

ACCOUNTANCY TERMS GLOSSARY



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A ACCA	The Association of Chartered Certified Accountants. One of several organisations that regulate accountants in public practice and industry.
accounts payable	The amounts that a person or organisation owes to someone else in the normal daily business.
accounts receivable	The amounts that a person or organisation is owed in the normal daily business, i.e. excluding loans and liabilities.
accruals basis	One of the fundamental principles of accountancy. A transaction must be accounted for in the accounting period to which it relates, even if it is actually paid for in a different period. Also known as the matching principle.
acquisition	Another word for purchase. Normally used for very large amounts, such as buildings, factories, or another company (verb: to acquire).
American Institute of Certified Public Accountants (AICPA)	The professional body of accountants in the U.S.A.
amortisation	Describes the writing off over a period of time of the value of an intangible asset. <i>See:</i> depreciation.
articles of association	A company's constitution and effectively an agreement between the company and its shareholders or members. It sets out such matters as the conduct and obligations of the directors, conduct of meetings, rights of shareholders, resolution of disputes and the circumstances of an eventual dissolution or winding up.
asset	Something of commercial value owned by a business. It could be a current asset, i.e. one that will be realised in the short term, such as a debtor or an item of trading stock, or it could be a fixed asset, i.e. one that lasts for a number of years such as a machine or a building.