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BASIC FINANCIAL ACCOUNTING TERMINOLOGY: AN ENGLISH-GERMAN DICTIONARY

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ABSTRACT

The increasing use of English as a lingua franca in higher education imposes unprecedented challenges on students and instructors. To overcome linguistic barriers, we provide a specialized, English-German financial accounting dictionary. We translate relevant financial accounting terms using the authors' expertise. Our main finding is that the development of such a dictionary is a challenging task that requires continuous adjustments as new concepts arise. This dictionary contributes to the overall accounting education and profession by assisting students and practitioners to establish a common understanding of relevant accounting terminology.

Keywords: *dictionary, financial accounting, higher education, teaching resource.*

1 INTRODUCTION

The continuous internationalization of the accounting profession has led to the increasing use of English as the language of instruction in higher education (e.g., Altbach & Knight, 2007; Yang & Farley, 2019). As well as offering tremendous advantages such as cultural diversity in higher education programs, English as an instrument of instruction imposes unprecedented challenges on accounting students and educators (Altbach & Knight, 2007; King, Blayney, & Sweller, 2021; Yang & Farley, 2019). Second language learners (students who do not study in their native language) in particular encounter difficulties in, *inter alia*, following course content (Bobe & Cooper, 2019) while accounting educators face the challenge of applying domain-specific terminology correctly when delivering course content to students (King et al., 2021).

Like other disciplines, (financial) accounting depends heavily on specialized terminology and careful translation (Evans, Baskerville, & Nara, 2015; Mills, 1989). Translating accounting concepts becomes even more difficult when there are no corresponding equivalents in the target language. For example, the concept 'Grundsätze ordnungsmäßiger Buchführung' is sometimes incorrectly translated as '(German) Generally Accepted Accounting Principles' instead of "principles of orderly accounting" (Evans, 2004). Moreover, different legal systems such as, for instance, the United Kingdom (common law) and Germany (civil law) can complicate the translation and interpretation of the "true and fair view" concept (Evans, 2004; R. Lueg, Punda, & Burkert, 2014; Zeff, 2007). The linguistic misconception of financial accounting terminology is one potential source for the lack of equivalent implementation of the International Financial Reporting Standards across countries (Evans et al., 2015; Nobes, 2006; Zeff, 2007).

To reduce conceptual misinterpretation and its consequences, it is important to emphasize the adequate translation of financial accounting terminology in higher education. Prior research has indicated that some students require additional help in studying accounting terminology (Basturkmen & Shackleford, 2015). For example, Teemant (2010) conducted interviews with students and concluded that they often feel "lost in a flood of [accounting] terminology" (p. 94).

The objective of this glossary is to provide a teaching resource that supports students in German-speaking countries who are studying basic financial accounting terminology. Currently available bilingual dictionaries on basic accounting terminology are mainly either domain-specific (e.g., accounting) that do not discriminate between, for example, cost accounting and financial accounting (e.g., Bosewitz & Bosewitz, 2019), outdated domain-specific dictionaries (Zingel, 2005), or web-based shared projects that make it difficult to judge their integrity (e.g., ProZ, 2021). Therefore, we have developed an English-German financial accounting dictionary. We identify relevant cost accounting terms using Miller-Nobles, Mattison, and Matsumura (2019) as an established financial and management accounting textbook. We translate all terms referencing Coenenberg, Haller, and Schultze (2021) and the authors' expertise. We double-checked all entries and resolved ambiguity through joint discussions.

The dictionary contributes to the overall accounting education and profession by addressing barriers that are likely to occur in translating foreign concepts. Prior research indicates that lower-strata students struggle with higher perceived language barriers and that English as a medium of instruction may facilitate

social inequalities if insufficiently addressed (K. Lueg & Lueg, 2014, 2015). Consequently, this dictionary serves as a learning resource to tackle linguistic barriers, for instance for non-native English speakers to work on English-medium instructional case studies (R. Lueg, 2015, 2019, 2021).

2 ANALYSIS AND INSTRUCTOR RESOURCE

English	German
Account account form asset account closing balance sheet account expense account liability account on account operating results account profit and loss account revenue account stock account	Konto Kontoform Aktivkonto Schlussbilanzkonto Aufwandskonto Passivkonto auf Ziel Betriebsergebniskonto Erfolgskonto Ertragskonto Bestandskonto
Accounting conservatism	See principle of prudence
Accounting period	Rechnungslegungsperiode
Accrual accounting	Periodenrechnung / Periodenabgrenzung
Acquiree	Erworbenes Unternehmen
Acquirer	Erwerbendes Unternehmen
Acquisition	Erwerb
Acquisition method	Vollkonsolidierung
Administrative expenses	Verwaltungsaufwendungen
Adverse opinion	Negatives Prüfungsurteil / Versagungsvermerk
Allocate	Allokieren / aufteilen
Amortization	Abschreibung (von immateriellen Vermögenswerten) / Tilgung (von Schulden)
Appreciation	Zuschreibung / Wertaufholung
Arms-length transaction	Transaktion zu marktüblichen Bedingungen
Asset asset swap current assets financial asset intangible asset non-current assets operating assets	Vermögensgegenstand / Vermögenswert Aktivtausch Umlaufvermögen Finanzanlagevermögen Immaterieller Vermögensgegenstand Anlagevermögen Betriebsnotwendiges Vermögen
Assets	Aktiva (Sollseite der Bilanz)
Associated company	Assoziiertes Unternehmen
Audit	Prüfung
Audit opinion	Bestätigungsvermerk
Audit risk	Prüfrisiko
Auditor	Wirtschaftsprüfer:in / vereidigte:r Buchprüfer:in
Bad debt	Forderungsausfall
Badwill	Negativer Geschäfts- oder Firmenwert
Balance	Saldo
Balance sheet profit (loss)	Bilanzgewinn (Bilanzverlust)

English	German
Balance sheet contraction extension	Bilanz Bilanzverkürzung Bilanzverlängerung
Bond	Anleihe / Rentenpapier
Bondholder	Anleiheninhaber:in
Book value	Buchwert
Bookkeeping	Buchhaltung
Business combination	Unternehmenszusammenschluss
Business transaction	Geschäftsvorfall
Business year	See fiscal year
Cameralistic / governmental accounting / single-entry bookkeeping	Kameralistik
Capital	Kapital
Capital expenditure	Investitionen (in langfristige Vermögenswerte)
Capital swap	Passivtausch
Capitalization	Aktivierung
Carrying amount	See book value
Cash and cash equivalents	Zahlungsmittel und Zahlungsmitteläquivalente
Cash discount	Skonto
Cash flow statement	Kapitalflussrechnung
Cash generating unit (CGU)	Zahlungsmittelgenerierende Einheit
Cash inflow (increase in cash and cash equivalents)	Einzahlung
Cash outflow (decrease in cash and cash equivalents)	Auszahlung
Certified public accountant (CPA)	See auditor
Chief financial officer (CFO)	Finanzvorstand / Finanzvorständin
Closing balance	Schlussbilanz
Closing date	Abschlussstichtag
Closing entry	Schlussbuchung
Company code	Buchungskreis
Comparison of equity stocks	Betriebsvermögensvergleich
Consistency	Stetigkeit
Consolidated financial statement	Konzernabschluss
Consolidation	Konsolidierung
Consumables	Betriebsstoffe
Control	Beherrschung
Cost center	Kostenstelle
Cost method	Anschaffungskostenmethode / Herstellungskostenmethode
Cost of goods sold (COGS)	Kosten der verkauften Produkte / Umsatzkosten
Cost of sales method	Umsatzkostenverfahren
Credit	Haben
Creditors	Kreditoren
Currency risk	Währungsrisiko

English	German
Deadline	Fristablauf
Debit	Soll
Debt	Schulden
Debtors	Debitoren
Debt-to-equity ratio	Verschuldungsgrad
Deferred revenue	Passiver Rechnungsabgrenzung
Deferred taxes	Latente Steuern
Depletion	Abschreibung (von natürlichen Ressourcen)
Depreciation	Abschreibung
Derecognition	Ausbuchung
Direct method (of operating cash flow)	Direkte Methode (zur Ermittlung der operativen Cash Flows)
Disclaimer of opinion	See adverse opinion
Disclosure	Offenlegung
Discount rate	Abzinsungssatz
Distribution expenses	Vertriebsaufwendungen
Dividends	Dividende
Double entry accounting	Doppelte Buchführung
Doubtful debts	Zweifelhafte Schulden
Due diligence	Sorgfaltspflicht
Earnings per share	Dividende pro Aktie / Gewinn pro Aktie
Earnings (basic and diluted)	Ergebnis (unverwässert und verwässert)
Economic life	Wirtschaftliche Nutzungsdauer
Effective interest method	Effektivzinsmethode
Effective interest rate	Effektivzinssatz
Enterprise	See entity
Enterprise resource planning (ERP) system	Warenwirtschaftssystem / Unternehmensressourcenplanung
Entity	Unternehmung / Konzerngesellschaft
Equity	Eigenkapital
Equity and liabilities	Passiva (Passivseite der Bilanz)
Equity method	Equity-Methode
Exchange rate	Wechselkurs
Expected value	Erwartungswert
Expenditure (decrease in net financial assets)	Ausgabe
Expense	Aufwand
Extraordinary	Außerplanmäßig /-ordentlich
Extraordinary expense	Außerordentlicher Aufwand
Factoring	Factoring / Liquidierung von Forderungen durch deren Verkauf
Fair / faithful presentation	Eine den tatsächlichen Verhältnissen entsprechende (wahrheitsgemäße) Darstellung
Fair value	Fair Value / beizulegender Zeitwert
Final stock	Schlussbestand

English	German
Finance director	See chief financial officer (CFO)
Finance lease	Finanzierungsleasing
Financial accounting	Externes Rechnungswesen
Financial profit / expense	Finanzergebnis
Finished goods inventory	Bestand an fertigen Erzeugnisse
Finished products	Fertige Erzeugnisse
First in first out (FIFO)	FIFO-Verfahren
Fiscal year	Geschäftsjahr
Fixed assets	See non-current assets
Flow value	Stromgröße
Forecast	Prognose
Foreign currency	Fremdwährung
Fraud	Betrug
Funds source of use of / application of	Mittel (fin.) Mittelherkunft Mittelverwendung
Future Value	Endwert
General ledger	Hauptbuch
Generally Accepted Accounting Principles (GAAP)	(Institutionelle) Rechnungslegungsvorschriften (ohne inhärenten Gesetzcharakter wie z.B. das Handelsrecht/-gesetzbuch); wird auch oft inkorrekt mit 'Grundsätze ordnungsmäßiger Buchführung' übersetzt
Going concern	(Unternehmens)fortführung
Goods	Waren
Goods purchase	Wareneinkauf
Goodwill	Geschäfts- oder Firmenwert
Gross margin	Handelsspanne
Gross margin percentage	Bruttomarge
Gross profit	Rohgewinn
Group	Konzern
Group of consolidated companies	Konsolidierungskreis
Growth component	Wachstumskomponente
Guarantee	Garantie (betriebswirtschaftlich aushandelbar im Gegensatz zur gesetzlich vorgeschriebenen Gewährleistung)
Historical cost	Historische Anschaffungskosten / Herstellungskosten
Hostile takeover	Feindliche (Unternehmens)übernahme
Identifiable asset	Identifizierbarer Vermögenswert
Impairments (substance-related)	Wertminderung (substanzbedingt)
Income	Ertrag
Income statement	Gewinn- und Verlustrechnung
Indirect method	Indirekte Methode (zur Ermittlung der operativen Cash Flows)
Insolvency	Insolvenz

English	German
Interests / Interest rate	Zinsen / Zinssatz
Interim reports	Zwischenberichte
Inventory	Inventar / Bestand
Investor	Investor:in / Kapitalgeber:in
Invoice	Rechnung
Issued capital	Ausgegebenes Kapital
Item	Posten
Joint venture	Gemeinschaftsunternehmen
Journal entry	Buchungsbeleg
Key audit matters	Key Audit Matters / bedeutsame Prüfungssachverhalte
Key performance indicators	Key Performance Indikatoren / Leistungskennzahlen
Labor union	Gewerkschaft
Last in first out (LIFO)	Last in first out (LIFO) - Verfahren
Lean accounting	Lean Accounting / automatisiertes Kernrechnungswesen
Leased asset	Geleaste Vermögenswerte
Leasing	Leasing
Lender	Kreditgeber:in
Lessee	Leasingnehmer:in
Lessor	Leasinggeber:in
Leverage	Hebel
Liabilities	Verbindlichkeiten
License / to license	Lizenz / etw. lizenzieren
Line item	See item
Liquidity	Liquidität
Listed company	Börsennotiertes Unternehmen
Loan	Darlehen / Kredit
Loss	Verlust
Management report	Lagebericht
Manufacturing companies	Unternehmen des produzierenden Gewerbes
Market value (of a share)	Marktwert (einer Aktie)
Matching principle	Prinzip der sachlichen Abgrenzung
Material expenses	Materialaufwand
Materiality	Wesentlichkeit
Maturity	Fristigkeit
Merchandising companies	Handelsunternehmen
Merger	See business combination
Minority interest	Minderheitenanteile
Nature of expense method	See cost of sales method
Net	Netto
Net income	Periodenergebnis
Net realizable value	Nettoveräußerungswert

English	German
Neutral expense	Neutraler Aufwand
Neutral revenue	Neutraler Ertrag
Neutral to income	Erfolgsneutral
Non-controlling interest	See minority interest
Non-period-related expense	Periodenfremder Aufwand
Notes	Anhang
Off-balance-sheet	Außerbilanziell
Offsetting	Saldierung
Opening balance	Eröffnungsbilanz
Opening entry	Eröffnungsbuchung
Operating income	Betriebsgewinn
Operating leasing	Operating Leasing / operatives Leasing
Ordinary shares	Stammaktien
Other assets	Sonstige Vermögenswerte
Other comprehensive income	Sonstiges Ergebnis
Other operating expenses	Sonstiger betrieblicher Aufwand
Other operating income	Sonstige betriebliche Erträge
Parent company	Mutterunternehmen
Payables (trade payables)	Verbindlichkeiten (Verbindlichkeiten aus Lieferungen und Leistungen)
Payroll	Lohn- und Gehaltsabrechnung
Pension	Betriebsrente / betriebliche Altersvorsorge / Pensionen (Altersvorsorge für Beamte in Deutschland)
Percentage of completion method	Gewinnrealisierung nach dem Fertigstellungsgrad
Performance obligation	Leistungsverpflichtung
Plant	Anlage / Maschine / Fabrik
Posting composed posting credit posting debit posting reverse posting single posting	Buchung(ssatz) zusammengesetzter Buchungssatz Habenbuchung Sollbuchung Korrekturbuchung einfacher Buchungssatz
Preference shares / preferred shares	Vorzugsaktien
Prepaid expenses	Aktiver Rechnungsabgrenzungsposten
Present Value	Barwert
Principle of balance equality	Grundsatz der Bilanzidentität
Principle of prudence	Vorsichtsprinzip
Principles of orderly accounting	Grundsätze ordnungsmäßiger Buchführung
Private deposit surplus	Einlagenüberschuss
Private deposits	Privateinlagen
Private drawings	Privatentnahmen
Private removing excess	Entnahmeüberschuss
Pro forma statements	Pro-Forma-Finanzberichte
Proceeds (increase in net financial assets)	Einnahme

English	German
Profit	Gewinn
Profit and Loss Statement	See income statement
Property, Plant and Equipment	Sachanlagen
Proportional consolidation method	Quotenkonsolidierung
Provisions	Rückstellungen
Purchase method	See acquisition method
Purchasing costs	Anschaffungskosten / Einkaufskosten
Qualified audit opinion	Eingeschränkter Bestätigungsvermerk
Raw materials	Rohstoffe
Realizable value	Veräußerungswert
Receipts	Quittung
Receivables	Forderungen
Recognition	Ansatz / Erfassung
Reconciliation	Überleitung
Recoverable amount	Erzielbarer Ertrag
Relevance	Relevanz
Repayment	Tilgung
Replacement cost	Wiederbeschaffungswert
Report form	Staffelform
Reporting	Berichtserstattung
Reporting date	Bilanzstichtag
Research and development (R&D)	Forschung und Entwicklung
Reserves	Rücklagen
Residual value	Restwert
Retained earnings	Gewinnrücklagen
Revaluation	Neubewertung
Revenue recognition	Umsatzrealisierung / Erlösrealisierung
Revenues	Umsatz / Erlöse
Reversal	Auflösung (von z.B. Gewinnrücklagen) / Zuschreibung / Wertaufholung
Risk	Risiko
Sale / Sales	Verkauf / Absatz
Sale and leaseback transaction	Sale-and-Leaseback-Transaktion
Securities	Wertpapiere
Service companies	Unternehmen des Dienstleistungssektors
Shareholder	Anteilseigner:in / Aktionär:in / Eigentümer:in / Inhaber:in
Source document	Ersterfassungsbelege
Special purpose entity (SPE)	Zweckgesellschaft
Spin-off	Ausgliederung
Staff expenses	Personalaufwand
Statement of Changes in (shareholders') Equity	Eigenkapitalentwicklung
Statement of changes in non-current assets	Anlagespiegel

English	German
Statement of Comprehensive Income	Gesamtergebnisrechnung
Stock value	Bestandsgröße
Stocktaking	Inventur
Subledger	Nebenbuch
Subscribed capital	Gezeichnetes Kapital
Subsidiary	Tochterunternehmen
Substance (economic)	See materiality
Substance over form	Wirtschaftliche Betrachtungsweise
T-account	T-Konto
Tangible asset	Materieller Vermögenswert
Total assets	Bilanzsumme
Total cost method	Gesamtkostenverfahren
Trade discount	Rabatt
Transaction price	Transaktionspreis
Trigger point	Auslösepunkt
Turnover	See revenues
Unconsolidated equity investments	Nicht konsolidierte Beteiligungen
Unfinished products	Unfertige Erzeugnisse
Unqualified opinion	Uneingeschränkter Bestätigungsvermerk
Useful life	Nutzungsdauer
Valuation	Bewertung
Value added tax (VAT)	Umsatzsteuer
Value in use	Nutzungswert
Warranty	Gewährleistung (gesetzlich vorgeschrieben im Gegensatz zur aushandelbaren Garantie)
Wear and tear	Verschleiß
Work in progress	See work-in process inventory
Working capital	Nettoumlaufvermögen
Work-in-process inventory	Bestand an unfertigen Erzeugnissen
Write down	Abschreibung (auf einen geringeren Wert)
Write-off	Abschreibung (auf Null)
Yield	Ertrag / Ergebnis

3 CONCLUSION

Overall, the development of such a bilingual dictionary is a time-consuming task that calls for further updates as new concepts and terms emerge (Fuertes-Olivera & Nielsen, 2014; Nielsen, 2015). Thus, we would very much appreciate suggestions for further improvements.

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