt the profitability of the project.* **2.** the amount of profit made as a percentage of costs

profitability index /,prɒfɪtə'bɪləti ,ɪndeks/ *noun* a figure that is the current estimated final value of an investment divided by the amount of the original investment

profitable /'prɒfɪtəb(ə)l/ *adjective* making a profit ○ *She runs a very profitable employment agency.*

profitably /'prɒfɪtəbli/ *adverb* making a profit ○ *The aim of every company must be to trade profitably.*

profit after tax /,prɒfɪt ɑ:ftə 'tæks/ *noun* same as **net profit**

profit and loss account /,prɒfɪt ənd 'lɒs ,steɪtmənt/ *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 /,prɒfɪt bɪ,fɔ: ,ɪntrəst ən 'tæks/ *noun* operating profit shown before deducting interest on borrowings and tax due to the Inland Revenue. Abbreviation **PBIT**

profit before tax /,prɒfɪt bɪ,fɔ: 'tæks/ *noun* same as **pretax profit**

profit centre /'prɒfɪt ,sentə/ *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 /'prɒfɪt ,dɪstrɪbjʊ:ʃ(ə)n/ *noun* the allocation of profits to different recipients such as shareholders and owners, or for different purposes such as research or investment

profiteer /,prɒfɪ'tɪə/ *noun* a person who makes too much profit, especially when goods are rationed or in short supply

profiteering /,prɒfɪ'tɪəriŋ/ *noun* the practice of making too much profit

profit from ordinary activities /,prɒfɪt frəm ,ɔ:d(ə)n(ə)rɪ æk'tɪvɪtɪz/ *noun* profits earned in the normal course of business, as opposed to profits from extraordinary sources such as windfall payments

profit-making /'prɒfɪt ,meɪkɪŋ/ *adjective* making a profit, or operated with the primary objective of making a profit ○ *The whole project was expected to be profit-making by 2001 but it still hasn't broken even.* ○ *It is hoped to make it into a profit-making concern.*

profit margin /'prɒfɪt ,mɑ:dʒɪn/ *noun* the percentage difference between sales income and the cost of sales

profit maximisation /'prɒfɪt ,mæksɪmaɪzɪʃ(ə)n/ *noun* the notion that the aim of a business is to maximise profits

profit on ordinary activities before tax /,prɒfɪt ɒn ,ɔ:d(ə)n(ə)rɪ æk,tɪvɪtɪz bɪ ,fɔ: 'tæks/ *noun* same as **pretax profit**

profit planning /'prɒfɪt ,plæniŋ/ *noun* the process of developing a plan that outlines revenue and expenses for a given period

profit-related /'prɒfɪt rɪ,leɪtɪd/ *adjective* linked to profit

profit-related bonus /,prɒfɪt rɪ,leɪtɪd 'bɒnəs/ *noun* a bonus paid which is related to the amount of profit a company makes

profit-related pay /ˌprɒfɪt rɪˌleɪtɪd 'peɪ/ *noun* pay including bonuses which is linked to profit

profit retained for the year /ˌprɒfɪt rɪ 'teɪnɪd fə ðə ˌjɪə/ *noun* same as **retained earnings**

profit-sharing /'prɒfɪt ˌʃeərɪŋ/ *noun* **1.** an arrangement whereby employees get a share of the profits of the company they work for ○ *The company runs a profit-sharing scheme.* **2.** the practice of dividing profits among employees

profit squeeze /'prɒfɪt skwiːz/ *noun* a strict control of the amount of profits which companies can pay out as dividend

profit-taking /'prɒfɪt ˌteɪkɪŋ/ *noun* the act of selling investments to realise the profit, rather than keeping them ○ *Share prices fell under continued profit-taking.*

'...some profit-taking was seen yesterday as investors continued to lack fresh incentives to renew buying activity' [*Financial Times*]

profit variance /'prɒfɪt ˌveəriəns/ *noun* a discrepancy between actual profit and budgeted profit

profit-volume chart /ˌprɒfɪt ˈvɒljʊ:m ˌtʃɑ:t/ *noun* a chart that shows how profit varies with changes in volume of production

profit warning *noun* an announced income level for a company that is significantly lower than that forecast by analysts

pro forma /ˌprəʊ ˈfɔ:mə/ *verb* to issue a pro forma invoice ○ *Can you pro forma this order?*

pro-forma financial statement /prəʊ ˌfɔ:mə faɪˌnænʃəl ˈsteɪtmənt/ *noun* a projection showing a business's financial statements after the completion of a planned transaction

pro forma invoice /ˌprəʊ ˌfɔ:mə ˈɪnvɔɪs/, **pro forma** /ˌprəʊ ˈfɔ:mə/ *noun* an invoice sent to a buyer before the goods are sent, so that payment can be made or so that goods can be sent to a consignee who is not the buyer ○ *They sent us a pro forma invoice.* ○ *We only supply that account on pro forma.*

programme evaluation and review technique /ˌprəʊgræm ɪvæljuˌeɪʃ(ə)n ən rɪˈvjuː tekˌniːk/ *noun* a way of planning and controlling a large project, concentrating on scheduling and completion on time. Abbreviation **PERT**

progress *noun* /'prəʊgrəs/ the movement of work towards completion ○ *to report on the progress of the work* or *of the negotiations* ■ *verb* /prəʊ'gres/ to move forward,

to go ahead ○ *The contract is progressing through various departments.*

progressive /prə'gresɪv/ *adjective* moving forward in stages

progressive tax /prə'gresɪv tæks/ *noun* a tax with a rate that increases as income increases

progressive taxation /prə'gresɪv tæk ˈseɪʃ(ə)n/ *noun* a taxation system where tax levels increase as the income is higher. Also called **graduated taxation**

prohibitive /prəʊ'hɪbɪtɪv/ *adjective* with a price so high that you cannot afford to pay it ○ *The cost of redesigning the product is prohibitive.*

project /'prɒdʒekt/ *noun* **1.** a plan ○ *She has drawn up a project for developing new markets in Europe.* **2.** a particular job of work which follows a plan ○ *We are just completing an engineering project in North Africa.* ○ *The company will start work on the project next month.*

project accounting /'prɒdʒekt ə ˌkaʊntɪŋ/ *noun* the form of accounting in which financial reports are produced in order to track costs on individual projects

project costing /'prɒdʒekt ˌkɒstɪŋ/ *noun* a system used for collecting information on the costs of a specific business activity or project

projected /prə'dʒektɪd/ *adjective* planned or expected

project finance /ˌprɒdʒekt ˈfainəns/ *noun* money raised for a specific undertaking, usually a construction or development project

projection /prə'dʒekʃən/ *noun* a forecast of something which will happen in the future ○ *Projection of profits for the next three years.* ○ *The sales manager was asked to draw up sales projections for the next three years.*

project planning /'prɒdʒekt ˌplænɪŋ/ *noun* the process of making decisions about major, long-term capital investments

promise /'prɒmɪs/ *noun* an act of saying that you will do something ■ *verb* to say that you will do something ○ *They promised to pay the last instalment next week.*

promissory note /'prɒmɪsəri ˌnəʊt/ *noun* a document stating that someone promises to pay an amount of money on a specific date

promote /prə'məʊt/ *verb* **1.** to give someone a more important job or to move someone to a higher grade ○ *He was promoted from salesman to sales manager.* **2.** to advertise a product

promotion /prə'məʊʃ(ə)n/ *noun* the fact of being moved up to a more important job
 ○ *I ruined my chances of promotion when I argued with the managing director.* ○ *The job offers good promotion chances or promotion prospects.*

'...finding the right promotion to appeal to children is no easy task' [Marketing]

'...you have to study the profiles and people involved very carefully and tailor the promotion to fill those needs' [Marketing Week]

prompt /prɒmpt/ *adjective* rapid or done immediately
 ○ *We got very prompt service at the complaints desk.* ○ *Thank you for your prompt reply to my letter.*

proof /pru:f/ *noun* evidence which shows that something is true

-proof /pru:f/ *suffix* protected from the negative effect of something
 ○ *an inflation-proof pension*

property /'prɒpəti/ *noun* **1.** land and buildings
 ○ *Property taxes are higher in the inner city.* ○ *They are assessing damage to property or property damage after the storm.* ○ *The commercial property market is booming.* **2.** a building
 ○ *We have several properties for sale in the centre of the town.*

property bond /'prɒpəti bɒnd/ *noun* an investment in a fund invested in properties or in property companies

property company /'prɒpəti ,kʌmp(ə)ni/ *noun* a company which buys buildings to lease them

proportion /prə'pɔ:ʃ(ə)n/ *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 /prə'pɔ:ʃ(ə)nəl/ *adjective* increasing or decreasing at the same rate as something else
 ○ *The increase in profit is proportional to the reduction in overheads.*

proportionally /prə'pɔ:ʃ(ə)nəli/ *adverb* in a way that is proportional

proportional taxation /prə'pɔ:ʃ(ə)nəl tæk'seɪʃ(ə)n/ *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 /prə'praɪət(ə)ri/ *noun, adjective* a product, e.g. a medicine which is made and owned by a company

proprietary company /prə'praɪət(ə)ri 'kʌmp(ə)ni/ *noun* US a company formed to invest in stock of other companies so as to control them. Abbreviation **pty**

proprietary drug /prə'praɪət(ə)ri 'drʌg/ *noun* a drug which is made by a particular company and marketed under a brand name

proprietor /prə'praɪətə/ *noun* the owner of a business, especially in the hospitality industry
 ○ *She is the proprietor of a hotel or a hotel proprietor.* ○ *The restaurant has a new proprietor.*

proprietors' interest /prə'praɪətəz 'ɪntrəst/ *noun* the amount which the owners of a business have invested in the business

pro rata /,prəʊ 'rɑ:tə/ *adjective, adverb* at a rate which varies according to the size or importance of something
 ○ *When part of the shipment was destroyed we received a pro rata payment.* ○ *The full-time pay is £800 a week and the part-timers are paid pro rata.*

prospect /'prɒspekt/ *noun* a chance or possibility that something will happen in the future
 □ **her job prospects are good** she is very likely to find a job

prospective /prə'spektɪv/ *adjective* possibly happening in the future

prospective dividend /prə'spektɪv 'dɪvɪdend/ *noun* same as **forecast dividend**

prospective P/E ratio /prə'spektɪv ,pi:'i: ,reɪʃiə/ *noun* a P/E ratio expected in the future on the basis of forecast dividends

prospects /'prɒspekts/ *plural noun* the possibilities for the future

prospectus /prə'spektəs/ *noun* a document which gives information to attract buyers or customers
 ○ *The restaurant has people handing out prospectuses in the street.*

'...when the prospectus emerges, existing shareholders and any prospective new investors can find out more by calling the free share information line; they will be sent a leaflet. Non-shareholders who register in this way will receive a prospectus when it is published; existing shareholders will be sent one automatically' [Financial Times]

protectionism /prə'tekʃənɪz(ə)m/ *noun* the practice of protecting producers in the home country against foreign competitors by banning or taxing imports or by imposing import quotas

protective tariff /prə'tektɪv 'tærɪf/ *noun* a tariff which tries to ban imports to stop them competing with local products

pro tem /,prəʊ 'tem/ *adverb* temporarily, for a time

protest /'prəʊtest/ *noun* an official document which proves that a bill of exchange has not been paid

provide /prə'vaɪd/ *verb* **1.** to give or supply something **2.** to put money aside in accounts to cover expenditure or loss in the future ○ £25,000 is provided against bad debts.

provident /'prɒvɪd(ə)nt/ *adjective* providing benefits in case of illness, old age or other cases of need ○ a provident fund ○ a provident society

provider of capital /prə'vaɪdə ɒv 'kæpɪt(ə)l/ *noun* a person or company which provides capital to a business, usually by being a shareholder

provision /prə'vɪʒ(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 ○ 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 /prə'vɪʒ(ə)n(ə)l/ *adjective* temporary, not final or permanent ○ The sales department has been asked to make a provisional forecast of sales. ○ The provisional budget has been drawn up for each department.

provisionally /prə'vɪʒ(ə)nəli/ *adverb* not finally ○ The contract has been accepted provisionally.

provisions /prə'vɪʒ(ə)nz/ *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 /'prɒksi/ *noun* **1.** a document which gives someone the power to act on behalf of someone else ○ to sign by proxy **2.** a person who acts on behalf of someone else ○ She asked the chairman to act as proxy for her.

proxy form /'prɒksi fɔ:m/, **proxy card** /'prɒksi kɑ:d/ *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 /'prɒksi ,steɪtmənt/ *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 /'prɒksi vɔ:t/ *noun* a vote made on behalf of someone who is not

present ○ The proxy votes were all in favour of the board's recommendation.

PRT *abbreviation* petroleum revenue tax

prudence /'pru:dəns/ *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 **prudent** /'pru:dənt/ *adjective* careful, not taking any risks

prudential ratio /pru,dənʃ(ə)l 'reɪʃiəʊ/ *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 /'pʌblɪk/ *adjective* **1.** referring to all the people in general **2.** referring to the government or the state

Public Accounts Committee /,pʌblɪk ə'kaʊnts kə,mɪti/ *noun* a committee of the House of Commons which examines the spending of each department and ministry

public company /,pʌblɪk 'kʌmp(ə)ni/ *noun* same as **public limited company**

public debt /,pʌblɪk 'det/ *noun* the money that a government or a set of governments owes

public deposits /,pʌblɪk dɪ'pɒzɪts/ *plural noun* in the United Kingdom, the government's credit monies held at the Bank of England

public expenditure /,pʌblɪk ɪk 'spendɪtʃə/ *noun* money spent by the local or central government

public finance /,pʌblɪk 'faɪnæns/ *noun* the raising of money by governments by taxes or borrowing, and the spending of it

public funds /,pʌblɪk 'fʌndz/ *plural noun* government money available for expenditure

publicity budget /pʌ'blɪsɪti ,bʌdʒɪt/ *noun* money allowed for expenditure on publicity

public limited company /,pʌblɪk ,lɪmɪtɪd 'kʌmp(ə)ni/ *noun* a company whose shares can be bought on the Stock Exchange. Abbreviation **Plc**, **PLC**, **plc**. Also called **public company**

publicly held company /,pʌblɪkli held 'kʌmp(ə)ni/ *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 /ˌpʌblɪk ˈɒf(ə)rɪŋ/ *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 /ˌpʌblɪk ˈɔːnəʃɪp/ *noun*
a situation in which the government owns a business, i.e. where an industry is nationalised

public placing /ˌpʌblɪk ˈpleɪsɪŋ/, **public placement** /ˌpʌblɪk ˈpleɪsmənt/ *noun*
an act of offering a new issue of shares to investing institutions, though not to private investors in general

public sector /ˌpʌblɪk ˈsektə/ *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 /ˌpʌblɪk ˈsektə ˈbɒrɔːɪŋ rɪ ˈkwɪrəmənt/ *noun*
the amount of money which a government has to borrow to pay for its own spending. Abbreviation **PSBR**

public spending /ˌpʌblɪk ˈspendɪŋ/ *noun*
spending by the government or by local authorities

Public Trustee /ˌpʌblɪk ˈtrʌˈstiː/ *noun*
an official who is appointed as a trustee of an individual's property

published accounts /ˌpʌblɪʃt ə ˈkaʊnts/ *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 ˈpraɪmɪŋ/ *noun*
government investment in new projects which it hopes will benefit the economy

purchase book /ˈpɜːtʃɪs bʊk/ *noun*
a book in which purchases are recorded

purchase daybook /ˈpɜːtʃɪs ˈdeɪbʊk/, **purchases daybook** /ˈpɜːtʃɪsɪz ˈdeɪbʊk/ *noun*
a book which records the purchases made each day

purchase invoice /ˌpɜːtʃɪs ˈɪnvɔɪs/ *noun*
an invoice received by a purchaser from a seller

purchase ledger /ˈpɜːtʃɪs ˈledʒə/ *noun*
a book in which purchases are recorded

purchase order /ˈpɜːtʃɪs ˈɔːdə/ *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 /ˌpɜːtʃɪs ˈɔːdə ˈliːd ˈtaɪm/ *noun*
the interval between the placing of an order for raw materials or parts and their being delivered

purchase price /ˈpɜːtʃɪs praɪs/ *noun*
price paid for something

purchase requisition /ˌpɜːtʃɪs ˈrekwi ˈzɪʃ(ə)n/ *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 /ˈpɜːtʃɪs tæks/ *noun*
a tax paid on things which are bought

purchasing department /ˈpɜːtʃɪsɪŋ dɪ ˌpɜːtmənt/ *noun*
the section of a company which deals with the buying of stock, raw materials, equipment, etc.

purchasing manager /ˈpɜːtʃɪsɪŋ ˌmænɪdʒə/ *noun*
the head of a purchasing department

purchasing officer /ˈpɜːtʃɪsɪŋ ˌɒfɪsə/ *noun*
a person in a company or organisation who is responsible for buying stock, raw materials, equipment, etc.

purchasing power /ˈpɜːtʃɪsɪŋ ˌpaʊə/ *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 /ˌpjʊə ɪnˈdaʊmənt/ *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 /ˈpɪrəməd ˌselɪŋ/ *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

‘...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*]

Q

qualification /ˌkwɒlɪfɪˈkeɪʃ(ə)n/ *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.*

‘...personnel management is not an activity that can ever have just one set of qualifications as a requirement for entry into it’ [*Personnel Management*]

qualification of accounts /ˌkwɒlɪfɪkeɪʃ(ə)n əv əˈkaʊnts/ *noun* same as **auditors’ qualification**

qualified /ˈkwɒlɪfaɪd/ *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.*

‘...applicants will be professionally qualified and ideally have a degree in Commerce and postgraduate management qualifications’ [*Australian Financial Review*]

qualified acceptance of a bill /ˌkwɒlɪfaɪd əkˌseptəns əv əˈbɪl/ *noun* an agreement to pay a bill of exchange provided that certain conditions are met

qualified accounts /ˌkwɒlɪfaɪd 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 /ˌkwɒlɪfaɪd dɔːmestɪk 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 /ˌkwɒlɪfaɪd ˈvæljʊə/ *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 /ˌkwɒlɪfaɪɪŋ ˌdɪstrɪˈbjʊːʃ(ə)n/ *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 /ˈkwɒlɪfaɪɪŋ ˌpɪəriəd/ *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 /ˌkwɒlɪfaɪɪŋ ˈʃeəz/ *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 /ˈkwɒlɪtətɪv ˌfæktəz/ *plural noun* factors that inform a business decision but cannot be expressed numerically

quality assurance /ˈkwɒlɪti əˌʃʊərəns/ *noun* the procedures that a company uses to ensure compliance with a quality standard

quality control /ˈkwɒlɪti kənˌtrəʊl/ *noun* the process of making sure that the quality of a product is good

quality costs /ˈkwɒlɪti kɒsts/ *plural noun* costs incurred when goods produced or services delivered fail to meet quality standards

quango /ˈkwæŋɡəʊ/ *noun* an official body, set up by a government to investigate or deal with a special problem (NOTE: The plural is **quangos**.)

quantifiable /ˈkwɒntɪfaɪəb(ə)l/ *adjective* possible to quantify ○ *The effect of the change in the discount structure is not quantifiable.*

quantitative factors /'kwɒntɪtətɪv ,fæktəz/ *plural noun* factors that inform a business decision but cannot be expressed numerically

quantity discount /'kwɒntɪti 'dɪskaʊnt/ *noun* a discount given to people who buy large quantities

quantum meruit /'kwɒntəm 'meruɪt/ *phrase* a Latin phrase meaning 'as much as has been earned'

quarter /'kwɔ:tə/ *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 /'kwɔ:tə deɪ/ *noun* a day at the end of a quarter, when rents, fees etc. should be paid

quarterly /'kwɔ:təli/ *adjective, adverb* happening once every three months ○ *There is a quarterly charge for electricity.* ○ *The bank sends us a quarterly statement.* ○ *We agreed to pay the rent quarterly or on a quarterly basis.*

quarterly report /'kwɔ:təli rɪ'pɔ:t/ *noun* the results of a corporation, produced each quarter

quartile /'kwɔ:təɪl/ *noun* one of a series of three figures below which 25%, 50% or 75% of the total falls

quasi- /kweɪzə/ *prefix* almost or which seems like ○ *a quasi-official body*

quasi-loan /'kweɪzə 'ləʊn/ *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 /'kweɪzə ,pʌblɪk ,kɔ:pə'reɪf(ə)n/ *noun* a US institution which is privately owned, but which serves a public function, such as the Federal National Mortgage Association

queue /kju:/ *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 queueing to be launched on the Stock Exchange.* ○ *The candidates queued outside the interviewing room.*

quick asset /'kwɪk ,æset/ *noun* an asset that can be converted into cash relatively quickly

quick ratio /'kwɪk 'reɪfjəʊ/ *noun* same as **liquidity ratio**

quid /kwɪd/ *noun* one pound Sterling (*slang*)

quid pro quo /'kwɪd prəʊ 'kwəʊ/ *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 /'kwɔ:rəm/ *noun* a minimum number of people who have to be present at a meeting to make it valid

quota /'kwɔ:tə/ *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 /'kwɔ:tə ,sɪstəm/ *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 /kwəʊ'teɪʃ(ə)n/ *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 /kwɔ:t/ *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 supplying stationery* ○ *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 refitting the shop.* ○ *Her quote was the lowest of three.*

quoted company /'kwɔ:tɪd 'kʌmp(ə)nɪ/ *noun* a company whose shares can be bought or sold on the Stock Exchange

quoted investments /'kwɔ:tɪd ɪn'vestmənts/ *plural noun* investments which are listed on a stock exchange

quote-driven system /'kwɔ:t ,drɪv(ə)n ,sɪstəm/ *noun* a system of work-

ing a stock market, where marketmakers quote a price for a stock. Compare **order-driven system**

quoted shares /,kwəʊtɪd 'ʃeəz/,
quoted stocks *plural noun* shares which can be bought or sold on the Stock Exchange

R

racket /'rækɪt/ *noun* an illegal deal which makes a lot of money ○ *She runs a cut-price ticket racket.*

rack rent /'ræk rent/ *noun* a very high rent

raise /reɪz/ *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 A\$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 /'ræli/ *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 /,rændəm 'tʃek/ *noun* a check on items taken from a group without any special selection

random sample /,rændəm 'sɑ:mpəl/ *noun* a sample taken without any selection

range /reɪndʒ/ *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 /ræŋk/ *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 /reɪt/ *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 /,reɪtəb(ə)l 'vælju:/ *noun* the value of a property as a basis for calculating local taxes

rate of exchange /,reɪt əv ɪks'tʃeɪndʒ/ *noun* same as **exchange rate** ○ *The current rate of exchange is \$1.60 to the pound.*

rate of interest /,reɪt əv 'ɪntrəst/ *noun* same as **interest rate**

rate of return /,rɪt əv rɪ'tɜːn/ *noun* the amount of interest or dividend which comes from an investment, shown as a percentage of the money invested

rate of sales /,rɪt əv 'seɪlz/ *noun* the speed at which units are sold

rates /reɪts/ *plural noun* local UK taxes formerly levied on property in the UK and now replaced by the council tax

rating /'reɪtɪŋ/ *noun* **1.** the act of giving something a value, or the value given **2.** the valuing of property for local taxes

rating agency /'reɪtɪŋ ,eɪdʒənsi/ *noun* an organisation which gives a rating to companies or other organisations issuing bonds

rating officer /'reɪtɪŋ ,ɒfɪsə/ *noun* an official in a local authority who decides the rateable value of a commercial property

ratio /'reɪʃiəʊ/ *noun* a proportion or quantity of something compared to something else ○ *the ratio of successes to failures* ○ *Our product outsells theirs by a ratio of two to one.* ○ *With less manual work available, the ratio of employees to managers is decreasing.*

ratio analysis /'reɪʃiəʊ ə,næləʊsɪs/ *noun* 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

raw materials /,rɔː mə'tɪəriəlz/ *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

readjust /,riːə'dʒʌst/ *verb* to adjust something again or in a new way, or to change in response to new conditions ○ *to readjust prices to take account of the rise in the costs of raw materials* ○ *to readjust salary scales* ○ *Share prices readjusted quickly to the news of the devaluation.*

readjustment /,riːə'dʒʌstmənt/ *noun* an act of readjusting ○ *a readjustment in pricing* ○ *After the devaluation there was a period of readjustment in the exchange rates.*

ready cash /,redi 'kæʃ/ *noun* money which is immediately available for payment

ready money /,redi 'mʌni/ *noun* cash or money which is immediately available

real asset /,rɪəl 'æset/ *noun* a non-movable asset such as land or a building

real earnings /,rɪəl 'zɪ:nɪŋz/ *plural noun* income which is available for spending after tax and other contributions have been deducted, corrected for inflation. Also called **real income**, **real wages**

real estate /'rɪəl ɪ,steɪt/ *noun* property in the form of land or buildings

'...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 /'rɪəl ɪ,steɪt ,eɪdʒənt/, **real estate broker** *noun* *US* a person who sells property for customers

real estate investment trust /,rɪəl ɪ ,steɪt ɪn'vestmənt trʌst/ *noun* a public trust company which invests only in property. Abbreviation **REIT**

real exchange rate /,rɪəl ɪks'tʃeɪndʒ ,reɪt/ *noun* an exchange rate that has been adjusted for inflation

real income /,rɪəl ɪnkʌm/ *noun* same as **real earnings**

real interest rate /,rɪəl ɪn'trəst ,reɪt/ *noun* an interest rate after taking inflation into account

real investment /,rɪəl ɪn'vestmənt/ *noun* the purchase of assets such as land, property, and plant and machinery as opposed to the acquisition of securities

realisation /,rɪəl'aɪ'zeɪʃ(ə)n/, **realization** *noun* the act of making real □ **the realisation of a project** putting a project into action ○ *The plan moved a stage nearer realisation when the contracts were signed.*

realisation concept /,rɪəl'aɪ'zeɪʃ(ə)n ,kɒnsept/ *noun* the principle that increases in value should only be recognised when the assets in question are realised by being sold to an independent purchaser

realise /'rɪəlaɪz/, **realize** *verb* **1.** to make something become real □ **to realise a project or a plan** to put a project or a plan into action **2.** to sell for money ○ *The company was running out of cash, so the board decided to realise some property or assets.* ○ *The sale realised £100,000.* □ **realised gain or loss** a gain or loss made when assets are sold

realised profit /,rɪəlaɪzd 'prɒfɪt/ *noun* an actual profit made when something is sold, as opposed to paper profit

real rate of return /,rɪəl ,reɪt əv rɪ'tɜːn/ *noun* an actual rate of return, calculated after taking inflation into account

real return after tax /,rɪəl rɪ,tɜːn ,ɑːftə 'tæks/ *noun* the return calculated after deducting tax and inflation

realty /'ri:lti/ *noun* property or real estate
real value /,ri:əl 'vælju:/ *noun* a value of an investment which is kept the same, e.g. by index-linking

real wages /,ri:əl 'weɪdʒɪz/ *plural noun* same as **real earnings**

reassess /,ri:ə'ses/ *verb* to assess again ○ *The manager was asked to reassess the department staff, after the assessments were badly done by the supervisors.*

reassessment /,ri:ə'sesmənt/ *noun* a new assessment

rebate /'ri:beɪt/ *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 /ri:kæpɪt(ə)laɪ 'zeɪʃ(ə)n/ *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 /rɪ'si:t/ *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.* ■ *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 ○ *Received invoices are filed in the ring binder.*

receipts /rɪ'si:t/ *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 /rɪ ,si:tɪz ən 'peɪmənts ə,kəʊnt/ *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 /rɪ,sɪ:tɪz ən 'peɪmənts ,beɪsɪs/ *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**

receivable /rɪ'si:vəb(ə)l/ *adjective* able to be received

receivables /rɪ'si:vəb(ə)lz/ *plural noun* money which is owed to a company

receive /rɪ'si:v/ *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 /rɪ'si:və/ *noun* same as **official receiver**

Receiver of Revenue /rɪ,sɪ:və əv 'revənju:/ *noun* an informal term for the South African Revenue Service as a whole

receiving /rɪ'si:vɪŋ/ *noun* an act of getting something which has been delivered

receiving clerk /rɪ'si:vɪŋ klɜ:k/ *noun* an official who works in a receiving office

receiving department /rɪ'si:vɪŋ dɪ ,pɑ:tmənt/ *noun* a section of a company which deals with incoming goods or payments

receiving office /rɪ'si:vɪŋ ,ɒfɪs/ *noun* an office where goods or payments are received

receiving order /rɪ'si:vɪŋ ,ɔ:də/ *noun* an order from a court appointing an official receiver to a company

recession /rɪ'seʃ(ə)n/ *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 /rɪ'sɪprək(ə)l/ *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 /rɪ ,sɪprək(ə)l ,ælə'keɪʃ(ə)n məθəd/ *noun* a method by which service department costs are allocated to production departments

reciprocal holdings /rɪ,sɪprək(ə)l 'həʊldɪŋz/ *plural noun* a situation in which two companies own shares in each other to prevent takeover bids

reciprocal trade /rɪ,sɪprək(ə)l 'treɪd/ *noun* trade between two countries

reciprocate /rɪ'sɪprəkeɪt/ *verb* to do the same thing for someone as that person has

done for you ○ *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 /'rekəgnaɪz/ *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 /,rekəgnaɪzd prə'feɪʃ(ə)nəl 'bɒdi/ *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 /,rekəgnaɪzd ,kwɒlɪfɪ'keɪʃ(ə)n/ *noun* a qualification that employers and professional bodies accept as worthwhile and valid

reconcile /'rekənsaɪl/ *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 /,rekənsɪli'eɪʃ(ə)n/, **reconcilement** /'rekənsaɪlmənt/ *noun* the act of making two accounts or statements agree

reconciliation statement /,rekənsɪli'eɪʃ(ə)n ,stetmənt/ *noun* a statement which explains how two accounts can be made to agree

reconstruction /,ri:kən'strʌkʃən/ *noun* **1.** the process of building again ○ *The economic reconstruction of an area after a disaster.* **2.** new way of organising

record /'rekɔ:d/ *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* **3.** 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 /'rekɔ:d bʊk/ *noun* a book in which minutes of meetings are kept

record date /'rekɔ:d deɪt/ *noun* same as **date of record**

recording /rɪ'kɔ:dɪŋ/ *noun* the act of making a note of something ○ *the recording of an order or of a complaint*

records /'rekɔ:dz/ *plural noun* documents which give information ○ *The names of customers are kept in the company's records.* ○ *We find from our records that our invoice number 1234 has not been paid.*

recoup /rɪ'ku:p/ *verb* □ **to recoup your losses** to get back money which you thought you had lost

recourse /rɪ'kɔ:s/ *noun* a right of a lender to compel a borrower to repay money borrowed

recover /rɪ'kʌvə/ *verb* **1.** to get back something which has been lost ○ *to recover damages from the driver of the car* ○ *to start a court action to recover property* ○ *He never recovered his money.* ○ *The initial investment was never recovered.* **2.** to get better, to rise ○ *The market has not recovered from the rise in oil prices.* ○ *The stock market fell in the morning, but recovered during the afternoon.*

recoverable amount /rɪ,kʌv(ə)rəb(ə)l ə'maʊnt/ *noun* the value of an asset, either the price it would fetch if sold, or its value to the company when used, whichever is the larger figure

recovery /rɪ'kʌv(ə)rɪ/ *noun* **1.** the act of getting back something which has been lost ○ *to start an action for recovery of property* ○ *We are aiming for the complete recovery of the money invested.* **2.** a movement upwards of shares or of the economy ○ *signs of recovery after a slump* ○ *The economy staged a recovery.*

rectification /,rektɪfɪ'keɪʃ(ə)n/ *noun* correction

rectify /'rektɪfaɪ/ *verb* to correct something, to make something right ○ *to rectify an entry* (NOTE: **rectifies – rectifying – rectified**)

recurrent /rɪ'kʌrənt/ *adjective* happening again and again ○ *a recurrent item of expenditure* ○ *There is a recurrent problem in supplying this part.*

recurring payments /rɪ,kɜ:rɪŋ 'peɪmənts/ *plural noun* payments, such as mortgage interest or payments on a hire purchase agreement, which are made each month

recycle /rɪ'saɪk(ə)l/ *verb* to take waste material and process it so that it can be used again

red /red/ *noun* the colour of debit or overdrawn 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 1990.*

Red Book /'red bʊk/ *noun* a document published on Budget Day, with the text of the Chancellor of the Exchequer's financial statement and budget

redeem /rɪ'di:ɪm/ *verb* to pay off a loan or a debt ○ *to redeem a mortgage* ○ *to redeem a debt*

redeemable /rɪ'di:məb(ə)/ *adjective* referring to a bond which can be sold for cash

redeemable government stock /rɪ'di:məb(ə)l ˌgʌv(ə)nɪmənt 'stɒk/ *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 /rɪ'di:məb(ə)l 'prɛf(ə)rəns ʃeə/ *noun* a preference share which must be bought back by the company at an agreed date and for an agreed price

redeemable security /rɪ'di:məb(ə)l sɪ'kjʊərɪti/ *noun* a security which can be redeemed at its face value at a specific date in the future

redemption /rɪ'dempʃən/ *noun* the repayment of a loan

redemption date /rɪ'dempʃən deɪt/ *noun* a date on which a loan or debt is due to be repaid

redemption value /rɪ'dempʃən ˌvælju:/ *noun* the value of a security when redeemed

redemption yield /rɪ'dempʃən jɪ:lɪd/ *noun* a yield on a security including interest and its redemption value

redistribute /ˌrɪ:dɪ'strɪbjʊt/ *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 /ˌrɪ:dɪ'strɪbjʊtɪd kɒst/ *noun* a cost that has been reassigned to a different department within an organisation

redistribution of wealth /ˌrɪ:dɪ'strɪbjʊʃən əv 'welθ/ *noun* the process of sharing wealth among the whole population

reduce /rɪ'dju:z/ *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 /rɪ'dju:st/ *adjective* lower ○ *Reduced prices have increased unit sales.* ○ *Prices have fallen due to a reduced demand for the goods.*

reducing balance method /rɪ,dju:zɪŋ 'bæləns ˌmeθəd/ *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 /rɪ'dʌndənsi/ *noun* the dismissal of a person whose job no longer needs to be done

redundancy payment /rɪ'dʌndənsi ˌpeɪmənt/ *noun* a payment made to an employee to compensate for losing his or her job

redundancy rebate /rɪ'dʌndənsi ˌri:beɪt/ *noun* a payment made to a company to compensate for redundancy payments made

redundant /rɪ'dʌndənt/ *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 /rɪ,dʌndənt 'stɑ:f/ *noun* staff who have lost their jobs because they are not needed any more

re-export /ˌri:ek'spɔ:t/ *verb* to export something which has been imported

re-exportation /ˌri: ekspɔ:'teɪʃ(ə)n/ *noun* the exporting of goods which have been imported

refer /rɪ'fɜ:/ *verb* □ **'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 /'ref(ə)rəns/ *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* or *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

referral /rɪ'fɜːrəl/ *noun* an action of referring or recommending someone to someone

refer to drawer please represent /rɪ'fɜː tə drɔːə plɪz rɪːprɪ'zent/ *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 **RDPR**

refinance /rɪː'faɪnəns/ *verb* to replace one source of finance with another

refund *noun* /'rɪːfʌnd/ 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* /rɪ'fʌnd/ **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 /rɪ'fʌndəb(ə)/ *adjective* possible to pay back ○ *We ask for a refundable deposit of £20.*

register /'redʒɪstə/ *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 numbers 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 /'redʒɪstəd/ *adjective* having been noted on an official list ○ *a registered share transaction*

registered cheque /,redʒɪstəd 'tʃek/ *noun* a cheque written on a bank account on behalf of a client who does not have a bank account

registered company /,redʒɪstəd 'kʌmp(ə)nɪ/ *noun* a company which has been officially set up and registered with the Registrar of Companies

registered office /,redʒɪstəd 'ɒfɪs/ *noun* the office address of a company which is officially registered with the Companies' Registrar

registered security /,redʒɪstəd sɪ 'kjuərənti/ *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 /,redʒɪstəd 'treɪdmɑːk/ *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 beds 'Soft'n'kumfi' – it is a registered trademark.*

register of companies /,redʒɪstər əv 'kʌmp(ə)nɪz/ *noun* in the United Kingdom, the list of companies maintained at Companies House

register of directors /,redʒɪstər əv daɪ 'rektəz/ *noun* an official list of the directors of a company which has to be sent to the Registrar of Companies

registrant /'redʒɪstrənt/ *noun* US company applying to register with the Securities and Exchange Commission

registrar /,redʒɪ'straː/ *noun* a person who keeps official records

Registrar of Companies /,redʒɪstrɑː əv 'kʌmp(ə)nɪz/ *noun* a government official whose duty is to ensure that companies are properly registered, and that, when registered, they file accounts and other information correctly

registration /,redʒɪ'streɪf(ə)n/ *noun* the act of having something noted on an official list ○ *the registration of a trademark or of a share transaction*

registration fee /,redʒɪ'streɪf(ə)n fiː/ *noun* **1.** money paid to have something registered **2.** money paid to attend a conference

registration statement /,redʒɪ'streɪf(ə)n ,steɪtmənt/ *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 /rɪ'ɡresj(ə)n ə ,næləsɪs/, **regression model** /rɪ'ɡresj(ə)n ,mɒd(ə)/ *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

regressive tax /rɪ,ɡresɪv 'tæks/ *noun* a tax with a rate that decreases as income, or the value of the taxed item, rises

regressive taxation /rɪ,ɡresɪv tæks 'seɪf(ə)n/ *noun* a system of taxation in which tax gets progressively less as income rises. Compare **progressive taxation**

regular income /,regjʊlə 'ɪnkʌm/ *noun* an income which comes in every week or month ○ *She works freelance so she does not have a regular income.*

regulate /'regjʊleɪt/ *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 /,regjuleɪtɪd kən,sju:mə 'kredit ə ,gri:mənt/ *noun* a credit agreement as defined by the Consumer Credit Act

regulation /,regjə'leɪf(ə)n/ *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 financial pressures, is a major factor behind the increasing number of small accountancy firms deciding to sell their practices or merge with another firm' [*Accountancy*]

Regulation S-X /,regjuleɪf(ə)n es 'eks/ *noun* the rule of the US Securities and Exchange Commission which regulates annual reports from companies

regulator /'regjuleɪtə/ *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 /'regjələt(ə)ri ,bɒdi/ *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 /'regjələt(ə)ri ,paʊəz/ *noun* powers to enforce government regulations

reimburse /,ri:m'bɜ:s/ *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 /,ri:m'bɜ:smənt/ *noun* the act of paying back money ○ *reimbursement of expenses*

reinvest /,ri:ɪn'vest/ *verb* to invest money again ○ *She sold her shares and reinvested the money in government stocks.*

reinvestment /,ri:ɪn'vestmənt/ *noun* **1.** the act of investing money again in the same securities **2.** the act of investing 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 /rɪ'dʒekt/ *verb* to refuse to accept something, or to say that something is not satisfactory ○ *The board rejected the draft budget.*

related company /rɪ,leɪtɪd 'kʌmp(ə)ni/ *noun* a company in which another company makes a long-term capital investment in order to gain control or influence

related party /rɪ,leɪtɪd 'pɑ:ti/ *noun* any person or company which controls or participates in the policy decisions of an accounting entity

relative error /,relə'tɪv 'erə/ *noun* the difference between an estimate and its correct value

release /rɪ'li:s/ *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 /,reləv(ə)nt 'benɪfɪts/ *plural noun* benefits such as pension, endowment insurance, etc. provided by a pension scheme

relevant range /'reləv(ə)nt reɪndʒ/ *noun* the levels of business activity within

which assumptions about cost behaviour remain valid

relocation /,ri:ləʊ'keɪʃ(ə)n/ *noun* the act of moving to a different place ○ *We will pay all the staff relocation costs.*

relocation package /,ri:ləʊ'keɪʃ(ə)n ,pækɪdʒ/ *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 /rɪ'maɪndə/ *noun* a letter to remind a customer that he or she has not paid an invoice ○ *to send someone a reminder*

remission of taxes /rɪ,mɪʃ(ə)n əv 'tæksɪz/ *noun* a refund of taxes which have been overpaid

remit /rɪ'mɪt/ *verb* to send money ○ *to remit by cheque* (NOTE: **remitting** – **remitted**)

remittance /rɪ'mɪt(ə)ns/ *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 /rɪ'mɪt(ə)ns əd ,vaɪs/, **remittance slip** /rɪ'mɪt(ə)ns slɪp/ *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 /rɪ'mɪtɪŋ bæŋk/ *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 /rɪ'mɔ:ɡɪdʒ/ *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 /rɪ'mju:nəreɪt/ *verb* to pay someone for doing something ○ *The company refused to remunerate them for their services.*

remuneration /rɪ,mju:nə'reɪʃ(ə)n/ *noun* payment for services ○ *The job is interesting but the remuneration is low.* ○ *She receives a small remuneration of £400 a month.*

renegotiate /,ri:nɪ'gəʊʃieɪt/ *verb* to negotiate something again ○ *The company was forced to renegotiate the terms of the loan.*

renew /rɪ'nju:z/ *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 /rɪ'nju:əl/ *noun* the act of renewing ○ *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 /rɪ'nju:əl ,nəʊtɪs/ *noun* a note sent by an insurance company asking the insured person to renew the insurance

renewal premium /rɪ'nju:əl ,pri:mɪəm/ *noun* a premium to be paid to renew an insurance

rent /rent/ *noun* money paid to use an office, house or factory for a period of time ■ *verb* 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** □ **rent a room** a scheme by which a taxpayer can let a room in his or her house and be exempt from tax on the rental income below a certain level

rental /'rent(ə)l/ *noun* money paid to use an office, house, factory, car, piece of equipment, etc., for a period of time ○ *The car rental bill comes to over £1000 a quarter.*

'...top quality office furniture: short or long-term rental 50% cheaper than any other rental company' [*Australian Financial Review*]

'...until the vast acres of empty office space start to fill up with rent-paying tenants, rentals will continue to fall and so will values. Despite the very sluggish economic recovery under way, it is still difficult to see where the new tenants will come from' [*Australian Financial Review*]

rental value /'rent(ə)l ,vælju:z/ *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 /'rent kən'trəʊl/ *noun* government regulation of rents

rent review /'rent rɪ,vju:z/ *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 /'rent traɪ,bju:n(ə)l/ *noun* a court which can decide if a rent is too high or low

renunciation /rɪ,nʌnsi'eɪʃ(ə)n/ *noun* an act of giving up ownership of shares

reorder /rɪ:'ɔ:də/ *noun* a further order for something which has been ordered before ○ *The product has only been on the market ten*

days and we are already getting reorders. ■ **verb** to place a new order for something ○ *We must reorder these items because stock is getting low.*

reorder level /ri:'ɔ:də ,lev(ə)l/ *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

reorder quantity /ri:'ɔ:də ,kwɒntəti/ *noun* a quantity of a product which is reordered, especially the economic order quantity (EOQ)

reorganisation /ri:,ɔ:gənə'zeɪʃ(ə)n/, **reorganization** *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 from its creditors while it is being reorganised

repay /rɪ'peɪ/ *verb* to pay something back, or to pay back money to someone ○ *to repay money owed* ○ *The company had to cut back on expenditure in order to repay its debts.*

repayable /rɪ'peɪəb(ə)l/ *adjective* possible to pay back ○ *loan which is repayable over ten years*

repayment /rɪ'peɪmənt/ *noun* the act of paying money back or money which is paid back ○ *The loan is due for repayment next year.*

repayment mortgage /rɪ'peɪmənt ,mɔ:gɪdʒ/ *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 /rɪ'pleɪsmənt kɒst/ *noun* the cost of an item to replace an existing asset. Also called **cost of replacement replacement cost accounting** /rɪ 'pleɪsmənt kɒst ə,kɑʊntɪŋ/ *noun* same as **current cost accounting**. Compare **historical cost accounting**

replacement cost depreciation /rɪ 'pleɪsmənt kɒst dɪ,pri:'ʃeɪʃ(ə)n/ *noun* depreciation based on the actual cost of replacing the asset in the current year

replacement price /rɪ'pleɪsmənt praɪs/ *noun* a price at which the replacement for an asset would have to be bought

replacement value /rɪ'pleɪsmənt ,vælju:/ *noun* the value of something for insurance purposes if it were to be replaced ○ *The computer is insured at its replacement value.*

report /rɪ'pɔ:t/ *noun* a statement describing what has happened or describing a state of affairs ○ *to make a report* or *to present a report* or *to send in a report* or *market opportunities in the Far East* ○ *The accountants are drafting a report on salary scales.* ■ **verb** **1.** to make a statement describing something ○ *The sales force reported an increased demand for the product.* ○ *He reported the damage to the insurance company.* ○ *We asked the bank to report on his financial status.* **2.** to publish the results of a company for a period and declare the dividend

'...a draft report on changes in the international monetary system' [*Wall Street Journal*]

'...responsibilities include the production of premium quality business reports' [*Times*]

'...the research director will manage a team of business analysts monitoring and reporting on the latest development in retail distribution' [*Times*]

'...the successful candidate will report to the area director for profit responsibility for sales of leading brands' [*Times*]

report form /rɪ'pɔ:t fɔ:m/ *noun* a balance sheet laid out in vertical form. It is the opposite of 'account' or 'horizontal' form. Also called **vertical form**

reporting entity /rɪ'pɔ:tɪŋ ,entɪti/ *noun* any organisation, such as a limited company, which reports its accounts to its shareholders

reporting period /rɪ'pɔ:tɪŋ ,pɪərɪəd/ *noun* the amount of time covered by a particular financial report, be it a whole financial year or a shorter amount of time

repossess /rɪ:pə'zes/ *verb* to take back an item which someone is buying under a hire-purchase agreement, or a property which someone is buying under a mortgage, because the purchaser cannot continue the payments

repossession /rɪ:pə'zeɪʃ(ə)n/ *noun* an act of repossessing ○ *Repossessions are increasing as people find it difficult to meet mortgage repayments.*

reprice /rɪ:'praɪs/ *verb* to change the price on an item, usually to increase it

reproduction cost /rɪ:prə'dʌkʃ(ə)n ,kɒst/ *noun* the cost of duplicating an asset exactly, as distinct from replacing it

repudiation /rɪ,pju:di'eɪʃ(ə)n/ *noun* a refusal to accept something such as a debt

repurchase /rɪ:'pɜ:tʃɪs/ *verb* to buy something again, especially something

which you have recently bought and then sold

require /rɪ'kwaɪə/ *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 /rɪ'kwaɪəd reɪt əv rɪ'tɜːn/ *noun* the minimum return for a proposed project investment to be acceptable. ◊ **discounted cash flow**

required reserves /rɪ'kwaɪəd rɪ'zɜːvz/ *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 /rɪ'seɪl/ *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 /rɪ'seɪl 'praɪs məɪntənəns/ *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 /rɪ:'ʃedjuːl/ *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 /rɪ'sɪnd/ *verb* to annul or to cancel something ○ *to rescind a contract or an agreement*

research and development /rɪ,sɜːtʃ ən drɪ'veləpmənt/ *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 /rɪ,sɜːtʃ ən drɪ'veləpmənt ɪk'spendɪtʃə/ *noun* money spent on R & D

resell /rɪ:'sel/ *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 /rɪ'zɜːv ˌkʌrənsɪ/ *noun* a strong currency used in international finance, held by other countries to support their own weaker currencies

reserve for fluctuations /rɪ,zɜːv fə ˌflʌktʃu'eɪʃ(ə)nz/ *noun* money set aside to allow for changes in the values of currencies

reserve fund /rɪ'zɜːv fʌnd/ *noun* profits in a business which have not been paid out as dividend but have been ploughed back into the business

reserve price /rɪ'zɜːv praɪs/ *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 /rɪ'zɜːvz/ *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 /'rezɪd(ə)ns/ *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 /'rezɪd(ə)ns ˌpɜːmɪt/ *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 /'rezɪd(ə)nt/ *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 /rɪ'zɪdɪnsɪj(ə)l 'prɒpəti/ *noun* houses or flats owned or occupied by individual residents

residual /rɪ'zɪdjuəl/ *adjective* remaining after everything else has gone

residual income /rɪ,zɪdjuəl 'ɪnkʌm/ *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 /rɪ,zɪdjuəl 'væljuː/ *noun* a value of an asset after it has been depreciated in the company's accounts

residue /'rezɪdjuː/ *noun* money left over ○ *After paying various bequests the residue of his estate was split between his children.*

resource cost assignment /rɪ'zɔːs kɒst ə'saɪnmənt/ *noun* the process of assigning costs to business activities

resource costs /rɪ'zɔːs kɒsts/ *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 /rɪ'zɔ:s ,draɪvəl/,
resource cost driver /rɪ'zɔ:s kɒst
 ,draɪvəl/ *noun* a type of cost driver which is
 used to quantify the resources involved in
 creating a product or service

responsibility accounting /rɪ,spsɒnsɪ
 'bɪlɪtɪ ə,kəʊntɪŋ/ *noun* the keeping of
 financial records with an emphasis on who
 is responsible for each item

responsibility centre /rɪ,spsɒnsɪ'bɪlɪtɪ
 ,sentə/ *noun* a department of an organisa-
 tion with responsibility for a particular
 financial aspect of business, e.g. costs, reve-
 nues or investment funds

restated balance sheet /rɪ:steɪtɪd
 'bæləns ʃi:t/ *noun* a balance sheet with
 information presented in a way that serves a
 particular purpose, such as highlighting
 depreciation on assets

restatement /rɪ:'steɪtmənt/ *noun* a revi-
 sion of an earlier financial statement

restrict /rɪ'strɪkt/ *verb* to limit something
 or to impose controls on something ○ *to*
restrict credit ○ *to restrict the flow of trade*
 or *to restrict imports*

restricted fund /rɪ'strɪktɪd fʌnd/ *noun*
 in a not-for-profit organisation, a fund
 whose assets can only be used for those pur-
 poses designated by donors

restrictive /rɪ'strɪktɪv/ *adjective* not
 allowing something to go beyond a point

restrictive covenant /rɪ'strɪktɪv
 'kʌvənənt/ *noun* a clause in a contract
 which prevents someone from doing some-
 thing

restructure /rɪ:'strʌktʃə/ *verb* to reor-
 ganise the financial basis of a company

restructuring /rɪ:'strʌktʃərɪŋ/ *noun* the
 process of reorganising the financial basis of
 a company

result /rɪ'zʌlt/ *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 previ-
ous year. **2.** something which happens
 because of something else ○ *What was the*
result of the price investigation? ○ *The com-*
pany doubled its sales force with the result
that the sales rose by 26%.

'...the company has received the backing
 of a number of oil companies who are will-
 ing 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]

retail /'ri:teɪl/ *noun* the sale of small quan-
 tities 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 ■ *adverb* □ **he buys**
wholesale and sells retail he buys goods in
 bulk at a wholesale discount and sells in
 small quantities to the public ■ *verb* to sell
 for a price □ **these items retail at or for**
£2.50 the retail price of these items is £2.50

retail banking /'ri:teɪl ,bæŋkɪŋ/ *noun*
 services provided by commercial banks to
 individuals as opposed to business custom-
 ers, e.g. current accounts, deposit and sav-
 ings accounts, as well as credit cards, mort-
 gages and investments. Compare **wholesale**
banking (NOTE: In the United Kingdom,
 although this service was traditionally pro-
 vided by high street banks, separate organ-
 isations are now providing Internet and tel-
 ephone banking services.)

retail deposit /'ri:teɪl dɪ,pɒzɪt/ *noun* a
 deposit placed by an individual with a bank

retailer /'ri:teɪlə/ *noun* a person who runs
 a retail business, selling goods direct to the
 public

retailing /'ri:teɪlɪŋ/ *noun* the selling of
 full-price goods to the public ○ *From car*
retailing the company branched out into car
leasing.

retail investor /'ri:teɪl ɪn,vestə/ *noun* a
 private investor, as opposed to institutional
 investors

retail price /'ri:teɪl ,praɪs/ *noun* the price
 at which the retailer sells to the final cus-
 tomer

retail price index /,ri:teɪl 'praɪs
 ,ɪndeks/, **retail prices index** /,ri:teɪl
 'praɪsɪz ,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 /rɪ'teɪn/ *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 /rɪ,tetnd 'ɜ:ɪnɪŋz/
plural noun an amount of profit after tax
 which a company does not pay out as divi-
 dend to the shareholders, but which is kept
 to be used for the further development of the
 business. Also called **retentions**

retained income /rɪ,tetnd 'ɪnkʌm/,
retained profit /rɪ,tetnd 'prɒfɪt/ *noun*
 same as **retained earnings**

retainer /rɪ'teɪnə/ *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 /rɪ'tenʃənz/ *plural noun* same as **retained earnings**

retiral /rɪ'taɪərəl/ *noun* same as **retirement**

retire /rɪ'taɪə/ *verb* **1.** to stop work and take a pension ○ *She retired with a £15,000 pension.* ○ *The founder of the company retired at the age of 85.* **2.** to make an employee stop work and take a pension ○ *They decided to retire all staff over 50.*

retirement /rɪ'taɪəmənt/ *noun* the act of retiring from work ○ *I am looking forward to my retirement.* ○ *Older staff are planning what they will do in retirement.*

retirement age /rɪ'taɪəmənt eɪdʒ/ *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 /rɪ'taɪəmənt ə ,nɜ:rtɪ/ *noun* an annuity bought when someone retires, using part of the sum put into a personal pension plan

retirement benefits /rɪ'taɪəmənt 'benɪfɪts/ *plural noun* benefits which are payable by a pension scheme to a person on retirement

retirement pension /rɪ'taɪəmənt ,penʃən/ *noun* a state pension given to a man who is over 65 or and woman who is over 60

retroactive /,retrəʊ'æktɪv/ *adjective* which takes effect from a time in the past ○ *They got a pay rise retroactive to last January.*

'The salary increases, retroactive from April of the current year, reflect the marginal rise in private sector salaries' [*Nikkei Weekly*]

retroactively /,retrəʊ'æktɪvli/ *adverb* going back to a time in the past

return /rɪ'tʊ:n/ *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 ■ **verb** to make 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' [*Business Week*]

'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 £2000' [*Accountancy*]

return date /rɪ'tʊ:n deɪt/ *noun* a date by which a company's annual return has to be made to the Registrar of Companies

return on assets /rɪ,tʊ:n ɒn 'æsets/, **return on capital employed** /rɪ,tʊ:n ɒn ,kæpɪt(ə)l ɪm'plɔɪd/, **return on equity** /rɪ,tʊ:n ɒn 'ekwɪti/ *noun* a profit shown as a percentage of the capital or money invested in a business. Abbreviation **ROA**, **ROCE**, **ROE**

return on investment /rɪ,tʊ:n ɒn ɪn 'vestmənt/ *noun* a ratio of the profit made in a financial year as a percentage of an investment. Abbreviation **ROI**

return on net assets /rɪ,tʊ:n ɒn net 'æsets/ *noun* a ratio of the profit made in a financial year as a percentage of the assets of a company

returns /rɪ'tʊ:nz/ *plural noun* profits or income from investment ○ *The company is looking for quick returns on its investment.*

revaluation /rɪ:,vælju'eɪʃən/ *noun* an act of revaluing ○ *The balance sheet takes into account the revaluation of the company's properties.*

revaluation method /rɪ:,vælju'eɪʃən ,meθəd/ *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 /rɪ:,vælju'eɪʃən rɪ ,zɜ:v/ *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 /rɪ:'vælju:/ *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 /'revənju:/ *noun* **1.** money received ○ *revenue from advertising or advertising revenue* ○ *Oil revenues have risen with the rise in the dollar.* **2.** money received by a government in tax

revenue accounts /'revənju: ə ,kaʊnts/ *plural noun* accounts of a business which record money received as sales, commission, etc.

revenue centre /'revənju: ,sentə/ *noun* a department of an organisation with responsibility for maximising revenue

revenue expenditure /'revənju: ik ,spendɪtʃə/ *noun* expenditure on purchasing stock but not capital items, which is then sold during the current accounting period

revenue ledger /'revənju: ,ledʒə/ *noun* a record of all the income received by an organisation

revenue officer /'revənju: ,ɒfɪsə/ *noun* a person working in the government tax offices

revenue recognition /'revənju: ,rekəgnɪf(ə)n/ *noun* the process of recording revenue in accounts

revenue reserves /'revənju: rɪ,zɜ:vz/ *plural noun* retained earnings which are shown in the company's balance sheet as part of the shareholders' funds. Also called **company reserves**

revenue sharing /'revənju: ʃeərɪŋ/ *noun* the distribution of income within limited partnerships

reverse /rɪ'vɜ:s/ *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, reversing last fall's brief improvement' [*Fortune*]

reverse leverage /rɪ'vɜ:s 'levərɪdʒ/ *noun* the borrowing of money at a rate of interest higher than the expected rate of return on investing the money borrowed

reverse takeover /rɪ'vɜ:s 'teɪkəʊvə/ *noun* 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 /rɪ'vɜ:s 'ji:ld ,gæp/ *noun* 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 /rɪ'vɜ:sɪŋ ,entri/ *noun* an entry in a set of accounts which reverses an entry in the preceding accounts

reversion /rɪ'vɜ:ʃ(ə)n/ *noun* the return of property to its original owner

reversionary /rɪ'vɜ:ʃ(ə)n(ə)ri/ *adjective* referring to property which passes to another owner on the death of the present one

reversionary annuity /rɪ'vɜ:ʃ(ə)n(ə)ri ə'nju:ɪti/ *noun* an annuity paid to someone on the death of another person

reversionary bonus /rɪ'vɜ:ʃ(ə)n(ə)ri 'bʌʊnəs/ *noun* an annual bonus on a life assurance policy, declared by the insurer

review /rɪ'vju: / *noun* a general examination ○ *to conduct a review of distributors* ■ *verb* to examine something generally

revise /rɪ'vaɪz/ *verb* to change something which has been calculated or planned ○ *Sales forecasts are revised annually.*

revolving credit /rɪ'vɒlvɪŋ 'kredit/ *noun* 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 /rɪ'vɒlvɪŋ 'ləʊn/ *noun* 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.

rider /'raɪdə/ *noun* an additional clause ○ *to add a rider to a contract*

right /raɪt/ *noun* a legal entitlement to something ○ *There is no automatic right of renewal to this contract.* ○ *She has a right to the property.*

rights issue /'raɪts ,ɪʃu: / *noun* an arrangement which gives shareholders the right to buy more shares at a lower price (NOTE: The US term is **rights offering**.)

rights offering /'raɪts ,ɒfərɪŋ/ *noun* an occasion when a rights issue is offered for sale

ring fence /'rɪŋ fens/ *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 /raɪz/ *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 /,rɪsk ə,dʒʌstɪd rɪ,tʃɪn ɒn 'kæpɪt(ə)/ *noun* a figure for capital calculated in a way that takes into account the risks associated with income

risk arbitrage /'rɪsk ,ɑ:bɪtrɑ:ʒ/ *noun* the business of buying shares in companies which are likely to be taken over and so rise in price

risk arbitrageur /'rɪsk ,ɑ:bɪtrɑ:ʒɜ:/ *noun* a person whose business is risk arbitrage

risk asset ratio /,rɪsk ,æset 'reɪʃəʊ/ *noun* a proportion of a bank’s capital which is in risk assets

risk capital /'rɪsk ,kæpɪt(ə)/ *noun* same as **venture capital**

risk-free /,rɪsk 'fri:/, **riskless** /'rɪskləs/ *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 /'rɪsk ,mænɪdʒmənt/ *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 /'rɪsk ,pri:miəm/ *noun* an extra payment, e.g. increased dividend or higher than usual profits, for taking risks

risk-weighted assets /,rɪsk ,weɪtɪd 'æsets/ *plural noun* assets which include off-balance sheet items for insurance purposes

risky /'rɪski/ *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

ROI *abbreviation* return on investment

roll over *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*]

roll up /,rəʊl 'ʌp/ *phrasal verb* to extend a loan, by adding the interest due to be paid to the capital

rolled-up coupons /,rəʊld ʌp 'ku:pənz/ *plural noun* interest coupons on securities, which are not paid out, but added to the capital value of the security

rolling budget /,rəʊlɪŋ 'bʌdʒɪt/ *noun* a budget which moves forward on a regular basis, such as a budget covering a twelve-month period which moves forward each month or quarter

rollover /'rəʊləʊvə/ *noun* an extension of credit or of the period of a loan, though not necessarily on the same terms as previously

rollover relief /'rəʊləʊvə rɪ,lɪ:f/ *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 /rəʊ'mɒlpə ,klɔ:z/ *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 /ru:t/ *noun* a fractional power of a number

root cause analysis /,ru:t 'kɔ:z ə ,nælɪsɪs/ *noun* a problem-solving technique that seeks to identify the underlying cause of a problem

rough /rʌf/ *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 /,raʊnd 'ɒf/ *phrasal verb* to reduce the digits in a decimal number by re-

moving the final zeros

round down *phrasal verb* to decrease a fractional figure to the nearest full figure

round up *phrasal 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 $\text{€}100$ rounded up to a convenient figure' [*Sunday Times*]

round figures /ˌraʊnd 'fɪgəz/ *plural noun* figures that have been adjusted up or down to the nearest 10, 100, 1,000, and so on

royalty /'rɔɪəlti/ *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.*

RPB *abbreviation* recognised professional body

RPI *abbreviation* retail price index

RPM *abbreviation* resale price maintenance

rubber check /ˌrʌbə 'tʃek/ *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 /ru:l/ *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.* ■ **verb** 1. to give an official decision ○ *The commission of inquiry ruled that the company was in breach of contract.* ○ *The judge ruled that the documents had to be deposited with the court.* 2. to be in force or to be current ○ *The current ruling agreement is being redrafted.*

rulebook /'ru:lbʊk/ *noun* a set of rules by which the members of a self-regulatory organisation must operate

rule of 72 /ˌru:l əv ˌsev(ə)nti 'tu:/ *noun* a calculation that 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

rule of 78 /ˌru:l əv ˌsev(ə)nti 'eɪt/ *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 /rʌn/ *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 ■ **verb** 1. 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.*

'...applications for mortgages are running at a high level' [*Times*]

'...with interest rates running well above inflation, investors want something that offers a return for their money' [*Business Week*]

run into *phrasal 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 up *phrasal verb* to make debts or costs go up quickly ○ *He quickly ran up a bill for £250.*

running account credit /ˌrʌnɪŋ ə ˌkaʊnt 'kredit/ *noun* an overdraft facility, credit card or similar system that allows customers to borrow up to a specific limit and re-borrow sums previously repaid by either writing a cheque or using their card

running costs /'rʌnɪŋ kɒsts/ *plural noun* same as **operating costs**

running total /ˌrʌnɪŋ 'təʊt(ə)l/ *noun* the total carried from one column of figures to the next

running yield /'rʌnɪŋ ʝi:ld/ *noun* a yield on fixed interest securities, where the interest is shown as a percentage of the price paid

S

safe deposit /'seɪf dɪˌpɒzɪt/ *noun* a bank safe where you can leave jewellery or documents

safe deposit box /,seɪf dɪˌpɒzɪt ˌbɒks/ *noun* a small box which you can rent to keep jewellery or documents in a bank's safe

safeguarding of assets /,seɪfɡɑːdɪŋ əv 'æsets/ *noun* the practice of guarding against loss of assets

safe investment /,seɪf ɪnˈvestmənt/ *noun* something, e.g. a share, which is not likely to fall in value

safety /'seɪfti/ *noun* the fact of being free from danger or risk □ **to take safety precautions or safety measures** to act to make sure something is safe

salaried /'sælərɪd/ *adjective* earning a salary ○ *The company has 250 salaried staff.*

salaried partner /,sælərɪd 'pɑːtnə/ *noun* a partner, often a junior one, who receives a regular salary in accordance with the partnership agreement

salary /'sæləri/ *noun* **1.** a regular payment for work done, made to an employee usually as a cheque at the end of each month ○ *The company froze all salaries for a six-month period.* ○ *The salary may be low, but the fringe benefits attached to the job are good.* ○ *She got a salary increase in June.* **2.** the amount paid to an employee, shown as a monthly, quarterly or yearly total (NOTE: The plural is **salaries**.)

salary cheque /'sæləri tʃek/ *noun* a monthly cheque by which an employee is paid

salary cut /'sæləri kʌt/ *noun* a sudden reduction in salary

salary deductions /'sæləri dɪˌdʌkʃənz/ *plural noun* money which a company removes from salaries to pay to the government as tax, National Insurance contributions, etc.

salary differentials /'sæləri dɪfəˌrenʃənz/ *plural noun* same as **pay differentials**

salary review /'sæləri rɪˌvjuː/ *noun* same as **pay review** ○ *She had a salary review last April* or *Her salary was reviewed last April.*

salary scale /'sæləri skeɪl/ *noun* same as **pay scale** ○ *He was appointed at the top end of the salary scale.*

sale /seɪl/ *noun* **1.** an act of giving an item or doing a service in exchange for money, or for the promise that money will be paid □ **to offer something for sale or to put something up for sale** to announce that something is ready to be sold ○ *They put the factory up for sale.* ○ *His shop is for sale.* ○ *These items are not for sale to the general public.* **2.** an act of selling goods at specially low prices ○ *The shop is having a sale to clear old stock.* ○ *The sale price is 50% of the usual price.*

'...the latest car sales for April show a 1.8 per cent dip from last year's total' [*Investors Chronicle*]

sale and lease-back /,seɪl ən 'liːs bæk/ *noun* **1.** a situation where a company sells a property to raise cash and then leases it back from the purchaser **2.** the sale of an asset, usually a building, to somebody else who then leases it back to the original owner

sales /seɪlz/ *plural noun* money received for selling something ○ *Sales have risen over the first quarter.*

sales analysis /'seɪlz əˌnæləsɪs/ *noun* an examination of the reports of sales to see why items have or have not sold well

sales book /'seɪlz bʊk/ *noun* a record of sales

sales budget /'seɪlz ˌbʌdʒɪt/ *noun* a plan of probable sales

sales department /'seɪlz dɪˌpɑːtmənt/ *noun* the section of a company which deals with selling the company's products or services

sales figures /'seɪlz ˌfɪɡəz/ *plural noun* total sales

sales force /'seɪlz fɔːs/ *noun* a group of sales staff

sales forecast /'seɪlz ,fɔ:kɑ:st/ *noun* an estimate of future sales

sales invoice /'seɪlz ,ɪnvɔɪs/ *noun* an invoice relating to a sale

sales journal /'seɪlz ,dʒɜ:n(ə)/ *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 /'seɪlz ,ledʒə/ *noun* a book in which sales to each customer are entered. Also called **debtors ledger**

sales ledger clerk /'seɪlz ,ledʒə ,klɑ:k/ *noun* an office employee who deals with the sales ledger

sales manager /'seɪlz ,mænidʒə/ *noun* a person in charge of a sales department

sales mix /'seɪlz mɪks/ *noun* the sales and profitability of a wide range of products sold by a single company

sales mix profit variance /,seɪlz mɪks 'prɒfɪt ,veəriəns/ *noun* the differing profitability of different products within a product range

sales mix variance /'seɪlz mɪks ,veəriəns/ *noun* a discrepancy between the actual mix of products produced and sold and the budgeted mix

sales price variance /,seɪlz praɪs 'veəriəns/ *noun* the difference between expected revenue from actual sales and actual revenue

sales return /'seɪlz rɪ,tɜ:n/ *noun* a report of sales made each day or week or quarter

sales revenue /'seɪlz ,revənju:/ *noun* US the income from sales of goods or services

sales target /'seɪlz ,tɑ:ɡɪt/ *noun* the amount of sales a sales representative is expected to achieve

sales tax /'seɪlz tæks/ *noun* US same as VAT

sales value /'seɪlz ,vælju:/ *noun* the amount of money which would be received if something is sold

sales volume /'seɪlz ,vɒlju:m/ *noun* the number of units sold (NOTE: The UK term is **turnover**.)

sales volume profit variance /,seɪlz ,vɒlju:m 'prɒfɪt ,veəriəns/ *noun* the difference between the profit on the number of units actually sold and the forecast figure

sales volume variance /'seɪlz ,vɒlju:m ,veəriəns/ *noun* a discrepancy between the actual volume of sales and the budgeted volume

salvage /'sælvdʒ/ *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) ■ **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 /'sælvdʒ ,vælju:/ *noun* the value of an asset if sold for scrap

S&L *abbreviation* savings and loan

Sarbanes-Oxley Act /sɑ:bæn 'ɒksli ,ækt/ *noun* an act of the US Congress designed to protect investors from fraudulent accounting activities

SAS *abbreviation* Statement of Auditing Standards

save /seɪv/ *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 /,seɪv əz ju: 'ɜ:n/ *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** SAYE

saver /'seɪvəl/ *noun* a person who saves money

savings /'seɪvɪŋz/ *plural noun* money saved (i.e. money which is not spent) ○ She put all her savings into a deposit account.

savings account /'seɪvɪŋz ə,kɑʊnt/ *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 /,seɪvɪŋz ən 'ləʊn/, **savings and loan association** /,seɪvɪŋz ən 'ləʊn ə,səʊsɪeɪʃ(ə)n/ *noun* US same as **building society**

savings bank /'seɪvɪŋz bæŋk/ *noun* a bank where you can deposit money and receive interest on it

savings certificate /'seɪvɪŋz sə,tɪfɪkət/ *noun* a document showing that you have invested money in a government savings scheme

savings income /'seɪvɪŋz ,ɪnkʌm/ *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

savings-related share option scheme /,seɪvɪŋz ʃeɪʃn ɒpʃən 'ski:m/ *noun* a scheme which allows employees of a company to buy shares with money which they have contributed to a savings scheme

SAYE *abbreviation* save-as-you-earn

SBA *abbreviation* Small Business Administration

scale /skeɪl/ *noun* a system which is graded into various levels □ **scale of charges** or **scale of prices** a list showing various prices □ **scale of salaries** a list of salaries showing different levels of pay in different jobs in the same company

scarce currency /,skeəs 'kʌrənsi/ *noun* same as **hard currency**

schedule /'ʃedju:l/ *noun* **1.** a timetable, a plan of how time should be spent, drawn up in advance ○ *The managing director has a busy schedule of appointments.* ○ *Her assistant tried to fit us into her schedule.* **2.** a list, especially a list forming an additional document attached to a contract ○ *the schedule of territories to which a contract applies* ○ *Please find enclosed our schedule of charges.* ○ *See the attached schedule or as per the attached schedule.* **3.** a list of interest rates

Schedule A /,ʃedju:l 'eɪ/ *noun* a schedule under which tax is charged on income from land or buildings

Schedule B /,ʃedju:l 'bi:/ *noun* a schedule under which tax was formerly charged on income from woodlands

Schedule C /,ʃedju:l 'si:/ *noun* a schedule under which tax is charged on profits from government stock

Schedule D /,ʃedju:l 'di:/ *noun* a schedule under which tax is charged on income from trades or professions, interest and other earnings not derived from being employed

Schedule E /,ʃedju:l 'i:/ *noun* a schedule under which tax is charged on income from salaries, wages or pensions

Schedule F /,ʃedju:l 'ef/ *noun* a schedule under which tax is charged on income from dividends

scheme /ski:m/ *noun* a plan, arrangement or way of working ○ *Under the bonus scheme all employees get 10% of their annual pay as a Christmas bonus.* ○ *She has joined the company pension scheme.* ○ *We operate a profit-sharing scheme for managers.*

scheme of arrangement /,ski:m əv ə 'reɪndʒmənt/ *noun* a scheme drawn up by an individual or company to offer ways of

paying debts, so as to avoid bankruptcy proceedings. Also called **voluntary arrangement**

scope limitation /'skəʊp ɪmɪteɪf(ə)n/ *noun* the fact that the scope of audit is limited in some way, e.g. owing to restrictions beyond the client's control

scorched earth policy /,skɔ:tɪft 'ɜ:θ ɒpəlɪsi/ *noun* a way of combating a takeover bid, where the target company sells valuable assets or purchases unattractive assets. ♢

poison pill

scrap /skræp/ *noun* material left over after an industrial process, and which still has some value, as opposed to waste, which has no value ○ *to sell a ship for scrap*

scrap value /'skræp ˌvælju:/ *noun* the value of an asset if sold for scrap ○ *Its scrap value is £2,500.*

scrip /skrɪp/ *noun* a security, e.g. a share, bond, or the certificate issued to show that someone has been allotted a share or bond

'...under the rule, brokers who fail to deliver stock within four days of a transaction are to be fined 1% of the transaction value for each day of missing scrip' [*Far Eastern Economic Review*]

scrip dividend /'skrɪp dɪvɪdend/ *noun* a dividend which takes the form of new shares in the company, as opposed to cash

scrip issue /'skrɪp ɪʃu:/ *noun* same as **bonus issue**

SDRs *abbreviation* special drawing rights

seal /si:l/ *noun* **1.** a special symbol, often one stamped on a piece of wax, which is used to show that a document is officially approved by the organisation that uses the symbol **2.** a piece of paper, metal, or wax attached to close something, so that it can be opened only if the paper, metal, or wax is removed or broken ■ **verb** **1.** to close something tightly ○ *The computer disks were sent in a sealed container.* **2.** to attach a seal, to stamp something with a seal ○ *Customs sealed the shipment.*

seasonal /'si:z(ə)n(ə)l/ *adjective* which lasts for a season or which only happens during a particular season ○ *seasonal variations in sales patterns* ○ *The demand for this item is very seasonal.*

seasonal adjustment /,si:z(ə)n(ə)l ə 'dʒʌstmənt/ *noun* an adjustment made to accounts to allow for any short-term seasonal factors, such as Christmas sales, that may distort the figures

seasonal business /,si:z(ə)n(ə)l 'bɪznɪs/ *noun* trade that varies depending on

the time of the year, e.g. trade in goods such as suntan products or Christmas trees

seasonality /sɪːzə'nælɪti/ *noun* variations in production or sales that occur at different but predictable times of the year

SEC *abbreviation* Securities and Exchange Commission

second /'sekənd/ *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 ○ *Mrs Smith seconded the motion* or *The motion was seconded by Mrs Smith.* **2.** /sɪ'kɒnd/ 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 /'sekənd(ə)ri ,baɪaʊt/ *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 /'sekənd(ə)ri ,ɪndəstri/ *noun* an industry which uses basic raw materials to produce manufactured goods

secondary sites /'sekənd(ə)ri saɪts/ *plural noun* less valuable commercial sites. Compare **prime sites**

second half /sɪsekənd 'hɑ:f/ *noun* the period of six months from 1st July to 31st December ○ *The figures for the second half are up on those for the first part of the year.*

second half-year /sɪsekənd 'hɑ:f jɪə/ *noun* the six-month period from July to the end of December

secondment /sɪ'kɒndmənt/ *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 /sɪsekənd 'mɔ:gɪdʒ/ *noun* a further mortgage on a property which is already mortgaged

second quarter /sɪsekənd 'kwɔ:tə/ *noun* the period of three months from April to the end of June

secretary /'sekrət(ə)ri/ *noun* an official of a company or society whose job is to keep records and write letters

Secretary of the Treasury /sɪsekrət(ə)ri əv ðə 'trezəri/ *noun* US a senior member of the government in charge of financial affairs

secret reserves /sɪːkrət rɪ'zɜ:vz/ *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 /'sekʃən/ *noun* one of the parts of an Act of Parliament

secure /sɪ'kjʊə/ *adjective* safe, which cannot change

secured /sɪ'kjʊəd/ *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 /sɪ'kjʊəd 'kredɪtə/ *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 /sɪ'kjʊəd ,lɑ:rə'bɪlɪti/ *noun* a loan secured by means of a pledge of assets that can be sold if necessary

secured loan /sɪ'kjʊəd 'ləʊn/ *noun* a loan which is guaranteed by the borrower giving assets as security

securities /sɪ'kjʊərɪtiz/ *plural noun* investments in stocks and shares

securities account /sɪ'kjʊərɪtiz ə 'kaʊnt/ *noun* an account that shows the value of financial assets held by a person or organisation

Securities and Exchange Commission /sɪ'kjʊərɪtiz ən ɪks'tʃeɪndʒ kə ,mɪʃ(ə)n/ *noun* the official body which regulates the securities markets in the US. Abbreviation **SEC**

Securities and Futures Authority /sɪ'kjʊərɪtiz ən 'fju:tʃəz ə:θɔ:rətɪ/ *noun* in the UK, a self-regulatory organisation which supervises the trading in shares and futures, now part of the FSA. Abbreviation **SFA**

Securities and Investments Board /sɪ'kjʊərɪtiz ənd ɪn'vestmənts ,bɔ:d/ *noun* the former regulatory body which regulated the securities markets in the UK, now superseded by the FSA. Abbreviation **SIB**

securitisation /sɪ'kjʊərɪtaɪ'zeɪʃ(ə)n/, **securitization** *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 /sɪ'kjʊərɪti/ *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 **2.** a stock or share

security deposit /sɪ'kjʊərɪti dɪ,pɒzɪt/ *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 /'si:d ,mʌni/ *noun* venture capital invested when a new project is starting up and therefore more risky than secondary finance

segmental reporting /seg,ment(ə)l rɪ 'pɔ:tiŋ/ *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 /'segmənt ,mɑ:dʒɪn/ *noun* a measure of the profitability of a segment of a business

segregation of duties /,segrɪgeɪf(ə)n əv 'dʒu:tɪz/ *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 /,self ə'sesmənt/ *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 /,self 'bælənsɪŋ/ *noun* a situation in which there is equality of debits and credits

self-employed /,self ɪm'plɔɪd/ *adjective* working for yourself or not on the payroll of a company ○ *a self-employed engineer* ○ *He worked for a bank for ten years but is now self-employed.*

self-employed contributions /,self ɪm ,plɔɪd ,kɒntrɪ'bju:ʃ(ə)nz/ *plural noun* National Insurance contributions made by self-employed people

self-financing /,self faɪ'nænsɪŋ/ *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 /,self ɪn'fʊərəns/ *noun* insuring against a probable future loss by putting money aside regularly, rather than by taking out an insurance policy

self-regulation /,self ,regjʊ'leɪʃ(ə)n/ *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.)

self-regulatory /,self ,regjʊ'leɪt(ə)rɪ/ *adjective* referring to an organisation which regulates itself

sell *noun* an act of selling ■ *verb* **1.** to exchange something for money ○ *to sell something on credit* ○ *The shop sells washing machines and refrigerators.* ○ *They tried to sell their house for £100,000.* ○ *Their products are easy to sell.* **2.** to be bought ○ *These items sell well in the pre-Christmas period.* ○ *Those packs sell for £25 a dozen.* (NOTE: **selling** – **sold**)

seller's market /,seləz 'mɑ:kɪt/ *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 /'selɪŋ kɒsts/, **selling overhead** /'selɪŋ əʊvəhed/ *plural noun* the amount of money to be paid for the advertising, reps' commissions, and other expenses involved in selling something

selling price /'selɪŋ praɪs/ *noun* the price at which someone is willing to sell something

selling price variance /'selɪŋ praɪs ,veəriəns/ *noun* the difference between the actual selling price and the budgeted selling price

semi- /semi/ *prefix* half or part

semiannual /,semi'ænjʊəl/ *adjective* referring to interest paid every six months

semi-fixed cost /,semi fɪkst 'kɒst/ *noun* same as **semi-variable cost**

semi-variable cost /,semi ,veəriəb(ə)l 'kɒst/ *noun* the amount of money paid to produce a product, which increases, though less than proportionally, with the quantity of the product made ○ *Stepping up production will mean an increase in semi-variable costs.* Also called **semi-fixed cost**

senior /'si:nɪə/ *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 /,si:nɪə 'kæpɪt(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 /,sensə'tɪvətɪ ə ,næləʊsɪs/ *noun* the analysis of the effect of a small change in a calculation on the final result

separable net assets /,sep(ə)rəb(ə)l net 'æsets/ *plural noun* assets which can be

separated from the rest of the assets of a business and sold off

separate /'sep(ə)rət/ *adjective* not connected with something

sequester /sɪ'kwɛstə/, **sequestrate** /'sɪ:kwɛstreɪt, sɪ'kwɛstreɪt/ *verb* to take and keep a bank account or property because a court has ordered it ○ *The union's funds have been sequestered.*

sequestration /,sɪ:kwe'streɪf(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

sequestrator /'sɪ:kwɛstreɪtə, sɪ'kwɛstreɪtə/ *noun* a person who takes and keeps property on the order of a court

series /'sɪəri:z/ *noun* 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 /,sɪəriəs 'frɔ:d ,ɒfɪs/ *noun* a British government department in charge of investigating major fraud in companies. Abbreviation **SFO**

SERPS /sɜ:ps/ *abbreviation* State Earnings-Related Pension Scheme

service /'sɜ:vɪs/ *noun* **1.** the fact of working for an employer, or the period of time during which an employee has worked for an employer ○ *retiring after twenty years service to the company* ○ *The amount of your pension depends partly on the number of your years of service.* **2.** the work of dealing with customers ○ *The service in that restaurant is extremely slow.* **3.** payment for help given to the customer ○ *to add on 10% for service*

service bureau /'sɜ:vɪs ,bjʊərəʊ/ *noun* an office which specialises in helping other offices

service charge /'sɜ:vɪs tʃɑ:dʒ/ *noun* **1.** a charge added to the bill in a restaurant to pay for service **2.** an amount paid by tenants in a block of flats or offices for general maintenance, insurance and cleaning **3.** a charge which a bank or business makes for carrying out work for a customer (NOTE: The UK term is **bank charge**.)

service contract /'sɜ:vɪs ,kɒntrækt/ *noun* a contract between a company and a director showing all conditions of work ○ *She worked unofficially with no service contract.*

service industry /'sɜ:vɪs ,ɪndəstri/ *noun* an industry which does not produce raw materials or manufacture products but

offers a service such as banking, retailing or accountancy

service life /'sɜ:vɪs laɪf/ *noun* the period during which an asset will bring benefit to a company

service potential /'sɜ:vɪs pə,tɛnʃ(ə)l/ *noun* future benefits that an asset is expected to bring

services /'sɜ:vɪsɪz/ *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.* ○ *We must improve the exports of both goods and services.* **2.** business of providing help in some form when it is needed, e.g. insurance, banking, etc., as opposed to making or selling goods

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 ○ *to set the costs against the sales revenue* ○ *Can you set the expenses against tax?*

set off /,set 'ɒf/ *verb* to use a debt owed by one party to reduce a debt owed to them

set-off /'set ɒf/ *noun* an agreement between two parties to balance one debt against another or a loss against a gain

settle /'set(ə)l/ *verb* to place a property in trust

settle on *phrasal verb* to leave property to someone when you die ○ *He settled his property on his children.*

settlement /'set(ə)lmənt/ *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*

‘...he emphasised that prompt settlement of all forms of industrial disputes would guarantee industrial peace in the country and ensure increased productivity’ [*Business Times* (Lagos)]

settlement date /'set(ə)lmənt deɪ/ *noun* a date when a payment has to be made

settlement day /'set(ə)lmənt deɪ/ *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**) **2.** in the

US, the day on which securities bought actually become the property of the purchaser

seven-day money /,sev(ə)n dei 'mʌni/ *noun* an investment in financial instruments which mature in seven days' time

severally /'sev(ə)rəli/ *adverb* separately, not jointly

severance pay /'sev(ə)rəns peɪ/ *noun* money paid as compensation to an employee whose job is no longer needed

SFA *abbreviation* Securities and Futures Authority

SFAS *abbreviation* Statement of Financial Accounting Standards

SFO *abbreviation* Serious Fraud Office

shadow director /'ʃædəʊ daɪ,rektə/ *noun* a person who is not a director of a company, but who tells the directors of the company how to act

shadow economy /i,ʃædəʊ i'kɒnəmi/ *noun* same as **black economy**

shadow price /'ʃædəʊ praɪs/ *noun* the estimated price of goods or a service for which no market price exists

share /ʃeə/ *noun* **1.** a part of something that has been divided up among several people or groups **2.** one of many equal parts into which a company's capital is divided ○ *He bought a block of shares in Marks and Spencer.* ○ *Shares fell on the London market.* ○ *The company offered 1.8m shares on the market.*

'...falling profitability means falling share prices' [*Investors Chronicle*]

'...the share of blue-collar occupations declined from 48 per cent to 43 per cent' [*Sydney Morning Herald*]

share account /'ʃeər ə,kaʊnt/ *noun* an account at a building society where the account holder is a member of the society. Building societies usually offer another type of account, a deposit account, where the account holder is not a member. A share account is generally paid a better rate of interest, but in the event of the society going into liquidation, deposit account holders are given preference.

share at par /,ʃeər ət 'pɑː/ *noun* a share whose value on the stock market is the same as its face value

share capital /'ʃeə ,kæpɪt(ə)/ *noun* the value of the assets of a company held as shares

share certificate /'ʃeə sə,tɪfɪkət/ *noun* a document proving that you own shares

share disposals /'ʃeə dɪ,spəʊz(ə)lz/ *plural noun* the selling of shares, which is often subject to conditions

shareholder /'ʃeəhəʊldə/ *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 'ekwɪti/ *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 /i,ʃeəhəʊldə '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 /i,ʃeəhəʊldə ,væljuː ə'næləsɪs/ *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 /i,ʃeər ɪn 'sentɪv ski:m/ *noun* same as **share option scheme**

share option /'ʃeər ,ɒpʃən/ *noun* a right to buy or sell shares at an agreed price at a time in the future

share option scheme /'ʃeər ,ɒpʃən ski:m/ *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 /'ʃeə ,pri:mjəm/ *noun*

an amount to be paid above the nominal value of a share in order to buy it

share purchase scheme /'ʃeə ,pɜ:tʃəs ,ski:m/ *noun* a scheme that allows employees to buy shares in a company at a favourable rate

share quoted ex dividend /,ʃeə

,kwəʊtɪd eks 'dɪvɪdɪd/, **share quoted ex div** /,ʃeə ,kwəʊtɪd eks 'dɪv/ *noun* a share price not including the right to receive the next dividend

share register /'ʃeə ,redʒɪstə/ *noun* a list of shareholders in a company with their addresses

share split /'ʃeə splɪt/ *noun* the act of dividing shares into smaller denominations

share warrant /'ʃeə ,wɒrənt/ *noun* a document which says that someone has the right to a number of shares in a company

sharp practice /,ʃɑ:p 'præktɪs/ *noun* a way of doing business which is not honest, but is not illegal

shelf registration /'ʃelf ,redʒɪstreɪf(ə)n/ *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 /'ʃel ,kʌmp(ə)ni/ *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 /ʃɔ:t/ *adjective, adverb* **1.** for a small period of time **2.** less than what is expected or desired ○ *The shipment was three items short.* ○ *My change was £2 short.* □ **when we cashed up we were £10 short** we had £10 less than we should have had □ **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 /'ʃɔ:t bɪl/ *noun* a bill of exchange payable at short notice

short-change /,ʃɔ:t 'tʃeɪndʒ/ *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 /,ʃɔ:t 'kredit/ *noun* terms which allow the customer only a little time to pay

short-dated bill /,ʃɔ:t ,deɪtɪd 'bɪl/ *noun* a bill which is payable within a few days

short-dated gilts /,ʃɔ:t ,deɪtɪd 'gɪlts/ *plural noun* same as **shorts**

shorten /'ʃɔ:t(ə)n/ *verb* ○ *to shorten credit terms* □ **to shorten a credit period** to make a credit period shorter, so as to improve the company's cash position

shortfall /'ʃɔ:t fɔ:l/ *noun* an amount which is missing which would make the total expected sum ○ *We had to borrow money to cover the shortfall between expenditure and revenue.*

short-form report /,ʃɔ:t fɔ:m rɪ'pɔ:t/ *noun* a standard brief auditor's report summarising the work done and the findings

short lease /,ʃɔ:t 'li:s/ *noun* a lease which runs for up to two or three years ○ *We have a short lease on our current premises.*

short position /,ʃɔ:t pə'zɪʃ(ə)n/ *noun* a situation where an investor sells short, i.e. sells forward shares which he or she does not own. Compare **long position**

shorts /ʃɔ:ts/ *plural noun* government stocks which mature in less than five years' time

short-term /,ʃɔ:t 'tɜ:m/ *adjective* **1.** for a period of weeks or months ○ *to place money on short-term deposit* ○ *She is employed on a short-term contract.* **2.** for a short period in the future ○ *We need to recruit at once to cover our short-term manpower requirements.*

short-term capital /,ʃɔ:t tɜ:m 'kæpɪ(ə)l/ *noun* funds raised for a period of less than 12 months. ◊ **working capital**

short-term debt ratio /,ʃɔ:t tɜ:m 'det ,reɪʃjəʊ/ *noun* an indicator of whether or not a company will be able to settle its immediate obligations

short-term forecast /,ʃɔ:t tɜ:m 'fɔ:kɑ:st/ *noun* a forecast which covers a period of a few months

short-term investment /,ʃɔ:t tɜ:m ɪn 'vestmənt/ *noun* a section of a company's account that lists investments that will expire within one year

short-term loan /,ʃɔ:t tɜ:m 'ləʊn/ *noun* a loan which has to be repaid within a few weeks or some years

short-term security /,ʃɔ:t tɜ:m sɪ 'kjʊərɪti/ *noun* a security which matures in less than 5 years

shrinkage /'ʃrɪŋkɪdʒ/ *noun* **1.** the amount by which something gets smaller ○ *to allow for shrinkage* **2.** losses of stock through

theft, especially by the shop's own staff (*informal*)

SIB *abbreviation* Securities and Investments Board

sick pay /'sɪk peɪ/ *noun* pay paid to an employee who is sick, even if he cannot work

sight deposit /'saɪt dɪ,pɒzɪt/ *noun* a bank deposit which can be withdrawn on demand

sight draft /'saɪt drɑ:ft/ *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 /'sɪgnət(ə)ri/ *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.*

signature /'sɪgnɪtʃə/ *noun* a person's name written by themselves on a cheque, document or letter ○ *She found a pile of cheques on his desk waiting for signature.* ○ *All our company's cheques need two signatures.*

simple average cost /,sɪmpəl 'æv(ə)rɪdʒ ,kɒst/, **simple average price** /,sɪmpəl 'æv(ə)rɪdʒ ,praɪs/ *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 /,sɪmpəl 'ɪntrəst/ *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 /,sɪmpəl reɪt əv rɪ 'tɜ:n/ *noun* a measure of a company's profitability calculated by dividing the expected future annual net income by the required investment

single-entry bookkeeping /,sɪŋg(ə)l ,entri 'bʊkki:pɪŋ/ *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 /,sɪŋg(ə)l ,fɪgə ɪn'fleɪʃ(ə)n/ *noun* inflation rising at less than 10% per annum

single-parent allowance /,sɪŋg(ə)l ,peərənt ə'laʊəns/ *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 /,sɪŋg(ə)l ,pri:mɪəm 'pɒlɪsi/ *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 /'sɪŋkɪŋ 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 /'sɪŋkɪŋ fʌnd ,meθəd/ *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 /'sɪstə ,kʌmp(ə)ni/ *noun* a company that is part of the same group as another

sitting tenant /,sɪtɪŋ 'tenənt/ *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 /'skɪmɪŋ/ *noun* the unethical and usually illegal practice of taking small amounts of money from accounts that belong to other individuals or organisations

sleeping partner /,sli:pɪŋ 'pɑ:tənə/ *noun* a partner who has a share in the business but does not work in it

slide /slaɪd/ *verb* to move down steadily ○ *Prices slid after the company reported a loss.* (NOTE: **sliding – slid**)

slow payer /,sləʊ 'peɪə/ *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.* ■ *verb* to fall fast ○ *Profits have slumped.* ○ *The pound slumped on the foreign exchange markets.*

slush fund /'slʌʃ fʌnd/ *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 and medium-sized enterprises /,smɔ:l ən ,mi:diəm ,saɪzd 'entəpraɪzɪz/ *plural noun* organisations that have between 10 and 250 employees and are usually in the start-up or growth stage of development. Abbreviation **SMEs**

small business /,smɔ:l 'bɪznɪs/ *noun* a company which has an annual turnover of less than £5.6 million and does not employ more than 50 staff

Small Business Administration /,smɔ:l 'bɪznɪs əd,mɪnɪstreɪʃ(ə)n/ *noun* US a federal agency that advises small businesses and helps them obtain loans to finance their businesses. Abbreviation **SBA**

small businessman /,smɔ:l 'bɪznɪsmæn/ *noun* a man who owns a small business

small change /,smɔ:l 'tʃeɪndʒ/ *noun* coins

small claim /,smɔ:l 'kleɪm/ *noun* a claim for less than £5000 in the County Court

small claims court /,smɔ:l 'kleɪmz ,kɔ:t/ *noun* a court which deals with disputes over small amounts of money

small companies rate /,smɔ:l 'kʌmp(ə)nɪz ,reɪt/ *noun* a rate of corporation tax charged on profits of small companies

small company /smɔ:l 'kʌmp(ə)ni/ *noun* same as **small business**

SMEs *abbreviation* small and medium-sized enterprises

SMP *abbreviation* statutory maternity pay
social /'səʊʃ(ə)l/ *adjective* referring to society in general

social audit /,səʊʃ(ə)l 'ɔ:ɪt/ *noun* a systematic assessment of an organisation's effects on society or on all those who can be seen as its stakeholders. A social audit covers such issues as internal codes of conduct, business ethics, human resource development, environmental impact, and the organisation's sense of social responsibility. ○ *The social audit focused on the effects of pollution in the area.* ○ *The social audit showed that the factory could provide jobs for five per cent of the unemployed in the small town nearby.*

Social Charter /,səʊʃ(ə)l 'tʃɑ:tə/ *noun* same as **European Social Charter**

social impact statement /,səʊʃ(ə)l 'ɪmpækt ,steɪtmənt/ *noun* an assessment of the impact of the non-profit activities of an organisation on a specific social area

social security contributions /,səʊʃ(ə)l sɪ'kjuəriiti kɒntrɪ,bju:ʃ(ə)nz/

plural noun regular payments by employees and employers to the National Insurance scheme

society /sə'saɪəti/ *noun* the way in which the people in a country are organised

soft currency /,sɒft 'kʌrənsi/ *noun* the currency of a country with a weak economy, which is cheap to buy and difficult to exchange for other currencies. Opposite **hard currency**

soft landing /,sɒft 'lændɪŋ/ *noun* a change in economic strategy to counteract inflation, which does not cause unemployment or a fall in the standard of living, and has only minor effects on the bulk of the population

soft loan /'sɒft ləʊn/ *noun* a loan from a company to an employee or from one government to another at a very low rate of interest or with no interest payable at all

sole agency /,səʊl 'eɪdʒənsi/ *noun* an agreement to be the only person to represent a company or to sell a product in a particular area ○ *He has the sole agency for Ford cars.*

sole agent /,səʊl 'eɪdʒənt/ *noun* a person who has the sole agency for a company in an area ○ *She is the sole agent for Ford cars in the locality.*

sole distributor /,səʊl drɪ'strɪbjʊtə/ *noun* a retailer who is the only one in an area who is allowed to sell a product

sole owner /,səʊl 'əʊnə/ *noun* a person who owns a business on their own, with no partners, and has not formed a company

sole proprietor /,səʊl prə'praɪətə/, **sole trader** /,səʊl 'treɪdə/ *noun* a person who runs a business, usually by him- or herself, but has not registered it as a company

solvency /'sɒlv(ə)nsi/ *noun* the state of being able to pay all debts on due date. Opposite **insolvency**

solvency margin /'sɒlv(ə)nsi ,mɑ:dʒɪn/ *noun* a business's liquid assets that exceeds the amount required to meet its liabilities

solvency ratio /'sɒlv(ə)nsi ,reɪʃiəʊ/ *noun* the ratio of assets to liabilities, used to measure a company's ability to meet its debts

solvent /'sɒlv(ə)nt/ *adjective* having enough money to pay debts ○ *When she bought the company it was barely solvent.*

sort code /'sɔ:t kəʊd/ *noun* a combination of numbers that identifies a bank branch on official documentation, such as bank statements and cheques (NOTE: The US term is **routing number**.)

source /sɔ:s/ *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 /,sɔ:s ənd ,æplikeɪf(ə)n əv 'fʌndz ,steɪtmənt/, **sources and uses of funds statement** /,sɔ:sɪz ən ,ju:zɪz əv 'fʌndz ,steɪtmənt/ *noun* a statement in a company's annual accounts, showing where new funds came from during the year, and how they were used

source document /'sɔ:s ,dɒkjʊmənt/ *noun* 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 /speə/ *adjective* extra, not being used ○ *He has invested his spare capital in a computer shop.*

SPE *abbreviation* special purpose entity

special audit /'speʃ(ə)l ,ɔ:ɪt/ *noun* an audit with a narrow remit specified by a government agency

Special Commissioner /,speʃ(ə)l kə 'mi:ʃ(ə)nəl/ *noun* an official appointed by the Treasury to hear cases where a taxpayer is appealing against an income tax assessment

special deposits /,speʃ(ə)l dɪ'pɒzɪts/ *plural noun* large sums of money which commercial banks have to deposit with the Bank of England

special drawing rights /,speʃ(ə)l 'drɔ:ɪŋ raɪts/ *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 /'speʃ(ə)l ,dʒɜ:n(ə)l/ *noun* a journal in which entries of a specified type are recorded

special purpose entity /,speʃ(ə)l ,pɜ:pəs 'entɪti/, **special purpose vehicle** *noun* a separate business entity created to carry out a specific transaction or business unrelated to a company's main business. **Abbreviation** SPE, SPV

special resolution /,speʃ(ə)l ,rezə 'lu:f(ə)n/ *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 /'spi:ʃi:/ *noun* money in the form of coins

specification /,spesɪfɪ'keɪʃ(ə)n/ *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 /spə'sɪfɪk 'ɔ:də ,kɒstɪŋ/ *noun* same as **job costing**

specify /'spesɪfaɪ/ *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 /'spendɪŋ/ *noun* the act of paying money for goods and services ○ *Both cash spending and credit card spending increase at Christmas.*

spending money /'spendɪŋ ,mʌni/ *noun* money for ordinary personal expenses

split-capital trust /,splɪt ,kæpɪt(ə)l 'trʌst/ *noun* same as **split-level investment trust**

split commission /,splɪt kə'mɪʃ(ə)n/ *noun* commission which is divided between brokers or agents

split-level investment trust /,splɪt ,lev(ə)l ɪn'vestmənt ,trʌst/ *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 /,splɪt 'peɪmənt/ *noun* a payment which is divided into small units

split trust /,splɪt 'trʌst/ *noun* same as **split-level investment trust**

spoilage /'spɔɪlɪdʒ/ *noun* 1. waste arising from decay or damage 2. the amount of something wasted because of decay or damage

spot cash /,spɒt 'kæʃ/ *noun* cash paid for something bought immediately

spot market /'spɒt ,mɑ:kɪt/ *noun* a market that deals in commodities or foreign exchange for immediate rather than future delivery

'...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 /'spɒt praɪs/, **spot rate** /'spɒt reɪt/ *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 /spreɪd/ *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 ○ *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 /'spredɪŋ/ *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 /'spredʃi:t/ *noun* a computer printout or program that shows a series of columns or rows of figures

SPV *abbreviation* special purpose vehicle

Square Mile /,skwɛə 'maɪl/ *noun* the City of London, the British financial centre

squeeze /skwi:z/ *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 /,stɑ:fɪn 'sentɪvz/ *plural noun* higher pay and better conditions offered to employees to make them work better

stag /stæg/ *noun* a person who buys new issues of shares and sells them immediately to make a profit

staged payments /,stæɪdʒd 'peɪmənts/ *plural noun* payments made in stages

stagger /'stægə/ *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 /'stægnənt/ *adjective* not active, not increasing ○ *Turnover was stagnant for the first half of the year.* ○ *A stagnant economy is not a good sign.*

stagnate /stæg'neɪt/ *verb* not to increase, not to make progress ○ *The economy is stagnating.*

stagnation /stæg'neɪʃ(ə)n/ *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 /'steɪkhəʊldə/ *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 /'steɪkhəʊldə ,pɛnʃən/ *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 /'steɪkhəʊldə ,θɪəri/ *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 /'stæmp ,dʒu:ti/ *noun* a tax on legal documents such as those used, e.g.,

for the sale or purchase of shares or the conveyance of a property to a new owner

stand-alone cost method /'stænd ə ,ləʊn kɒst ,meθəd/ *noun* a method that divides common costs among all users

standard agreement /,stændəd ə 'gri:mənt/, **standard contract** /,stændəd 'kɒntrækt/ *noun* a normal printed contract form

standard cost /,stændəd 'kɒst/ *noun* a future cost which is calculated in advance and against which estimates are measured

standard costing /,stændəd 'kɒstɪŋ/ *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 /,stændəd 'kɒst ,sɪstəm/ *noun* a system that records costs at standard levels, rather than at actual levels

standard direct labour cost /,stændəd daɪ'rekt 'leɪbə ,kɒst/ *noun* the cost of labour calculated to produce a product according to specification, used to measure estimates

standard letter /,stændəd 'letə/ *noun* a letter which is sent without change to various correspondents

standard opinion /,stændəd ə'pɪnjən/ *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 /'stændəd reɪt/ *noun* a basic rate of income tax which is paid by most taxpayers

standby credit /'stændbaɪ ,kredit/ *noun* **1.** credit which is available if a company needs it, especially credit guaranteed by a euronote **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 /,stændɪŋ 'ɔ:də/ *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 /stɑ:t/ *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 /,stɑ:tɪŋ reɪt əv 'tæks/ *noun* a tax rate (currently 10%) paid on the first segment of taxable income, before the basic rate applies

starting salary /'stɑ:tɪŋ ,sæləri/ *noun* a salary for an employee when he or she starts work with a company

start-up /'stɑ:t ʌp/ *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 /'stɑ:t ʌp ,faɪnænsɪŋ/ *noun* the first stage in financing a new project, which is followed by several rounds of investment capital as the project gets under way

state /steɪt/ *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 /,steɪt 'bæŋk/ *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 /,steɪt 'benɪfɪts/ *plural noun* payments which are made to someone under a national or private scheme

stated capital /,steɪtɪd 'kæpɪt(ə)l/ *noun* the amount of a company's capital contributed by shareholders

State Earnings-Related Pension Scheme /,steɪt ,ɜ:ɪnɪŋz rɪ'leɪtɪd 'penʃən ,ski:m/ *noun* ♦ **State Second Pension**

statement /'steɪtmənt/ *noun* something said or written which describes or explains something clearly

statement of account /,steɪtmənt əv ə 'kaʊnt/ *noun* a list of sums due, usually relating to unpaid invoices

statement of affairs /,steɪtmənt əv ə 'feəz/ *noun* a financial statement drawn up when a person is insolvent

Statement of Auditing Standards /,steɪtmənt əv 'ɔ:dɪtɪŋ ,stændədz/ *noun* an auditing standard, issued by the Auditing Practices Board, containing prescriptions as to the basic principles and practices which

members of the UK accountancy bodies are expected to follow in the course of an audit. Abbreviation **SAS**

statement of cash flows /,steɪtmənt əv 'kæʃ fləʊz/ *noun* a statement that documents actual receipts and expenditures of cash

statement-of-cash-flows method /,steɪtmənt əv 'kæʃ fləʊz məθəd/ *noun* a method of accounting that is based on flows of cash rather than balances on accounts

statement of changes in financial position /,steɪtmənt əv tʃeɪndʒɪz ɪn faɪ'nænʃəl pə'zɪʃ(ə)n/ *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 /,steɪtmənt əv faɪ'nænʃ(ə)l ə'kaʊntɪŋ stændədz/ *noun* in the US, a statement detailing the standards to be adopted for the preparation of financial statements. Abbreviation **SFAS**

Statement of Principles /,steɪtmənt əv 'prɪnsɪp(ə)lz/ *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 /,steɪtmənt əv rɪələ'zeɪʃ(ə)n ən 'lɪkwɪ'deɪʃ(ə)n/ *noun* a statement of the financial position of a company going out of business

statement of retained earnings /,steɪtmənt əv rɪ'teɪnd 'ɜ:ɪnɪŋz/ *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 /,steɪtmənts əv stændəd ə'kaʊntɪŋ 'præktɪs/ *plural noun* rules laid down by the Accounting Standards Board for the preparation of financial statements. Abbreviation **SSAPs**

state of indebtedness /,steɪt əv ɪn'detɪdnəs/ *noun* the fact of being in debt, owing money

state pension /,steɪt 'penʃən/ *noun* a pension that is provided by the state and funded from National Insurance payments

state retirement pension /,steɪt rɪ'taɪəmənt 'penʃən/ *noun* a pension paid by the state to people when they reach the statutory retirement age

State Second Pension /,steɪt ,sekənd 'penʃ(ə)n/ *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 /stə'tɪstɪk(ə)l/ *adjective* based on statistics ○ *statistical information* ○ *They took two weeks to provide the statistical analysis of the opinion-poll data.*

statistical discrepancy /stə'tɪstɪk(ə)l dɪ'skrɛpənsi/ *noun* the amount by which sets of figures differ

statistical quality control /stə'tɪstɪk(ə)l 'kwɒlɪtɪ kən'trəʊl/ *noun* the process of inspecting samples of a product to check that quality standards are being met

statistician /,stætɪ'stɪʃ(ə)n/ *noun* a person who analyses statistics

statistics /stə'tɪstɪks/ *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 /'steɪtəs/ *noun* the importance of someone or something relative to others, especially someone's position in society

status inquiry /'steɪtəs ɪn,kwærɪ/ *noun* the act of checking on a customer's credit rating

status quo /,steɪtəs 'kwəʊ/ *noun* the state of things as they are now ○ *The contract does not alter the status quo.*

statute /'stætʃu:t/ *noun* an established written law, especially an Act of Parliament. Also called **statute law**

statute-barred /,stætʃu:t 'bɑ:d/ *adjective* referring to legal action which cannot be pursued because the time limit for it has expired

statute book /'stætʃu:t bʊk/ *noun* all laws passed by Parliament which are still in force

statute law /'stætʃu:t lɔ:/ *noun* same as **statute**

statutory /'stætʃʊt(ə)ri/ *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 /'stætʃʊt(ə)ri ,ɔ:dɪt/ *noun* an audit carried out on the instructions of, and with a remit set by, a governmental agency

statutory auditor /,stætʃʊt(ə)ri 'ɔ:dɪtə/ *noun* a professional person qualified to carry out an audit required by the Companies Act

statutory books /ˌstætʃʊt(ə)ri 'bʊks/ *plural noun* company records required by law, e.g. a register of members

statutory instrument /ˌstætʃʊt(ə)ri 'ɪnstrʊmənt/ *noun* an order which has the force of law, made under authority granted to a minister by an Act of Parliament

statutory maternity pay /ˌstætʃʊt(ə)ri mət'ɜːnɪtɪ ,peɪ/ *noun* in the UK, 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 /ˌstætʃʊt(ə)ri ,regjʊ'leɪʃ(ə)nz/ *plural noun* 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 /ˌsteɪ əv ɛkʃɪ 'kjuːʃ(ə)n/ *noun* the temporary stopping of a legal order ○ *The court granted the company a two-week stay of execution.*

stepped costs /ˌstept 'kɒsts/ *plural noun* 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 /'stɜːlɪŋ/ *noun* the standard currency used in the United Kingdom ○ *to quote prices in sterling or 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 /'stɜːlɪŋ ,eəriə/ *noun* formerly, the area of the world where the pound sterling was the main trading currency

sterling balances /ˌstɜːlɪŋ 'bælənsɪz/ *plural noun* a country's trade balances expressed in pounds sterling

sterling crisis /'stɜːlɪŋ ,kraɪsɪs/ *noun* a fall in the exchange rate of the pound sterling

sterling index /'stɜːlɪŋ ,ɪndeks/ *noun* an index which shows the current value of sterling against a basket of currencies

stock /stɒk/ *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 /'stɒkbrəʊkə/ *noun* a person who buys or sells shares for clients

stockbroking /'stɒkbrəʊkɪŋ/ *noun* the business of dealing in shares for clients ○ *a stockbroking firm*

stock certificate /'stɒk sə,tɪfɪkət/ *noun* a document proving that someone owns stock in a company

stock code /'stɒk kəʊd/ *noun* a set of numbers and letters which refer to an item of stock

stock company /'stɒk ,kʌmpəni/ *noun* a company that has its capital divided into shares that are freely tradable

stock control /'stɒk kən,tɹəʊl/ *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 /'stɒk kən,tɹəʊlə/ *noun* a person who notes movements of stock

stock depreciation /'stɒk dɪpɪːʃi ,eɪʃ(ə)n/ *noun* a reduction in value of stock which is held in a warehouse for some time

Stock Exchange /'stɒk ɪks,tʃeɪndʒ/ *noun* 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 /'stɒk ɪks ,tʃeɪndʒ ,lɪstɪŋ/ *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 /'stɒk ,fɪgəz/ *plural noun* details of how many goods are in the warehouse or store

stockholder /'stɒkhəʊldə/ *noun* US same as **shareholder**

stockholding /'stɒkhəʊldɪŋ/ *noun* the shares in a company held by someone

stock-in-trade /ˌstɒk ɪn 'treɪd/ *noun* goods held by a business for sale

stock ledger /'stɒk ,ledʒə/ *noun* a book which records quantities and values of stock

stock level /'stɒk ,lev(ə)/ *noun* the quantity of goods kept in stock ○ *We try to keep stock levels low during the summer.*

stock market /'stɒk ,mɑ:kɪt/ *noun* a place where shares are bought and sold, i.e. a stock exchange ○ *stock market price or price on the stock market*

stock market valuation /,stɒk ,mɑ:kɪt ,vælju'eɪf(ə)n/ *noun* the value of a company based on the current market price of its shares

stock option /'stɒk ,ɒpʃən/ *noun* US same as **share option**

stocks and shares /,stɒks ən 'ʃeəz/ *plural noun* shares in ordinary companies

stocktaking /'stɒkteɪkɪŋ/, **stocktake** /'stɒkteɪk/ *noun* the counting of goods in stock at the end of an accounting period ○ *The warehouse is closed for the annual stocktaking.*

stocktaking sale /'stɒkteɪkɪŋ ,seɪl/ *noun* a sale of goods cheaply to clear a warehouse before stocktaking

stock transfer form /,stɒk 'trænsfɜ:fɔ:m/ *noun* a form to be signed by the person transferring shares

stock turn /'stɒk tɜ:n/, **stock turnaround** /'stɒk ,tɜ:nraʊnd/, **stock turnover** /'stɒk ,tɜ:nəʊvə/ *noun* the total value of stock sold in a year divided by the average value of goods in stock

stock valuation /,stɒk ,vælju'eɪf(ə)n/ *noun* an estimation of the value of stock at the end of an accounting period

stop-loss order /,stɒp 'lɒs ,ɔ:də/ *noun* an instruction to a stockbroker to sell a share if the price falls to an specified level (NOTE: The US term is **stop order**.)

storage capacity /'stɔ:ri:dʒ kə,pæsi'ti/ *noun* the space available for storage

store card /'stɔ:kɑ:d/ *noun* a credit card issued by a large department store, which can only be used for purchases in that store

straddle /'stræd(ə)/ *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 /,streɪt laɪn dɪ,pri:ʃi'eɪf(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 /strə'ti:dʒɪk kɒst ,mænɪdʒmənt/ *noun* the use of cost information made by management to achieve the aims of a company

strategic management accounting /strə'ti:dʒɪk ,mænɪdʒmənt ə'kaʊntɪŋ/ *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 /'strætədʒi/ *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.* (NOTE: The plural is **strategies**.)

strike /straɪk/ *verb* □ **a deal was struck at £25 a unit** we agreed the price of £25 a unit **strong** /strɒŋ/ *adjective* with a lot of force or strength ○ *This Christmas saw a strong demand for mobile phones.* ○ *The company needs a strong chairman.*

'...everybody blames the strong dollar for US trade problems' [*Duns Business Month*]

'...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*]

strongbox /'strɒŋbɒks/ *noun* a heavy metal box which cannot be opened easily, in which valuable documents and money can be kept

strong currency /,strɒŋ 'kʌrənsi/ *noun* a currency which has a high value against other currencies

strong pound /,strɒŋ 'paʊnd/ *noun* a pound which is high against other currencies

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 /sʌb/ *noun* wages paid in advance

subcontract /,sʌbkən'trækt/ *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 /'sʌbkən'træktə/ *noun* a company which has a contract to do work for a main contractor

subject to /'sʌbdʒɪkt tu:/ *adjective* depending on

sublease /sʌb'li:z/ *verb* to lease a leased property from another tenant ○ *They subleased a small office in the centre of town.*

sublessee /sʌble'si:/ *noun* a person or company that takes a property on a sublease

sublessor /sʌble'sɔ:/ *noun* a tenant who leases a leased property to another tenant

sublet /sʌb'let/ *verb* to let a leased property to another tenant ○ *We have sublet part of our office to a financial consultancy.* (NOTE: **subletting** – **sublet**)

subordinated debt /sʌb,ɔ:dɪnɪtɪd 'det/ *noun* a loan that has less of a claim on assets or earnings than another debt

subordinated loan /sʌb,ɔ:dɪnətɪd 'ləʊn/ *noun* a loan which ranks after all other borrowings as regards payment of interest or repayment of capital

subscribe /sʌb'skrɪb/ *verb* □ **to subscribe for shares, to subscribe to a share issue** to apply for shares in a new company

subscription /sʌb'skrɪpʃən/ *noun* **1.** money paid in advance for a series of issues of a magazine, for membership of a society, or for access to information on a website ○ *Did you remember to pay the subscription to the computer magazine?* ○ *She forgot to renew her club subscription.* **2.** □ **subscription to a new share issue** application to buy shares in a new company □ **the subscription lists close at 10.00 on September 24th** no new applicants will be allowed to subscribe for the share issue after that date

subscription price /sʌb'skrɪpʃən praɪs/ *noun* the price at which new shares in an existing company are offered for sale

subsequent event /sʌbsɪkwənt ɪ 'vent/ *noun* an event with an important financial impact that occurs between the publication of a financial statement and the publication of an audit report, and that should therefore be disclosed in a footnote

subsidiary /sʌb'sɪdiəri/ *adjective* less important ○ *They agreed to most of the conditions in the contract but queried one or two subsidiary items.* ■ *noun* same as **subsidiary company** ○ *Most of the group profit was contributed by the subsidiaries in the Far East.*

subsidiary account /sʌb,sɪdiəri ə 'kaʊnt/ *noun* an account for one of the individual people or organisations that jointly hold another account

subsidiary company /sʌb,sɪdiəri 'kʌmp(ə)ni/ *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 /sʌb'sɪdiəri ,kʌmp(ə)ni ə,kəʊntɪŋ/ *noun* the accounting methods that are used at a

subsidiary for recording transactions with its parent company

subsidise /'sʌbsɪdaɪz/, **subsidize** *verb* to help by giving money ○ *The government has refused to subsidise the car industry.*

subsidised accommodation /sʌbsɪdaɪzd ə,kɒmə'deɪʃ(ə)n/ *noun* cheap accommodation which is partly paid for by an employer or a local authority

subsidy /'sʌbsɪdi/ *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 /sʌb'tenənsi/ *noun* an agreement to sublet a property

subtenant /sʌb'tenənt/ *noun* a person or company to which a property has been sublet

subtotal /'sʌb,təʊt(ə)/ *noun* the total of one section of a complete set of figures ○ *She added all the subtotals to make a grand total.*

subtract /sʌb'trækt/ *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 /sʌb'trækʃən/ *noun* an act of taking one number away from another

subvention /sʌb'venʃ(ə)n/ *noun* same as **subsidy**

succeed /sək'sɪd/ *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 /sək'ses/ *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 /sʌm/ *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 /sʌm ət 'rɪsk/ *noun* the amount of any given item, such as money, stocks or securities that an investor may lose

sum of digits method /sʌm əv 'dɪdʒɪts meθəd/ *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 /sʌm əv ðə ˌjɪəz 'dɪdʒɪts dɪˌprɪːʃɪ 'eɪf(ə)n/ *noun* a method of recognising depreciation that assigns more depreciation early in an asset's useful life than in the later years

sums chargeable to the reserve /sʌmz ˌtʃɑːdʒəb(ə)l tə ðə rɪ'zɜːv/ *plural noun* sums which can be debited to a company's reserves

sundry /'sʌndri/ *adjective* various

sunk cost /'sʌŋk kɒst/ *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**

superannuation /sʌːpərəˌnju'eɪf(ə)n/ *noun* a pension paid to someone who is too old or ill to work any more

supplementary **benefit** /sʌplɪment(ə)rɪ 'benɪfɪt/ *noun* formerly, payments from the government to people with very low incomes. It was replaced by income support.

supplementary statement /sʌplɪ 'ment(ə)rɪ ˌsteɪtmənt/ *noun* a statement that elaborates on an earlier financial statement

supplier /sə'plɑːə/ *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 /sə'plɑː ən dɪ 'mɑːnd/ *noun* the amount of a product which is available and the amount which is wanted by customers

supply chain /sə'plɑː tʃeɪn/ *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 /sə'plɑː tʃeɪn ˌmænɪdʒmənt/ *noun* the work of co-ordinating 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 /sə'plɑː praɪs/ *noun* the price at which something is provided

support price /sə'pɔːt praɪs/ *noun* a price in the EU at which a government will buy agricultural produce to stop the price falling

surcharge /'sɜːtʃɑːdʒ/ *noun* an extra charge

surety /'ʃʊərətɪ/ *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 /'sɜːpləs/ *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 /sə'rendə/ *noun* the act of giving up of an insurance policy before the contracted date for maturity

surrender value /sə'rendə ˌvæljuː/ *noun* the money which an insurer will pay if an insurance policy is given up

surtax /'sɜːtæks/ *noun* an extra tax on high income

suspend /sə'spend/ *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.*

suspense account /sə'spens əˌkaʊnt/ *noun* an account into which payments are put temporarily when the accountant cannot be sure where they should be entered

suspension /sə'spenʃən/ *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 /'swi:t(ə)nə/ *noun* an incentive offered to help persuade somebody to take a particular course of action (*informal*)

switch /switʃ/ *verb* **1.** to change from one thing to another ○ to switch funds from one investment to another ○ The job was switched from our British factory to the States. **2.** to change, especially to change investment money from one type of investment to another

SWOT analysis /'swɒt ə,næləʊsɪs/ *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 /'sɪndɪkeɪt/ *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' [*Financial Times*]

system /'sɪstəm/ *noun* an arrangement or organisation of things which work together ○ Our accounting system has worked well in spite of the large increase in orders.

systematic sampling /,sɪstəmətɪk 'sɑ:mplɪŋ/ *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 /'sɪstəmz ə,næləʊsɪs/ *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 /'sɪstəmz ,ænəlɪst/ *noun* a person who specialises in systems analysis

system weakness /'sɪstəm ,wi:knəs/ *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 /'tæbjuleɪt/ *verb* to set something out in a table

tabulation /,tæbjʊ'leɪʃ(ə)n/ *noun* the arrangement of figures in a table

tabulator /'tæbjuleɪtə/ *noun* a feature on a computer which sets words or figures automatically in columns

T account /'ti: ə,kəʊnt/ *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 /'teɪk həʊm ,peɪ/ *noun* same as **disposable personal income** ○ *After all the deductions, her take-home pay is only £600 a week.*

take-out /'teɪk aʊt/ *noun* the act of removing capital which you had originally invested in a new company by selling your shares

takeover /'teɪkəʊvə/ *noun* an act of buying a controlling interest in a business by

buying more than 50% of its shares. Compare **acquisition**

takeover bid /'teɪkəʊvə bɪd/ *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 /'teɪkəʊvə kəʊd/ *noun* the code of practice which regulates how takeovers should take place. It is enforced by the Takeover Panel.

Takeover Panel /'teɪkəʊvə ,pænl(ə)/ *noun* a non-statutory body which examines takeovers and applies the Takeover Code. Also called **City Panel on Takeovers and Mergers**

takeover target /'teɪkəʊvə ,tɑ:ɡɪt/ *noun* a company which is the object of a takeover bid

take up rate /'teɪk ʌp ,reɪt/ *noun* the percentage of acceptances for a rights issue

takings /'teɪkɪŋz/ *plural noun* the money received in a shop or a business ○ *The week's takings were stolen from the cash desk.*

tally /'tæli/ *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 /'tæli ʃi:t/ *noun* a sheet on which quantities are noted

tangible assets /,tændʒɪb(ə)l 'æsets/,

tangible fixed assets /,tændʒɪb(ə)l fɪkst

'æsets/, **tangible property** /,tændʒɪb(ə)l

'prɒpəti/ *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 /,tændʒəb(ə)l 'æset ,vælju:/, **tangible net worth** /,tændʒəb(ə)l net 'wɜ:θ/ *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 /,tændʒəb(ə)l 'bʊk ,vælju:/ *noun* the book value of a company after intangible assets, patents, trademarks and the value of research and development have been subtracted

taper relief /'teɪpə rɪ,lɪ:f/ *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 /,tɑ:ɡɪt 'kʌmp(ə)ni/ *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 /'tɑ:ɡɪt 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 /'tɑ:ɡɪt ,mɑ:kit/ *noun* the market in which a company is planning to sell its goods

target pricing /'tɑ:ɡɪt ,praɪsɪŋ/ *noun* the setting of a selling price with the aim of producing a particular rate of return on investment for a specific volume of production

tariff /'tærɪf/ *noun* a tax to be paid on imported goods. Also called **customs tariff**

tax /tæks/ *noun* **1.** money taken by the government 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 □ **to levy or impose a tax** to make a tax payable ○ *The government has imposed a 15% tax on petrol.* ■ **verb** to make someone pay a tax, to impose a tax on something ○ *Businesses are taxed at 40%.* ○ *Income is taxed at 35%.* ○ *Luxury items are heavily taxed.*

tax abatement /'tæks ə,bɛɪtmənt/ *noun* a reduction of tax

taxable /'tæksəb(ə)l/ *adjective* able to be taxed

taxable base /,tæksəb(ə)l 'beɪs/ *noun* the amount subject to taxation

taxable benefit /,tæksəb(ə)l 'benɪfɪt/ *noun* a benefit which is included in a person's taxable income and is subject to tax

taxable income /,tæksəb(ə)l 'ɪnkʌm/ *noun* income on which a person has to pay tax

taxable items /'tæksəb(ə)l ,aɪtəmz/ *plural noun* items on which a tax has to be paid

taxable matters /,tæksəb(ə)l 'mætəz/ *plural noun* goods or services that can be taxed

taxable person /,tæksəb(ə)l 'pɜ:s(ə)n/ *noun* a person who is registered for VAT, and who charges VAT on goods or services supplied

taxable supply /,tæksəb(ə)l sə'plɑɪ/ *noun* a supply of goods which are subject to VAT

tax adjustments /'tæks ə,dʒʌstmənts/ *plural noun* changes made to tax

tax adviser /'tæks əd,vaɪzə/, **tax consultant** /'tæks kən,sʌltənt/ *noun* a person who gives advice on tax issues and problems

tax allowance /'tæks ə,lauəns/ *noun* part of the income which a person is allowed to earn and not pay tax on

tax assessment /'tæks ə,sesmənt/ *noun* a calculation by a tax inspector of the amount of tax a person owes

taxation /tæk'seɪʃ(ə)n/ *noun* the system of raising revenue for public funding by taxing individuals and organisations, or the amount of revenue raised

tax at source /,tæks ət 'sɔ:s/ *verb* to deduct tax from earnings before they are paid to the recipient

tax auditor /'tæks ,ɔ:dɪtə/ *noun* a government employee who investigates taxpayers' declarations

tax avoidance /'tæks ə,vɔɪd(ə)ns/ *noun* the practice of legally trying to pay as little tax as possible

tax bracket /'tæks ,brækt/ *noun* the section of people paying a particular level of income tax

tax code /'tæks kəʊd/ *noun* a number given to indicate the amount of tax allowance a person has

tax collector /'tæks kə'lektə/ *noun* a person who collects taxes which are owed

tax concession /'tæks kən,sɛf(ə)n/ *noun* an act of allowing less tax to be paid

tax consultant /'tæks kən,sʌltənt/ *noun* ▶ **tax adviser**

tax credit /'tæks ,kredɪt/ *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 /'tæks deɪt/ *noun* the date on which a transaction occurs for tax purposes, particularly relevant to invoices on which VAT is charged

tax-deductible /,tæks dɪ'dʌktɪb(ə)/ *adjective* possible to deduct from an income before tax is calculated

tax deposit certificate /'tæks dɪ,pɒzɪt sə,tɪfɪkət/ *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 /'tæks dɒdʒ/ *noun* an illegal method of paying less tax than an individual or company is legally obliged to pay

tax domicile /'tæks ,dɒmɪsaɪl/ *noun* the place that a government levying a tax considers to be a person's home

tax evasion /'tæks ɪ,vɛɪʒ(ə)n/ *noun* the practice of illegally trying to not pay tax

tax-exempt /,tæks ɪg'zempt/ *adjective* 1. referring to a person or organisation not required to pay tax 2. not subject to tax

tax exemption /'tæks ɪg,zempʃən/ *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 /,tæks ɪg,zempʃ(ə)n 'kʌt ,ɒf/ *noun* a limit on tax exemption because of high income

tax-exempt special savings account /,tæks ɪg,zempt ,speʃ(ə)l 'seɪvɪŋz ə ,kaʊnt/ *noun* a now-discontinued form of interest-free savings account largely superseded by the ISA. Abbreviation **TESSA**

tax form /'tæks fɔ:m/ *noun* a blank form to be filled in with details of income and allowances and sent to the tax office each year

tax-free /,tæks 'fri:/ *adjective* with no tax having to be paid ○ *tax-free goods*

tax harmonisation /'tæks ,hɑ:mənəɪzɪʃ(ə)n/ *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 /'tæks ,heɪv(ə)n/ *noun* a country or area where taxes are low, encouraging companies to set up their main offices there

tax holiday /'tæks ,hɒlɪdeɪ/ *noun* a period when a new business is exempted from paying tax

tax incentive /'tæks ɪn,sentɪv/ *noun* a tax reduction afforded to people for particular purposes, e.g., sending their children to college

tax inspector /'tæks ɪn,spektə/ *noun* a government employee who investigates taxpayers' declarations

tax law /'tæks lɔ:/ *noun* the body of laws on taxation, or one such law

tax liability /,tæks ,laɪə'bɪlɪti/ *noun* the amount of tax that a person or organisation has to pay

tax loophole /'tæks ,lu:p'həʊl/ *noun* a legal means of not paying tax

tax loss /'tæks lɒs/ *noun* a loss made by a company during an accounting period, for which relief from tax is given

tax loss carry-back /,tæks lɒs ,kæri 'bæk/ *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 /,tæks lɒs ,kæri 'fɔ:wəd/ *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 /'tæks ,ɒblɪgeɪʃ(ə)n/ *noun* the amount of tax a person or company owes

tax office /'tæks ,ɒfɪs/ *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 /,tæks ɒn ,kæpɪt(ə)l 'ɪnkʌm/ *noun* a tax on the income from sales of capital assets

tax payable /,tæks 'peɪəb(ə)/ *noun* the amount of tax a person or company has to pay

taxpayer /'tækspeɪə/ *noun* a person or company that has to pay tax ○ *basic taxpayer* or *taxpayer at the basic rate* ○ *Corporate taxpayers are being targeted by the government.*

tax planning /'tæks ,plænɪŋ/ *noun* planning how to avoid paying too much tax, by investing in, e.g., tax-exempt savings schemes or offshore trusts

tax point /'tæks pɔɪnt/ *noun* the date on which goods or services are supplied, which is the date when VAT becomes due

tax pressure /'tæks ,preʃə/ *noun* the financial difficulty that a company may face because of the taxes it must pay

tax rates /'tæks reɪts/ *plural noun* percentage rates of tax on different bands of taxable income

tax rebate /'tæks ,ri:beɪt/ *noun* money returned by the Inland Revenue because it was overpaid

tax reform /'tæks rɪ,fɔ:m/ *noun* changes to tax provisions made by a revenue authority

tax refund /'tæks ,rɪ:fʌnd/ *noun* US same as **remission of taxes**

tax relief /'tæks rɪ,lɪ:f/ *noun* reductions in tax liability that are allowed in line with necessary business expenditure

tax return /'tæks rɪ,tʃɪn/ *noun* a completed tax form, with details of income and allowances

tax revenue /'tæks ,revənju:/ *noun* money that a government receives in taxes

tax schedules /'tæks ,ʃedju:lz/ *plural noun* six types of income as classified for tax

tax shelter /'tæks ,ʃeltə/ *noun* a financial arrangement such as a pension scheme where investments can be made without tax

tax system /'tæks ,sɪstəm/ *noun* the methods used by a government in imposing and collecting taxes

tax threshold /'tæks ,θrefhəʊld/ *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 /'tæks ,tri:ti/ *noun* an international agreement that deals with taxes, especially taxes by several countries on the same individuals

tax voucher /'tæks ,vautʃə/ *noun* a document detailing various items of financial information, issued to shareholders at the time dividends are paid

tax year /'tæks ,jɪə/ *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 /'ti: bɒnd/ *noun* same as **Treasury bond**

technical /'teknɪk(ə)l/ *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 /,teknɪk(ə)l ə 'næləsɪs/ *noun* a study of the price movements and volumes traded on a stock exchange

technical correction /,teknɪk(ə)l kə 'rekʃ(ə)n/ *noun* an adjustment to the price of a share or the value of a currency

technical decline /,teknɪk(ə)l dɪ'klaɪn/ *noun* a fall in share prices because of technical analysis

technical reserves /,teknɪk(ə)l rɪ 'zɜ:vz/ *plural noun* the assets that an insurance company maintains to meet future claims

teeming and lading /,ti:mɪŋ ən 'leɪdɪŋ/ *noun* an attempt to hide missing funds by delaying the recording of cash receipts in a business's books

telephone banking /,telɪfəʊn '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 /'telə/ *noun* a person who takes cash from or pays cash to customers at a bank

tenancy /'tenənsɪ/ *noun* an agreement by which a tenant can occupy a property

tenant /'tenənt/ *noun* a person or company which rents a house, flat or office to live or work in ○ *The tenant is liable for repairs.*

tender /'tendə/ *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 /'tendərə/ *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 /'tendərɪŋ/ *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 /'tendər ,ɒfə/ *noun* a method of selling new securities or bonds by asking investors to make offers for them, and accepting the highest offers

10-K /,ten 'keɪ/ *noun* the filing of a US company's annual accounts with the New York Stock Exchange

tenor /'tenə/ *noun* the life of a financial instrument, between the time it is taken out and the maturity date

10-Q /ˌten 'kjuː/ *noun* the filing of a US company's quarterly accounts with the New York Stock Exchange

term /tɜːm/ *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 /'tɜːm dɪˌpɒzɪt/, **term account** /'tɜːm əˌkaʊnt/ *noun* money invested for a fixed period at a higher rate of interest

terminal bonus /ˌtɜːmɪn(ə)l 'bɒʊnəs/ *noun* a bonus received when an insurance comes to an end

termination clause /ˌtɜːmɪˈneɪʃ(ə)n klɔːz/ *noun* a clause which explains how and when a contract can be terminated

term loan /'tɜːm ləʊn/ *noun* a loan for a fixed period of time

terms /tɜːmz/ *plural noun* the conditions or duties which have to be carried out as part of a contract, or the arrangements which have to be agreed before a contract is valid ○ *to negotiate for better terms* ○ *She refused to agree to some of the terms of the contract.* ○ *By or Under the terms of the contract, the company is responsible for all damage to the property.*

'...companies have been improving communications, often as part of deals to cut down demarcation and to give everybody the same terms of employment' [*Economist*]

'...the Federal Reserve Board has eased interest rates in the past year, but they are still at historically high levels in real terms' [*Sunday Times*]

term shares /'tɜːm ʃeəz/ *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 /ˌtɜːmz əv 'ref(ə)rəns/ *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 /ˌtɜːmz əv 'seɪl/ *plural noun* the conditions attached to a sale

TESSA /'tesə/ *abbreviation* tax-exempt special savings account

testamentary /ˌtestə'mentəri/ *adjective* referring to a will

testamentary disposition /testə'mentəri ˌdɪspə'zɪʃ(ə)n/ *noun* the passing of property to people in a will

testate /'testeɪt/ *adjective* having made a will ○ *Did he die testate?* † **intestate**

testator /te'steɪtə/ *noun* someone who has made a will

testatrix /te'steɪtrɪks/ *noun* a woman who has made a will

theory of constraints /ˌθɪəri əv kən'streɪnts/ *noun* an approach to production management that aims to maximise sales revenue by focusing on constraining factors such as bottlenecks

third party /ˌθɜːd 'pɑːti/ *noun* a person other than the two main parties involved in a contract, e.g., in an insurance contract, anyone who is not the insurance company nor the person who is insured

third quarter /ˌθɜːd 'kwɔːtə/ *noun* the period of three months from July to September

3i *abbreviation* Investors in Industry

threshold /'θreʃhəʊld/ *noun* the point at which something changes

threshold agreement /'θreʃhəʊld əˌɡri:mənt/ *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

thrift /θrɪft/ *noun* **1.** a careful attitude towards money, shown by saving or spending it wisely **2.** *US* a private local bank, savings and loan association or credit union, which accepts and pays interest on deposits from small investors

'...the thrift, which had grown from \$4.7 million in assets in 1980 to 1.5 billion this year, has ended in liquidation' [*Barrons*]

'...some thrifts came to grief on speculative property deals, some in the high-risk junk bond market, others simply by lending too much to too many people' [*Times*]

thrifty /'θrɪfti/ *adjective* careful not to spend too much money

throughput /'θruːpʊt/ *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 /'θruːpʊt əˌkaʊntɪŋ/ *noun* a management accounting system that seeks to maximise the return on bottleneck activity

tied financial adviser /ˌtaɪd faɪˌnænʃəl əd'vaɪzə/ *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 /'taɪt(ə)n/ *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 /,taɪt 'mʌni/ *noun* same as **dear money**

tight money policy /,taɪt 'mʌni ,pɒlɪsi/ *noun* a government policy to restrict money supply

till /tɪl/ *noun* a drawer for keeping cash in a shop

time /taɪm/ *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 /,taɪm ən mə'tɪəriəlz ,praɪsɪŋ/ *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 /,taɪm ən 'meθəd ,stʌdi/ *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 /,taɪm ən 'məʊfj(ə)n ,ekspɜ:t/ *noun* a person who analyses time and motion studies and suggests changes in the way work is done

time and motion study /,taɪm ən 'məʊfj(ə)n ,stʌdi/ *noun* a study that seeks to improve efficiency and productivity in an office or factory

time deposit /'taɪm dɪ,pɒzɪt/ *noun* a deposit of money for a fixed period, during which it cannot be withdrawn

time draft /'taɪm drɑ:ft/ *noun* a bill of exchange that is drawn on and accepted by a US bank

time limit /'taɪm ,lɪmɪt/ *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 /'taɪm lɪmɪ'teɪfj(ə)n/ *noun* the restriction of the amount of time available

time rate /'taɪm reɪt/ *noun* a rate for work which is calculated as money per hour or per week, and not money for work completed

timescale /'taɪmskeɪl/ *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 /'taɪm ʃi:t/ *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 /'taɪm wɜ:k/ *noun* work which is paid for at a rate per hour or per day, not per piece of work completed

title /'taɪt(ə)l/ *noun* a right to own a property ○ *She has no title to the property.* ○ *He has a good title to the property.*

title deeds /'taɪt(ə)l ,di:dz/ *plural noun* a document showing who is the owner of a property

token charge /,təʊkən 'tʃɑ:dʒ/ *noun* a small charge which does not cover the real costs ○ *A token charge is made for heating.*

token payment /'təʊkən ,peɪmənt/ *noun* a small payment to show that a payment is being made

token rent /,təʊkən 'rent/ *noun* a very low rent payment to show that some rent is being asked

toll /təʊl/ *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 /'təʊl kɔ:l/ *noun* US a long-distance telephone call

toll free /,təʊl 'fri:z/ *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 /,tɒp hæ't 'penʃən/ *noun* a special extra pension for senior managers

total /'təʊt(ə)l/ *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** – **totalled**.)

total absorption costing /,təʊt(ə)l əb 'zɔ:ɪpʃən ,kɒstɪŋ/ *noun* 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. \diamond **marginal costing**

total assets /,təʊt(ə)l 'æsets/ *plural noun* the total net book value of all assets

total asset turnover ratio /,təʊt(ə)l ,æset 'tɜ:nəʊvə ,reɪʃiəʊ/ *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 /,təʊt(ə)l 'ɪnvɔɪs ,vælju:/ *noun* the total amount on an invoice, including transport, VAT, etc.

total manufacturing costs /,təʊt(ə)l ,mænjʊ'fæktʃəriŋ ,kɒsts/ *plural noun* the total figure for costs of materials, labour and overheads incurred during an accounting period

total overhead cost variance /,təʊt(ə)l 'əʊvəhed kɒst ,veəriəns/ *noun* the difference between the overhead cost absorbed and the actual overhead costs, both fixed and variable

total productivity /,təʊt(ə)l ,prɒdæk 'tɪvɪti/ *noun* a figure that represents the value of total output divided by the cost of all input

total quality control /,təʊt(ə)l 'kwɒləti kən,trəʊl/ *noun* a manufacturing approach that aims at turning out products that are consistently defect-free

total return /,təʊt(ə)l rɪ'tɜ:n/ *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 /,treɪsə'bɪlɪti/ *noun* the extent to which a cost can be directly assigned to an activity or object

traceable cost /'treɪsəb(ə)l kɒst/ *noun* a cost that is directly assigned to an activity or object

tracker fund /'trækə fʌnd/ *noun* a fund which tracks one of the stock market indices, such as the FTSE

tracking stock /'trækɪŋ stɒk/ *noun* shares on which the level of dividend payments is linked to the performance of a subsidiary of the company

trade /treɪd/ *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 \circ *He's in the secondhand car trade.* \circ *She's very well known in the clothing trade.* \blacksquare **verb** to buy and sell, to carry on a business \circ *We trade with all the countries of the EU.* \circ *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 /'treɪd ə,ɡri:mənt/ *noun* an international agreement between countries over general terms of trade

trade association /'treɪd ə ,səʊsɪeɪʃ(ə)n/ *noun* a group which links together companies in the same trade

trade barrier /'treɪd ,bæriə/ *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 /'treɪd 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 /'treɪd ,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 /'treɪd ,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 /'treɪd ,saɪk(ə)l/ *noun* a period during which trade expands, then slows down, then expands again

trade date /'treɪd deɪt/ *noun* the date on which an enterprise becomes committed to buy a financial asset

trade debt /'treɪd det/ *noun* a debt that originates during the normal course of trade

trade deficit /'treɪd ,defɪsɪt/ *noun* the difference in value between a country's low exports and higher imports. Also called **balance of payments deficit**, **trade gap**

trade description /,treɪd dɪ'skrɪpʃən/ *noun* a description of a product to attract customers

trade discount /,treɪd 'dɪskaʊnt/ *noun* a reduction in price given to a customer in the same trade

traded options /,treɪdɪd 'ɒpʃənz/ *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 /'treɪd feə/ *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 /'treɪd ɡæp/ *noun* same as **trade deficit**

trademark /'treɪdmɑ:k/, **trade name** /'treɪd neɪm/ *noun* same as **registered trademark**

trade-off /'treɪd ɒf/ *noun* an act of exchanging one thing for another as part of a business deal (NOTE: The plural is **trade-offs**.)

trade price /'treɪd praɪs/ *noun* a special wholesale price paid by a retailer to the manufacturer or wholesaler

trader /'treɪdə/ *noun* a person who does business

trade surplus /'treɪd ,sɜ:pləs/ *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 /'treɪd tɜ:mz/ *plural noun* a special discount for people in the same trade

trade-weighted index /'treɪd ,weɪtɪd ,ɪndeks/ *noun* an index of the value of a currency calculated against a basket of currencies

trading /'treɪdɪŋ/ *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 /,treɪdɪŋ ,prɒfɪt ən 'lɒs ə,kaʊnt/ *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 /'treɪdɪŋ ə,kaʊnt/ *noun* a company bank account administered by an investment dealer and used for managing trading activity, rather than for investment purposes

trading area /'treɪdɪŋ ,eəriə/ *noun* a group of countries which trade with each other

trading company /'treɪdɪŋ ,kʌmp(ə)ni/ *noun* a company which specialises in buying and selling goods

trading financial assets /,treɪdɪŋ faɪ ,nænʃəl 'æsets/ *plural noun* financial assets acquired or held in order to produce profit from short term changes in price

trading limit /'treɪdɪŋ ,lɪmɪt/ *noun* the maximum amount of something which can be traded by a single trader

trading loss /,treɪdɪŋ 'lɒs/ *noun* a situation where a company's receipts are less than its expenditure

trading partner /'treɪdɪŋ ,pɑ:tənə/ *noun* a company or country which trades with another

trading profit /'treɪdɪŋ ,prɒfɪt/ *noun* a result where the company's receipts are higher than its expenditure

trainee /treɪ'ni:/ *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 /'treɪnɪŋ ,levi/ *noun* a tax to be paid by companies to fund the government's training schemes

tranche /trɑ:nʃ/ *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 /træn'zækʃən/ *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 /træn'zækfən kɒsts/ *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 /træn'zækfən ,saɪk(ə)l/ *noun* any of three aspects of business activity regarded as occurring in cycles: revenue, buying and production

transaction date /træn'zækfən deɪt/ *noun* the date on which control of an asset passes from the seller to the buyer

transaction exposure /træn'zækfən ɪk,sɹəʊʒə/ *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* /'trænsfɜː/ an act of moving an employee to another job in the same organisation ○ *She applied for a transfer to our branch in Scotland.* ■ *verb* /træns'fɜː/ 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 /træns'fɜːrəb(ə)l/ *adjective* possible to pass to someone else

transfer of property /,trænsfɜːr əv 'prɒpəti/, **transfer of shares** /,trænsfɜːr əv 'ʃeəz/ *noun* the act of moving the ownership of property or shares of stock from one person to another

transferor /træns'fɜːrə/ *noun* a person who transfers goods or property to another

transfer price /'trænsfɜː praɪs/ *noun* the price at which a transaction is carried out between related companies

transfer pricing /'trænsfɜː ,praɪsɪŋ/ *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 /træns,fɜːd 'tʃɑːdʒ kɔːl/ *noun* a phone call where the person receiving the call agrees to pay for it

transferred-in costs /,trænsfɜːd 'ɪn ,kɒsts/ *plural noun* the cost of switching the processing of a product or delivery of a serv-

ice from one department of an organisation to another

translate /træns'leɪt/ *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 /træns'leɪʃ(ə)n/ *noun* something which has been translated ○ *She passed the translation of the letter to the accounts department.*

translation exposure /træns'leɪʃ(ə)n ɪk,sɹəʊʒə/ *noun* the risk that the balance sheet and income statement may be adversely affected by foreign exchange rate changes

transparent market /træns,pærənt 'mɑːkɪt/ *noun* a market in which financial and operational information is shared openly between shareholders, investors and company officials

traveller's cheques /'træv(ə)lɪz tʃeks/ *plural noun* cheques bought by a traveller which can be cashed in a foreign country

travelling expenses /'træv(ə)lɪŋ ɛk ,spensɪz/ *plural noun* money spent on travelling and hotels for business purposes

treasurer /'treɪzərə/ *noun* **1.** a person who looks after the money or finances of a club or society, etc. **2.** a company official responsible for finding new finance for the company and using its existing financial resources in the best possible way **3.** *US* the main financial officer of a company **4.** (*in Australia*) the finance minister in a government

Treasury /'treɪzəri/ *noun* **1.** a government department which deals with the country's finance (NOTE: The term is used in both the UK and the US; in most other countries this department is called the **Ministry of Finance**.) **2.** the department of a company or corporation that deals with all financial matters

Treasury bill /'treɪzəri bɪl/ *noun* a short-term financial instrument which does not give any interest and is sold by the government at a discount through the central bank. In the UK, their term varies from three to six months, in the US, they are for 91 or 182 days, or for 52 weeks. (NOTE: In the US they are also called a **T-bill**)

Treasury bond /'treɪzəri bɒnd/ *noun* a long-term bond issued by the British or US government. Also called **T-bond**

treasury management /'treɪzəri ,mænɪdʒmənt/ *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 /,treʒəri 'prɒdʌkts/ *plural noun* any financial items produced by a government for sale, such as bonds

Treasury Secretary /'treʒəri 'sekrət(ə)ri/ *noun* same as **Secretary of the Treasury**

Treasury stocks /'treʒəri stɒkz/ *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 bæləns/ *noun* the draft calculation of debits and credits to see if they balance

trillion /'trɪljən/ *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 /,tru: ən feə 'vju:/ *noun* a correct statement of a company's financial position as shown in its accounts and confirmed by the auditors

Trueblood Report /'tru:blʌd rɪ,pɔ:t/ *noun* a report, 'Objectives of Financial Statements', published by the American Institute of Certified Public Accountants in 1971, that recommended a conceptual framework for financial accounting and led to the Statements of Financial Accounting

Concepts issued by the Financial Accounting Standards Board in the United States

true copy /,tru: '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 **2.** a legal arrangement to pass goods, money or valuables to someone who will look after them well ○ *She left his property in trust for her grandchildren.* **3.** 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 ,kʌmp(ə)ni/ *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 di:d/ *noun* a document which sets out the details of a private trust

trustee /trʌ'sti:/ *noun* a person who has charge of money in trust ○ *the trustees of the pension fund*

trustee in bankruptcy /trʌ'sti: ɪn 'bæŋkrʌptsi/ *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 fʌnd/ *noun* assets such as money, securities or property held in trust for someone

turn /tɜ:n/ *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 made the company profitable in less than a year

turnaround /'tɜ:nə,raʊnd/ *noun* especially US same as **turnround**

turnover /'tɜ:nəʊvə/ *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*

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 of labour /ˈtɜːnəʊvər əv ˈleɪbə/ *noun* same as **labour turnover**

turnover ratio /ˈtɜːnəʊvə ˌreɪʃiəʊ/ *noun* 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 /ˈtɜːnəʊvə tæks/ *noun* same as **VAT**

turnround /ˈtɜːnraʊnd/ *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 /ˌtuː weɪ əˈnæləʊsɪs/ *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

U

UBR *abbreviation* uniform business rate

UITF *abbreviation* Urgent Issues Task Force

ultimate holding company /,ʌltɪmət 'həʊldɪŋ ,kʌmp(ə)ni/ *noun* the top company in a group consisting of several layers of parent companies and subsidiaries

umbrella organisation /ʌm'brelə ,ɔ:ɡənəraɪz(ə)ʃ(ə)n/ *noun* a large organisation which includes several smaller ones

unaccounted for /,ʌnə'kaʊntɪd fɔ:/ *adjective* lost without any explanation ○ *Several thousand units are unaccounted for in the stocktaking.*

unadjusted trial balance /,ʌnədʒʌstɪd ,traɪəl 'bæləns/ *noun* a trial balance that has not yet been adjusted at a period end for items such as closing stock

unappropriated profits /,ʌnəprəpɪətɪd 'prɒfɪts/ *plural noun* profits that have neither been distributed to a company's shareholders as dividends nor set aside as specific reserves

unappropriated retained earnings /,ʌnəprəpɪətɪd rɪ'teɪnd 'z:niŋz/ *plural noun* retained earnings no portion of which has been assigned to a special purpose

unaudited /ʌn'ɔ:dtɪd/ *adjective* having not been audited ○ *unaudited accounts*

unaudited statement /ʌn,ɔ:dtɪd 'steɪtmənt/ *noun* a financial statement in which an auditor prepares and presents statistics but does not give an audit opinion on them

unauthorised /ʌn'ɔ:θəraɪzd/, **unauthorised** *adjective* not permitted ○ *unauthorised access to the company's records* ○ *unauthorised expenditure*

unavoidable costs /,ʌnəvɔɪdəb(ə)l 'kɒsts/ *plural noun* costs that will be incurred regardless of what business decisions are taken and that cannot be recovered

unbalanced /ʌn'bælənst/ *adjective* referring to a budget which does not balance or which is in deficit

unbanked /ʌn'bæŋkt/ *adjective* referring to a person who does not have a bank account

uncalled /ʌn'kɔ:ld/ *adjective* referring to capital which a company is authorised to raise and has been issued but for which payment has not yet been requested

uncashed /ʌn'kæʃt/ *adjective* having not been cashed ○ *uncashed cheques*

uncommitted credit lines /,ʌnkəmtɪd 'kredɪt ,laɪnz/ *plural noun* a borrowing arrangement that a bank provides but may choose to withdraw at any time

unconsolidated /,ʌnkən'sɒlɪdeɪtɪd/ *adjective* not grouped together, as of shares or holdings

unconsolidated subsidiary /,ʌnkən'sɒlɪdeɪtɪd səb'sɪdiəri/ *noun* a subsidiary that is not included in the consolidated financial statements of the group to which it belongs. An unconsolidated subsidiary would appear on a consolidated balance sheet as an investment.

uncontrollable /,ʌnkən'trəʊləb(ə)l/ *adjective* not possible to control ○ *uncontrollable inflation*

uncontrollable costs /,ʌnkən 'trəʊləb(ə)l kɒsts/ *plural noun* costs appearing on a management accounting statement that are regarded as not within the control of that particular level of management

uncrossed cheque /,ʌnkrɒst 'tʃek/ *noun* a cheque which does not have two lines across it, and can be cashed anywhere (NOTE: They are no longer used in the UK, but are still found in other countries.)

undated /ʌn'deɪtɪd/ *adjective* with no date indicated or written ○ *She tried to cash an undated cheque.*

undated bond /ʌn,deɪtɪd 'bɒnd/ *noun* a bond with no maturity date

under- /ʌndə/ *prefix* less important than or lower than

underabsorbed **overhead**

/,ʌndə'rəbzɔ:bd 'əʊvəhed/ noun an absorbed overhead which ends up by being lower than the actual overhead incurred

underabsorption */,ʌndə'rəb'zɔ:pʃ(ə)n/ noun* a situation where the actual overhead incurred is higher than the absorbed overhead. Opposite **overabsorption**

undercapitalised */,ʌndə'kæpɪtəlaɪzd/*, **undercapitalized** *adjective* without enough capital ○ *The company is severely undercapitalised.*

undercharge */,ʌndə'tʃɑ:dʒ/ verb* to ask someone for too little money ○ *She undercharged us by £25.*

underemployed **capital** */,ʌndə'ɪmplɔɪd 'kæpɪt(ə)l/ noun* capital which is not producing enough interest

underlease *'ʌndəleɪs/ noun* a lease from a tenant to another tenant

underlying inflation rate */,ʌndəlaɪɪŋ ɪn'fleɪʃ(ə)n reɪt/ 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 */,ʌndə'spend/ verb* to spend less than you should have spent or were allowed to spend

understandability */,ʌndə'stændə 'bɪlɪtɪ/ 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 */,ʌndə'steɪt/ verb* to enter in an account a figure that is lower than the actual figure ○ *The company accounts understate the real profit.*

undersubscribed */,ʌndəs.ʌb'skraɪbd/ 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 */,ʌndə'teɪk/ verb* to agree to do something ○ *We asked the research unit to undertake an investigation of the market.* ○ *They have undertaken not to sell into our territory.* (NOTE: **undertaking – undertook – undertaken**)

undertaking *'ʌndə'teɪkɪŋ/ noun* **1.** a business ○ *He is the MD of a large commercial undertaking.* **2.** a promise, especially a legally binding one ○ *They have given us a written undertaking not to sell their products in competition with ours.*

undervaluation */,ʌndəvæl'ju'eɪʃ(ə)n/ noun* the state of being valued, or the act of

valuing something, at less than the true worth

undervalued */,ʌndə'vælju:d/ 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 */,ʌndə'raɪt/ verb* **1.** to accept responsibility for something **2.** to insure, to cover a risk ○ *to underwrite an insurance policy* **3.** to agree to pay for costs ○ *The government has underwritten the development costs of the project.* (NOTE: **underwriting – underwrote – has underwritten**)

'...under the new program, mortgage brokers are allowed to underwrite mortgages and get a much higher fee' [*Forbes Magazine*]

underwriter *'ʌndəraɪtə/ noun* a person or company that underwrites a share issue or an insurance

underwriting *'ʌndəraɪtɪŋ/ noun* the action of guaranteeing to purchase shares in a new issue if no one purchases them

underwriting fee *'ʌndəraɪtɪŋ fi:/ noun* a fee paid by a company to the underwriters for guaranteeing the purchase of new shares in that company

underwriting syndicate *'ʌndəraɪtɪŋ ,sɪndɪkət/ noun* a group of underwriters who insure a large risk

undischarged **bankrupt** */,ʌndɪʃ'tʃɑ:dʒd 'bæŋkrʌpt/ noun* a person who has been declared bankrupt and has not been released from that state

undistributable **profit** */,ʌndɪstrɪbjʊ:təb(ə)l 'prɒfɪt/ noun* profit that is not legally available for distribution to shareholders as dividends

undistributable **reserves** */,ʌndɪstrɪbjʊ:təb(ə)l rɪ'zɜ:vz/ plural noun* same as **capital reserves**

undistributed profit */,ʌndɪstrɪbjʊ:tɪd 'prɒfɪt/ noun* profit which has not been distributed as dividends to shareholders

unearned income */,ʌnɜ:nd 'ɪnkʌm/ noun* same as **investment income**

unemployed */,ʌnɪm'plɔɪd/ adjective* not having any paid work

unemployment */,ʌnɪm'plɔɪmənt/ 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 /,ʌnɪm'plɔɪmənt peɪ/ *noun* money given by the government to someone who is unemployed

unexpired cost /,ʌnɪkspaɪəd 'kɒst/ *noun* the net book value, or depreciated historical cost of an asset, not yet charged to the profit and loss account

unfair competition /,ʌnfəə ,kɒmpə'tɪf(ə)n/ *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 /ʌn ,feɪv(ə)rəb(ə)l 'veəriəns/ *noun* same as **adverse variance**

unfunded debt /,ʌnfʌndɪd 'det/ *noun* short-term debt requiring repayment within a year from issuance

ungeared /ʌn'gɪəd/ *adjective* with no borrowings

unguaranteed residual value /,ʌngəʊərənti:d rɪ,zɪdʒuəl 'vælju:/ *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 /,ju:nɪfɔ:m ə'kaʊntɪŋ ,pɒlɪsɪz/ *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 /,ju:nɪfɔ:m 'bɪznɪs ,reɪt/ *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 /,ju:nɪ'fɔ:miti/ *noun* the principle of using common measurements, accounting standards and methods of presentation across different organisations, to ensure comparability

unincorporated /,ʌnɪn'kɔ:pəreɪtɪd/ *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 /,ʌnɪʃu:d 'kæpɪt(ə)l/ *noun* capital which a company is authorised to issue but has not issued as shares

unissued stock /,ʌnɪʃu:d 'stɒk/ *noun* capital stock which a company is authorised to issue but has not issued

unit /'ju:nɪt/ *noun* **1.** a single product for sale **2.** a single share in a unit trust

unitary taxation /,ju:nɪt(ə)ri tæks 'seɪf(ə)n/ *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 /,ju:nɪt ,kɒntrɪ'bju:ʃ(ə)n ,mɑ:dʒɪn/ *noun* the profit made on each unit sold

unit cost /'ju:nɪt kɒst/ *noun* the cost of one item, i.e. the total product costs divided by the number of units produced

unitholder /'ju:nɪt,həʊldə/ *noun* a person who holds units in a unit trust

uniting of interests /ju:,naɪtɪŋ əv 'ɪntrəsts/ *noun* the international accounting standards term for merger accounting

unit level activities /'ju:nɪt ,lev(ə)l æk'tɪvɪtɪz/ *plural noun* business activities undertaken each time a unit is produced

unit-linked insurance /,ju:nɪt ɪŋkɪd ɪn 'fʊərəns/ *noun* an insurance policy which is linked to the security of units in a unit trust or fund

unit of account /,ju:nɪt əv ə'kaʊnt/ *noun* a standard unit used in financial transactions among members of a group, e.g. SDRs in the IMF

unit price /'ju:nɪt praɪs/ *noun* the price of one item

units of production method of depreciation /,ju:nɪts əv prɔ:dʌkʃən ,meθəd əv dɪ,pri:ʃi'eɪf(ə)n/ *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 /'ju:nɪt trʌst/ *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 /ʌn'lɔ:f(ə)l/ *adjective* against the law, not legal

unlimited company /ʌn,lɪmɪtɪd 'kʌmp(ə)ni/ *noun* a company where the shareholders have no limit as regards liability

unlimited liability /ʌn,lɪmɪtɪd ,lɪə'bɪlɪti/ *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 /ˌʌnliːkwɪdeɪtɪd 'kleɪm/ *noun* a claim for unliquidated damages

unliquidated damages /ˌʌnliːkwɪdeɪtɪd 'dæmɪdʒɪz/ *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 /ʌn,lɪstɪd 'kʌmp(ə)ni/ *noun* a company whose shares are not listed on the Stock Exchange

unlisted securities /ʌn,lɪstɪd sɪ 'kʃʊəriːtɪz/ *plural noun* shares that are not listed on the Stock Exchange

unpaid /ʌn'peɪd/ *adjective* not paid

unprofitable /ʌn'prɒfɪtəb(ə)/ *adjective* not profitable

unquoted company /ʌn,kwəʊtɪd 'kʌmp(ə)ni/ *noun* a company whose shares are not listed on the stock exchange

unquoted investments /ʌn,kwəʊtɪd ɪn'vestmənts/ *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 /ˌʌnkwəʊtɪd 'ʃeəz/ *plural noun* shares that have no Stock Exchange quotation

unrealisable gains /ˌʌnrɪələɪzəb(ə)l 'geɪnz/ *plural noun* apparent increases in the value of assets that could not be turned into realised profit

unrealised capital gain /ˌʌnrɪələɪzd ,kæpɪt(ə)l 'geɪn/ *noun* an investment which is showing a profit but has not been sold

unrealised loss /ˌʌnrɪələɪzd 'lɒs/ *noun* same as **paper loss**

unrealised profit /ʌn,rɪələɪzd 'prɒfɪt/ *noun* same as **paper profit**

unredeemed pledge /ˌʌnrɪdiːmd 'pledʒ/ *noun* a pledge which the borrower has not claimed back because he or she has not paid back the loan

unregistered /ʌn'redʒɪstəd/ *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 /ˌʌnrɪstrɪktɪd ,ɪnkʌm '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 /ˌʌnsɪkjʊəd 'kredɪtə/ *noun* a creditor who is owed

money, but has no security from the debtor for the debt

unsecured debt /ˌʌnsɪkjʊəd 'det/ *noun* a debt which is not guaranteed by a charge on assets or by any collateral

unsecured loan /ˌʌnsɪkjʊəd 'ləʊn/ *noun* a loan made with no security

unsubsidised /ʌn'sʌbsaɪzd/, **unsubsidized** *adjective* with no subsidy

unused allowances /ʌn,jʊːzɪd ə 'ləʊənsɪz/ *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 /ˌʌp 'frʌnt/ *adverb* in advance □ **money up front** payment in advance ○ *They are asking for £100,000 up front before they will consider the deal.* ○ *He had to put money up front before he could clinch the deal.*

upside potential /'ʌpsaɪd pə'tenʃəl/ *noun* the possibility for a share to increase in value. Opposite **downside risk**

upturn /'ʌptɜːn/ *noun* a movement towards higher sales or profits ○ *an upturn in the economy* ○ *an upturn in the market*

Urgent Issues Task Force /ˌɜːdʒənt ˌɪʃʊz 'tɑːsk ,fɔːs/ *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 /'juːsɪdʒ ,meθəd/ *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 /ˌjuːsf(ə)l ,iːkənɒmɪk 'laɪf/ *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 /'juːzəri/ *noun* the lending of money at high interest

utilisation /ˌjuːtɪlaɪ'zeɪʃ(ə)n/, **utilization** *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 utilization' [*Duns Business Month*]

utilise /'juːtɪlaɪz/, **utilize** *verb* to use something

V

vacant possession /,veɪkənt pə'zeɪʃ(ə)n/ *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 /,vælju'eɪʃ(ə)n/ *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 /,vælju:ɪf(ə)n əv ə 'bɪznɪs/ *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 /'vælju:/ *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 ■ **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 /,vælju: 'ædɪd/ *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 /,vælju: 'ædɪd æk'tɪvɪti/ *noun* business activity that improves a product or service at a cost that the customer is willing to pay

value-added statement /,vælju: 'ædɪd ,steɪtmənt/ *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 /,vælju: ædɪd 'tæks/ *noun* full form of **VAT**

value-adding cost /'vælju: ,ædɪŋ ,kɒst/ *noun* a business cost that increases the market value of a product or service

value analysis /'vælju: ə,næləsɪs/ *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 /'vælju: 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 /'vælju: tʃeɪn ,kɒstɪŋ/ *noun* a costing model that takes into account all aspects of the chain of production, from design to after-sales

value in use /,vælju: ɪn 'ju:s/ *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 /'væljuə/ *noun* a person who estimates how much money something is worth

variable annuity /,veəriəb(ə)l ə'nju:ətɪ/ *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 /'veəriəb(ə)l ,kɒstɪŋ/ *noun* a method of recording inventoried costs that records only the variable manufacturing costs, not the fixed costs

variable cost percentage /'veəriəb(ə)l kɒst pə'sentɪdʒ/ *noun* a ratio arrived at by dividing total variable costs by total sales

variable costs /,veəriəb(ə)l 'kɒsts/ *plural noun* production costs which increase

with the quantity of the product made, e.g. wages or raw materials

variable rate /,vɛəriəb(ə)l 'reit/ *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 /,vɛəriəb(ə)l reɪt 'ləʊn/ *noun* a bank loan carrying an interest rate that varies according to fluctuations in a particular index

variance /'vɛəriəns/ *noun* the discrepancy between the actual cost of an asset or business activity and the standard or expected cost

variance accounting /,vɛəriəns ə 'kaʊntɪŋ/ *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 /,vi: eɪ 'ti:, væt/ *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 /'væt deklə,reiʃ(ə)n/ *noun* a statement declaring VAT income to the VAT office

VAT group /'væt gru:p/ *noun* in the United Kingdom, a group of related companies that is treated as one taxpayer for VAT purposes

VAT inspection /'væt ɪn,spɛkʃ(ə)n/ *noun* a visit by officials of HM Revenue and Customs to see if a company is correctly reporting its VAT

VAT inspector /'væt ɪn,spɛktə/ *noun* a government official who examines VAT returns and checks that VAT is being paid

VAT invoice /'væt ɪn'vɔɪs/ *noun* an invoice which includes VAT

VAT invoicing /'væt ɪn'vɔɪsɪŋ/ *noun* the sending of an invoice including VAT

VATman /'væt mæn/, **vatman** *noun* a VAT inspector (*informal*)

VAT office /'væt ɔfɪs/ *noun* the government office dealing with the collection of VAT in an area

VAT paid /,væt 'peɪd/ *adjective* with the VAT already paid

VAT receivable /,væt rɪ'si:vəb(ə)l/ *adjective* with the VAT for an item not yet collected by a taxing authority

VAT registration /'væt ,redʒɪstreɪʃ(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

venting /'vendɪŋ/ *noun* selling

vendor /'vendə/ *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 /'ventʃə/ *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 /,ventʃə 'kæpɪt(ə)l/ *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 /,ventʃə 'kæpɪt(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 /,ventʃə 'kæpɪt(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 /,ventʃə 'kæpɪt(ə)l trʌst/ *noun* a trust which invests in smaller firms which need capital to grow. Abbreviation **VCT**

vertical equity /,vɜ:tɪk(ə)l 'ekwɪti/ *noun* the principle that people with different incomes should pay different rates of tax

vertical form /'vɜ:tɪk(ə)l fɔ:m/ *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 /ˌvɜːtɪk(ə)l ˌɪntɪˈgreɪʃ(ə)n/ *noun* same as **backward integration**

vested interest /ˌvestɪd ˈɪntrəst/ *noun* a special interest in keeping an existing state of affairs

virement /ˈvaɪəmənt/ *noun* a transfer of money from one account to another or from one section of a budget to another

visible /ˈvɪzɪb(ə)l/ *adjective* referring to real products which are imported or exported

visible exports /ˌvɪzɪb(ə)l ˈeksɔːts/ *plural noun* real products which are exported, as opposed to services

visible imports /ˌvɪzɪb(ə)l ˈɪmpɔːts/ *plural noun* real products which are imported, as opposed to services

visible trade /ˌvɪzɪb(ə)l ˈtreɪd/ *noun* trade involving visible imports and exports

void /vɔɪd/ *adjective* not legally valid

volume /ˈvɒljʊ:m/ *noun* a quantity of items

volume discount /ˈvɒljʊ:m ˌdɪskaʊnt/ *noun* the discount given to a customer who buys a large quantity of goods

volume of output /ˌvɒljʊ:m əv ˈaʊtpʊt/ *noun* the number of items produced

volume variances /ˈvɒljʊ:m ˌvæəriənsɪz/ *plural noun* differences in costs

or revenues compared with budgeted amounts, caused by differences between the actual and budgeted levels of activity

voluntary /ˈvɒlənt(ə)ri/ *adjective* **1.** done freely without anyone forcing you to act **2.** done without being paid

voluntary arrangement /ˌvɒlənt(ə)ri ə ˈreɪndʒmənt/ *noun* same as **scheme of arrangement**

voluntary liquidation /ˌvɒlənt(ə)ri ˌlɪkwɪˈdeɪʃ(ə)n/ *noun* a situation where a company itself decides it must close and sell its assets

voluntary redundancy /ˌvɒlənt(ə)ri ri ˈdʌndənsi/ *noun* a situation where the employee asks to be made redundant, usually in return for a large payment

voluntary registration /ˌvɒlənt(ə)ri ˌredʒɪˈstreɪʃ(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 /ˈvaʊtʃə/ *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 /ˈvaʊtʃɪŋ/ *noun* the process of checking accounting accuracy by matching vouchers and other documents with the details recorded in an account

W

wage /weɪdʒ/ *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’ [*Duns 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 /'weɪdʒ ə ,dʒʌstmənts/ *plural noun* changes made to wages

wage claim /'weɪdʒ kleɪm/ *noun* an act of asking for an increase in wages

wage differentials /'weɪdʒ dɪfə ,renʃəlz/ *plural noun* same as **pay differentials**

wage-earner /'weɪdʒ ,ɜ:nə/ *noun* a person who earns a wage

wage indexation /'weɪdʒ ,ɪndekseɪʃ(ə)n/ *noun* the linking of increases to the percentage rise in the cost of living

wage scale /'weɪdʒ skeɪl/ *noun* same as **pay scale**

wages costs /'weɪdʒɪz kɒsts/ *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 /,weɪdʒɪz 'peɪəb(ə)l ə,kəʊnt/ *noun* an account showing gross wages and employer's National Insurance contributions paid during a period

wages policy /'weɪdʒɪz ,pɒlɪsi/ *noun* a government policy on what percentage increases should be paid to workers

wall safe /'wɔ:l seɪf/ *noun* a safe installed in a wall

warehouse /'weəhaʊs/ *noun* a large building where goods are stored

warehouse capacity /'weəhaʊs kə ,pæsɪti/ *noun* the space available in a warehouse

warrant /'wɒrənt/ *noun* **1.** an official document which allows someone to do something **2.** ♦ **share warrant** ■ *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 /,wɒrən'ti:/ *noun* a person who is given a warranty

warrantor /,wɒrən'tɔ:/ *noun* a person who gives a warranty

warranty /'wɒrənti/ *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.* ○ *The warranty covers spare parts but not labour costs.* **2.** a promise in a contract **3.** a statement made by an insured person which declares that the facts stated by him are true

wasting asset /'weɪstɪŋ ,æsɪt/ *noun* an asset which becomes gradually less valuable as time goes by, e.g. a short lease on a property

watchdog /'wɒtʃdɒg/ *noun* an independent person or organisation whose task is to police a particular industry, ensuring that member companies do not act illegally

watered stock /'wɔ:təd stɒk/ *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 /'welθ tæks/ *noun* a tax on money, property or investments owned by a person

wear and tear /,weə ən 'teə/ *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 /weɪt/ *noun* a measurement of how heavy something is ■ *verb* to give an extra value to a factor

weighted average /,weɪtɪd 'æv(ə)rɪdʒ/ *noun* an average which is calculated taking several factors into account, giving some more value than others

weighted average cost /,weɪtɪd 'æv(ə)rɪdʒ kɒst/, **weighted average price** /,weɪtɪd 'æv(ə)rɪdʒ praɪs/ *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 /,weɪtɪd 'ævərɪdʒ kɒst əv 'kæpɪt(ə)l/ *noun* the average cost of a company's borrowing in relation to its total capital

weighted index /,weɪtɪd 'ɪndeks/ *noun* an index where some important items are given more value than less important ones

weighting /'weɪtɪŋ/ *noun* an additional salary or wages paid to compensate for living in an expensive part of the country ○ *The salary is £15,000 plus London weighting.*

Wheat Report /'waɪt ri:po:t/ *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 /,waɪt 'naɪt/ *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 /,waɪt 'peɪpə/ *noun* a report issued by the UK government as a statement of government policy on a particular problem. Compare **Green Paper**

whole-life cost /,həʊl 'laɪf ,kɒst/ *noun* a cost calculated as life-cycle costs plus any after-purchase costs

whole-life insurance /,həʊl 'laɪf ɪn 'fʊərəns/, **whole-life policy** /,həʊl 'laɪf ,pɒlɪsi/ *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 /'həʊlseɪl/ *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 ○ *I persuaded him to give us a wholesale discount.* □ **he buys wholesale and sells retail** he buys goods in bulk at a wholesale discount and then sells in small quantities to the public

wholesale banking /,həʊlseɪl 'bæŋkɪŋ/ *noun* banking services between merchant banks and other financial institutions, as opposed to retail banking

wholesale dealer /'həʊlseɪl ,di:lə/ *noun* a person who buys in bulk from manufacturers and sells to retailers

wholesale price /'həʊlseɪl praɪs/ *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 /,həʊlseɪl 'praɪs ,ɪndeks/ *noun* an index showing the rises and falls of prices of manufactured goods as they leave the factory

wholesaler /'həʊlseɪlə/ *noun* a person who buys goods in bulk from manufacturers and sells them to retailers

wholly-owned subsidiary /,həʊlli əʊnd səb'sɪdʒəri/ *noun* a subsidiary which belongs completely to the parent company

will /wɪl/ *noun* a legal document where someone says what should happen to his or her property when he or she dies ○ *He wrote his will in 1984.* ○ *According to her will, all her property is left to her children.*

wind up *phrasal verb* to end a meeting, or to close down a business or organisation and sell its assets ○ *She wound up the meeting with a vote of thanks to the committee.*

windfall profit /'wɪndfɔ:l ,prɒfɪt/ *noun* a sudden profit which is not expected

windfall profits tax /'wɪndfɔ:l ,prɒfɪts tæks/, **windfall tax** /'wɪndfɔ:l tæks/ *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.

winding up /,waɪndɪŋ 'ʌp/ *noun* liquidation, the act of closing a company and selling its assets

winding up petition /,waɪndɪŋ 'ʌp pə ,tɪʃ(ə)n/ *noun* an application to a court for an order that a company be put into liquidation

window dressing /'wɪndəʊ ,dresɪŋ/ *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 /ˌwɪndəʊ əv ɒpə'tjuːnɪti/ *noun* a short period which allows an action to take place

WIP *abbreviation* work in progress

withdraw /wɪð'drɔː/ *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 /wɪð'drɔːəl/ *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 /wɪð'həʊldɪŋ ˌtæks/ *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 /ˌwɪθ 'prɒfɪts/ *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 /'wɜːk sel/ *noun* a unit of employees, or a set of machines, assigned to a particular manufacturing task

workforce /'wɜːkfɔːs/ *noun* the total number of employees in an organisation, industry or country

working capital /'wɜːkɪŋ ˌkæpɪt(ə)/ *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 /ˌwɜːkɪŋ ˌkæpɪt(ə) ˌtɜːnəʊə/ *noun* a figure equal to sales divided by average working capital

working partner /'wɜːkɪŋ ˌpɑːtnə/ *noun* a partner who works in a partnership

work-in-process /ˌwɜːk ɪn 'prəʊses/ *noun* inventory units that are only partially completed at the end of an accounting period

work in progress /ˌwɜːk ɪn 'prəʊgres/ *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 /'wɜːk ˌpɜːmɪt/ *noun* an official document which allows someone who is not a citizen to work in a country

works /wɜːks/ *noun* a factory ○ *There is a small engineering works in the same street as our office.* ○ *The steel works is expanding.* (NOTE: takes a singular or plural verb)

works committee /'wɜːks kəˌmɪti/, **works council** /'wɜːks ˌkaʊnsəl/ *noun* a committee of employees and management which discusses the organisation of work in a factory

workstation /'wɜːkˌsteɪʃ(ə)n/ *noun* a desk, usually with a computer terminal, printer, telephone and other office items at which an employee in an office works

World Bank /ˌwɜːld ˌ'bæŋk/ *noun* a central bank, controlled by the United Nations, whose funds come from the member states of the UN and which lends money to member states

World Wide Web /ˌwɜːld ˌwaɪd ˌweb/ *noun* an information system on the Internet that allows documents to be linked to one another by hypertext links and accommodates websites and makes them accessible. Also called **web**

worthless /'wɜːθləs/ *adjective* having no value ○ *The cheque is worthless if it is not signed.*

write down *phrasal verb* to note an asset at a lower value than previously ○ *written down value* ○ *The car is written down in the company's books.* □ **closing written-down value**, **opening written-down value** the written-down value of an asset at the end or the beginning of an accounting period

write off *phrasal verb* to cancel a debt, or to remove an asset from the accounts as having no value ○ *We had to write off £20,000 in bad debts.*

'\$30 million from usual company borrowings will either be amortized or written off in one sum' [*Australian Financial Review*]

write-down /'raɪt daʊn/ *noun* a reduction in the value of an asset as entered in the books of a business

write-off /'raɪt ɒf/ *noun* the total loss or cancellation of a bad debt, or the removal of an asset's value from a company's accounts ○ *to allow for write-offs in the yearly accounts*

write-up /'raɪt ʌp/ *noun* a deliberate overvaluation of company assets

writing-down allowance /ˌraɪtɪŋ ˌdaʊn əˌlaʊəns/ *noun* a form of capital allowance giving tax relief to companies acquiring fixed assets which are written down on a year-by-year basis

written-down allowance /,rɪt(ə)n daʊn ə'laʊəns/ *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 /,rɪt(ə)n daʊn 'væljuː/ *noun* same as **net book value**

written resolution /,rɪt(ə)n ,rezə 'luːʃ(ə)n/ *noun* a decision to be reached by postal vote of the members of a UK private company equivalent to a resolution at a meeting

XYZ

xa *abbreviation* ex-all

XBRL /,eks bi: ɑ:r '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**

xd *abbreviation* ex dividend

xr *abbreviation* ex-rights

year /jɪə/ *noun* a period of twelve months

year end /,jɪə '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 /,jɪə 'end ə ,dʒʌstmənt/ *noun* final adjustments to an entry in accounts to ensure complete accuracy in the presentation of a financial statement

year-end closing /,jɪə end 'klɒzɪŋ/ *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.* ○ *His yearly insurance premium has risen to £550.*

year of assessment /,jɪə 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 /,jɪə 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**

yen /jen/ *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).)

yield /ji:ld/ *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 /,jɪ:ld tə mə'tʃʊərɪti/ *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 zero (00).*

zero-based budgeting /,zɪərəʊ beɪst 'bʌdʒɪtɪŋ/ *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 'ku:pən bɒnd/ *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'fleɪʃ(ə)n/ *noun* inflation at 0%

zero-rated /,zɪərəʊ 'reɪtɪd/ *adjective* referring to an item which has a VAT rate of 0%

zero-rating /'zɪərəʊ ,reɪtɪŋ/ *noun* the rating of a product or service at 0% VAT

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
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T: 00 353 1637 7200
F: 00 353 1668 0842

Institute of Chartered Accountants of Scotland
CA House
21 Haymarket Yards
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EH12 5BH
T: 00 44 (0)131 347 0100
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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
www.aasb.com.au/

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

Specimen Co Ltd

Profit and Loss Account for the Year to 31 December 2007

	£000	£000
* Turnover		9,758
* Cost of sales		<u>6,840</u>
* Gross profit		2,918
* Distribution costs	585	
* Administrative expenses	<u>407</u>	
		<u>992</u>
		1,926
* Other operating income		<u>322</u>
		2,248
* Income from shares in group companies	200	
* Income from other fixed asset investments	75	
* Other interest receivable and similar income	<u>36</u>	
		<u>311</u>
		2,559
* Amounts written off investments	27	
* Interest payable and similar charges	<u>26</u>	
		<u>53</u>
Profit on ordinary activities before taxation		2,506
* Tax on profit on ordinary activities		<u>916</u>
* Profit on ordinary activities after taxation		1,590
* Extraordinary income	153	
* Extraordinary charges	<u>44</u>	
* Extraordinary profit	109	
* Tax on extraordinary profit	<u>45</u>	
		<u>64</u>
* Profit for the financial year		1,654
Transfers to Reserves	400	
Dividends Paid and Proposed	<u>750</u>	
		<u>1,150</u>
Retained profit for the financial year		<u><u>504</u></u>

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	<u>X</u>			<u> </u>
	X			X
Expenses	X	Gross profit		X
	<u> </u>			<u> </u>
	<u>X</u>			<u>X</u>

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:

- interest owed on bank and other loans
- rental income
- costs of hire of plant and machinery
- amounts paid to auditors
- turnover for each class of business and country in which sales are made
- number of employees and costs of employment

Specimen Co Ltd

Balance Sheet for the Year to 31 December 2007

	£000	£000	£000
* FIXED ASSETS			
* Intangible assets			
Development costs	1,255		
Goodwill	<u>850</u>		
		2,105	
* Tangible assets			
Land and buildings	4,758		
Plant and machinery	2,833		
Fixtures and fittings	1,575		9,166
* Investments		<u>730</u>	
			12,001
* CURRENT ASSETS			
* Stocks	975		
* Debtors	2,888		
* Cash at bank	<u>994</u>		
		4,857	
* CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank loans	76		
Trade creditors	3,297		
Accruals	<u>20</u>		
		<u>3,393</u>	
* NET CURRENT ASSETS			<u>1,464</u>
* TOTAL ASSETS LESS CURRENT LIABILITIES			13,465
* CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Debenture loans		1,875	
Finance leases		866	
Bank and other loans		<u>124</u>	
			2,865
* PROVISIONS FOR LIABILITIES AND CHARGES			
Taxation including deferred taxation	33		
Other provisions	<u>557</u>		
			<u>590</u>
			<u>10,010</u>
* CAPITAL AND RESERVES			
* Called-up share capital		5,000	
" Share premium account		500	
" Revaluation reserve		1,158	
• Other reserves		<u>262</u>	
			6,920
• PROFIT AND LOSS ACCOUNT			<u>3,090</u>
			<u>10,010</u>

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:

	£		£
Capital brought forward	X	Fixed Assets	X
Profit for the year	X		
Capital at year end	X		
	<hr/>		
	X		
Long term liabilities	X		
Current liabilities	X	Current Assets	X
	<hr/>		<hr/>
	X		X
	<hr/> <hr/>		<hr/> <hr/>

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

	£000	£000
Source of Funds		
Profit before tax		2,615
Adjustment for items not involving the movement of funds:		
Depreciation	772	
Profit on the sale of fixed assets	(12)	
Provision for bad debts	3	
Development expenditure	<u>45</u>	
		<u>808</u>
Total generated from operations		3,423
Funds from other sources		
Issue of shares	250	
Sale of fixed assets	75	
Dividends received	<u>240</u>	
		<u>565</u>
		3,988
Application of funds		
Dividends paid	550	
Taxation paid	777	
Purchase of fixed assets	<u>1,437</u>	
		<u>2,764</u>
Increase in working capital		<u>1,224</u>
Increase in stock	82	
Decrease in debtors	82	
Decrease in creditors	<u>545</u>	
		383
Decrease in bank overdraft	297	
Increase in cash balances	<u>544</u>	
		<u>841</u>
		<u>1,224</u>

Specimen Co Ltd

Cash Flow Statement for the year to 31 December 2007

	£000	£000
Operating activities		
Cash received from customers		8,804
Interest and dividends received		276
Cash paid to suppliers		(3,642)
Cash paid to and on behalf of employees		(1,789)
Interest paid		<u>(26)</u>
Net cashflow from operations		3,423
Corporation tax paid		(777)
Investing activities		
Purchase of investments	(866)	
New fixed assets acquired	(1,437)	
Sale of fixed assets	<u>75</u>	
Net cashflow from investing activities		(2,228)
Financing activities		
New share capital	250	
Repayment on finance leases	(65)	
Dividends paid	<u>(550)</u>	
Net cashflow from financing activities		<u>(365)</u>
Net cash inflow		<u><u>53</u></u>

Specimen Co Ltd

Statement of Value Added for the Year to 31 December 2007

	£000	£000
Turnover		9,758
Bought-in materials and services		<u>5,233</u>
Value Added		<u><u>4,525</u></u>
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	<u>750</u>	
		776
To pay government		
Corporation tax payable		961
To provide for maintenance and expansion of assets		
Depreciation	772	
Retained Profits	<u>189</u>	
		<u>961</u>
		<u><u>4,525</u></u>

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.