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Introduction to Taxation and Accounting



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HIGHER AND SECONDARY
MINISTRY OF SPECIAL EDUCATION OF THE REPUBLIC OF UZBEKISTAN

TASHKENT STATE UNIVERSITY OF ECONOMICS

M.B. KALONOV, F.X. HAKIMOV

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Introduction to Taxation and Accounting

(Manual book)

Tashkent 2022

M.B. Kalonov, F.X. Hakimov

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UNIT 1

An introduction to tax and taxation



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DISCUSSION

Before reading the test text answer the following questions with your partner:

I. What do “tax and taxation” mean ?

II. What kinds of advantages and disadvantages have the taxes in the economy?

III. What do you think about the economic role of taxes?

The origin of the word **"TAX"** is from **"TAXATION"** which means an estimate (calculate). These were levied either on the sale and purchase of merchandise or livestock and were collected in a haphazard manner from time to time. Nearly 2000 years ago, there went out a decree from Ceaser Augustus that all the world should be taxed. The first known taxation took place in Ancient Egypt around 3000–2800 BC. A failure to pay in a timely manner (non-compliance), along with evasion of or resistance to taxation, is punishable by law. Taxes consist

of direct or indirect taxes and may be paid in money or as its labor equivalent. Property taxes were used in Egypt, Babylon, Persia, and China and throughout the ancient world. Most people were poor and lived in hovels. The primary focus of early property taxation was land and its production value. Ancient Egypt had a thriving culture that began around 5,000 B.C. and lasted thousands of years. Taxes were levied against the value of grain, cattle, oil, beer and land. Approximately one in a hundred people were literate; they were called scribes. Some of the scribes were tax assessors. They kept records about who owned title to lands along with the size of their fields. At various times they collected annual or biannual data by counting cattle and checking the crop yields. The most common taxpayers were the farmers, from whom assessors coerced collection. If a taxpayer did not or was not able to pay, he was brought before courts that immediately dispensed justice. A typical tax rate was ten percent of all production. Tax assessors were highly valued people because of their skills with hieroglyphics and their ability to collect revenue. Often when a king died, the assessor was the only staff person not killed and buried along with the king, so valued was his service. There were tombs and monuments for assessors in Egypt and Syria that rivaled those of some kings. In Egypt, the famous Rosetta Stone was actually a tax document granting exemption to priests.

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Activity 1

Testing

1. What does the word " Taxation" mean?

a) hypothesis b)manufacture c) granted d)far future

2. Rosetta Stone _____

a) granted exemption for ambassadors b)made priests free of tax c) proved rights of slaves

3. What made the most portion of tax in Lagash.

a) steel b)food c)candle d)salt

4. Find the false statement.

a) tax is on obligatory contribution to the state revenue b)Tax is introduced to enhance the country 's economy c)Tax aggravates the standard of living

5. Who used the bal tax system in Iraq

a)Queen b) King c)Prince d) Prime Minister

6. Which argan is responsible far exarted low?

A) Judicial b)Lord of commons c)Parliament

7. What was the result of drop in tax collection rates in America?

A) revolution b)radical rebellion c) fiscal reform d) renessiance

8. When were homestead exemptions created?

a) during great depression b)in the early 18 century c) during fiscal reform

9. Who kept records about tax pagers fields and title?

A) assessors b) Scribes c)Priests

10. Non compliance _____

A) disability to pay tax b) lack of tax scribes c) falling to pay tax punctual

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TOPIC VOCABULARY

Definition of TAX	A tax is a payment collected by government agencies from organizations and individuals to support government or local government activities. The main source of revenue of the state budget is taxes. Taxes, as an economic category, are also a form of attracting a portion of net income to the budget and are an integral part of financial relations.
TAX RATES	are levied on the occupiers of real property on the basis of the annual rental value of the property.
RESIDENT	A person who is liable for tax in a country or state because of domicile, residence, place of management, or other similar criterion..
COMPANY	Often used to mean a separate legal entity (a corporation) organized to perform an activity, business or industrial enterprise. Sometimes it has a broader meaning to mean individual or collective enterprises seeking profit.
DIRECT TAX	Direct taxes are taxes imposed on income, capital gains and net worth. Gift tax, death duties and property tax are also considered direct taxes.
INDIRECT TAX	Tax imposed on certain transactions, goods or events. Examples include

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	VAT, sales tax, excise duties, stamp duty, services tax, registration duty and transaction tax
LOCAL TAX	In countries where there is a central or federal government and separate levels of government at state, provincial, county or city levels, taxes levied at the lower levels of government are commonly referred to as "local" taxes.
PROFIT	Broadly, the excess of revenue over expenditure.
LEGAL ENTITY	Generally, corporations, joint-stock companies and limited liability companies are regarded for tax purposes as having an existence separate from that of their shareholders. Conversely, for tax purposes a partnership is often not regarded as a separate legal entity, its profits being taxed in the hands of the individual partners. What constitutes a legal entity for tax purposes may or may not coincide with what constitutes a legal entity for general law purposes.
TAX TREATY	An agreement between two (or more) countries for the avoidance of double taxation. A tax treaty may be titled a Convention, Treaty or Agreement.

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NOUNS

Nouns are simply the names we give to everything around us, whether it be a person, an event, a place or an object, etc. Every particular name used to define something is a noun. Nouns are the words we use for:

people: *a visitor*

thing: *a postcard*

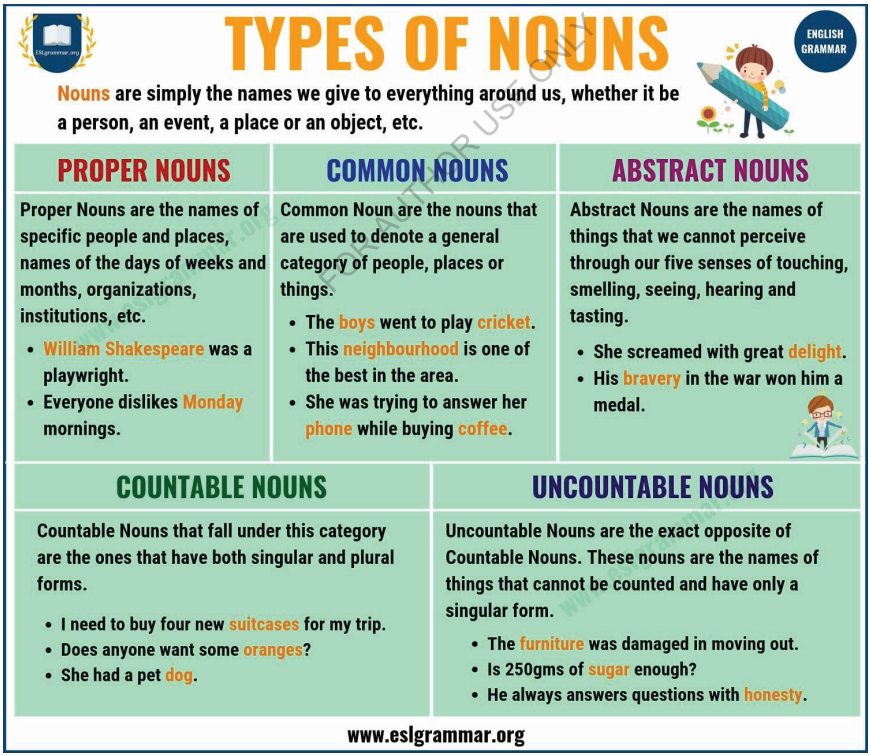
place: *a museum*

activities: *shopping*

ideas: *information*

feelings: *love*

Types of Nouns | Infographic:



Different Types of Noun:

- ❖ Proper Noun
- ❖ Common Noun
- ❖ Abstract Noun
- ❖ Concrete Noun
- ❖ Countable Noun
- ❖ Non-countable Noun
- ❖ Collective Noun
- ❖ Compound Noun

A common noun is the generic name for any group of people, places or things of the same type.

Example:

- ✓ That man has walked past three times.
- ✓ Which countries are in North America?
- ✓ There are five chairs in our office.

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Whereas, a proper noun is the name of a specific person, place or thing. Proper nouns are always written with a capital letter.

Example:

- ✓ Elizabeth is the Queen of England.
- ✓ Canada is a country in North America.
- ✓ The Eames Lounge Chair is a very famous design.

A concrete noun refers to a real physical thing. A concrete noun is something we can reach out and touch, it is a material object. Some examples of concrete nouns include *apple, cat, mountain, office, table,* etc.

Example:

- ✓ The dog jumped over the fence.

An abstract noun refers to a concept or idea. An abstract noun does not exist as a material object. Some examples of abstract nouns include *beauty, friendship, happiness, knowledge, information* etc.

Example:

- ✓ Love is a powerful emotion.
- ✓ I need some information about the museum.

Countable nouns are sometimes called count nouns. They are nouns which can be used in singular and plural.

Example:

- ✓ one car,
- ✓ two cars
- ✓ I have one suitcase, but Janice had three suitcases.

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An uncountable noun names something that cannot be counted. Uncountable nouns have one form and cannot be used in the plural.

Example:

- ✓ The traffic is very bad today.
- ✓ Janice has a lot of luggage.

Learn more about which nouns are countable and which nouns are uncountable at the countable/uncountable nouns section of the website.

Collective nouns are sometimes called *group words* because they describe a group of people or things as one single unit. Collective nouns can be followed by a singular or plural verb depending on the intention of the speaker. Some examples of collective nouns include *audience, band, family, group, government* etc.

Example:

- ✓ Our team never wins.
- ✓ The audience listened patiently.

A compound noun is a noun formed with two or more different words. Compound nouns can be written as one word, two separate words or joined by a dash.

Example:

- ✓ Watermelon is my favourite fruit.
- ✓ French fries aren't very healthy.
- ✓ Ice-cream is delicious.

The gerund is a verb form which functions as a noun. The gerund always ends with *-ing* but it should not be confused with the present participle which also ends in *-ing*. Gerunds are often used as the subject of a sentence and after certain verbs, prepositions and adjectives.

Example:

- ✓ Walking is a great way to exercise.
- ✓ We like to do the shopping on Saturday morning.
- ✓ James went swimming yesterday.

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Every noun can be categorized as either a common noun or a proper noun.

How to Spot a Common Noun and a Proper Noun:

A common noun answers the question: ***"What is it?"***

A proper noun answers the question: ***"What's its name?"***

Q: What is it? A: It is a bridge.

(The word "bridge" is a common noun)

Q: What's its name? A: It is London Bridge.

(The name "London Bridge" is a proper noun)

Gender

Nouns do not have grammatical gender in English. To show gender in job nouns we have to say ***a female/woman doctor, a male doctor***, etc. A few nouns show gender by their suffix, usually masculine gender, such as ***businessman***.

Nouns of Adress

They are used in direct speech to identify the person or group being directly spoken to, or to get that person`s attention. Like interjections, they are grammatically unrelated to the rest of sentence.

Noun Phrases

A **noun phrase** is a group of two or more words that function together as a noun in a sentence. Noun phrases consist of a noun and other words that modify the noun. For example:

"*He brought the shovel with the blue handle*."

In this sentence, *the shovel with the blue handle* is a noun phrase. It collectively acts as a noun while providing modifying words for the head noun, *shovel*. The modifiers are *the* and *with the blue handle*.

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Nominalization (Creating Nouns)

Nominalization refers to the creation of a noun from **verbs** or **adjectives**.When nouns are created from other parts of speech, it is usually through the use of **suffixes**. For example:

"*My fiancée is an actor.*" (The verb *act* becomes the noun *act**or***.)

"*His acceptance of the position was received warmly*." (The verb *accept* becomes the noun *accept**ance***.)

"*The hardness of diamond makes it a great material for cutting tools*." (The adjective *hard* becomes the noun *hard**ness***.)

"*This project will be fraught with difficulty*." (The adjective *difficult* becomes the noun *difficult**y***.)

Activity 1. Test your knowledge

1. Your _____ are quite dull.

a) scissors b) scissor

2. I have a bag of _____.

a) rices b) rice

3. These pieces of _____ will change my life.

a) advice b) advices

4. The shopkeeper sold three _____ eggs.

a) dozens b)dozen

5. I have three _____ of shoes.

a) pair b) pairs

6. You have _____ of prize bonds.

a) million b) millions

7. Politics _____ his chief interest.

a) is b) are

8. Those _____ are mine.

a) stocking b)stockings

9. His means of income _____ very limited.

a) is b)are

10. These _____ are not mine.

a) cattles b)cattle

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Activity 2. Complete the sentences with the appropriate words.

Fancy, twins`, hairs, families, mathematics, lamb, rainbow, housewives, mistakes, envelopes;

1. Most _____ work more than ten hours a day at home.
2. Do you _____ a game of sports?
3. He typed the letters, then put them all in several_____
4. My friend is only twenty five, but he has a few grey _____.
5. They are not his friend`s _____.
6. _____ is one of the interesting phenomenon of the nature.
7. They visited several _____ that day.

8. When you go to the supermarket can you get _____ chops, a bottle of cola and some bread.
9. _____ is well taught at the school.
10. This photo was taken in my cousin`s restaurant. It was their _____ birthday party.

SUB-SKILL

Read and write

DESCRIBE THE CIVILIZATION OF "TAX AND TAXATION"

You should write:

What is taxation

How it is developed

Why do we need tax

PS: You can use the text above in order to write your brief summary(100 words max.)

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UNIT 2

Fundamental Principles of Taxation

DISCUSSION

Before reading the test text answer the following questions with your partner:

I. What kinds of tax principles do you know?

II. Who framed the fundamental principles of taxation?

III. Why do government need principles of taxation in the economy?

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The principles of good taxation were formulated many years ago. In *The Wealth of Nations* (1776), Adam Smith argued that taxation should follow the four principles of fairness, certainty, convenience and efficiency. Fairness, in that taxation, should be compatible with taxpayers' conditions, including their ability to pay in line with personal and family needs. Certainty should mean that taxpayers are clearly informed about why and how taxes are levied.

Convenience relates to the ease of compliance for the taxpayers: how simple is the process for collecting or paying taxes? Finally, efficiency touches on the collection of taxes: basically put, the administration of tax collection should not negatively affect the allocation and use of resources in the economy, and certainly shouldn't cost more than the taxes themselves.

The sound basis of good taxation today

Adam Smith's principles of good taxation form a sound basis for taxation today, however, they're not always followed. Sometimes tax systems hit certain categories of taxpayers or kinds of consumption while leaving others relatively

untouched. Sometimes tax systems lack transparency, imposing charges on some goods (eg, fuel excise) without any explicit indication on our bills.

Sometimes taxpayers are burdened with administrative tasks, for example filing yearly tax returns online. Sometimes the tax administration does not, or cannot, apply regulations or prosecute those who evade taxes in a cost-effective manner.

It may be noted that Adam Smith was basically concerned with how the wealth of nations or, in other words, production capacity of the economy can be increased and he thought that private enterprise working on the basis of free market mechanism would ensure efficient use of resources and, if left unfettered would bring about rapid economic growth.

FOUR MAXIMS (GUIDING PRINCIPLES) OF TAXATION

1. Principle or Canon of Equality:

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The first canon or principle of a good tax system emphasized by Adam Smith is of equality. According to the canon of equality, every person should pay to the Government according to his ability to pay, that is in proportion of the income or revenue he et jove under the protection of the State.

Thus under the tax system based on equality principle the richer persons in the society will pay more than the poor. On the basis of this canon of equality or ability to pay Adam Smith argued that taxes should be proportional to income, that is, everybody should pay the same rate or percentage of his income as tax.

However, modern economists interpret equality or ability to pay differently from Adam Smith. Based on the assumption of diminishing marginal utility of money income, they argue that ability to pay principle calls for progressive income tax, that is, the rate of tax increases as income rises. Now, in most of the countries, progressive system of income and other direct taxes have been adopted to ensure equality in the tax system.

This implies that those who have same income should pay the same amount of tax and there should be no discrimination between them. Second is the concept of vertical equity. The concept of vertical equity is concerned with how people with

different abilities to pay should be treated for the purposes of division of tax burden. In other words, what various tax rates should be levied on people with different levels of income, A good tax system must be such as will ensure the horizontal as well as vertical equity.

2. Canon of Certainty:

Another important principle of a good tax system on which Adam Smith laid a good deal of stress is the canon of certainty. To quote Adam Smith, 'The tax which each individual is bound to pay ought to be certain and not arbitrary.

The time of payment, the manner of payment, the quantity to be paid ought all to be clear and plain to the contributor and to every other person. A successful function of an economy requires that the people, especially business class, must be certain about the sum of tax that they have to pay on their income from work or investment.

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Moreover, lack of certainty in the tax system, as pointed out by Smith, encourages corruption in the tax administration. Therefore in a good tax system, "individuals should be secure against unpredictable taxes levied on their wages or other incomes. The law should be clear and specific; tax collectors should have little discretion about how much to assess tax payers, for this is a very great power and subject to abuse."

In the opinion of the present author the Indian tax system violates this canon of certainty as under the Indian income tax law a lot of discretionary powers have been given to the income tax officers, which have been abused with impunity. As a result, there is a lot of harassment of the tax payers and corruption is rampant in the income tax department.

3. Canon of Convenience:

According to the third canon of Adam Smith, the sum, time and/manner of payment of a tax should not only be certain but the time and manner of its payment

should also be convenient to the contributor. If land revenue is collected at the time of harvest, it will be convenient since at this time farmers reap their crop and obtain income.

In recent years efforts have made to make the Indian income tax convenient to the tax payers by providing for its payments in installments as advance payments at various times during the year. Further, income tax in India is levied on the basis of income received rather than income accrued during a year. This also makes the income tax system convenient. However, there is a lot of harassment of the tax payers as they are asked to come to the income tax office several times during a year for clarifications of their income tax returns.

4. Canon of Economy:

The Government has to spend money on collecting taxes levied by it. Since collection costs of taxes add nothing to the national product, they should be minimized as far as possible. If the collection costs of a tax are more than the total revenue yielded by it, it is not worthwhile to levy it.

More complicated a tax system, more elaborate administrative machinery will be employed to collect it and consequently collection costs will be relatively larger. Therefore, even for achieving economy in the tax collection, the taxes should be as simple as possible and tax laws should not be subject to different interpretations. In Uzbekistan there are different types of tax principles.

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Activity 1. Fill in gaps according to the text above

1. _____ certainly should not cast more than the taxes themselves
2. Sometimes taxpayers are _____ with administration tasks
3. _____ should mean that taxpayers are aware of how____ are levied
4. Four _____ of taxation equity, certainly, convenience, efficiency
5. The tax which each individual is bound to pay ought not to be _____
6. More _____ a tax system , more elaborate administration machinery will be employed
7. Tax laws should not be subject to different _____
8. Collection of taxes add nothing to the _____ product
9._____ is rampant in the income tax department
10. Indian tax officers are given discretionary_____

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TOPIC VOCABULARY

PRINCIPLES OF TAXATION	Taxation is based on the principles of obligation, clarity and cooperation of tax authorities with taxpayers, fairness, uniformity of the tax system, transparency and the presumption of taxpayer rights.
THE PRINCIPLE OF OBLIGATION	Everyone is obliged to pay the taxes and fees provided for in this Code. No one may be obliged to pay taxes and levies that have all the characteristics of taxes and levies, but are not provided for in this Code or in violation of its norms.
THE PRINCIPLE OF TRANSPARENCY OF TAXATION AND COOPERATION OF TAX AUTHORITIES WITH TAXPAYERS	Legislation on taxes establishing taxes and levies shall not apply to taxpayers and all other elements of these taxes and levies, including the terms and procedure for their payment, unless otherwise provided by this Code. should determine. The tax authorities must cooperate with taxpayers in the field of tax relations in order to ensure the proper implementation of tax legislation. In this case, the tax authorities do not have the right to create unjustified obstacles to the legal activities of taxpayers, and taxpayers

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	must create conditions for the tax authorities to exercise their powers.
THE PRINCIPLE OF FAIRNESS	Taxes and levies may be discriminatory and may not be based on social, racial, national, religious or other criteria. It is not allowed to set tax rates, tax benefits or other benefits that differ depending on the form of property, citizenship of individuals or the country of origin of capital. It is not allowed to impose taxes that prevent citizens from exercising their constitutional rights.
THE PRINCIPLE OF UNITY OF THE TAX SYSTEM	The tax system is unique throughout the territory of the Republic of Uzbekistan. Taxes that violate the single economic space of the Republic of Uzbekistan, in particular, directly or indirectly restrict the free movement of goods (services) or financial resources within the territory of the Republic of Uzbekistan, are not allowed.
THE PRINCIPLE OF TRANSPARENCY	Tax legislation must be officially promulgated.
THE PRINCIPLE OF THE PRESUMPTION OF THE RIGHT OF THE TAXPAYER	All irreconcilable contradictions and ambiguities in the tax legislation are interpreted in favor of the taxpayer.
RESIDENCE PRINCIPLE OF	Principle according to which residents

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TAXATION	of a country are subject to tax on their worldwide income and non-residents are only subject to tax on domestic-source income.
KNOW-HOW	All undivulged technical information, whether or not capable of being patented, that is necessary for the industrial reproduction of a product or process, i.e. knowing how a product is made or how a particular process works.
DOUBLE TAXATION, ECONOMIC AND JURIDICAL	Double taxation is juridical when the same person is taxed twice on the same income by more than one state. Double taxation is economic if more than one person is taxed on the same item.

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ARTICLE

Article defines a word which is a noun as specific or unspecific. In English grammar, there are two types of article, the definite article and the indefinite article. In the most simple terms an article is a way of letting the listener or speaker know that a noun is either unspecific or specific.

Let's clarify the meaning of an article.

Eg. During the long journey, the family played car games.

You can see that when we use the article 'the' that we are showing that we are talking about a specific day and also a specific family. However, if we change the article, we can show that we are not talking about a specific journey or family. Take a look at the example now:

- *During a long journey, a family can play car games.*
-

Simply by changing the article, we have made the sentence a more general statem ent and not about a specific thing or person.

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Quick note:

- **Articles are small but important words in the English language.**
- **Articles are considered adjectives because they modify or help describe nouns.**
- **Articles always come before or precede the nouns they describe.**

There are only three articles in English: **a, an** and **the.** They are classified as definite article "the" and indefinite article "a/an".

Rules of Using Articles

Definite article or Indefinite article, each of the articles has different uses in different situations.

Using Indefinite Article: *a & an*

Rule 1:

A common noun in the **singular** number always requires an article before it. But a plural common noun does not require an article always. A plural common noun can have the article 'the' if we want to particularise that noun.

Example:

- I saw a snake. (Refers to a random snake)
- I saw snakes in a zoo. (No article is required)
- I have seen the snake again. (Refers to the snake I have already seen earlier)
- I have seen the snakes again before leaving the zoo. (Refers to the particular snakes of the zoo which I saw earlier.)
-

Rule 2:

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The choice between the two indefinite articles – *a & an* – is determined by sound. Words beginning with consonant sounds precede '*a'* and words beginning with vowel sounds precede '*an'*. There are some special cases also. For instance,

- a university, a union, a useful book, etc.
- a one-dollar note, a one-man army, etc.
- an MA, a BA, an LLB, a BSC, etc.

Rule 3:

A or an - sometimes makes a **Proper Noun** a Common Noun. Proper nouns generally do not take any articles, but when a proper noun needs to be used as a common noun, you must bring *a or an* - for it.

Example:

- He thinks he is a Shakespeare. (Here, 'Shakespeare' does not refer to the actual person but someone like him.)

- He seems to be an Australian. ('Australia' is a proper noun but 'Australian' is a common noun because there is only one Australia but a million of Australians.)
-

Rule 4:

Sometimes indefinite articles are used to refer the number 'one'/'each'/'per'.

Example:

- I earned a thousand dollar in that job. (One thousand dollar)
- I have a car. (One car)
- It goes 50 miles an hour. (Per Hour)

Rule 5:

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Indefinite articles often precede descriptive adjectives.

Example:

- He is a good boy.
- What a nice car!

A' sometimes comes before determiners, for example, a *few, a little, a lot of, a most, etc.* but in the case of *many, a or an* - comes after.

Example:

- I have a few friends coming over.
- There is a little milk in the jar.
- Many a fan welcomed
-

Using Definite Article: *the*

Rule 1:

'The' is used to indicate a particular person(s) or thing(s) in the case of common nouns. Proper nouns generally do not take an article.

Example:

- The man is running. (A particular man)
- I saw the boy stealing.
- Where is the pen I gave you last year?
- I gave him a ball, but he lost the ball. ('a ball' became 'the ball' in the second clause because that ball was not a random ball anymore.)
-

Rule 2:

Sometimes '*the'* is used to generalize a group/whole class.

Example:

- The dog is a faithful animal. (Refers to the whole species of dog.)
- The English are industrious. (Refers to the people of England as a nation)
- The honest are respected. (The+adjectives = plural noun)
- The poor are not always dishonest. (The+adjectives = plural noun)
-

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Rule 3:

To particularise a non-count noun 'the' is required before it.

Example:

- The water of the Arctic ocean is freezing.
- Please return the money I lent you last year.

Rule 4:

'The' is mandatory before a thing which is only one of a kind in the universe.

Example:

- The moon is shining tonight.
- The earth is moving around the sun.

Rule 5:

Using '*the'* with geographical nouns generally depends on the size and plurality of the things those nouns refer to.

We cannot use The in these situations:

- Names of continents: *Asia, Europe, Australia, Africa,*
- Names of countries: *France, Germany, India,* etc.
- Names of states, cities, or towns: *Paris, Tashkent, London*
- Names of streets: *Gulobod street, Shodlik street*
- Names of **singular** lakes and bays: *Lake Carey, Lake Eyre, Lake Hillier,*
- Names of **single** mountains: *Mount Kilimanjaro, Mount Fuji*, etc.
- Names of **single** islands: *Sumatra, Sulawesi, Java*
- Names of languages: *Turkish, Japanese, English* (When *'the'* precedes these nouns, they refer to the population of those languages.)
- Names of sports: *tennis, rugby, football*
- Names of discipline/subject of studies: *Art, Education (tarbiya), Maths*

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Quick note:

'The' is a widely used article in English. Except for the list mentioned above and proper nouns, *'the'* is used before almost all the nouns which mean something definite/particular. The above list has some opposite factors also. Those factors are explained in the following list:

***We should use The*:**

- Names of oceans, gulfs, seas, and rivers: *the Pacific,the Aral Sea, the Persian Gulf, the Nile, the Syr Daryo River, etc.*

- Names of countries with united states or islands: *the United States of America (the USA), the UK, the UAE, the Philippines, etc.*
- Names of great lakes: *the Great Lakes, the African Great Lakes,The Baikal*
- Names of mountain **ranges**: *the Himalayas, the Alps, the Andes, etc.*
- Names of a group of Islands: *the British Isles, etc.*

Activity1. Put in The where necessary. Write Ok if the sentence is already correct.

1. What is name of this street? *the name*
2. What's on television tonight? *OK*
3. Our apartment is on second floor. _____
4. Would you like to go to moon? _____
5. Which is best restaurant in this town? _____
6. What time is film? _____
7. How far is it to centre? _____
8. We're going away at end of April. _____
9. What are you doing tomorrow? _____
10. I didn't like her first time I met her. _____

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Activity 2. Put in a/an or the where necessary.

11. Don't forget to turn off light when you go out.
12. Enjoy your holiday and don't forget to send me postcard.
13. What is name of this village?
14. Madagaskar is very big island.
15. What is largest city in Uzbekistan?
16. I like this room but I don't like colour of rug.
17. 'Are you ok?' 'No, I've got toothache.'
18. We live in old house near stadium.

- **Speaking and listening**

DESCRIBE THE IMPORTANT PRINCIPLES OF TAXATION

You should say:

Why we call them "Principles of taxation"

What is the main maxim of equity

What does **economic growth** mean?

PS: You can use both text and topic vocabularies above in order to answer the questions.

Listening Tape 1 Questions 1-5

Choose the correct letter A, B or C

I. Taxation can also have important effects on (1)_____

A) Country's development

B) economic development and growth.

C) The national budget

II. When international financial markets are liberalized, for example, capital tends to flock towards countries where tax regimes are more (2)_____

A) Advantageous

B) Positive

C) Clear

III. When personal income tax is relatively high, individuals may prefer spending their time on recreational activities rather than (3) _____

A) Work

B) Additional work.

C) Free time activities

IV. Individuals may prefer consuming their (4) _____ today rather than putting part of it aside for the future.

A) Wage

B) Salary

C) Income

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V. Overall, the effects of decisions that individuals and businesses make may result in less money being available for (5) _____ and less effort to undertake business activities.

A) Investments

B) Earning more

C) Subsidizing

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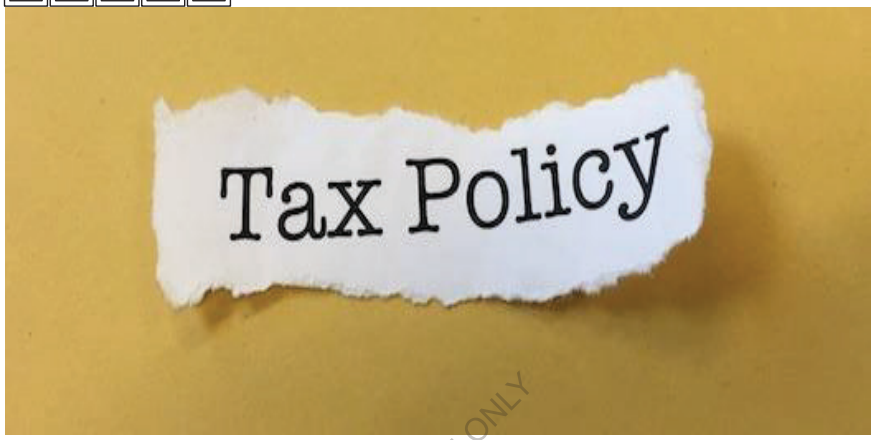
UNIT 3

Tax policy



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DISCUSSION

Before reading the test text answer the following questions with your partner:

I. What does tax policy do?

II. What are the two most important things to know about taxes?

III. How does tax policy affect the economy?

Tax Policy for Developing Countries

Why do we have taxes? The simple answer is that, until someone comes up with a better idea, taxation is the only practical means of raising the revenue to finance government spending on the goods and services that most of us demand. Setting up an efficient and fair tax system is, however, far from simple, particularly for developing countries that want to become integrated in the international economy. The ideal tax system in these countries should raise essential revenue without excessive government borrowing, and should do so without discouraging economic activity and without deviating too much from tax systems in other countries.

First, developing countries face formidable challenges when they attempt to establish efficient tax systems. First, most workers in these countries are typically employed in agriculture or in small, informal enterprises. As they are seldom paid a regular, fixed wage, their earnings fluctuate, and many are paid in cash, "off the books". The base for an income tax is therefore hard to calculate. Nor do workers in these countries typically spend their earnings in large stores that keep accurate records of sales and inventories. As a result, modern means of raising revenue, such as income taxes and consumer taxes, play a diminished role in these economies, and the possibility that the government will achieve high tax levels is virtually excluded.

Second, it is difficult to create an efficient tax administration without a well-educated and well-trained staff, when money is lacking to pay good wages to tax officials and to computerize the operation (or even to provide efficient telephone and mail services), and when taxpayers have limited ability to keep accounts. As a result, governments often take the path of least resistance, developing tax systems that allow them to exploit whatever options are available rather than establishing rational, modern, and efficient tax systems.

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Third, because of the informal structure of the economy in many developing countries and because of financial limitations, statistical and tax offices have difficulty in generating reliable statistics. This lack of data prevents policymakers from assessing the potential impact of major changes to the tax system. As a result, marginal changes are often preferred over major structural changes, even when the latter are clearly preferable. This perpetuates inefficient tax structures.

Fourth, income tends to be unevenly distributed within developing countries. Although raising high tax revenues in this situation ideally calls for the rich to be taxed more heavily than the poor, the economic and political power of rich taxpayers often allows them to prevent fiscal reforms that would increase their tax burdens. This explains in part why many developing countries have not fully

exploited personal income and property taxes and why their tax systems rarely achieve satisfactory progressivity (in other words, where the rich pay proportionately more taxes).

In conclusion, in developing countries, tax policy is often the art of the possible rather than the pursuit of the optimal. It is therefore not surprising that economic theory and especially optimal taxation literature have had relatively little impact on the design of tax systems in these countries. In discussing tax policy issues facing many developing countries today, the authors of this pamphlet consequently draw on extensive practical, first-hand experience with the IMF's provision of tax policy advice to those countries. They consider these issues from both the macroeconomic (the level and composition of tax revenue) and microeconomic (design aspects of specific taxes) perspective.

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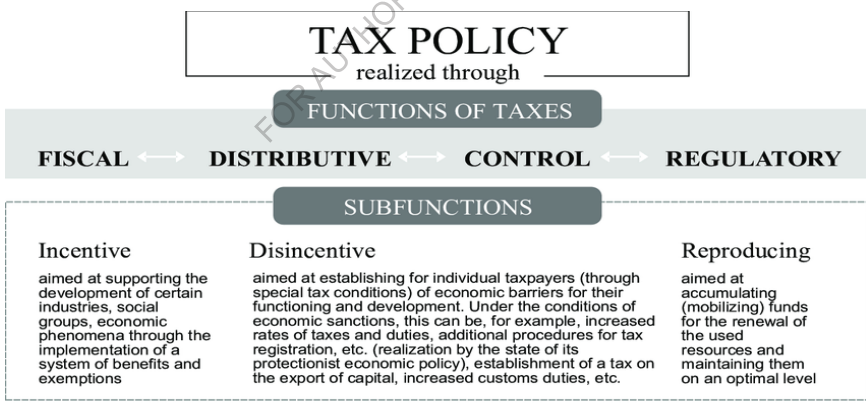

Tax Policy Challenges Facing Developing Countries

Developing countries attempting to become fully integrated in the world economy will probably need a higher tax level if they are to pursue a government role closer to that of industrial countries, which, on average, enjoy twice the tax revenue. Developing countries will need to reduce sharply their reliance on foreign trade taxes, without at the same time creating economic disincentives, especially in

raising more revenue from personal income tax. To meet these challenges, policymakers in these countries will have to get their policy priorities right and have the political will to implement the necessary reforms. Tax administrations must be strengthened to accompany the needed policy changes.

As trade barriers come down and capital becomes more mobile, the formulation of sound tax policy poses significant challenges for developing countries. The need to replace foreign trade taxes with domestic taxes will be accompanied by growing concerns about profit diversion by foreign investors, which weak provisions against tax abuse in the tax laws as well as inadequate technical training of tax auditors in many developing countries are currently unable to deter. A concerted effort to eliminate these deficiencies is therefore of the utmost urgency.

Tax competition is another policy challenge in a world of liberalized capital movement. The effectiveness of tax incentives—in the absence of other necessary fundamentals—is highly questionable. A tax system that is riddled with such incentives will inevitably provide fertile grounds for rent-seeking activities. To allow their emerging markets to take proper root, developing countries would be well advised to refrain from reliance on poorly targeted tax incentives as the main vehicle for investment promotion.

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Tax policy of Uzbekistan

They are the role of taxes in any state determined by the functions it performs. When it comes to the tax function, it`s the manifestation of its essence in action, the expression of its properties style is understood. The function is to distribute the value of this economic category and what is its social function as a means of income redistribution indicates that Tax functions. They are the role of taxes in any state determined by the functions it performs. When it comes to the tax function, it`s the manifestation of its essence in action, the expression of its properties style is understood. The function is to distribute the value of this economic category and what is its social function as a means of income redistribution indicates that.

The essence of taxes stems from the functions they perform. A function is a category that is often repeated in life, it is necessary to understand the repetitive

constant movements. The functions of taxes move their essence into practice indicates that Therefore, the function is always living and taxing should show the essence. Appears today and disappears tomorrow cases cannot be a tax function. Hence, the function category is constant, represents a recurring reality. From such a methodological approach it is necessary to determine the function of taxes. There is a great deal of debate about the functions of taxes, but only one not come to an agreement.

The tax legislation of the Republic of Uzbekistan contains the following main functions of taxes:

- ❖ Fiscal function
- ❖ Regulation function
- ❖ Incentive function
- ❖ Control function
- ❖ The function of providing information on the tax calculation process

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Activity 1. Match the words and their definitions.

1. Finance	a) charge against a citizens person or property for the support of the government
2. excessive	b) a contractual relationship for regular broking
3. deviating	c) beyond normal limits
4. accounts	d) cause to continue or prevail
5. taxation	e) commercial activity providing funds or capital
6. perpetuate	f) cause to turn away from a previous course

Activity 2. Fill in gaps according to the text above.

1. As_____ come down and _____becomes more mobile, the formulation of sound tax policy amends for developing countries.
2. Statistic and tax offices have difficulty in _____ reliable statistics.
3. _____ of tax policy incentive, disincentive, reproducing.
4. A concerted effort to eliminate the _____ is therefore of the utmost urgency.
5. Developing countries will be advised to _____ from reliance on poorly targeted tax.

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TOPIC VOCABULARY

FISCAL POLICY	**Part of economic policy which relates to taxation and public expenditure.**
DISTRIBUTIVE FUNCTION	extend goods and services to members of an organization, as well as distributing the costs of the goods/services amongst the members of the organization.
FISCAL YEAR	Any 12-month period which is set for accounting purpose of an enterprise.
FISCAL FUNCTION	derived from the word, which means treasure), of this function The essence is that taxes create the financial resources of the state and material conditions will be created for the state to function.
REGULATION FUNCTION	that is, goods and services through state taxes regulates the economic conditions of production and sale, and thereby specific to the economic activity of the sectors of the economy Creates a "tax environment".
INCENTIVE FUNCTION	Is one of the most important functions of the tax system one of which is the development of production, material resources, as well as financial and labor resources, more efficient than

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	accumulated assets stimulating use, ie reducing the tax burden to develop production, strengthen the financial position and encourages investment activity.
THE TAX CONTROL FUNCTION	is provided by the taxpayer, object of taxation, taxable base, such as benefits, etc. such as checking the relevant tax returns process. Tax accounting Forms of tax accounting prescribed by the tax authorities through how taxpayers meet their tax liabilities allows for more effective control over what they do.
THE FUNCTION OF PROVIDING INFORMATION ON THE PROCESS OF CALCULATING TAXES	Significantly, the amount of costs and specific taxes through this function what socio-economic functions of the state are spent on It is important to be informed about If so, taxes budgeting is complete, timely, and easy.

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DOUBLE TAXATION, DOMESTIC AND INTERNATIONAL	Domestic double taxation arises when comparable taxes are imposed within a federal state by sovereign tax jurisdictions of equal rank. International double taxation arises when comparable taxes are imposed in two or more states on the same taxpayer in respect of the same taxable income or capital, e.g. where income is taxable in the source country and in the country of residence of the recipient of such income.
INCENTIVE FUNCTION	that is, goods and services through state taxes regulates the economic conditions of production and sale, and thereby specific to the economic activity of the sectors of the economy Creates a "tax environment".

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ADJECTIVES AND ADVERBS

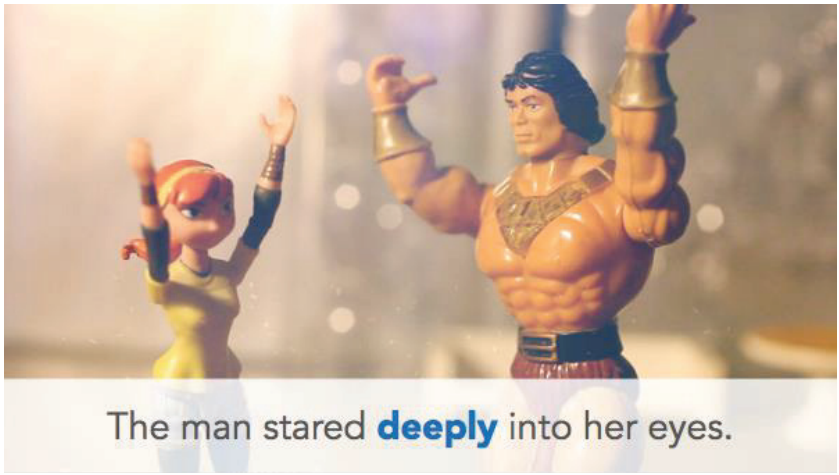
Adjectives and adverbs are both words that **describe** something around us. If anyone has ever asked you to describe something in detail, you probably used some adverbs and adjectives along the way.

An adjective is a word that **describes a noun**. It tells us more about a particular person, place, or thing.



Adjectives also make it easy to understand **which thing** you're talking about. In the example above, the word **pink** describes **a particular cupcake**. So **pink** is an adjective. If one cupcake was larger than the others, we could have said it was the **big** cupcake.

An adverb is a word that **describes a verb**. Just like adjectives, adverbs are used to add detail to a sentence. More specifically, adverbs tell us **how**, **when**, or **where** something happened.



In this example above, the word **deeply** describes **how he was staring**, so deeply is an adverb. In this sentence, it means he was staring in a deep way. If his staring had been weird, we could have said he was staring **weirdly**.

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Using adjectives and adverbs

Adverbs, on the other hand, are used to describe verbs, which means they can explain **how** something happened, **when** something happened, or **where** something happened.

Look at the ending **-ly**

Many adverbs end with the letters **ly**. If you see a word that ends in **ly**, there's a good chance it's an adverb, not an adjective. Can you use this rule to tell what's wrong with this sentence?



Because it doesn't have an **ly** ending, you might have guessed that **quick** is an adjective. However, this sentence is **incorrect** because an **adjective** can't be used to describe a verb (**drove**). To make this sentence correct, we could change the adjective to an adverb: He drove **quickly**.

Look at the placement

Here's an easy way to know where to put an adjective in a sentence. It will usually appear just **before** the noun it's describing. By contrast, an adverb will usually appear right **after** the verb it's describing.

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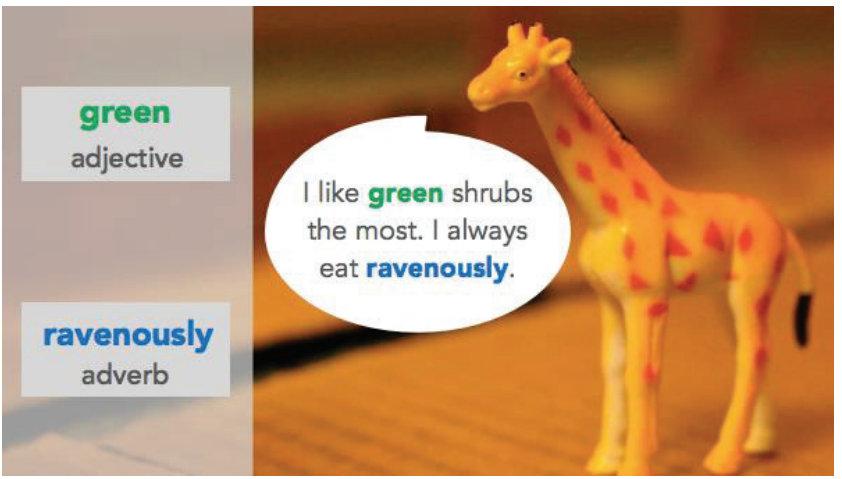

Placement doesn't **always** tell you if something is an adverb or adjective. For example, is **sassy** an adjective or adverb in the image below?



Even though it's right next to a verb (***is***), **sassy** is an adjective because it describes the magician. And while adjectives are usually close to the words they describe, adverbs can move around more freely in a sentence. For example, you might see an adverb at the beginning of a sentence.

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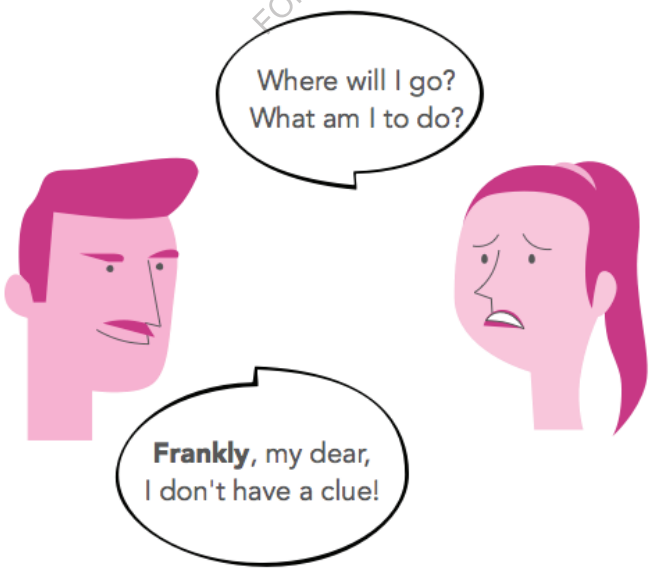

Here, **frankly** is an adverb, but it doesn't describe any specific verb in the sentence. Instead, it means the entire sentence will be spoken in a frank, or direct, way. If he was more optimistic, he might have said, **Hopefully, it will all work out**.

Use the techniques you just learned and see if you can pick out the adjectives and adverbs below.



Suddenly, the girls realized their **big** mistake. They had **foolishly** made their cakes too **small**. They had to do something **fast**!

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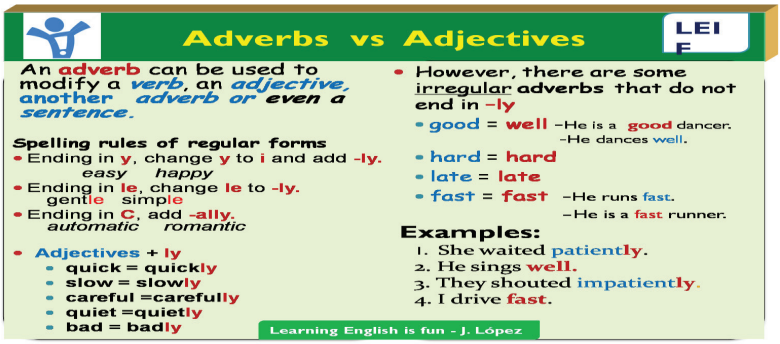
Adverb!

Even though this word comes before the verb it describes, it still tells us **how** they made their cakes. The **LY** ending is another clue that this is an adverb.

Common adverbs and adjectives

A lot of adjectives and adverbs are actually based on the same word, which is one reason they’re sometimes difficult to tell apart. Here's a list of the adjectives and adverbs you'll see the most:



You can also place an adverb between the word **to** and a verb. This is called a **split infinitive**. In the past, this was considered a serious grammatical error, but it's commonly used and accepted today.



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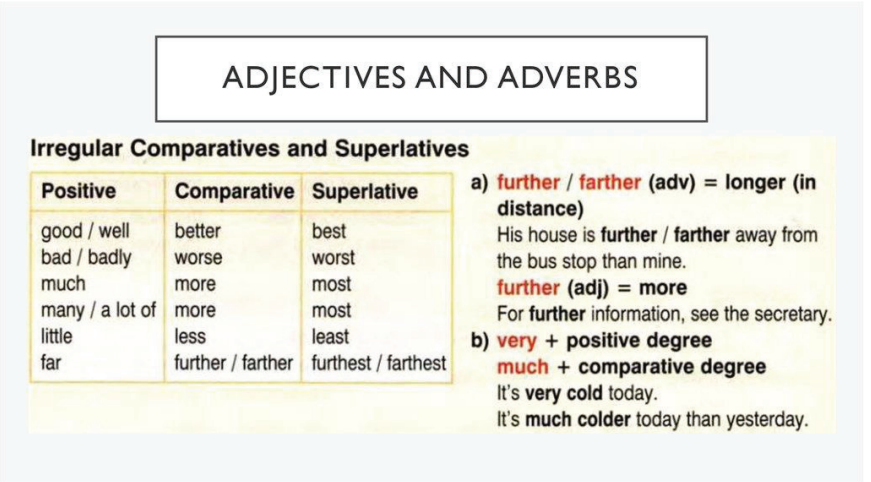
The irregular adjectives and adverbs:



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Activity 1. Complete the sentences using the correct forms.

1. The president hopes that people of all races will live together _____ . (PEACEFUL)
2. She told us that the streets in the capital city were _____ and_____. (DIRTY, UGLY)
3. Do you think nuclear energy is _____ ? (SAFE) .
4. I get all the food _____ from the farmers. (DIRECT)
5. The minister was _____ worried that the deal would not pass parliament. (DEEP)
6. Marty drove home from the party as _____ as he could and got there _____ (FAST, SAFE).
7. When the director found out about the scandal he shouted _____ at his employees. (ANGRY)
8. The old woman walked across the street very _____ . (CAREFUL)
9. She didn't see me. She _____ knocked me down with her brand-new car! (NEAR)
10. After a few weeks people forgot about him _____. (COMPLETE)

Activity2. Fill in the gaps with the following adjectives and adverbs

Slowly, different, slightly, far, expensive

1. The watch I bought was a bit _____
2. Well, it was _____ boring, but some parts were OK.
3. Tigers are _____from leopards. Tigers are much bigger.
4. Davron is by _____ the tallest student in our class.
5. Lift the weights _____or you will hurt yourself.

Activity 3. Put the words in order. Notice the order of adjectives.

1. in London/always/bad/the traffic/is
2. red/a/Aunty/dress/owns/wonderful/and/evening/gold
3. team/the losing/seem/I/always/for/to play
4. complain/a lot/the service/about/our/customers
5. people/to/rarely/foxes/in/the/wild/are/aggressive

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SUB-SKILL

Read and write

Describe what kinds of tax policy in Uzbekistan.

You should say:

What should do the government in order to improve the tax policy in Uzbekistan?

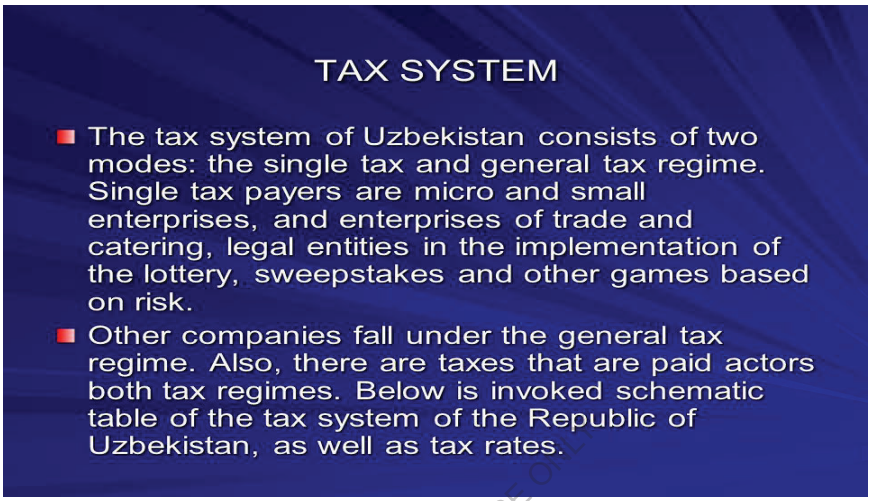
Do we need "tax policy"?

What kinds of deficiencies we can see in our tax policy?

PS: You can use both text and topic vocabularies above in order to answer the questions.

UNIT 4

The tax system of Uzbekistan



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DISCUSSION

Before reading the test text answer the following questions with your partner:

I. How many types of taxes are in Uzbekistan?

II. What is the income tax in Uzbekistan?

III. What are the 3 types of tax systems?

THE TAX SYSTEM OF UZBEKISTAN

With the development of market relationships and further liberalizations of entrepreneurial activity, the number of taxpayers, both legal and natural entities, increases. Hence an increase in the volume of daily information to be processed and analyzed by the tax bodies. Each day tax inspectors receive thousands of documents, with the figure tending to augment significantly in the periods under review. That's why, preparation for automatization of the tax authority's functions has started since its inception. The Board of registration and information provision of computerization and communication dates its history from the end of 1992-the

beginning of 1993. In August 1993, the Cabinet of Ministers of the Republic of Uzbekistan has issued Resolution No 388, "On the establishment of a unified data processing computer system in the tax bodies of the Republic of Uzbekistan". It can be asserted that it was the first government document bearing on automatization of data processing signed in independent Uzbekistan. This Resolution stipulated the organization of a computerization administration and regional computer centers. It marked the beginning of a tax registration system functioning on the basis of modern electronic computers. Moreover, it enabled to computerize registration of tax-payers (using their digital identification numbers) and their tax obligations and automatize control over the timely discharge to the budget of taxes, duties and other obligatory payments.

In September 1995, the Cabinet of Ministers of the Republic of Uzbekistan has issued Resolution No 359, "On the strengthening of the material and technical base and the improvement of social protection of tax officers of the Republic of Uzbekistan". To execute this document, a self financing scientific and information center for new technologies has been set up, whose main objective was to ensure the elaboration of special software programs needed to process tax information. The December 1997 Resolution of the Cabinet of Ministers, "On the establishment of the State Tax Committee of the Republic of Uzbekistan" (No 580) has facilitated the development of computerization in the Republic's tax bodies. In accordance with this document, a corporate telecommunications system of information interchange has been created to make sure that all sub-divisions of the tax service can exchange information on the basis of satellite communication technology.

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As the development of automatized tax information processing systems proceeded, the STC sub-divisions were outfitted with the latest computers and information interchange facilities. Local information and computing networks have been established in all tax inspections and regional tax administrations throughout the Republic, with modern means of telecommunications being exploited. One of the main goals of automatization is to cover an increasing number of tasks and

routine operations through the introduction of new computers programs, which enable to accelerate the processing of tax data and to increase the efficiency of tax inspectors' performance. As for the latter, it can be attained by shifting the focus of their work from monotonous calculations and paper shuffling toward creative analysis with the help of modern means of computer statistics. Automatization of activity carried out by tax inspections, which constitute the tax service's foundation, is a core element of the overall automatization program. This envisages the creation unified centralized databases' on taxpayers and their tax obligations, thus ensuring that information provision of territorial tax bodies and the central administration is automatized. At present the most perspective information technologies are being introduced at the State Tax Committee of the Republic of Uzbekistan. Every effort is currently made to provide complex solutions to a range of problems of inter-level information inter-change, which helps improve the authenticity and quality of accounts and analytical materials delivered to the Central Tax Board from its regional sub-divisions. Informatization-related services are now available in all territorial subdivisions of the State Tax Committee. Involved in the introduction and running of new software and electronic and computing equipment, they ensure uninterrupted and well-coordinated work of all systemic and applied software products, thus contributing substantially to information interaction.

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The following taxes are established in the territory of the Republic of Uzbekistan:

1) value added tax;

2) the excise tax;

3) income tax;

4) personal income tax;

5) subsoil use tax;

6) tax for the use of water resources;

7) property tax;

8) land tax;

9) social tax.

Fees may be set in the territory of the Republic of Uzbekistan. The procedure for introduction, calculation and payment of fees shall be determined by this Code and other legislative acts.

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Activity1. Fill in gaps according to the text above.

1. The main goal of _____ is to cover an increasing number of tasks
2. _____ sub-divisions were out felled with the latest computers
3. Automatization of activity constitute the tax's service's_____
4. An increase in _____ of daily information are processed by the tax bodies
5. _____networks have been established in all tax inspection

Activity2. Read and say the following statements are *True* or *False*.

1. In august 1993 the cabinet of Deputies has issued Resolution No 388.
2. The STC sub-divisions were outfitted with information interchange facilities.
3. Analytical materials are delivered to Central Tax Board.
4. New computer programs accelerate the processing of tax data.

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TOPIC VOCABULARY

VALUE ADDED TAX (VAT)	a type of national tax; a form of transfer to the state budget of a part of the value added created at all stages of production and circulation processes. It includes indirect taxes on goods and services. The turnover taxable value added tax is determined in a specific way depending on the type of tax object.
EXCISE TAX	a type of additional tax imposed by the state on consumer goods, the most important raw materials, as well as services. Certain goods (essential consumer goods, services (utilities, transport, etc.) are added to the surcharge as additional taxes, and the payers are the direct buyers.
INCOME TAX	is a mandatory payment established by the state, which levied on the state budget from the income of legal entities in one financial year.
PERSONAL INCOME TAX	is a type of direct tax, a mandatory payment levied on the income of citizens in accordance with the Tax Code.
PROPERTY TAX	is a type of local tax levied on legal entities and individuals. Individuals are charged from the building budget, real estate to the legal budget

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LAND TAX	is a type of land tax that is mandatory for the state. In economic terms, it refers to land rent. It was created with the emergence of land ownership. In almost all countries of the world, the use of state-owned land and citizens pay for state-owned land.
WATER USE TAX	is a tax levied on the primary use or consumption of water in the territory of the Republic of Uzbekistan. Legal entities of the Republic of Uzbekistan, non-resident legal entities operating in the Republic of Uzbekistan through permanent establishments, individual entrepreneurs and farmers who use water for business activities. Legal entities that supply water to settlements are recognized as taxpayers for water used only for their own needs..
SUBSOIL USE TAX	is natural in our country important to ensure efficient and rational use of resources is a tool that is collected by the state in connection with the use of natural resources payments.
THE SOCIAL TAX	This amount is represented by the Social Insurance Fund Pension Fund, compulsory health insurance. This tax is intended to collect the target resources needed for the implementation of state

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	pensions and social security and medical care of the population. ST is a function of taxes expressed through social.
TAX BURDEN	for public finance purposes the tax burden, or tax ratio, in a country is computed by taking the total tax payments for a particular fiscal year as a fraction or percentage of the Gross National Product (GNP) or national income for that year.

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ENGLISH VERB TENSES

English Grammar is a very complex language and tenses are one of the basic things to learn and master the grammar. There are a lot of rules and even more exceptions.

What does TENSE Mean?



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A **tense** is a form of a verb which shows the time at which an action happens.

It comes from the Latin word "tempus", which means "time".

Examples

"Sang" is a form of the verb "sing". This form shows the action happened in the past. This is the Past Tense.



"Sleeps" is a form of the verb "sleep". This form shows the action happens in the present. This is the Present Tense.



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In fact, English verb tenses are not much more complicated than that. We will go over them step by step so that you get full a understanding of them.

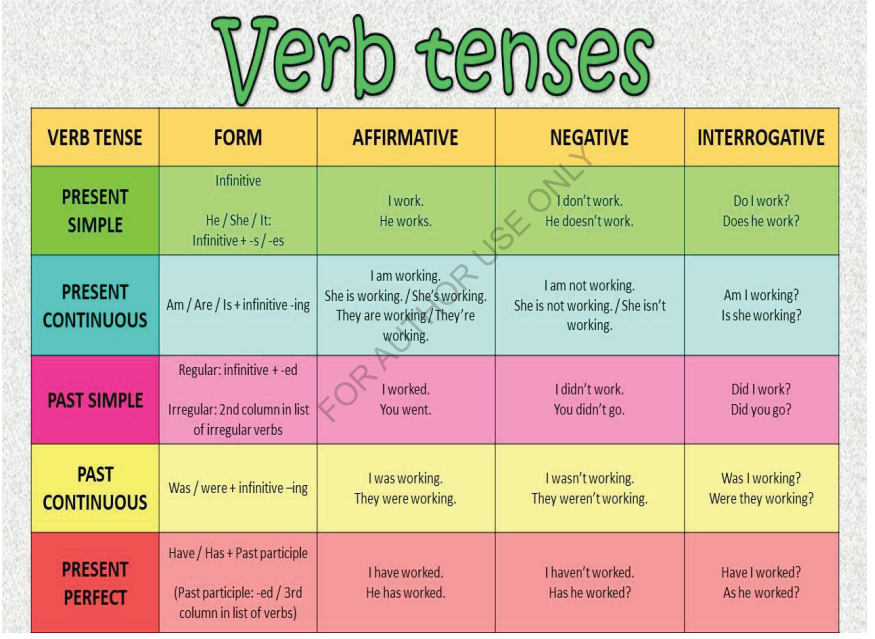
What Are Verb Tenses?

Verb Tenses are all used to express action that has taken place in the past, present, and future. Identifying the correct tense of the verb is just as important in achieving effective communication. Verb tenses determine when the action happens, whether it is in the past, present, or future. These three are the main tenses, and each is

further divided into four aspects: simple, progressive, perfect, and perfect progressive.

In language, verb tenses are a grammatical category that expresses references to time. In English, verb tenses are used to express actions in the ***past,*** ***present,*** and ***future.***

These categories (past, present, future) can be further divided into four smaller categories each, notably the ***simple,*** ***continuous,*** ***perfect,*** and ***perfect continuous*** tenses.



Grammar for future actions:

Future Action

Future simple	Be going to	Present Continuous	Present Simple
• For predictions about the future *Hope, think, believe, expect, imagine, I am sure, I'm afraid, probably. Perhaps* • *For promises (обещание)* • *For on-the-spot decisions (решение на месте)* • *For threats(угроза)* • *For hopes , fears, offers, warnings, predictions, requests(запрос)* • *For things we are not sure or not decided to do yet*	• To talk about future plans and intensions *She is going to go shopping tomorrow.* • To make predictions based on what we see or know *There are black clouds in the sky. It looks like it is going to rain.*	• Fixed arrangement in the near future *I am relaxing at home this weekend.* *(It's planned)*	• Timetables *The bus arrives at 2 o'clock in the morning.* • Programmes *The film starts at 7 o'clock.*

In English grammar we usually see the linking words "**do, does, did**" in negative and interrogative sentences, but there is also another ways to use them in positive sentences. They are for:

adding emphasis -

We also use emphatic auxiliaries (including *do*) **to stress** that we feel strongly about something - (emotive emphasis)

She does look good in that dress.

He is putting on a bit of weight.

Her English really has improved an awful lot.

You really must see this new film.

I did enjoy that party last night.

I never did understand what he saw in her.

And we also use emphatic auxiliaries to confirm something we think is true, following it with a question tag.

He does eat meat, doesn't he?

She is coming to the party, isn't she?

He has spoken to you about this, hasn't he?

You can work late tonight, can't you?

You did phone Jenny, didn't you.

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We use also use emphatic *do* in present simple to strengthen an imperative.

Do stop going on about it, will you?

Do try this cake, it's delicious.

Activity1. Fill the gaps with present or past forms of the verbs in the box. Where you think it is appropriate, add emphatic do, does or did.

ENJOY · GROW · HAPPEN · LIKE

(2) · MAKE · NEED · SEE · SEEM · TELL · THINK · WANT

When they got inside, Betty looked up, surprised. 'Oh. Hello Dick, long time no see.' - 'Yes, it _____ **(1)** a long time, doesn't it?', said Dick. 'You _____ **(2)** tea, don't you Dick? , said Marge, 'Or perhaps you would prefer coffee.' - 'Tea's fine thanks.' - said Dick, a bit flustered. They chatted about this and that for a while. Marge _____ **(3)** it a bit cold for the time of year and was a bit worried about her tomatoes. 'Well', said her husband,'I _____ **(4)** you not to plant them too early this year, but would you listen to me?' - 'Do you grow tomatoes in your garden Dick?' - Well I _____ **(5)** them as a rule, but I didn't have a lot of success last year, so I haven't bothered this year.' Marge went through to the kitchen, taking Tom with her, saying she _____ **(6)** his help with something.

Once they were alone, Betty said quietly to Tom, 'I _____ **(7)** our evening out that time after the drinks party, you know. I was sort of expecting you'd call.' - 'I _____ **(8)** to', said Dick, 'but then one day I _____ **(9)** you in town in a Ferrari, with a very rich-looking young man, which I must confess _____ **(10)** me think that perhaps you were a bit out of my league.' - 'Oh, that was my boss, you idiot, no way would I go out with him. He's OK really, but he _____ **(11)** to think he's God's gift to women! So let's forget about him, shall we? Now, unfortunately I'm a bit tied up for the next few days, but I _____ **(12)** to be free on Wednesday evening.

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Activity2. Test your knowledge.

1. Dan _____ today. He has taken the day off.
   a) is not working b) was not working c) does not work
2. This is the very old house. I have lived it since I _____ a child.
   a) have b) am c) was
3. She was tired because she _____ very hard.
   a) Was worked b) had been working c) has been working
4. Harry has been really ill but he _____ better now.
   a) has got b) is getting c) gets
5. _____ Sanjar _____ a lot of friends in his new school?
   a) Does/has b) does/have c) is/having
6. He _____ finally _____ to end of his journey.
   a) Had/come b) do/comes c) did/came
7. Will the taxi be waiting when we _____ there?
   a) Will/get b) are/getting c) got
8. Diyor _____ with his cousins for two weeks last summer.
   a) Had been staying b) stayed c) was staying
9. The bridge collapsed while the truck _____ it.
   a) Was crossing b) crosses c) did cross
10. The Samarkand flight _____ at 9.45 pm.
    a) Is arriving b) arrives c) will arrive

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SUB-SKILL

Listening Tape 2 Statements 1-5

Tick the correct answer: True or False

1. The origins of taxes are clear

True _____

False_____

2. Exact information about the origin of taxes not historical

True _____

False _____

3. With the advent of the state, taxes have become an economic factor in society has become a necessary part of the community.

True _____

False _____

4. in ancient times there were several in the form of labor, including nature

True _____

False _____

5. The collection of taxes in the form of money has also developed.

True _____

False _____

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REVIEW

Unit1.

Activity1. Fill in the gaps with the suitable word or word phrases according to the text in Unit1.

1. From the time of ….. all of the world should be taxed.
2. The first known taxation took place in …..
3. The first known taxation took place around ….
4. Taxes consist of ….
5. Taxes may be paid in money or ….
6. Property taxes were used in….
7. In ancient Egypt taxes were levied against the ….
8. Tax assessors were ….
9. The farmers were ….
10. In Egypt and Syria there were ….
11. The famous Rosetta stone was actually ….

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Activity2. Read and say the following statements are *True* or *False.*

1. Scribes kept records about who owned title to lands.
2. Rosetta stone is in Syria.
3. In the bala tax system only 2 areas were assessed every month.
4. In the north-west part of Tigris, taxes were so low.
5. The primary foxes of early taxation were land owner's title and value.

Activity3. Read and translate into Uzbek.

Soliqlarning mohiyati ularning bajaradigan funksiyalaridan kelib chiqadi. Funksiya deganda, odatda kategoriyaning hayotda ko'p qaytariladigan, takrorlanadigan doimiy harakatlarini tushunishlozim.

Soliqlarning funksiyalari ularning mohiyatini amaliyotda harakat qilayotganligini ko'rsatadi. Shunday ekan, funksiya doimo yashab, soliq mohiyatini ko'rsatib turishi zarur. Bugun paydo bo'lib ertaga yo'q bo'lib ketadigan holatlar soliq funksiyasi bo'la olmaydi.

Unit2.

Activity1. Fill in the gaps with the suitable word or word phrases according to the text in Unit2.

1. According to Adam Smith taxation should follow ….
2. Fairness should be ….
3. Certainty means ….
4. Convenience relates ….
5. Efficiency touches on ….
6. Adam Smith claimed that everybody should pay ….
7. Now, in most countries, progressive system of income and other taxes have been adopted to ….
8. Those who have the same amount of income should pay ….
9. A good tax system must be ….
10. A successful function of an economy requires ….
11. Smith pointed out that the lack of certainty in the tax system encourages ….
12. The third canon of Adam Smith describes ….

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Activity2. Match the words and their definitions.

1. discretionary	a)treat badly kick around
2. harassment	b)lack of caution in practical abfours
3. revenue	c)feeling of intense annoyance
4. abuse	d)(especially of funds) not earmarked
5. imprinity	e)government income due to taxation

Activity3. Read and translate.

Jahon amaliyotida ijtimoiy himoyaga muhtoj bo‘lgan shaxslar uchun soliq imtiyozlari va yuqori daromad oluvchi shaxslar uchun progressiv stavkalar belgilash ham qo‘llanadi, ya`ni aholining kam daromad oladigan qismini ijtimoiy himoya qilish maqsadida daromadlarning bir qismi qayta taqsimlanadi. Bunday yondashuvlar soliqqa tortiladigan daromad aniqlanayotganida soliqqa

tortilmaydigan minimum miqdoridagi daromad qo‘shilmaydi, ayni paytda ortiqcha daromadlar soliqqa yuqori progressiv stavkalar bo‘yicha tortiladi.

Unit3

Activity1. Fill in the gaps with the suitable word or word phrases according to the text in Unit3.

1. Developing countries face ….
2. Most employers in developing countries are seldom paid ….
3. Statistical and tax offices have difficulty in generating reliable statistics because of ….
4. The economic and political power of rich taxpayers often allows them ….
5. Four functions of taxes ….
6. Subfunctions of taxes ….
7. Reproducing subfunction of tax aimed ….
8. The social function of tax is ….
9. The essence of taxes stems from ….
10. The tax legislation of the Republic of Uzbekistan contains the following main functions of taxes ….

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Activiy2. Choose the best answer.

1. What makes hard to calculate base for income tax

a) ineffecient mail services b) computerized operation c)fluctuated earnings, lacked fixed wage

2. What is being policy challenge in a liberalized world?

a) promotion b)tax competition c)tax revolution

3. What type of tax will need to be reduced in developing countries?

a) income tax b)administrative tax c) foreign trade tax

4. What perpetuates inefficient tax structures

a) fiscal reform b)income tax c)marginal change

Activity3. Read and translate.

Ishlab chiqarishning rivojlanishi bilan fiskal funksiyaning ahamiyati oshib boradi. Ishlab chiqarish ijtimoiy tusdaligining chuqurlashishi fan-texnika taraqqiyotining rivojlanish munosabati bilan asosan soliqlar hisobiga shakllantiriladigan moliyaviy resurslar oqimini ko‘paytirishning real zarurati yuzaga keladi.

Unit4

Activity1. Fill in the gaps with the suitable word or word phrases according to the text in Unit4.

1. The number of taxpayers, both legal and natural entities, increases with ….
2. In September 1995, the Cabinet of Ministers of the Republic of Uzbekistan has issued ….
3. To execute the resolution ….
4. The December 1997 Resolution of the Cabinet of Ministers, "On the establishment of the State Tax Committee of the Republic of Uzbekistan" (No 580) has facilitated ….
5. …. …. have been established in all tax inspections and regional tax administrations throughout the Republic.
6. . One of the main goals of automatization is ….
7. Automatization of activity carried out by ….
8. At present the most perspective information technologies are being introduced at ….
9. taxes are established in the territory of the Republic of Uzbekistan:
10. The procedure for introduction, calculation and payment of fees shall be determined ….

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Activity2. Match the words and their definitions.

1. Interaction	a) the method of managing the affairs of some group of people
2. Administration	b) use or manipulate to one’s advantage
3. Exploit	c) subject to a process or treatment
4. Process	d) a mutual or reciprocal action

Activity3. Read and translate.

Bozor munosabatlarining shakllanishi va rivojlanishi sharoitida soliqlarning ikkinchi muhim funksiyasi ularning iqtisodiyotdagi tartibga soluvchilik roli hisoblanadi, ya`ni davlat soliqlar orqali tovarlar, xizmatlarni ishlab chiqarish va sotishning iqtisodiy shart-sharoitini tartibga soladi va bu bilan xalq xo‘jaligi tarmoqlarining iqtisodiy faoliyatini amalga oshirish uchun muayyan «soliq muhiti»ni yaratadi.

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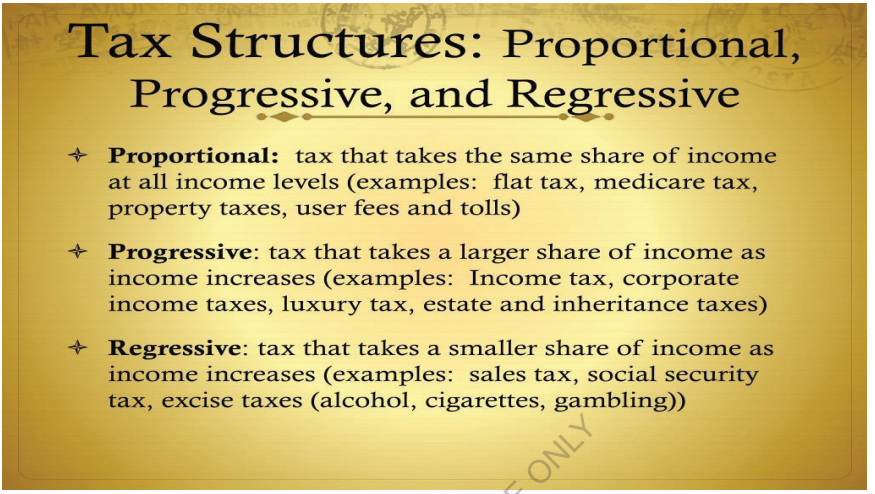
UNIT5

The tax structures and categories



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DISCUSSION

Before reading the test text answer the following questions with your partner:

I. What are the 3 types of tax structures?

II. What will occur, if the rate of progressive tax increase?

III. What kinds of categories our tax system include?

REGRESSIVE, PROPORTIONAL, AND PROGRESSIVE TAXES: WHAT'S THE DIFFERENCE?

Tax systems in the U.S. fall into three main categories: Regressive, proportional, and progressive. Two of these systems impact high- and low-income earners differently. Regressive taxes have a greater impact on lower-income individuals than the wealthy.

Proportional tax, also referred to as a flat tax, affects low-, middle-, and high-income earners relatively equally. They all pay the same tax rate, regardless of income. A progressive tax has more of a financial impact on higher-income individuals than on low-income earners.

KEY TAKEAWAYS

- *A regressive tax system levies the same percentage on products or goods purchased regardless of the buyer's income and is thought to be disproportionately difficult on low earners.*
- *A proportional tax applies the same tax rate to all individuals regardless of income.*
- *A progressive tax imposes a greater percentage of taxation on higher income levels, operating on the theory that high-income earners can afford to pay more.*

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Regressive Taxes

Low-income individuals pay a higher amount of taxes compared to high-income earners under a regressive tax system. That's because the government assesses tax as a percentage of the value of the asset that a taxpayer purchases or owns. This type of tax has no correlation with an individual's earnings or income level.

Regressive taxes include property taxes, sales taxes on goods, and excise taxes on consumables, such as gasoline or airfare. Excise taxes are fixed and they're included in the price of the product or service.

Sin taxes, a subset of excise taxes, are imposed on commodities or activities that are perceived to be unhealthy or have a negative effect on society, such as cigarettes, gambling, and alcohol. They're levied in an effort to deter individuals from purchasing these products. Sin tax critics argue that these disproportionately affect those who are less well off.

Many also consider Social Security to be a regressive tax. Social Security tax obligations are capped at a certain level of income called a wage base—$142,800 for the 2021 tax year and 147,000 in 2022.2 An individual's earnings above this base are not subject to the 6.2% Social Security tax.

The annual maximum that you can pay in Social Security tax is capped at $9,114.00 in 2021, whether you earn $147,001 or $1 million. Employers pay an additional 6.2% on behalf of their workers, and self-employed individuals must pay both halves on earnings up to the wage base.

Higher-income employees effectively pay a lower proportion of their overall pay into the Social Security system than lower-income employees because it's a flat rate for everyone and because of this cap.

Just as Social Security can be considered a regressive tax, it's also a proportional tax because everyone pays the same rate, at least up to the wage base.

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Proportional Taxes

A proportional or flat tax system assesses the same tax rate on everyone regardless of income or wealth. This system is meant to create equality between marginal tax rates and average tax rates paid. Nine states use this income tax system as of January 2021: Colorado, Illinois, Indiana, Kentucky, Massachusetts, Michigan, North Carolina, Pennsylvania, and Utah. Other examples of proportional taxes include per capita taxes, gross receipts taxes, and occupational taxes.

Proponents of proportional taxes believe they stimulate the economy by encouraging people to work more because there is no tax penalty for earning more. They also believe that businesses are likely to spend and invest more under a flat tax system, putting more dollars into the economy.

Progressive Taxes

Taxes assessed under a progressive system are based on the taxable amount of an individual's income. They follow an accelerating schedule, so high-income earners pay more than low-income earners. Tax rate, along with tax liability,

increases as an individual's wealth increases. The overall outcome is that higher earners pay a higher percentage of taxes and more money in taxes than do lower-income earners.6

This sort of system is meant to affect higher-income people more than low- or middle-class earners to reflect the presumption that they can afford to pay more.

The U.S. federal income tax is a progressive tax system. Its schedule of marginal tax rates imposes a higher income tax rate on people with higher incomes, and a lower income tax rate on people with lower incomes. The percentage rate increases at intervals as taxable income increases. Each dollar the individual earns places him into a bracket or category, resulting in a higher tax rate once the dollar amount hits a new threshold.

Part of what makes the U.S. federal income tax progressive is the standard deduction that lets individuals avoid paying taxes on the first portion of the income they earn each year. The amount of the standard deduction changes from year to year to keep pace with inflation. Taxpayers can elect to itemize deductions instead if this option results in a greater overall deduction. Many low-income Americans pay no federal income tax at all because of tax deductions.

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Estate taxes are another example of progressive taxes as they mainly affect high-net-worth individuals (HNWIs) and they increase with the size of the estate. Only estates valued at $11.58 million or more are liable for federal estate taxes for 2021, although many states have lower thresholds.

As with any government policy, progressive tax rates have critics. Some say progressive taxation is a form of inequality and amounts to a redistribution of wealth as higher earners pay more to a nation that supports more lower-income earners. Those who oppose progressive taxes often point to a flat tax rate as the most appropriate alternative.

Activity1. Tick the statements those are *True* or *False.*

1. A flat tax affect low middle and high income earners relatively equally

2 .A progressive tax has more of a financial impaction low income earners

3. Social security is considered to be a proportional tax

4. The US federal income is a regressive tax system

5. Estate taxes mainly affect high net worth individuals

Activity2. Fill in the gaps according to the text above.

1. Self employed individuals must pay both _____ on earnings up to the wage base

2. Proportional tax is meant to create _____ between marginal tax rates and average tax rates paid

3. Because of tax _____, low income Americans pay no federal income tax at all

4. Regressive taxes include _____ taxes on consumables such as gasoline or airfare

5. Excise taxes are included in the _____ of the product or service

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TOPIC VOCABULARY

TAX STRUCTURES	**The tax structure of an economy depends on its tax base, tax rate, and how the tax rate varies. The tax base is the amount to which a tax rate is applied. The tax rate is the percentage of the tax base that must be paid in taxes. To calculate most taxes, it is necessary to know the tax base and the tax rate.**
CHARASTERISTICS OF TAX	Fairness, certainty, convenience and efficiency.
Value Added Tax	A tax on consumption, which is paid to the tax authorities by the seller on behalf of the consumer. It is not levied on goods used as intermediate consumption.
Bear market	The principle of a bear market is simple enough. Essentially, it represents a negative or pessimistic outlook on a stock market's performance, often with such markets falling into a downfall spiral, where prices continue to drop. As a result of a bear market, selling of stocks tends to increase. Additionally, investors expect, and may well receive, increased losses from their investments.

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Bull market	A bull market represents a much more positive outlook on a stock market's performance compared to a bear market. In a bull market, stock prices either have or are expected to increase.
Indirect taxation	Taxes on expenditure (e.g. VAT). They are paid to the tax authorities, not by the consumer, but indirectly by the suppliers of the goods or services.
Inflation rate	The annual rate of change of the average price of goods and services.
Deflation	Deflation is the opposite of inflation. It occurs when demand reduces, and this, in turn, produces results such as reduced prices.
Growth rate	The growth rate is a measure of growth and how it increases over a period of time. It can be used to describe economic growth, gross domestic product, or items such as annualised growth rates for a company
Keynesian economics	Developed by the economist John Maynard Keynes, Keynesian economics describes Keynes' economic theories and beliefs, which contained the conviction that government

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	involvement in the economy through spending and taxes could help increase demand and move an economy out of a depression.

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COLLACATIONS

Collocations are the word combinations, we use together in English.

Word partnership or words that are commonly used together in English called collocations.

WORD + WORD = COLLOCATION

Examples:

- make business
- make plan
- pay attention
- fast food
- powerful engine

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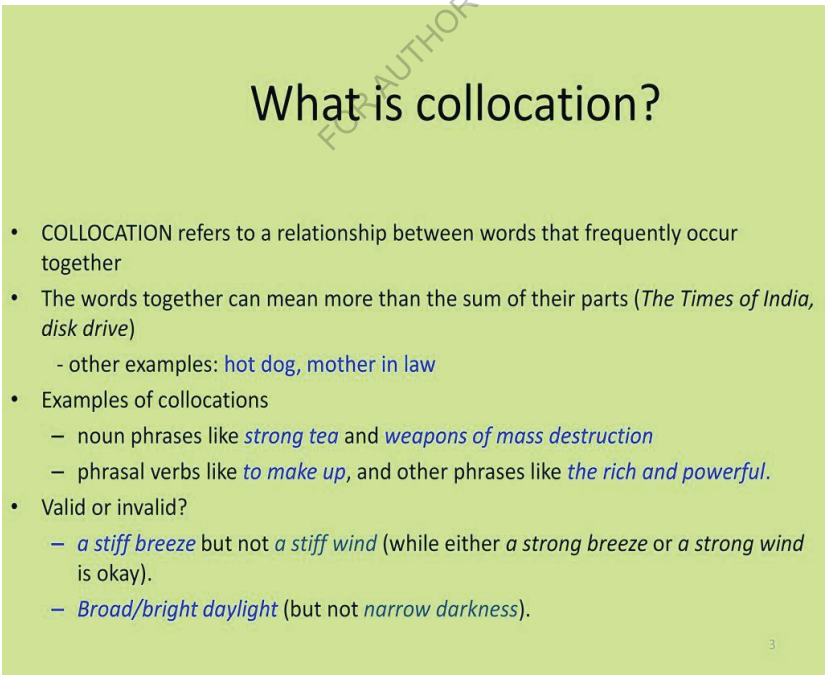

Types of collocations

The two major types of collocations would be based on the strength of the pairs' bond. These collocations are:

- ***Strong collocations***
- ***Weak collocations***
- ***Grammatical collocations***

Strong collocations

Strong collocations refer to the fact that the collocated words almost always pop up together. The strength of the words signifies how closely bound they are when it comes to being used in speech and on paper. The perk of the strong collocations is if someone replaces a portion of the pair mistakenly, chances are that native speakers will still know what they mean and the correct collocation for that. At best, the missed out opportunity to use the strong collocation will spur a nice bit of smirk on the faces of the native English speakers you are dealing with. On the other hand, it will make very little difference whether you use the collocations on-point or not while collaborating with the non-native speakers.

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For example, if somebody asks to **"start a light"** instead of "**turn the light on**," it would sound very out of place as the listeners take a few moments to determine what message is actually meant to convey but the right collocation would most certainly pop up in their head soon. That is the strength of the collocation that had continuously been used by millions for a good number of years.

Weak Collocations

In case of the weak collocations, at least one word should be easily alterable since the bond is weaker than that of strong collocations. That means the same set of words tend to be able to collocate with a few different combinations of words. Choosing weak collocations over the strong can be a good trick for the English

learners since that opens up the possibility of being right and understandable most of the time. But knowing the weak collocations and being able to use them on spot would always give you some points.

For example, "**in broad agreement**" and "**in broad daylight**" would be good examples of how weak collocations work. You cannot tell what must come after "in broad…" unlike what happens in case of strong collocations.

Grammatical Collocations

There are a few more types of collocations in the English language based on their grammatical structure. A few of them are explained and exemplified below

Grammatical categories of Collocations

Verb + Noun:

Draw up a list/contract: prepare something, usually official, in writing

Pass up: fail to take advantage of

Noun + Verb:

Opportunity arise: a favorable, appropriate or advantageous combination of circumstances; a chance or prospect;

Standards slip: get worse

Noun + Noun:

A spate of attacks/thefts: several thefts/attacks happening during a short period of time

The top table: the table where the most important people sit a formal meal, for example at a wedding

Adjective + Noun:

Idle threat: simply a threat; that someone does not intend to carry out

Vain hope: unlikely to be fulfilled hope

Adverb + Adjective:

Intensely personal: very personal

Stunningly attractive: extremely attractive

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Verb + adverb or prepositional phrase:

Drives recklessly: wildly, without care

Burst into song: start singing

More Complex collocations:

Taking it easy for a while: proceed in a calm and relaxed manner

Put the past behind you: to forget about

Common Verb collocations:

have	do	make
have a bath have a drink have a good time have a haircut have a holiday have a problem have a relationship have a rest have lunch have sympathy	do business do nothing do someone a favour do the cooking do the housework do the shopping do the washing up do your best do your hair do your homework	make a difference make a mess make a mistake make a noise make an effort make furniture make money make progress make room make trouble
take	**break**	**catch**
take a break take a chance take a look take a rest take a seat take a taxi take an exam take notes take someone's place take someone's temperature	break a habit break a leg break a promise break a record break a window break someone's heart break the ice break the law break the news to someone break the rules	catch a ball catch a bus catch a chill catch a cold catch a thief catch fire catch sight of catch someone's attention catch someone's eye catch the flu

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pay a fine pay attention pay by credit card pay cash pay interest pay someone a compliment pay someone a visit pay the bill pay the price pay your respects	save electricity save energy save money save one's strength save someone a seat save someone's life save something to a disk save space save time save yourself the trouble	keep a diary keep a promise keep a secret keep an appointment keep calm keep control keep in touch keep quiet keep someone's place keep the change
come	**go**	**get**
come close come complete with come direct come early come first come into view come last come late come on time come prepared come right back come second come to a compromise come to a decision come to an agreement come to an end come to a standstill come to terms with come to a total of come under attack	go abroad go astray go bad go bald go bankrupt go blind go crazy go dark go deaf go fishing go mad go missing go on foot go online go out of business go overseas go quiet go sailing go to war go yellow	get a job get a shock get angry get divorced get drunk get frightened get home get lost get married get nowhere get permission get pregnant get ready get started get the impression get the message get the sack get upset get wet get worried

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Activity1. Complete the gaps with the following words:

Faith, heavy, good, make, luck, traffic`s, light, keep, run, do

1. Make sure you _____ an eye on your friend.
2. The company lets him make all their purchasing decisions, they have _____ in his judgment.
3. It`s only _____ rain. Right. Let`s go.
4. Don`t go by car, the _____ really heavy today.
5. If you wait until later, you will _____ the risk of missing your train.
6. Uncle is very strong so _____ work does not bother him.
7. You are good with machines. Could you _____ me a favour?
8. Will you _____ the beds before you go out this morning?
9. I suppose we had bad _____ the weather.
10. She is quite _____ at working out math problems.

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Activity2. Test your knowledge.

1. We were late at the bus station so we _____ the bus.
   a) passed b) lost c) missed
2. It is difficult to make friends _____ in a large city.
   a) with b) of c) to
3. There is a lot of _____ industry on the outskirts of the town.
   a) big b) strong c) heavy
4. Have you always wanted to _____ more exercise?
   a) Make b) take c) get
5. The American runners always have _____ success at the Games.
   a) Great b) heard c) big
6. I am nearly ready. I just want to _____ the washing-up.
   a) Have b) make c) do
7. The police need to _____ action against these thieves.
   a) Get b) have c) take
8. I had a _____ time at your party-thanks for inviting me.

a) Heavy b) great c) big

9. Aren`t you going to _____ part in the swimming competition.
   a) Take b) have c) get
10. I think you have _____ a mistake in these accounts.
   a) Made b) took c) taken

SUB-SKILL

Read and write

DESCRIBE THE TYPES OF TAXES;

You should write:

Which are they…

How they are developed…

The basic differences of them…

PS: You can use the text above in order to write your brief summary (100 words max.)

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UNIT 6

The functions and types of accounting



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DISCUSSION

Before reading the test text answer the following questions with your partner:

I. What is accounting in general?

II. What kinds of functions of accounting you know?

III. What is the difference between accounting and taxation?

ACCOUNTING is crucial for managing and analyzing the financial resources of a company. By understanding the functions of financial accounting and the duties and responsibilities of accountants, you can decide if you want to pursue a career in this field. In this part, we explain what is an accountant, review some types of accounting, list the functions of accounting and provide a few different jobs qualified accountants can undertake.

What is the Purpose of Accounting?

The purpose of accounting is to accumulate and report on financial information about the performance, financial position, and cash flows of a business. This information is then used to reach decisions about how to manage the business, or invest in it, or lend money to it. This information is accumulated in accounting records with accounting transactions, which are recorded either through such standardized business transactions as customer invoicing or supplier invoices, or through more specialized transactions, known as journal entries.

WHAT ARE THE FUNCTIONS OF ACCOUNTING?

The functions of accounting include the systemic tracking, storing, recording, analyzing, summarizing and reporting of a company's financial transactions. Through the functions of the accounting department, the company can maintain a fiscal history that they can make accessible for audits. They can also use it to prepare reports, create budgets, reduce costs, increase profits, avail growth opportunities, assess future expenditure requirements and make financial predictions.

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The basic functions of accounting in a company may include the following:

- **Keeping financial records:** Accounting helps businesses maintain an accurate and up-to-date record of the day-to-day financial transactions of the company, such as supply purchases, product sales, receipts and payments.
- **Monitoring financial transactions:** Accountants may track multiple financial transactions related to payments due to the company to ensure it receives the revenue and remains profitable.
- **Making bill payments:** Accounting involves checking invoices to ensure the legitimacy of the charges, setting payment dates and paying the bills that the company owes to various vendors and suppliers.

- **Paying employee salaries:** Companies can use accounting to make payroll payments from company funds, manage employee benefits and issue employee work-related bonuses.
- **Keeping digital records:** Accounting may involve creating, maintaining and updating digital accounting systems to store and calculate the company's financial data.
- **Writing financial reports:** Accounting involves repairing detailed quarterly and annual financial reports about the company's assets, profits and losses for internal and external stakeholders.
- **Maintaining fiscal history:** Accountants assist with creating, documenting and storing the fiscal history of the company's transactions and making it available for audits and assessments.
- **Achieving business goals:** An accountant can analyse financial data to formulate and implement comprehensive financial policies and strategies to advance the company's business goals.
- **Preparing budgets:** The accounts department may reference the company's financial data to prepare the overall company budget, the department budgets and the project budgets.
- **Making financial projections:** Accounting involves analysing the company's available financial resources, expected revenues and business goals and using this information to predict future business expansion and growth.
- **Auditing finances:** Accountants may conduct financial audits of the company, identify accounting discrepancies and implement corrective solutions.
- **Assessing financial resources:** Companies can use accounting to identify the financial weaknesses and strengths of the organization, determine how to counter weaknesses and boost strengths and implement appropriate strategies.
- **Reviewing performances:** Accounting involves performing regular financial reviews of the company's departments to assess their performance and make changes to reduce waste, increase productivity and streamline expenses.

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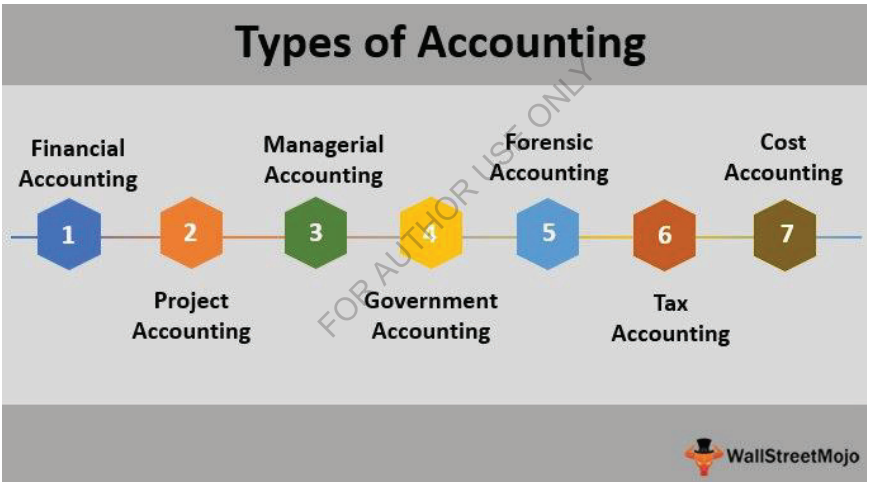
- **Complying with legal requirements:** Accountants make sure the company complies with industry and government rules, regulations and policies related to taxation, financial reporting and employee wages.
- **Preventing mismanagement:** The accounting department can keep accurate track of the company's financial transactions to ensure no mismanagement or wastage of money occurs in the company.
- **Ensuring vigilance against fraud:** Accounting includes implementing strong security measures to protect the company assets against data breaches and internal and external fraud.



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The types of accounting are:

Financial accounting

Financial accounting focuses on the proper financial management of the company's funds. A financial accountant may keep track of the incoming and outgoing cash flow and record all financial transactions. They may use that information and past financial data to analyze the overall expenditure and prepare financial reports. By reporting the profits and losses of the company to its management, they help the executives and the investors understand its financial health and make informed business decisions.

Managerial accounting

Managerial accounting is for a company's internal purposes. A managerial accountant may review the company's entire financial situation and assess how internal processes impact expenditure and financial stability. They may analyse its business productivity, monitor its growth and use the information to make financial predictions. Additionally, they may generate financial reports, monitor business trends and make recommendations to improve finances.

Cost accounting

Cost accounting considers the regular expenses that the company incurs to run its business operations. A cost accountant may create a list of all the raw goods or items that the company needs for production purposes, the number of goods it buys and their prices. Having this information can help the company manage expenses and scale production.

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Internal accounting

Internal accounting is about carrying out an independent audit of the company's standard operating procedures and internal control structure and assessing its effectiveness. The company may hire an independent chartered accountant or a cost accountant to conduct the internal audit. The auditor may identify threats and recommend improved risk management practices.

Taxation accounting

Taxation accounting ensures that the company complies with tax laws and pays the correct tax dues on time to the revenue authority. Tax accountants can help the company to determine how to set aside funds for tax payments. They may also recommend tax accounting methods that are suitable for the company's business.

Forensic accounting

Forensic accounting is a special practice of accounting where a financial professional, known as a forensic accountant, audits and investigates information and prepares it to be used in court. Learning about the basics of forensic accounting and the duties of a forensic accountant can help you determine if this career is a good fit for you.

Project accounting

Project accounting is an accounting practice that tracks costs and financial benefits associated with a project. Project accounting allows businesses to assess the financial implications of completing certain types of projects as well as plan out projects to meet contract parameters. By using project-based accounting, you can determine if the costs—materials, time, special equipment—are worth the outcome or financial benefit it yields.

Project-based accounting can be a valuable tool for effective project management by providing a detailed view of project financials and progress.

KEY TAKEAWAYS

•Business accounting is the most important subject in business.

•By learning this assignment, we can get knowledge about 5 main purposes of accounting, Accounting department role, capital income, revenue income etc.

•There are some learning outcomes in this unit.

•In this unit, we will learn about how important money is to a business.

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Activity1. Fill in gaps with suitable words according to the text above.

1. Accountants may track multiple _____ transactions related to payments
2. Accounting keeps to determine hour to counter_____, and boost strengths
3. Managerial accounting is for a company's _____ process
4. _____ Accounting ensures that the company complies with tax lows and pays the correct tax dues

Activity2. Match the words and their definitions.

1. forensic accounting a) is for company's internal purposes
2. project accounting b) information is prepared to be used in a court
3. cost accounting c) is about carrying out an independent audit of the company's standard operating procedures
4. managerial accounting d) ensures that company complies with tax laws

5. internal accounting e) is an accounting process that tracks costs and financial benefits

6. taxation accounting f) is about an internal control structure and assessing its effectiveness

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TOPIC VOCABULARY

ACCOUNTING	**Recording and reporting of financial transactions, including the origination of the transaction, its recognition, processing, and summarization in the financial statements.**
ACCOUNTING BASIS	Method of calculating amounts subject to income tax and VAT. In respect of VAT, tax would be computed as a percentage levy on the excess of sales over purchases. This is a theoretical concept and no country uses it.
BALANCE	Sum of debit entries minus the sum of credit entries in an account. If positive, the difference is called a debit balance; if negative, a credit balance.
DEBIT	Entry on the left side of a double-entry bookkeeping system that represents the addition of an asset or expense or the reduction to a liability or revenue

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CREDIT	Bookkeeping credit represents decreasing an asset or expense account or increasing capital or liability. Business credit is when a supplier agrees to allow the buyer to pay after (typically 30 to 60 days) receiving the goods.
ACCOUNTING PLAN	is a table used to fully cover the economic changes in the economic activity of the enterprise, to increase the efficiency of theoretical work, to ensure the integrity of the property.
FUND ACCOUNTING	Method of accounting and presentation whereby assets and liabilities are grouped according to the purpose for which they are to be used. Generally used by government entities and nonprofits

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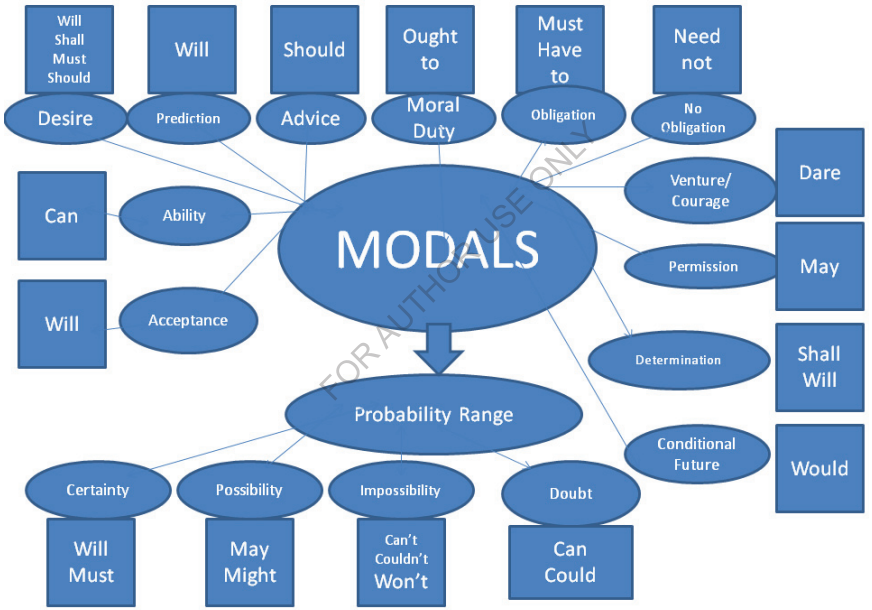
MODALS

Modal verbs are verbs that act very differently to the one's you might be thinking of such as 'work', 'play', 'eat', etc. This is because modal verbs don't actually describe action, instead they provide information about the function of the verb that is to follow. Modal verbs always come before a traditional verb, but they explain the modality of the verb.

Definition: In English, modal verbs are a small class of auxiliary verbs used to express as in graph.



Modality: We can conclude from the graph this is just what the modal verbs can help explain further for the verb that follows. These include:

- *Ability*
- *Permission*
- *Obligation*
- *Prohibition*
- *Probability*

- *Possibility*
- *Advice*

➢ Here are the main verbs we use to express modal meanings:

Core modal verbs: *can*, *could*, *may*, *might*, *will*, *shall*, *would*, *should*, *must*

Semi-modals: dare, need, ought to, used to

Other verbs with modal meanings: *have (got) to, be going to* and *be able to*

Can

Use	Examples
ability to do sth. in the present (substitute form: to be able to)	I **can speak** English.
permission to do sth. in the present (substitute form: to be allowed to)	**Can** I **go** to the cinema?
Request	**Can** you **wait** a moment, please?
Offer	I **can lend** you my car till tomorrow.
Suggestion	**Can** we **visit** Grandma at the weekend?
Possibility	It **can get** very hot in Arizona.

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Could

Use	Examples
ability to do sth. in the past (substitute form: to be able to)	I **could speak** English.
permission to do sth. in the past (substitute form: to be allowed to)	I **could go** to the cinema.
polite question *	**Could** I **go** to the cinema, please?
polite request *	**Could** you **wait** a moment, please?
polite offer *	I **could lend** you my car till tomorrow.
polite suggestion *	**Could** we **visit** Grandma at the weekend?
possibility *	It **could get** very hot in Montana.

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May

Use	Examples
Possibility	It **may rain** today.

Use	Examples
permission to do sth. in the present (substitute form: to be allowed to)	**May** I **go** to the cinema?
polite suggestion	**May** I **help** you?

Might

Use	Examples
possibility (less possible than may) *	It **might rain** today.
hesitant offer *	**Might** I help you?

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Must

Use	Examples
force, necessity	I **must go** to the supermarket today.
Possibility	You **must be** tired.
advice, recommendation	You **must see** the new film with Brad Pitt.

Must not/May not

Use	Examples
prohibition (must is a little stronger)	You **mustn't work** on dad's computer.
	You **may not work** on dad's computer.

Need not

Use	Examples
sth. is not necessary	I **needn't go** to the supermarket, we're going to the restaurant tonight.

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Ought to

similar to *should – ought to* sounds a little less subjective

Use	Examples
Advice	You **ought to drive** carefully in bad weather.
obligation	You **ought to switch** off the light when you leave the room.

Shall

used instead of *will* in the 1st person

Use	Examples

Use	Examples
suggestion	**Shall** I **carry** your bag?

Should

Use	Examples
Advice	You **should drive** carefully in bad weather.
obligation	You **should switch** off the light when you leave the room.

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Will

Use	Examples
wish, request, demand, order (less polite than would)	**Will** you please **shut** the door?
prediction, assumption	I think it **will rain** on Friday.
Promise	I **will stop** smoking.
spontaneous decision	Can somebody drive me to the station? - I **will**.
Habits	She's strange, she**'ll sit** for hours

Use	Examples
	without talking.

Would

Use	Examples
wish, request (more polite than will)	**Would** you **shut** the door, please?
habits in the past	Sometimes he **would bring** me some flowers.

***** These are no past forms, they refer to the future.

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Activity1. Test your knowledge

1. You ___ take your umbrella. It is not raining

A) don't have to B) needn't C) must not D) may not

2. You ____ walk on the grass. There is a special path to come a cross

A) needn't B) must not C) don't have to D) may not

3. She ____stop when the traffic lights are red

A) may B) ought to C) has to D) need to

4. He ____ rich he had a big house and an expensive car

A) must have been B) can't have C) should have been

5. She ____ drive her father's car when she was only 15.

A) might B) can C) could

6. The ____ that poet. They were all illiterate

A) must have been B) can't have been C) should have been

7. I'm sorry. I'm late. You ____waiting for a long time

A) might have been B) can't have been C) need to be

8. She ____ at home. She car is not in the garage

A) couldn't be B) doesn't need to be C) can't be

9. Humans ____ smell about 10 000 scents

A) may B) can C) could

10. Well, if your pocket is empty, my conclusion is that you____ all your money on something.

11.It ____ our dog which barked continuously all night since it was sleeping inside with us.

A) Won't have been B) shouldn't be C) can't have been

12. You ____ not come early. I mean you ___start to work at 10 o'clock

A) must / can B) can /should C)need/may

13. Why are you wasting time? You___ your work already

A) need to have finished B) have to finish C)should have finished

14. My aunt ____ here tomorrow she is abroad until next week

A) won't have to come B)can't come C)should to me

15. You ____ not open the door an any account when I'm out

A) may B) could C) must

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Activity2. Fill in gaps with the suitable modal verbs.

Will / should / must / be able to / ought to / needn't / could / can / shouldn't / can't / couldn't / didn't need to / hadn't better.

1. He _____ speak Russian but he _____ speak English.
2. She _____ learn much more quickly if she paid attention.
3. There _____ be problems with traffic at that time of the evening.
4. You _____ be a good communicator to be a press spokesperson.
5. _____ you _____ check that these facts are actually true?
6. They _____ not be left unattended under any circumstances.

7. You _____ pick up that prescription from the chemist as I'll get it while I'm in town.

8. We'd love to _____ afford to go on round the world cruise.

9. You look terrible you _____ see a doctor .

10. _____ I ask my boss for pay rise?

11. You _____ (tell) me about the party.

12. Helen _____ (drive) the car he doesn't even own a car.

13. We _____ (catch) the lost train after all, but of course we didn't know that at the time.

14. _____ you have to be there in court yourself, r can a lawyer represent you?

15. Luckily I _____ buy a new pair of sunglasses as I found mine at the bottom of a bag.

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SUB-SKILL

Listening Tape 3 Questions 1-6

Choose the correct letter A, B or C

1. Accounting is crucial for managing and analyzing

A) Controlling

B) Analyzing

C) Spending

2. Some types of accounting, list the functions of accounting and provide a few different jobs qualified _____can undertake

A) Accountants

B) Audits

C) Tax advisors

3. The functions of accounting include the systemic_____ of a company's financial transactions.

A) Tracking, storing, summarizing and controlling

B) Analyzing, summarizing and reporting

C) Tracking, storing, recording, analyzing, summarizing and reporting

4. The company can maintain a fiscal history that they can make accessible for _____.

A) Accountants

B) Audits

C) Tax advisors

5. They can also use it to prepare reports, create budgets, reduce costs, increase profits, avail _____ opportunities, assess future expenditure requirements and make financial predictions.

A) Grow

B) Create

C) Open

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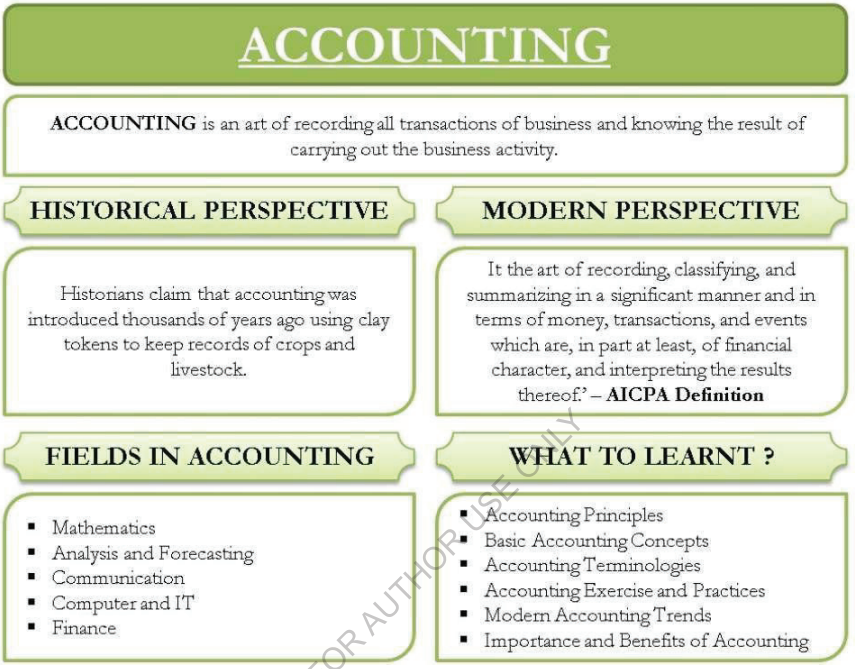
UNIT 7

The development of accounting in Uzbekistan



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DISCUSSION

Before reading the test text answer the following questions with your partner:

I. What questions can you ask about accounting?

II. What skills do you develop in accounting?

III. How far accounting developed in Uzbekistan?

Accounting in the Soviet Union, which included Uzbekistan, catered to the needs of statistical and tax authorities. It did not provide the information required by securities markets or company managers in a market economy. Nor did it support an economically rational system of enterprise taxation, since many production costs were not deductible for tax purposes (e.g., certain payroll and interest expenses). In common with other former Soviet Union (FSU) countries,

Uzbekistan has little history or tradition of using market-based accounting concepts such as going concern, accrual basis, consistency and substance over form. In particular, the Soviet accounting system strictly applied the historical cost convention to record assets – assets that were never revalued. Moreover, provisions for doubtful debts or obsolete inventories were not estimated – doubtful accounts were written off only when they were clearly not collectable. In essence, a risk-free environment was assumed where no thought need be given to valuation of assets or determination of profit. Goods were not bought and sold in a free market and there was no risk of a decline in value. Enterprises did not answer to investors, bankers, or regulators for their performance. Accounting consisted of adhering to a prescribed chart of accounts that was designed to meet the requirements of the central planning system. The primary function of accounting was to record the factual data necessary to assess plan accomplishments, rather than to assess an enterprise's financial situation. The focus of Soviet accounting was more on bookkeeping than on the process of accounting. In fact, they were considered the same thing. Accounting, however, involves much more than bookkeeping. Bookkeeping only entails the recording of economic events while the accounting process includes application of generally accepted accounting standards to identify, measure, record, and report those events and their effect on an enterprise. Consequently, public accounting firms and an accountancy profession were never necessary. In fact, accountancy had a very poor reputation in the FSU. One study ranked accountancy at 91st place in terms of prestige on a list of 92 professional occupations.

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On independence from the Soviet Union in 1991, Uzbekistan took a gradual approach to market reforms. These reforms included making accounting and financial reporting practices and arrangements consistent with the needs of a market economy. However, the Soviet accounting system created a sound basis on which to build. First, the system used many concepts of modern accounting including accrual measurement and double entry bookkeeping. Second, large

numbers of bookkeepers were trained in these concepts and were proficient in their application.

Financial Management and Governance Issues in the Republic of Uzbekistan
Francis B. Narayan Lead Financial Specialist Asian Development Bank Barry Reid International Consultant Prepared Under Regional Technical Assistance (RETA) 5877: Strengthening Financial Management and Governance in Selected Developing Member Countries. (BOOK)

Activity1. Read the text above and match the words and their definitions.

1. Remuneration	a) an area in which smth acts or operates or control
2. Hope	b) the act of getting possession of smth
3. Procurement	c) smb who holds shares of stoilein a corporation
4. Rehabilitation	d) money that is laid out with an expectation of profit
5. Investment	e) the act of paying for goods to response for losses
6. Shareholder	f) the restoration of smb to a useful place in society

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Activity2. Fill in gaps suitable words according to the text.

1. _____ management is the operational part of the business concern
2. The entire business_____ are directly related with making profit
3. _____Accountant may review the company's entire financial situation
4. The memory function of accounting was to record the _____ data necessary to plan accomplishment
5. Business concern needs _____ to meet than requirements in the economic world.

TOPIC VOCABULARY

Law of demand	**The law of demand examines how customers' buying habits change when prices increase. Specifically, the theory posits that all other things being equal, when prices of a good increase, the demand for that good falls.**
Law of supply	The law of supply states that all other things being equal, an increase in price levels results in an increase in the quantity of those goods that are supplied.
Macroeconomics	Macroeconomics studies how the economy behaves in the aggregate, i.e. as a whole. Concepts examined in macroeconomics include: inflation, the level of prices in the economy, growth rate.
Marginal utility	Marginal utility refers to the amount of satisfaction a consumer has by consuming a good or service. Marginal utility can be used by economists to gauge how much of a good or service a consumer should buy.
Microeconomics	The opposite of macroeconomics is microeconomics. Microeconomics focuses on how individuals and companies act within an economy, and how their behaviour also influences an economy.

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Monetarism	Monetarism is a school of thought that centres on the idea that the volume of money in an economy is a key factor in the amount of economic activity and growth. It is a theory that sits in contrast to Keynesian economics.
The invisible hand	An idea introduced by the philosopher Adam Smith, the invisible hand describes the benefits that society at large can enjoy as a result of the actions of self-interested individuals. The invisible hand was an argument used to advocate the benefits of a free market.
Trade barriers	Trade barriers relate to a government policy or regulation that limits or controls international trade. Examples include:mTariffs, Trade quotas, Embargos
Stagflation	Stagflation describes an economy that is experiencing slow economic growth, whilst also experiencing inflation and high levels of unemployment. Stagflation is far less common than inflation or deflation.
Opportunity cost	Opportunity cost is the cost of missing an opportunity in order to take on a different opportunity. An example of opportunity cost can be seen in investors, who may have to forego investing in one

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	company in order to invest in another.

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CONDITIONAL

Do we know conditionals in English grammar? Sometimes we call them **'if clauses'**. They describe the result of something that might happen (in the present or future) or might have happened but didn't (in the past). They are made using different English verb tenses.

Conditional tenses are used to speculate about what could happen, what might have happened, and what we wish would happen. In English, most sentences using the conditional contain the word *if*. Many conditional forms in English are used in sentences that include verbs in one of the past tenses. This usage is referred to as **"the unreal past"** because we use a past tense but we are not actually referring to something that happened in the past. There are five main ways of constructing conditional sentences in English. In all cases, these sentences are made up of an *if* clause and a main clause. In many negative conditional sentences, there is an equivalent sentence construction **using "unless"** instead of "if".

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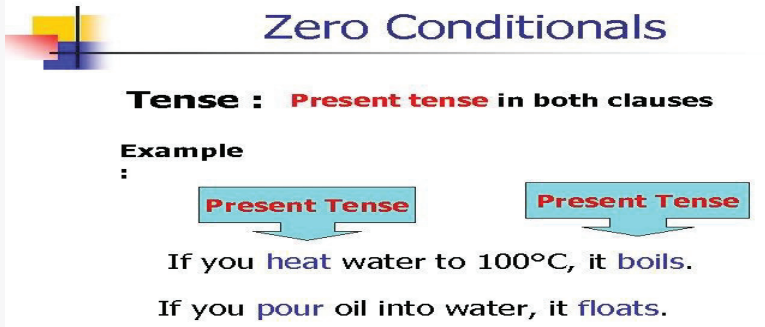
The zero conditional

The zero conditional is used for when the time being referred to is **now or always** and the situation is **real and possible**. The zero conditional is often used to refer to general truths. The tense in both parts of the sentence is the simple present. In zero conditional sentences, the word "if" can usually be replaced by the word "when" without changing the meaning.



Type 1 conditional

The type 1 conditional is used to refer to the **present or future** where the **situation is real**. The type 1 conditional refers to a possible condition and its probable result. In these sentences the if clause is in the simple present, and the main clause is in the simple future.

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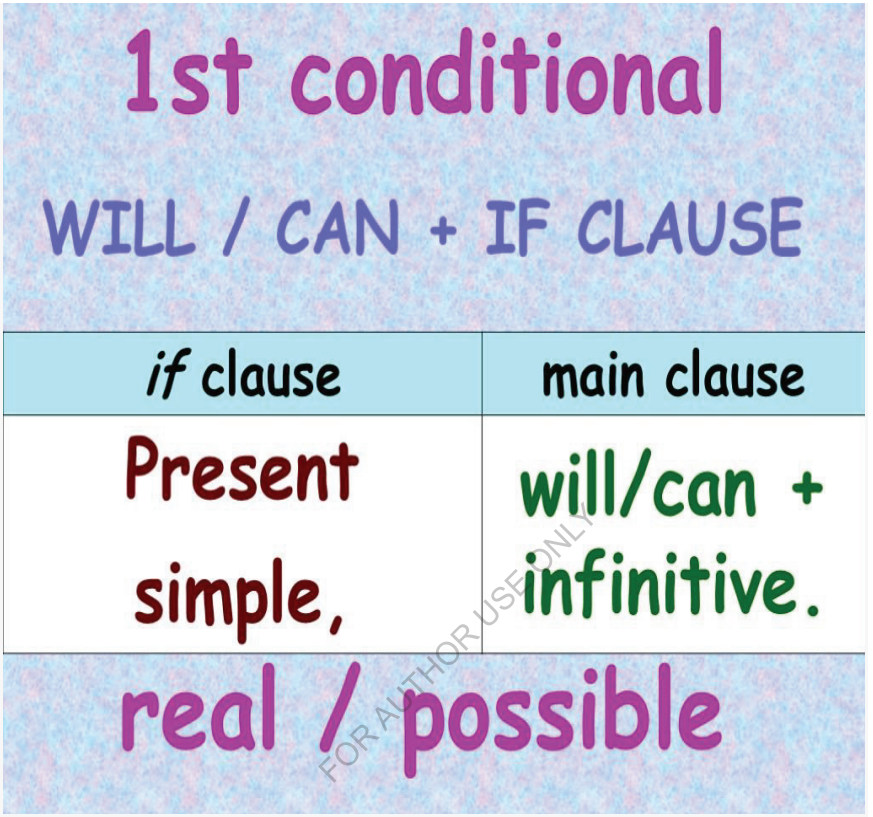

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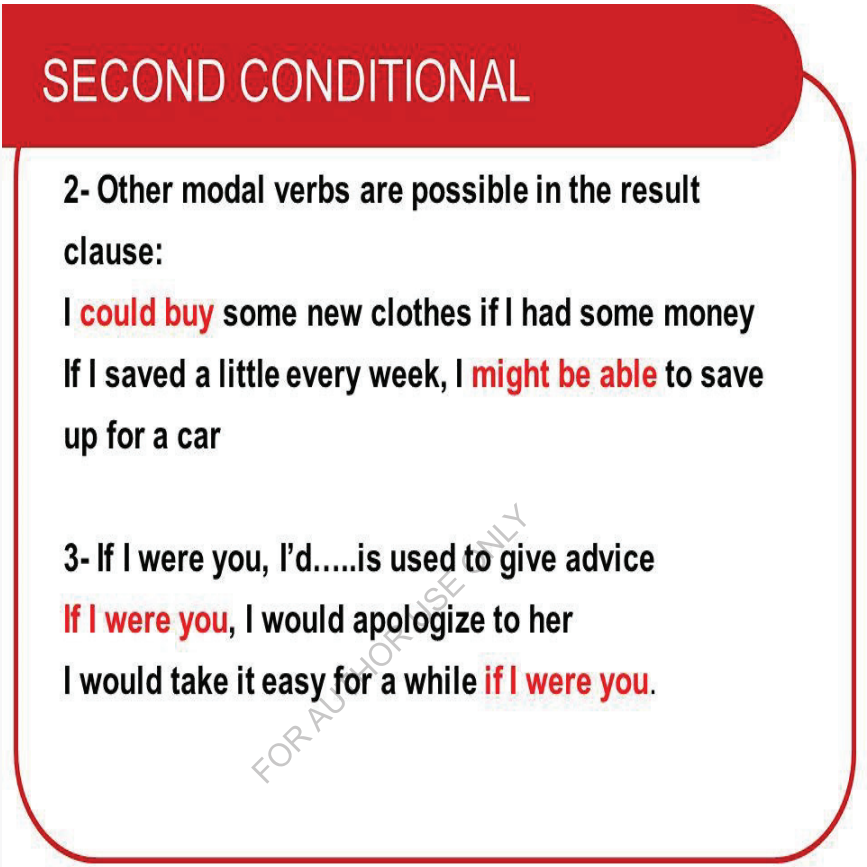
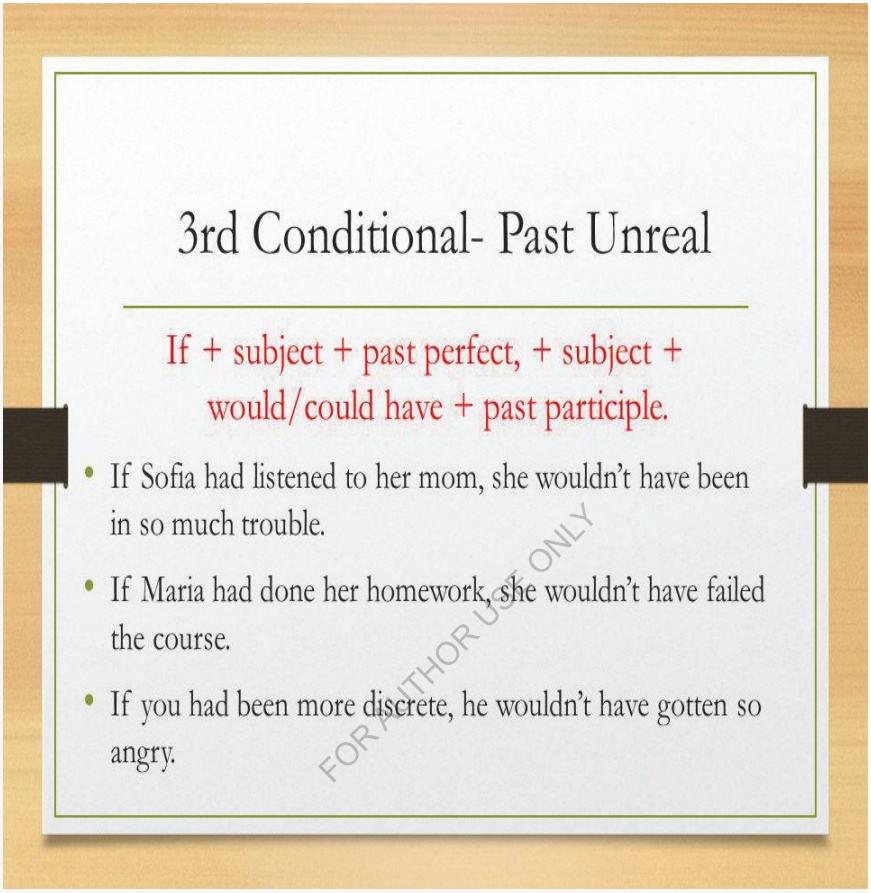
Type 2 conditional

The type 2 conditional is used to refer to a time that is **now or any time**, and a situation that is **unreal**. These sentences are not based on fact. The type 2 conditional is used to refer to a hypothetical condition and its probable result. In type 2 conditional sentences, the if clause uses the simple past, and the main clause uses the present conditional.



Type 3 conditional

The type 3 conditional is used to refer to a time that is **in the past**, and a situation that is **contrary to reality**. The facts they are based on are the opposite of what is expressed. The type 3 conditional is used to refer to an unreal past condition and its probable past result. In type 3 conditional sentences, the if clause uses the past perfect, and the main clause uses the perfect conditional.



Mixed type conditional

The mixed type conditional is used to refer to a time that is **in the past**, and a situation that is **ongoing into the present**. The facts they are based on are the opposite of what is expressed. The mixed type conditional is used to refer to an unreal past condition and its probable result in the present. In mixed type conditional sentences, the if clause uses the past perfect, and the main clause uses the present conditional.

MIXED CONDITIONALS



- We can form **mixed conditionals,** if the context permits it, by combining an ***if-clause*** from one type with a main clause from another.

If-clause Main Clause

Type 2 **Type 1**

If *the plane* ***landed*** *late last night, he* ***won't be*** *on time for work today.*

Type 2 **Type 3**

If *you* ***were*** *less impulsive, you* ***wouldn't have spoken*** *to your supervisor like that.*

Type 3 **Type 2**

If *I* ***hadn't drunk*** *the bad milk, I* ***would be*** *fine now.*

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Exercises for conditional tenses

Activity1. Put the verbs in brackets in zero conditional:

1. Metals (contract) if they (be) cooled.
2. (not stand) up if you (be) tired.
3. If I (go) home late, my parents often (get) angry.
4. (sit) down if you (want) to take another tea.
5. If it (be) hot, we usually (spend) the day on the beach.

Activity2. Put the verbs in brackets in conditional type 1:

1. If you (buy) me a beer, I (help) you with your homework.

2. If he (be) punctual, we (catch) the 10.45 train.
3. If it has stopped raining, I (show) you round town.
4. You (arrive) late if you (not hurry) up.
5. If it (continue) to snow, we (not be) able to go there today.

Activity3. Put the verbs in brackets in conditional type 2:

1. If it (not be) raining cats and dogs, I (go) with you.
2. What you (do) if you (see) a burglar at home?
3. If he (has) the answer, he (not share) it.
4. If Lionel (get) to know this, he (ruin) your marriage.
5. You (have) to obey me if your dad (be) here.

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Activity4. Put the verbs in brackets in conditional type 3:

1. If you (love) them, you (not abandon) them.
2. If Mary (be) in, she (answer) the phone.
3. They (not run) out of petrol if they (fill) their car in.
4. If he (express) his feelings, he (not lose) her.

If I (not have) an important meeting, I (take) you out to dinner last night, but I couldn't skip that meeting.

SUB-SKILL

Read and write

DESCRIBE THE DEVELOPMENT OF ACCOUNTING IN UZBEKISTAN;

You should write:

The purpose of accounting…

The functions of accounting…

The developing stages of accounting in Uzbekistan…

PS: You can use the text above in order to write your brief summary (100 words max.)

UNIT 8

Finance and financial theory



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DISCUSSION

Before reading the test text answer the following questions with your partner:

I. **What is finance? Define business finance.**

II. **Explain the types of finance.**

III. **Describe the source of financing**

Business concern needs finance to meet their requirements in the economic world. Any kind of business activity depends on the finance. Hence, it is called as lifeblood of business organization. Whether the business concerns are big or small, they need finance to fulfill their business activities. In the modern world, all the activities are concerned with the economic activities and very particular to earning profit through any venture or activities. The entire business activities are directly related with making profit. (According to the economics concept of factors of production, rent given to landlord, wage given to labor, interest given to capital

and profit given to shareholders or proprietors), a business concern needs finance to meet all the requirements. Hence finance may be called as capital, investment, fund etc., but each term is having different meanings and unique characters. Increasing the profit is the main aim of any kind of economic activity.

MEANING OF FINANCE

Finance may be defined as the art and science of managing money. It includes financial service and financial instruments. Finance also is referred as the provision of money at the time when it is needed. Finance function is the procurement of funds and their effective utilization in business concerns. The concept of finance includes capital, funds, money, and amount. But each word is having unique meaning. Studying and understanding the concept of finance become an important part of the business concern.

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DEFINITION OF FINANCE

According to Khan and Jain, "Finance is the art and science of managing money". Financial Management According to Oxford dictionary, the word 'finance' connotes 'management of money'. Webster's Ninth New Collegiate Dictionary defines finance as "the Science on study of the management of funds' and the management of fund as the system that includes the circulation of money, the granting of credit, the making of investments, and the provision of banking facilities.

DEFINITION OF BUSINESS FINANCE

According to the Wheeler, "Business finance is that business activity which concerns with the acquisition and conversation of capital funds in meeting financial needs and overall objectives of a business enterprise". According to the Guthumann and Dougall, "Business finance can broadly be defined as the activity concerned with planning, raising, controlling, administering of the funds used in the business". In the words of Parhter and Wert, "Business finance deals primarily

with raising, administering and disbursing funds by privately owned business units operating in nonfinancial fields of industry". Corporate finance is concerned with budgeting, financial forecasting, cash management, credit administration, investment analysis and fund procurement of the business concern and the business concern needs to adopt modern technology and application suitable to the global environment. According to the Encyclopedia of Social Sciences, "Corporation finance deals with the financial problems of corporate enterprises. These problems include the financial aspects of the promotion of new enterprises and their administration during early development, the accounting problems connected with the distinction between capital and income, the administrative questions created by growth and expansion, and finally, the financial adjustments required for the bolstering up or rehabilitation of a corporation which has come into financial difficulties".

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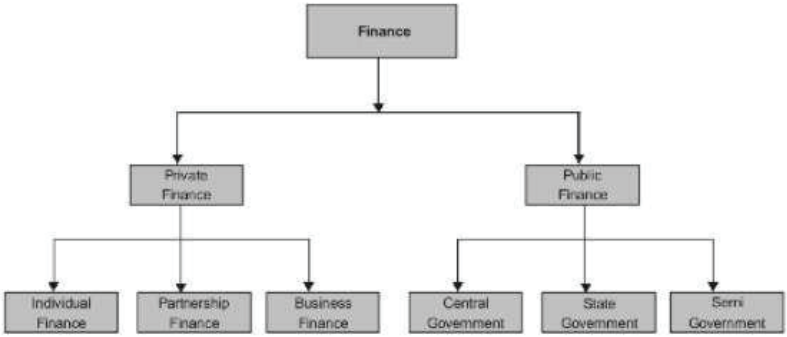
TYPES OF FINANCE

Finance is one of the important and integral part of business concerns, hence, it plays a major role in every part of the business activities. It is used in all the area of the activities under the different names. Finance can be classified into two major parts: Introduction to Financial Management 3 Finance Private Finance Public Finance Individual Finance Partnership Finance Business Finance Central Government State Government Semi Government Fig. 1.1 Types of Finance Private Finance, which includes the Individual, Firms, Business or Corporate Financial activities to meet the requirements. Public Finance which concerns with revenue and disbursement of Government such as Central Government, State Government and Semi-Government Financial matters.



SOURCES OF FINANCING

There are two types of sources of financing

Short-term financing: The process of collecting the fund from the sources, the duration of which sources is less than or equal to 1 year in order to finance the current assets. Like- A/C payable, bills payable, sundry creditors, bank overdraft, cash credit, LC, discounting bills, advanced income, accrual expenses,

Long term financing: The process of collecting long term fund from the sources, the duration of which sources is more than or equal 5 years in order to finance the fixed assets. 2 source of long term financing - owner's equity, long term liabilities and hybrid securities.

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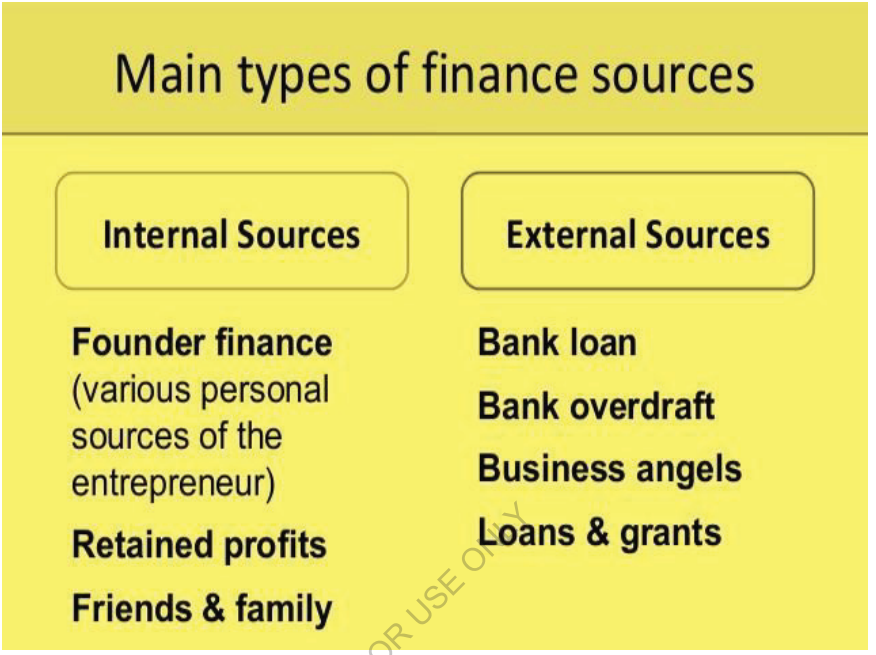

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Internal sources: Collecting the fund through retained earnings and all kind of reserves and surplus.

External sources: Collecting the fund through common stock, preferred stock, bond, debenture & collecting the loan from financial institution based on maturity period.

Activity1. Fill in the gaps with suitable words according to the text above.

1. Business accounting is the most important ____ in business.
2. __ accounting focuses on the proper financial management of the company's funds.
3. An accountant can analyze financial data to formulate and _ financial policies.
4. The __ may identify threats and recommend improved risk and management practices.
5. ___ accounting tackles costs and financial benefits project

Activity2. Choose the best answer.

1. Which type of accounting serves company's internal purposes?

A) cost

B) managerial

C) government

2. Who is responsible for setting aside funds for tax payments?

A) Tax accountant

B) Financial accountant

C) Forensic accountant

3. Which of these concepts are not used analyzing the overall expenditure?

A) record of financial transactions

B) post financial data

C) business decisions

4. Whose job is it to create a list of raw goods for the company?

A) tax accountant

B) cost accountant

C) forensic accountant

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TOPIC VOCABULARY

FINANCE	**This term refers to the generality of all material resources (in cash - the modern interpretation), refers to the economic entity: individual, organization, business or state.**
FINANCIAL THEORY	It is a market approach that relies on solid theoretical assumptions coming from the Economics field, such as perfect markets and rational investors, the latter being defined as subjects that always take decisions based on a utility maximizing mindset.
FINANCE LEASE	Lease where the lessor is considered only as a financier. The lessee is regarded as the owner of the leased assets. Cf. Operating Lease
FINANCE COMPANY	A company, usually a wholly owned subsidiary, which borrows funds from within or outside a group of companies and onlends the funds to affiliates. A finance company is, in many cases, established in a low or no tax jurisdiction
FINANCIAL STRUCTURE	The makeup of the right-hand side of a company's balance sheet, which includes all the ways it assets are financed.
PERSONAL FINANCE	is the financial management which an

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	individual or a family unit performs to budget, save, and spend monetary resources over time, taking into account various financial risks and future life events
PUBLIC FINANCE	is the study of the role of the government in the economy. It is the branch of economics that assesses the government revenue and government expenditure of the public authorities and the adjustment of one or the other to achieve desirable effects and avoid undesirable ones.

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WORD ORDER

Grammar Explanation: Word order and Verb Patterns

The word order in English is very important in signalling the relationships between the different elements within a sentence. Although the subject usually precedes the verb in English, there are many different ways of ordering the other elements in the sentence. This unit examines word order in sentences, as well as the most common verb patterns in English and the way we link clauses to make complex sentences.

Sentence word order

Word order shows us which element of the sentence is the subject and which is the object. In affirmative sentences, the subject is usually first, followed by the verb:

- *Jamila (subject-verb) really* **enjoys a hot dog** *(Object)* (*for tea occasionally*).

Note: This is not the same as *A hot dog really enjoys Jamila* (for tea occasionally).

The main part of the example above shows subject-verb-object word order (SVO). There are, however, occasions when we change this word order. In questions, we usually place a verb (main or auxiliary) before the subject:

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Word order refers to the way words are arranged in a sentence. The order of words in English is important if you want to communicate your thoughts and ideas. English has a strict word order in basic sentences.

English word order is **strict** and not very flexible. This means that the order of words in an English sentence rarely changes: the subject almost always comes before the predicate. There are however a few parts of speech that can move in sentences. We will cover these later in this lesson.

Native English speakers are used to hearing some English parts of speech in a specific order. If these parts of speech are in a different order, it can be confusing.

Even very small differences in English **word order** can sound strange to native English speakers. For example, the sound of a clock in English is **tick-tock**. **Tock-tick** sounds strange to native speakers. **Tick-tock** sounds correct.

Basic word order in English

The basic word order of an English sentence is **Subject** + **Predicate**.

The predicate is the part of the sentence that tells something about the subject. The predicate always includes the verb.

So, **Subject** + **Predicate** word order can be broken down into smaller pieces like this:

subject + **verb**

Or

subject + **verb** + **object**

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The definitions of these parts of speech:

- **subject** = noun or pronoun

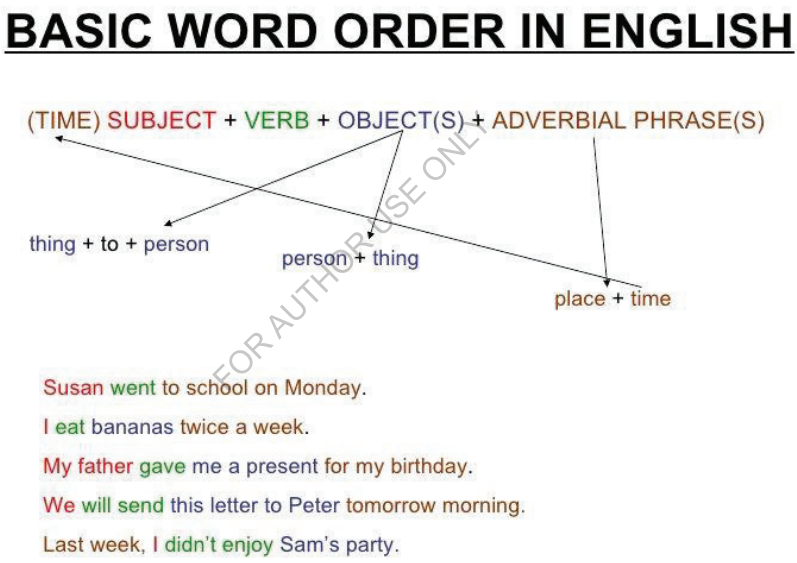
  The person, place, or thing that the sentence is about.

- **verb** = action or state of being

  one verb or verb phrase

- **object** = the noun or nouns that receives the action of the verb or is affected by the action of the verb

Unlike some languages, English usually requires you to put the subject near the beginning of the sentence before the verb. Native speakers rarely stray from this **word order** in correct English.



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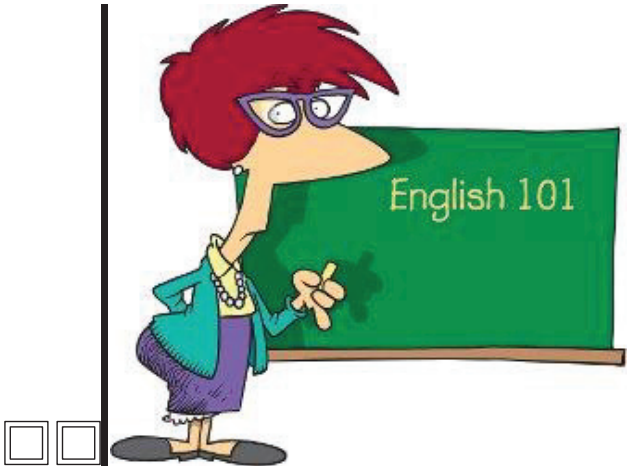
Examples:



Correct: The teacher wrote.

Incorrect: Wrote the teacher

Correct: the pupils listen to the teacher

Incorrect: listen to the teacher the pupils

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Adding Additional Information: Objects, Prepositional Phrases and Time

Understanding this basic pattern is useful for when we start breaking down more complicated sentences; you might have longer phrases in place of the subject or verb, but they should still use this order.

After subjects and verbs, we can follow with different information. The other key components of sentence patterns are:

- **Direct Object:** directly affected by the verb (comes after verb)
- **Indirect Objects:** indirectly affected by the verb (typically comes between the verb and a direct object)
- **Prepositional phrases:** noun phrases providing extra information connected by prepositions, usually following any objects
- **Time:** describing *when*, usually coming last

The individual grammatical components can get more complicated, but that basic pattern stays the same.



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Verbs with two patterns:

Some verbs can take two objects, e.g. give, bring, show. These verbs take a direct object an indirect object (often a person or thing that receives something). There are two possible patterns:

1. **Subject + verb + indirect object + direct object:**

   The judges gave Jason`s painting first prize

2. **Subject + verb + direct object + indirect object:**

   The judges gave first prize to Jason`s painting.

Verb patterns

1. **Verb + complement**

Some verbs are followed by **complements**(not objects). A complement is a usually **a noun phrase** or **an adjective** that identifies, describes or gives information about subject. Verbs which introduce complements often describes **states**.

Subject + verb + complement:

JetBlue became one of North America`s favourite airlines.

2. **Verb + object + complement**

A complement can also describe the **object** of a verb. In this case, the object comes before the complement:

Subject + verb + object + complement:

The journey made the children irritable.

Activity1. Fill in gaps with the suitable words.

Very well, a fantastic, find, Ollie, remained.

1. Roger Federer didn't play _____ at the French Open last year.
2. We went to the cinema last night and saw _____ film.
3. Fiona _____ unhappy about her exam results for week.
4. _____ is building a new kitchen in his house.
5. It was difficult to _____ anything in the sales. The shops were crowded.

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Activity2. Put the words in order according to make a sentence.

1. has / had / the exhibition / a lot of / interest.

2. at / the /debate / Marco / his / arguments on Thursday / quite / well / presented .

3. your father / has / made / really / angry / your / terrible / behavior.

4. last / term/ head / teacher / of / the / local / secondary / school / became / Jeremy.

5. that / promised / he / would / call / me / Errol.

Activity3. Put the words in order to make up the sentences full.

1. [quote/you/could/provide/a/formal]? If you put it in writing, we'll accept it.
2. [secret/kept/Duncan/to/her/Katharine/ marriage/a] for several months before she dared to tell her parents

3. [Bettina/yacht/named/John/the] after his wife, who had recently passed away.
4. The arrival of the Shakespearean actor (amount/company/of/the/brought/certain/class/a]
5. The Millers are just leaving, [will/show/motorway/them/the/you/way/to/the]? You go past the slip road, don't you?
6. The children at the party were delighted when [rabbit/hat/from/a/the/magician/pulled/his]
7. The warden told [that/want/see/visitors/prisoner/the/didn't/them/the/to].
8. [machine/me/use/show/can/you/how/to/this]? I'm useless with anything mechanical.
9. We have to take on the third applicant; [enough/she/well-qualified/had/experience/ and/was/she]
10. The new design of the magazine [brighter/is/the/one/previous/much/than].

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SUB-SKILL

Listening Tape 4 Questions 1-6

Choose the correct letter A, B or C

1. Yet it has long been known that the model does not give an accurate representation of individual _____
   A) Talent
   B) Behavior
   C) Outlook
2. Generalized expected utility theories have shown that, for the case of decisions under _____
   A) Risk
   B) Profit

C) Damage

3. Particularly as regards applications to problems involving _____ temporal choices

   A) inner

   B) outer

   C) inter

4. Health risks and problems of _____ choice for agents who are not globally risk averse.

   A) Portfolio

   B) Portable

   C) Posting

5. The generalized theory of decision under risk remains a fruitful field for _____ investigation.

   A) Theorical

   B) Thinking

   C) theoretical and empirical

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REVIEW

Unit1.

Activity1. Fill in the gaps with the suitable word or word phrases according to the text in Unit5.

1. Tax systems in the U.S. fall into three main categories:
2. Social Security tax obligations are capped at ….
3. Employers pay an additional ….
4. Self-employed individuals must pay ….
5. Proportional tax means ….
6. Flat tax system is meant to create equality between ….
7. Nine states which use proportional income tax system as of January 2021:
8. Taxes assessed under a progressive system are based on ….
9. The U.S. federal income tax is ….
10. According to critics progressive taxation is ….

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Activity2. Choose the best answer.

1. How many stales does a flad tax system use?

a) 10 b) 11 c) 9

2. Who pays no federal income tax at all?

a) high income citizens b)low income Americans c)brokers

3. Which tax system is estimated to be a form of unequally?

A) regressive b)progressive c)proportional

4. What type of tax has no connection with individual financial states?

a) proportional b)regressive c)progressive

5. Which tax is used as an alternative to progressive tax?

a) proportional b)flat tax rate c) regressive

Activity3. Read and translate.

Rag'batlantirish funksiyasi soliq tizimining eng muhim funksiyalaridan biri bo'lib, ishlab chiqarishni rivojlantirishga, moddiy xom-ashyo resurslari, shuningdek moliyaviy va mehnat resurslari, jamg'arilgan mol-mulkdan samarali foydalanishga rag'batlantiruvchi ta`sir ko'rsatadi, ya`ni soliq yukini kamaytirish orqali ishlab chiqarishni rivojlantirishga, moliyaviy ahvolni mustahkamlashga va investisiya faoliyatini jonlantirishga rag'batlantiradi.

Unit 6

Activity1. Fill in the gaps with the suitable word or word phrases according to the text in Unit6.

1. The purpose of accounting is ….
2. The functions of accounting include ….
3. The basic functions of accounting in a company may include ….
4. Accounting involves performing regular financial reviews of the company's departments to ….
5. The types of accounting are ….
6. Financial accounting focuses on ….
7. A managerial accountant assess ….
8. A cost accountant may create ….
9. Tax accountants can help the company to ….
10. Forensic accounting is a ….
11. Project accounting allows businesses to ….

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Activity2. Choose the best answer.

1. What type of accountings provides a detailed view of project financials and progress?

a) taxation b)cost c) project

2. Which one is not included into the list of accounting functions?

a) analizing b) counting c) summarizing

3. What does cost accountant do?

a) general financial reports

b) monitor business trends

c) create a last of low products

4.What type of accounting provides a detailed view of project financials?

a)internal b)taxation c)project

5. Who audits and investigates information and prepares it to be listed in a court?

a) forensic accountant b)project accountant c)internal accountant

Activity3. Read and translate.

Soliqlarning nazorat funksiyasi soliq to‘lovchi tomonidan taqdim etilgan, soliqqa tortish ob`yekti, soliqqa tortiladigan baza, imtiyozlar singari va hokazo tegishli soliq ko‘rsatkichlarining hisob-kitoblarini tekshirishdek ancha murakkab jarayondan iborat. Soliq hisobi soliq idoralariga belgilangan soliq hisobi shakllari orqali soliq to‘lovchilar o‘zlarining soliq majburiyatlarini qanday bajarayotganliklarini yanada samarali nazorat qilish imkonini beradi.

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Unit7

Activity1. Fill in the gaps with the suitable word or word phrases according to the text in Unit7.

1. Historians claim that accounting was introduced ….
2. Fields in accounting ….
3. Accounting in the Soviet Union, which included Uzbekistan, catered to ….
4. In particular, the Soviet accounting system strictly applied ….
5. Doubtful accounts were written off only when ….
6. In Soviet Union countries, accounting consisted of ….
7. The focus of Soviet accounting was ….
8. Accounting process includes ….
9. In Soviet Union accountancy had a ….

Activity2. Choose the best answer.

1. According to Oxford dictionary what does the word finance cannot be…

a) management of time

b) the art of money

c) the management of money

2. Whose problems are under the responsibility of corporation finance?

a) connoted factories

b) limited office

c) corporate enterprises

3. Which type of finance concerns with revenue and disbursement of government?

a) Private finance

b) Public fiancé

c) Partnership finance

4. Which is the function of production management?

a) To equip the enterprise

b) To multiple the money into profit

c) To finance marketing

5. Financial is related with …

a) Production management

b) Human department

c) Marketing

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Activity3. Read and translate.

Soliqlarning fiskallik funksiyasi ushbu vazifani hal qilish maqsadlariga xizmat qiladi. Bu vazifani hal qilish davlatning iqtisodiyotga qay darajada aralashuviga ko‘p jihatdan bog’liq. Bu ko‘rsatkich qanchalik yuqori bo‘lsa, soliqlarning fiskallik funksiyasi shunchalik faol bo‘ladi. Ammo soliqlarning ushbu vazifasi faqat iqtisodiy jarayonlarni qamrab olmaydi, balki davlatning noishlab chiqarish xarajatlarining ko‘payishi ham davlatning ortiqcha moliyaviy resurslarga muhtojligini keltirib chiqaradi.

Unit 8

Activity1. Fill in the gaps with the suitable word or word phrases according to the text in Unit8

1. Any kind of business activity depends on ….
2. The main aim of any kind of economic activity is ….
3. Finance includes ….
4. Finance function is ….
5. The concept of finance includes ….
6. According to Khan and Jain “Finance” is ….
7. Webster’s Ninth New Collegiate Dictionary defines “finance” as ….
8. According to the Guthumann and Dougall, “Business finance” ….
9. Corporate finance is concerned with ….
10. Finance can be classified into two major parts:
11. Two types of finance are ….
12.

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Activity2. Match the words and their definitions.

1. Avail a) failure to perform some promised act or obligation
2. Expenditure b) a some of money allocated for a particular purpose
3. Stakeholder c) smb entrusted to hold the shares for or more persons betting against one another
4. Budget d) take or use
5. Breach e) keep under surveillance
6. Mondor f) money paint out / spent

Activity3. Read and translate.

O‘zbekiston Respublikasida soliqlarning ushbu vazifasini bajarishi o‘ziga xos xususiyatlarga ega. Asosiy xususiyatlaridan biri shundaki, hozirgi kunda sarmoyalarning asosiy qismi savdo va xizmatlar sohasiga yo‘naltirilayotganligi tashvishli holdir. Buning asosiy sababi foyda normasining bu sohalarda kattaligidir.

UNIT 9

Introduction to financial management



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DISCUSSION

Before reading the test text answer the following questions with your partner:

I. Critically evaluate various approaches to the financial management.

II. Explain the scope of financial management.

III. Discuss the role of financial manager.

DEFINITION OF FINANCIAL MANAGEMENT

Financial management is an integral part of overall management. It is concerned with the duties of the financial managers in the business firm.

The term financial management has been defined by **Solomon**, "It is concerned with the efficient use of an important economic resource namely, capital funds". The most popular and acceptable definition of financial management as given by **S.C. Kuchal** is that "Financial Management deals with procurement of funds and their effective utilization in the business".

Howard and Upton : Financial management "as an application of general managerial principles to the area of financial decision-making.

Weston and Brigham : Financial management "is an area of financial decision-making harmonizing individual motives and enterprise goals".

Joseph and Massie : Financial management "is the operational activity of a business that is responsible for obtaining and effectively utilizing the funds necessary for efficient operations.

Thus, Financial Management is mainly concerned with the effective funds management in the business. In simple words, Financial Management as practiced by business firms can be called as Corporation Finance or Business Finance.

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SCOPE OF FINANCIAL MANAGEMENT

Financial management covers wide area with multidimensional approaches. The following are the important scope of financial management.

1. Financial Management and Economics

Economic concepts like micro and macroeconomics are directly applied with the financial management approaches. Investment decisions, micro and macro environmental factors are closely associated with the functions of financial manager. Financial management also uses the economic equations like money value discount factor, economic order quantity etc. Financial economics is one of the emerging area, which provides immense opportunities to finance, and economical areas.

2. Financial Management and Accounting

Accounting records includes the financial information of the business concern. Hence, we can easily understand the relationship between the financial management and accounting. In the olden periods, both financial management and accounting are treated as a same discipline and then it has been merged as Management Accounting because this part is very much helpful to finance manager to take decisions. But nowadays financial management and accounting discipline are separate and interrelated.

3. Financial Management or Mathematics

Modern approaches of the financial management applied large number of mathematical and statistical tools and techniques. They are also called as econometrics. Economic order quantity, discount factor, time value of money, present value of money, cost of capital, capital structure theories, dividend theories, ratio analysis and working capital analysis are used as mathematical and statistical tools and techniques in the field of financial management.

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4. Financial Management and Production Management

Production management is the operational part of the business concern, which helps to multiple the money into profit. Profit of the concern depends upon the production performance. Production performance needs finance, because production department requires raw material, machinery, wages, operating expenses etc. These expenditures are decided and estimated by the financial department and the finance manager allocates the appropriate finance to production department. The financial manager must be aware of the operational process and finance required for each process of production activities.

5. Financial Management and Marketing

Produced goods are sold in the market with innovative and modern approaches. For this, the marketing department needs finance to meet their requirements. The financial manager or finance department is responsible to allocate the adequate finance to the marketing department. Hence, marketing and financial management are interrelated and depends on each other.

6. Financial Management and Human Resource

Financial management is also related with human resource department, which provides manpower to all the functional areas of the management. Financial manager should carefully evaluate the requirement of manpower to each department and allocate the finance to the human resource department as wages, salary, remuneration, commission, bonus, pension and other monetary benefits to the human resource department. Hence, financial management is directly related with human resource management.

Activity1. Fill in gaps with suitable words in the text above

1. Accounting _____ includes financial information of the business concern.
2. Profit of the concern depends on the _____ performance.
3. Marketing and _____ management depends on each other.
4. The financial manager must be aware of the _____ process.
5. Financial management covers a wide area with _____ approaches

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Activity2. Tick the statements True or False.

1. Financial management is directly related with marketing
2. Finance department has the same duties with the finance manager.
3. Micro and macro environmental factors are out of the manager's financial functions.
4. Production management is not the operational part of the business concern.
5. Produced goods are sold in the market with innovative and modern approaches.

TOPIC VOCABULARY

FINANCIAL MANAGEMENT	**This term is one of the important parts of overall management, which is directly related with various functional departments like personnel, marketing and production.**
FINANCIAL REPORTING	refers to standard practices to give stakeholders an accurate depiction of a company's finances, including their revenues, expenses, profits, capital, and cash flow, as formal records that provide in-depth insights into financial information.
CALL OPTION	Contract under which the holder of the option has the right but not the obligation to purchase securities or commodities on or before a specified date for a specified exercise price.
PUT OPTION	Contract under which the holder of the option has a right but not an obligation to sell securities or commodities, including foreign currencies, for a specified price during a specified period.
SWAP	Derivative financial instrument in which two parties agree to exchange payments calculated by reference to a notional principal amount. In the classic interest rate swap agreement two parties

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	contract to exchange interest payments based on the same amount of indebtedness of the same maturity and with the same payment dates; one party provides fixed interest rate payments in return for variable rate payments from the other party and vice versa.
FUTURES CONTRACT	An agreement between a buyer and seller to exchange particular goods (e.g. securities or commodities) for a particular price at a future date as specified in a standardized contract common to all participants in a market on an organized futures exchange.
FORWARD CONTRACT	Contract for the delivery of an amount of asset (e.g. foreign currency, securities, commodities) on a specific future date.

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REPORTED SPEECH

In the English language there is direct and indirect (reported) speech.

Direct Speech

Direct speech refers to the actual words that are spoken by a person, or character, in a story**.**

Punctuation of Direct Speech

There are many rules and conventions of punctuating direct speech (sometimes called dialogue):

Speech Marks*:* The actual words spoken appear between speech marks (it does not matter whether these are single or double, as long as the writer is consistent). All other punctuation appears within the speech marks.

'How do you feel today?' I asked.

End of dialogue*:* Often, when writing direct speech, the speaker will be identified with something like *he said*, or *cried Joan*. If this comes after a piece of direct speech, then that direct speech will usually end with a comma, although it can use a question mark, ellipses or exclamation mark, but not a full stop.

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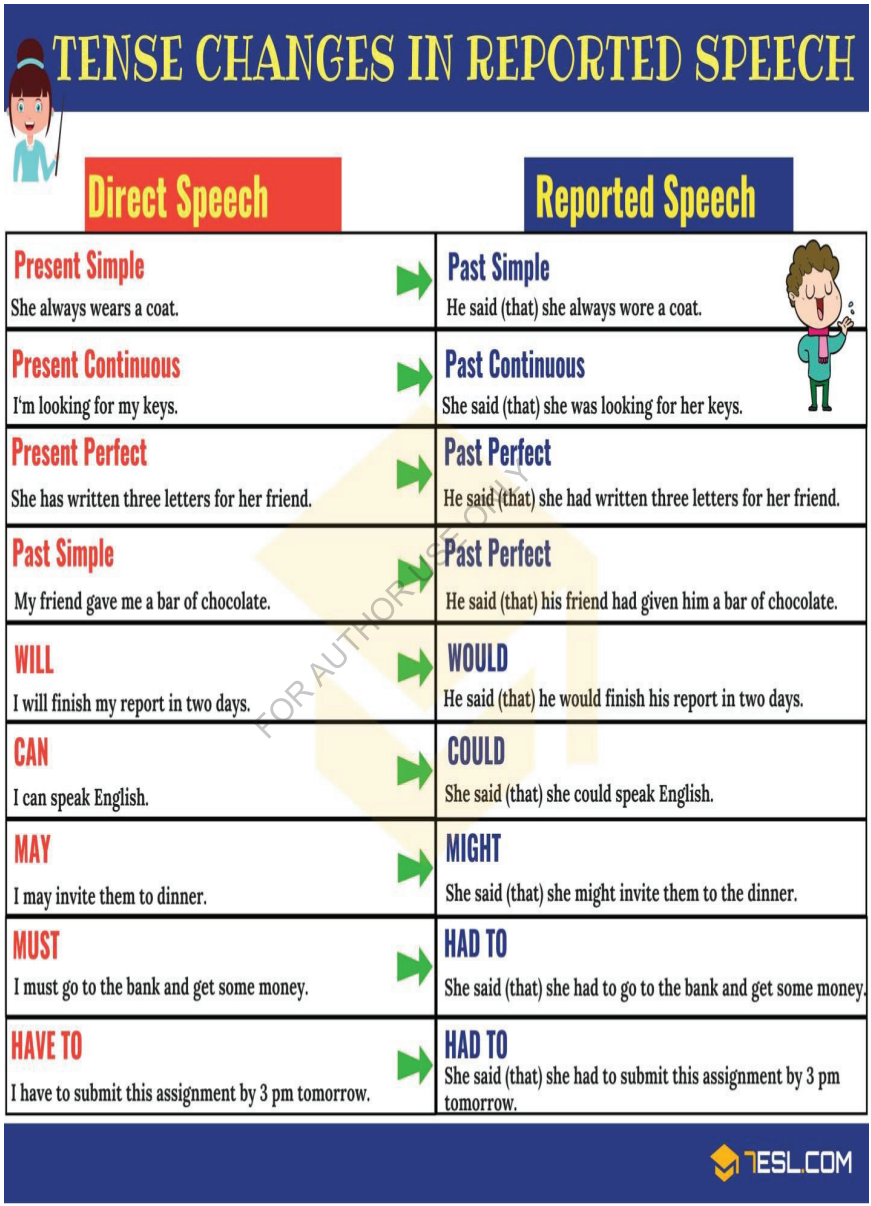
Sentences: Direct speech is considered a sentence within its own right, and is punctuated accordingly.

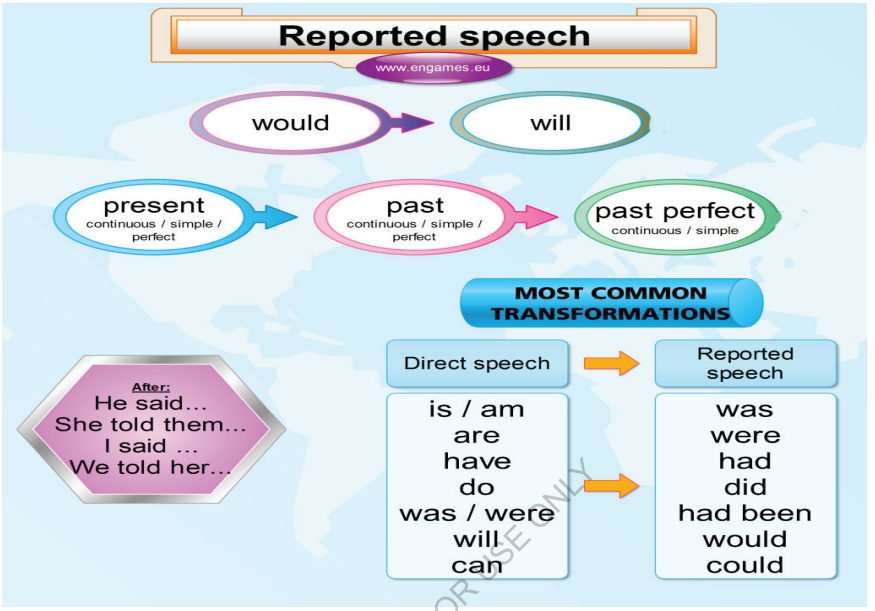
Paragraphing: Every time there is a change of speaker there should be a new paragraph. Normally, unless just a few words are being spoken, direct speech should begin a new paragraph.

Reported speech is simply when we tell somebody what someone else said. You can do this in your writing, or in speech. Reported speech is very different from **direct speech** which is when you show what somebody said *in the exact way that they said it*. In reported speech though, you do not need to quote somebody directly. We use a reporting verb, such as 'say' or 'ask'. These reporting verbs are used to report the speech to someone else. There are many different reporting verbs that can be used.

In reported speech tenses, pronouns and adverbial phrases often (but not always) change. The tables and examples below illustrate this.



Several parts of the sentence change too:



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Pronouns in Reported Speech

Next we will consider how pronouns can be changed when shifting from direct to reported speech. There are rules to remember. They are complex, but can soon be learned.

First Person Pronoun – we, I, me, mine, us, our

If we are talking about a third person pronoun (for example: she, it, he, their etc) then the pronoun changes.

-'I love football' he told me.

-He told me that he loves football.

If we are talking about another first person then the pronoun, then the pronoun does not change.

-I said, 'I love football.'

-I said that I love football.

Second Person Pronoun – you, yours

The pronoun changes to fit with the *object* of the sentence.

-She said to me, 'You are my hero!'

-She said to me that I was her hero.

-'You are my hero,' she said to him.

-She said to him that he was her hero.

Third Person Pronoun – she, he, it, they, his, him, them, his

The pronoun is not changed when direct speech is switched to reported speech.

-'It will fall over,' he said.

-He said that it would fall over.

Adverbial changes in Reported Speech

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Direct speech	Reported speech
this	that
these	those
now	then
here	there
today	that day
tomorrow	the next day
the day after tomorrow	two days later
yesterday	the day before
the day before yesterday	two days before
ago	before
next year	the next year, the following year
last night	the previous night

Activity1. Test your knowledge.

1. Dilbar said: "I will not take part in the new play."

a) She refused to take part in the new play

b) She refused not to take part in the new play

c) She refused that she took part in the new play

2. The art critic said: “Da Vinchi was the definitely the most exciting artist of his time.”

a) The art critic considered that Da Vinchi the most exciting artist of his time

b) The art critic considered to Da Vinchi the most exciting artist of his time

c) The art critic considered Da Vinchi the most exciting artist of his time

3. The police officer said: “We believe that you have been making threatening phone calls.”

a) The police officer accused me of making threatening phone calls.

b) The police officer accused that me of making phone calls.

c) The police officer accused to make phone calls.

4. My manager said: “It was your fault that we lost the contract.”

a) My manager blamed to losing the contract

b) My manager blamed me for losing the contract

c) My manager blamed that me for losing the contract

5. My wife: “Don`t worry about the arrangements. They are all under the control.”

a) May wife reassured me not to the arrangements were all under control.

b) My wife reassured me not to the arrangements.

c) My wife reassured me that the arrangements were all under control

6. The reporter ; ‘I’m terribly sorry about getting the Minister’s name wrong’.

a) The reporter apoligised to getting the Minister’s name wrong

b) The reporter apoligised for getting the Minister’s name wrong

c) The reporter apoligised getting the Minister’s name wrong

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Activity2. Change the sentences into indirect speech.

1. ‘You must stop writing’-she said….
2. ‘I’m sorry I lost your umbrella’- she apologized….
3. ‘We were waiting for hours’ – they complained….

4. ‘The explosion was an accident’ – he said….
5. Manzura said ‘I am going to Japan next year‘
6. The teacher said ‘Don’t come to school on Monday as it is a holiday’
7. ‘We saw our cousin at the fair’ – said Ben…
8. The boss said – ‘It’s time we began planning our work’.
9. ‘Do you want to attend English courses’ - he asked…
10. He asked ‘Hurrah, my friend has come’.

SUB-SKILL

Read and write

DESCRIBE FINANCIAL MANAGEMENT;

You should write:

What is financial management…

The functions of financial management…

The role of financial management…

PS: You can use the text above in order to write your brief summary (100 words max.)

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UNIT 10

Financial statement analysis



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DISCUSSION

Before reading the test text answer the following questions with your partner:

I. What is financial statement?

II. Can you explain 5 types of financial statement?

III. Why we use financial statement in the economy?

INTRODUCTION

A financial statement is an official document of the firm, which explores the entire financial information of the firm. The main aim of the financial statement is to provide information and understand the financial aspects of the firm. Hence, preparation of the financial statement is important as much as the financial decisions.

MEANING AND DEFINITION

According to **Hamptons John**, the financial statement is an organized collection of data according to logical and consistent accounting procedures. Its purpose is to convey an understanding of financial aspects of a business firm. It

may show a position at a moment of time as in the case of a balance-sheet or may reveal a service of activities over a given period of time, as in the case of an income statement. Financial statements are the summary of the accounting process, which, provides useful information to both internal and external parties. **John N. Nyer** also defines it "Financial statements provide a summary of the accounting of a business enterprise, the balance-sheet reflecting the assets, liabilities and capital as on a certain data and the income statement showing the results of operations during a certain period".

WHAT IS A FINANCIAL STATEMENT?

A financial statements definition is, in the simplest sense, any document that helps show the financial state of your company. The actual items that meet this financial statements definition are generally much more specific, and each has an important role to play. Each type of financial statement will often have a knock-on effect on another type. As such, you cannot gain a full overview of a company with just one type of statement. You must consolidate the data from one statement with the data from another statement to gain a deeper understanding of your company's financial health.

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The 5 types of financial statements you need to know

There are several crucial financial statement documents that every business needs. It's not just a matter of compliance or best practice; they are vital tools to staying on top of your figures. Here are the key documents you need to know about:



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1. Income statement

Arguably the most important. A business needs to keep a very close eye on profit and money coming in, and that's precisely what an income statement does. An income statement may also be known as a profit and loss statement, showing your businesses income and outgoings over a set period. The income statement takes revenue, losses, and expenses into account, so it can show whether your company has turned a profit or has missed its mark.

2. Cash flow statement

The cash flow statement shows how money enters and leaves your business, so you can see what you have available as working capital at a particular time. A cash flow statement is essential for showing you how quickly you could source cash if you needed it, as it doesn't take into account things like raw materials or purchases made – but not yet paid for – on credit.

3. Balance sheet

The balance sheet displays three key things: your assets, your liabilities, and your equity. The balance sheet can show the current value of a business for the period it covers. Looking at your balance sheet can help you understand if you can meet your financial obligations.

4. Note to Financial Statements

This is a requirement of the IFRS (International Financial Reporting Standards) and gives greater context around the information contained in your other financial statement documents. For example, your assets may be listed in the balance sheet, but your note to financial statements document is where you will explain precisely what those assets are. The information in this document is required to ensure you are compliant with standards and regulations.

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5. Statement of change in equity

This document shows the changes made to your company's share capital, retained earnings, and accumulated reserves. For a sole trader, it shows changes to the owner`s equity. For a partnership, it shows the changes between both partner's equity. In the case of a company, then the statement of change in equity shows how equity share has changed among all the shareholders.

Activity1. Match the words and their definitions according to the text.

1) Consistent	a) useful or valuable quality
2) compliance	b)profits available for use in the production of further assets
3) asset	c) the members of business venture created by contract
4) partnership	d) capable of being reproduced
5) capital	e) acting according to certain accept standards

Activity2. Fill in the gaps with suitable words in the text above.

1. Each type of financial statement will often have a ___ effect on another type.

2. The balance sheet displays three key things your ____ liabilities equity.

3. _ of the financial statement is important as much as financial decisions

4. A financial __ explores the entire financial information of the farm.

5. An ____ statement precisely keeps a very close eye on profit and money coming in.

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TOPIC VOCABULARY

FINANCIAL STATEMENT	**Report which contains all of the financial information about a company. The report generally consists of a balance sheet, income statement and may include other information as well**
BALANCE SHEET	Statement of the financial position of a business as of a particular date. The statement will show the business's assets in one column and its liabilities and owner's equity in another column.
BUDGET	A formal statement of management's expectations of sales, expenses, volume, and other financial transactions of an organization. A budget is a tool for planning and control. In the beginning it can act as a plan and in the end it can act as control to measure performance against so that future plans can be improved.
Basic prices	Prices excluding taxes and subsidies on products
Capital	One of the factors of production, providing a stream of revenues or services to its owner. Capital can

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	include tangible assets – such as plant or machinery – or intangible assets – such as software and knowledge.
Consumer prices	Prices offered to the public at the point of sale.
Deflator (implied)	A series that shows changes in price and can be used to convert nominal values into "real" values, which are adjusted for the effects of inflation. An implied deflator is a series that shows the implied change in average prices for a variable by dividing the current price series by the real or volume series.
Economics	The study of the allocation of scarce resources to satisfy individual and collective wants
Exports	Goods or services sold to agents in other countries; the opposite of imports.
Fiscal policy	Taxation and spending measures that allow the government to guide the economy.

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PASSIVE VOICE

We use the passive voice to change the focus of the sentence.

- *My bike was stolen.* (passive – focus on *my bike*)
- *Someone stole my bike.* (active – focus on *someone*)

What Is Passive Voice?

The passive voice, put simply, is when something that is done by the subject of the sentence is done by the object instead. Let's break that down a little more though. A subject of a sentence is typically the noun that does the verb. In the passive voice though, the object does the verb instead. The object in a sentence is usually the thing that receives the action. But in the passive voice, it is doing the 'doing' not having something done to it. Active voice is essentially just the opposite of passive voice. The subject does the 'doing', the object has it done to it.

The passive voice can be used effectively in certain scenarios. If, for example, the subject was unknown or was someone you wanted to keep hidden, then the passive voice works quite well. The passive voice is also a great way to put emphasis on the subject at the end of the sentence.

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The passive is used:

1. When the agent (= the person who does the action) is unknown, unimportant, or obvious from the context:

- *He was shot.* (We don't know who shot him.)
- *This monument was built in 1815.* (unimportant agent).

2. To make more polite or formal statements:

- *The flowers haven't been watered. (more polite)*
- *They haven't watered the trees. (less polite)*

3. When the action is more important than the agent, as in processes, instructions, events, reports, headlines, news items, and advertisements.

- *60 people were killed in shootings across Chicago between Friday and Monday morning.*

4. To put emphasis on the agent:

- *The new bar will be opened by Sean.*

We do not use passive:

As a general rule, the active voice is almost always preferred in English, because it is a much more concise and clear way of expressing what happened. In speech especially, active voice is used mostly because it simply makes sense to focus on keeping what you say as short and clear as it can be. Other than for stylistic reasons in writing, passive voice should rarely be used, because the passive voice is just so open to confusion or misinterpretation on behalf of the reader or listener.

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Passive Voice in Writing

Passive voice is certainly something that shouldn't be completely disregarded in writing. Whilst there are many reasons to avoid it in speaking, the passive voice has a place in writing stylistically, because even though the meaning might not always be clear, the reader does have the benefit of being able to read the sentence back again to understand what you are trying to say if they were confused initially. The passive voice is one of the best ways in writing to build suspense in a scene and leave the reader guessing until the last possible second about who exactly did what.

How we make the passive

In order to form a passive sentence, we must bear in mind the following:

The direct object of the active becomes the subject of the passive.

Then, we add the verb be + the past participle of the active verb.

We make the passive using the verb *be* + past participle. We start the sentence with the object. If we want to say who or what performs the action while using the passive voice, we use the preposition *by*. When we know who performed the action and are interested in him, it is always better to switch to the active voice instead:

eg. *Kamol sent the letter. ------- The letter was sent by Kamol.*

It is not always necessary to add who or what did the action:

eg. *We clean the house. -------- The house is cleaned (by us).*

Functions of the passive voice

1. The passive voice is used to show interest in the person or object that experiences an action rather than the person or object that performs the action. In other words, the most important thing or person becomes the subject of the sentence.
2. Sometimes we use the passive voice because we don't know or do not want to express who performed the actions.
3. The passive voice is often used in formal texts. Switching to the active voice will make your writing clearer and easier to read.

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Only the form of *be* changes to make the tense. The past participle stays the same. Here are examples of the passive in its most common tenses:

Passive Voice

The passive is formed with the appropriate tense of the verb to be + past participle. Present Perfect Continuous, Future Continuous, Past Perfect Continuous are not normally used in the passive. Note that only transitive verbs (verbs which take an object) can be put into the passive.

	Active Voice	Passive Voice
Present Simple	They **restore** buildings.	Buildings **are restored**.
Present Continuous	They **are restoring** the building.	The building **is being restored**.
Past Simple	They **restored** the building.	The building **was restored**.
Past Continuous	They **were restoring** the building.	The building **was being restored**.
Future Simple	They **will restore** the building.	The building **will be restored**.
Present Perfect	They **have restored** the building.	The building **has been restored**.
Past Perfect	They **had restored** the building.	The building **had been restored**.
Future Perfect	They **will have restored** the building.	The building **will have been restored**.
Present infinitive	They should **restore** the building.	The building should **be restored**.
Perfect infinitive	They should **have restored** the building.	The building should **have been restored**
-ing form	They like people **restoring** buildings.	They like buildings **being restored**.
Perfect -ing form	**Having restored** the building, ...	The building, **having been restored**, ..
Modal + be + p.p.	They **must restore** the building.	The building **must be restored**.

Note: Get is used in colloquial English instead of be to express something happening by accident.
He'll ***get hurt*** *if he plays like that.*

FOR CLASSROOM USE ONLY

The passive is used

- when the person performing the action (agent) is unknown, unimportant or obvious from the context. *The rooms* ***have been searched*** *thoroughly. (by the police - obvious agent)*
- to emphasise the agent. *The maths lesson was taken* ***by the English teacher*** *yesterday.*
- when we are interested more in the action than the agent, such as in news reports, formal notices, instructions, processes, headlines, advertisements etc. *"Crocodiles* ***have been set*** *free ..."*
- to make statements more formal or polite. *The vase* ***has been broken.*** *(more polite than saying "You have broken the vase.")*

Activity1. Test your knowledge.

1. Your car isn't here. It _____ to the garage.

a) is taken b) has been taken c) was taken

2. The building _____ to date from the thirteenth century.

a) has been believed b) was believe c) is believed

3. That wall _____ yesterday.

a) was being painted b) was painted c) had been painted

4. Everything _____ by Jake and Lucy.

a) has planned b) is being planned c) has been planned

5. But have you ever thought about how the paper _____ on is made ?

a) we print them b) they are printed c) is printed

6. These lights _____ outside.

a) cannot be used b) cannot been use c) mustn't be used

7. The old school _____ down in 2005.

a) was pulled b) is being pulled c) was being pulled

8. Coco Channel _____ as the best designer of the 1920.

a) knows b) was known c) has known

9. The Statue of Liberty _____ United States by the French government in 1896

a) is given b) was being given c) was given

10. Sergei _____ yesterday.

a) get his passport steal b) has his passport stolen c) got his passport stolen

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Activity2. Change the sentences from active voice into passive voice.

1. They might have turned electricity off.
2. They are going to close the road for 24 hours.
3. We will post the result tomorrow.
4. I hate people shouted at me.
5. Do I have to fill in this form?
6. You must dry clean this garment.
7. Slaves built it for pharaoh while he was still alive.
8. We will give you plenty of time.
9. When we got to the stadium we found that they had cancelled the game.
10. I didn't realize that somebody was recording our conversation

SUB-SKILL

Listening Tape5 Statements 1-5

Tick the correct answer: True or False

1. Financial statement analysis is the process of analyzing a company's financial statements

True _____

False _____

2. Internal stakeholders use it to understand the overall health of an organization

True _____

False _____.

3. All three statements are interconnected and create different views of a company's activities and performance.

True _____.

False _____

4. Financial statement analysis is used by internal and external stakeholders to evaluate business only performance

True _____

False _____.

5. Horizontal, vertical, and ratio analysis are three techniques analysts use when analyzing financial statements.

True _____.

False _____

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UNIT 11

AUDITING



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DISCUSSION

Before reading the test text answer the following questions with your partner:

I. What do you mean by auditing?

II. What is auditing explain its importance?

III. What are the types of auditing?

The audit is an intelligent and critical examination of the books of accounts of the business.

Auditing is done by the independent person or body of persons qualified for the job with the help of statements, papers, information and comments received from the authorities so that the examiner can confirm the authenticity of financial accounts prepared for a fixed term and report that:

The balance sheet exhibits an accurate and fair view of the state of affairs of concern;

- The profit and loss accounts reveal the right and balanced view of the profit and loss for the financial period;

- The accounts have been prepared in conformity with the law.

Thus, it will be seen that the duty of an auditor is much more than a mere comparison of the balance sheet and accounts with the books.

But, apart from doing this, he has to satisfy himself according to his information and the explanations given to him.

Meaning of Auditing

The term audit is derived from a Latin word "audire" which means to hear authenticity of accounts is assured with the help of the independent review.

Audit is performed to ascertain the validity and reliability of information. Examination of books and accounts with supporting vouchers and documents to detect and prevent error, fraud is the primary function of auditing.

Auditor has to check the effectiveness of internal control systems for determining the extent of checking out the audit.

Initially its meaning and use were confined merely to cash audit, and the auditor has to ascertain whether the persons are responsible for the maintenance of accounts had adequately accounted for all the cash receipts and the payment on behalf of this principle.

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But the word audit has an extensive usage, and it now means a thorough scrutiny of the books of accounts and its ultimate aim is to verify the financial position disclosed by the balance sheet and profit and loss accounts of a company.

In short, an audit implies an investigation and a report. The process of checking and vouching continues until the study is completed and the auditor enables himself to report under the terms of his appointment.

Another definition goes as such −

"Auditing is an intelligent and critical scrutiny of books of accounts of a business with the documents and vouchers from which they have been written up, for the purpose of ascertaining whether the working results of a particular period as shown by Profit and Loss Account and also the financial position as reflected in the Balance-sheet are truly and fairly determined and presented by those responsible for their compilation."

J. R. Batliboi

Activity1. Fill in gaps with suitable words in the text above.

1. Audit is performed to _____the validity and reliability of information
2. The ultimate aim of audit is to verify _____ position disclosed by the balanced sheet.
3. An audit implies _____ and method.
4. _____ has to check the effectiveness of internal control systems.
5. The _____ sheet exhibits an accurate and fair view of the state of affairs of concern.

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Activity2. Match the words with their definitions.

1. Compilation	a) That which is received or known to have its own distinct existence
2. Fraud	b) Undisputed credibility
3. Authenticity	c) Smth intended to decieve, deliberate trickery intended to gain advantage
4. Entity	d) Capable of being applied, having relevance
5. Applicable	e) smth that is made into collection

TOPIC VOCABULARY

AUDIT	The inspection of a business or other organization's accounting records and procedures. Done by a trained accountant from within the organization (internal audit) or by an outsider (independent audit) for the purpose of verifying the accuracy and completeness of the records.
AUDITOR'S REPORT	written communication issued by an independent certified public accountant (cpa) describing the character of his or her work and the degree of responsibility taken. an auditor's report includes a statement that the audit was conducted in accordance with generally accepted auditing standards (gaas), which require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, as well as a statement that the auditor believes the audit provides a reasonable basis for his or her opinion
Government expenditure	Spending by national and local government and some government-backed institutions.
Gross Capital Formation	The sum of the value of gross fixed capital formation, changes in inventories

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	and acquisitions less disposals of valuables for a unit or sector.
Gross Value Added	The value generated by any unit engaged in production and the contributions of individual sectors or industries to Gross Domestic Product.
Imports	Purchases of foreign goods and services; the opposite of exports
Index numbers	Data relative to a given base value, which typically refers to a year.
Intangible assets	Intangible fixed assets include mineral exploration, computer software and entertainment, and literary and artistic originals. Expenditure on them is part of gross fixed capital formation. They exclude non-produced intangible assets such as patented entities, leases, transferable contracts and purchased goodwill, expenditure on which would be intermediate consumption.
Mixed income	The balancing item in the income account for unincorporated businesses owned by households. The owner or members of the same household often provide unpaid labour inputs to the business.
Money supply	The amount of money available in an economy.

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Inversion

Inversion is used in several different situations in English. It just means putting the verb before the subject. We usually do it in question forms:

- Normal sentence: You are tired. (The subject is 'you'. It's before the verb 'are'.)
- Question form: Are you tired? (The verb 'are' is before the subject 'you'. They have changed places. This is called inversion.)

In most English verb tenses, when we want to use inversion, we just move the verb to before the subject. If there are more than one verb, because a verb tense has auxiliary verbs for example, we move the first verb.

With two verb tenses where we just change the places of the verb and subject.

With other verbs tenses, we change the place of the subject and the auxiliary verb (the first auxiliary verb if there is more than one). We don't move the other parts of the verb.

When do we use inversion?

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We sometimes use inversion in other cases, when we are not making a question.

1. When we use a negative adverb or adverb phrase at the beginning of the sentence.

Usually, we put the expression at the beginning of the sentence to emphasise what we're saying. It makes our sentence sound surprising or striking or unusual. It also sounds quite formal. If you don't want to give this impression, you can put the negative expression later in the sentence in the normal way:

- Seldom has she seen such beautiful work. ('Seldom' is at the beginning, so we use inversion. This sentence emphasizes what beautiful work it is.)

- She has seldom seen such beautiful work. ('Seldom' is in the normal place, so we don't use inversion. This is a normal sentence with no special emphasis.)

  Here are some negative adverbs and adverb phrases that we often use with inversion:

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INVERSION

There are two ways to invert the subject and the verb.

be/have/modal/auxiliary verb + subject + main verb

After adverbs with 'restrictive' / negative meaning: **Hardly** (ever)...**when** **Scarcely** **Rarely** **Barely** **Little** **Never** (before) **Seldom**	**Little** did we realise the true extent of his involvement. **Never** had they experienced such behaviour. **Hardly** had the guests arrived **when** the bell for supper was rung.
Only + time expression or prepositional phrase	**Only later** did Dickens produce full novels **Only with** a great deal of effort was he able to escape.
Only + conjunction (inversion in main clause!!!) **Only if, only after, only by, only when** **Not until/till**	**Only if** the weather improves will the golf tournament take place.
In no way **At no time** **Under no circumstances** **On no account**	**At no time** during the operation did the patient regain consciousness. **Under no circumstances** can refunds be given.
Not + only/time expression/ person or thing **No sooner...than**	**Not only** is he late, **but** he hasn't (also) brought a present. **Not since** records began has youth unemployment been so high. **Not** a single stone was left unturned in the search. **No sooner** had we set out **than** the skies opened.

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We only use inversion when the adverb modifies the whole phrase and not when it modifies the noun:

eg. Hardly anyone passed the exam. (No inversion.)

2. We can use inversion instead of "if" in conditionals with "had" "were" and "should". This is quite formal:

- Normal conditional: If you had been there, this problem wouldn't have happened.
- Conditional with inversion: Had you been there, this problem wouldn't have happened.

- Normal conditional: If they had arrived sooner, they could have prevented this tragedy!
- Conditional with inversion: Had they arrived sooner, they could have prevented this tragedy!

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3. We can use inversion if we put an adverbial expression of place at the beginning on the sentence. This is also quite formal or literary:

- On the table was all the money we had lost. (Normal sentence: All the money we had lost was on the table.)
- Round the corner came the knights. (Normal sentence: The knights came round the corner.)

4. We can use inversion after "so + adjective...that":

- So beautiful was the girl that nobody could talk of anything else. (Normal sentence: the girl was so beautiful that nobody could talk of anything else.)
- So delicious was the food that we ate every last bite. (Normal sentence: the food was so delicious that we ate every last bite.)

Test your knowledge.

1. Never _____ me again.

a) Did she love b) she loved c) she didn't love

2. Not only _____ but she is also very intelligent.

a)she is beautiful b)beautiful she is c) is she beautiful

3. No sooner _____ out than it rained.

a) did I go b) I went c)had I go

4. Seldom _____ the guitar.

a) he plays b) does he play c) he doesn't play

5. Hardly _____ when the doorbell rang.

a) had I sat down b) did I set down c) I had sat down

a) did I ask b) had I asked c)I asked

7. Dave doesn't really trust Ian and I have to say that neither _____.

a) don't I b) do I c) I do

8. Such a valuable painting _____ that a public are not allowed to get close to it.

a) it is b) is it c) it is not

9. Never _____ complete and utter rubbish?

a) Have I heard so b) did I hear so c) have I heard such

10. At no time _____ I was going to fail the exam .

a) did I think b) thought I c) was I thought

11. We seldom see bus in the garden now, _____ .

a) don't we b) do we c) we do

12. No sooner _____ the started shouting .

a) had they left b) they had left c) they didn't leave

13. Never _____ such hot food.

a) had she eaten b) she had eaten c) did she eat

14. Only when _____ , _____ out of the room.

a) did the phone ring / did I go b) the phone rang / I went

c) the phone rang / did I go

15. Never _____ such an ugly place.

a) Have I seen b) I see c) I have seen

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16. On no account _____ the children on their own.

a) - / go b) should / go c) go / -

17. Little _____ he _____ about the situation.

a) did / understand b) Did / understand c) - / understand

18. In no way _____ I _____ to be associated in this project.

a) do / want b) have / want c) Does / want

19. Rarely _____ people _____ this musician's talent.

a) do / appreciate b) - / appreciate c) do / -

20. Untouched _____ the tranquil garden.

a) was b) were c) are

21. Attached _____ the copies of file.

a) are b) was c) have

22. In that born _____ four horses.

a) lives b) live c) has lived

23. Only on Sundays _____ members _____ there.

a) Can / park b) - / park c) can / -

24. No doubt _____ he _____ us a key.

a) will / give b) - / give c) - / gives

25. They have no intention of paying and neither _____ .

a) could we b) can we c) have we

26. Mrs Sugden meant to harm to anyone, but _____ the intelligence to be really kind.

a) Neither she had b) neither had she c) she had neither

27. _____ at the service were several ambassadors.

a) So b) such c) also

28. He said he would arrive on time. And _____ on time he did.

a) Arriving b) to arrive c) arrive

29. No sooner we (set out) than te skies (open).

a) Had set out / opened b) have set out / opened c) set out / had opened

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30. Under no circumstances refunds (can / give)

a) can refunds be given b) refunds can be given c) refunds can give

SUB-SKILL

Read and Write.

DESCRIBE AUDITING.

You should write:

What is auditing

How it is developed

Types of auditing

PS: You can use the text above in order to write your brief summary (100 words max.)

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UNIT 12

International standards on auditing (IAS)



DISCUSSION

Before reading the test text answer the following questions with your partner:

I. Why International Standards on Auditing is important?

II. Why do auditors consider international standards of auditing when preparing audit reports?

III. What group is responsible for developing international auditing standards?

This International Standard on Auditing (ISA) deals with the independent auditor's overall responsibilities when conducting an audit of financial statements in accordance with ISAs. Specifically, it sets out the overall objectives of the independent auditor, and explains the nature and scope of an audit designed to enable the independent auditor to meet those objectives. It also explains the scope, authority and structure of the ISAs, and includes requirements establishing the general responsibilities of the independent auditor applicable in all audits, including the obligation to comply with the ISAs. The independent auditor is referred to as "the auditor" hereafter. ISAs are written in the context of an audit of

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financial statements by an auditor. They are to be adapted as necessary in the circumstances when applied to audits of other historical financial information. ISAs do not address the responsibilities of the auditor that may exist in legislation, regulation or otherwise in connection with, for example, the offering of securities to the public. Such responsibilities may differ from those established in the ISAs.

Accordingly, while the auditor may find aspects of the ISAs helpful in such circumstances, it is the responsibility of the auditor to ensure compliance with all relevant legal, regulatory or professional obligations.

An Audit of Financial Statements

The purpose of an audit is to enhance the degree of confidence of intended users in the financial statements. This is achieved by the expression of an opinion by the auditor on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework. In the case of most general purpose frameworks, that opinion is on whether the financial statements are presented fairly, in all material respects, or give a true and fair view in accordance with the framework. An audit conducted in accordance with ISAs and relevant ethical requirements enables the auditor to form that opinion.

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The financial statements subject to audit are those of the entity, prepared by management of the entity with oversight from those charged with governance. ISAs do not impose responsibilities on management or those charged with governance and do not override laws and regulations that govern their responsibilities. However, an audit in accordance with ISAs is conducted on the premise that management and, where appropriate, those charged with governance have acknowledged certain responsibilities that are fundamental to the conduct of the audit. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Activity1. Fill in tha gaps with suitable words in the text above.

1. An audit in accordance with ISAs is conducted on the _____

2. The audit of the financial statements does not _____ management or those charged with governance
3. The _____ auditor is referred to as ‘ auditor’ hereafter
4. ISA explains the nature and scope of an audit designed to _____ audit to meet those objectives.
5. Relevant ethical _____ enables the auditor to form materialized opinion.

Activity2. Match the words and their defenitions.

1. Framewok a) an area in which smth acts or operates
2. Promise b) the act of making or enacting laws
3. Scope c) a structure supporting or containing smth
4. Objective d) the statement that is assumed to be true and from which a conclusion can be drown
5. Legislation e) the goal intended to be attained

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TOPIC VOCABULARY

Monetary policy	**Policy to affect the supply or cost of money (rate of interest).**
Multi-factor productivity (MFP)	The difference between the rate of change of output and the rate of change of total inputs. It is calculated as a residual, which can be thought of as capturing technological progress, including the effect of changes in management techniques and business processes or more efficient use of factor inputs.
National accounts	An integrated description of all economic activity within the economic territory of the UK, including activity involving both domestic units (i.e. individuals and institutions resident in the UK) and external units (those resident in other countries).
Non-profit institutions serving households	An institutional sector consisting of non-profit institutions that are not mainly financed and controlled by government and provide goods or services to households for free or at prices that are not economically significant. These include bodies such as charities, universities, churches and trade unions.
Productivity	A measure of the efficiency of output

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	relative to inputs. For example, productivity will have increased if more is produced with the same amount of inputs. It can be applied to the individual factors of production – most commonly labour – or collectively.
Intangible assets	Intangible fixed assets include mineral exploration, computer software and entertainment, and literary and artistic originals. Expenditure on them is part of gross fixed capital formation. They exclude non-produced intangible assets such as patented entities, leases, transferable contracts and purchased goodwill, expenditure on which would be intermediate consumption.
Financial Intermediation Services Indirectly Measured	This represents the implicit charge for the service provided by monetary financial institutions paid for by the interest differential between borrowing and lending rather than through fees and commissions.
Dividend	A payment made to company shareholders from current or previously retained profits.
Deficit	Occurs when outward financial flows exceed inward financial flows. A "government deficit" occurs when expenditure exceeds the value of tax

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	revenues and asset sales in a given period.
Contagion	The transmission of an economic shock in one economy to other nearby or linked economies.

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Formal and Informal English

Spoken English and Written English are the two forms of the English Language that differ from each other in many ways.

Formal English is the type of language educated people use in certain special occasions and in academic, technical and scholar writing. It is also used in official reports, regulations and business letters.

Informal English (also called "colloquial") is the everyday language of the same group. It is used in on ordinary conversations, personal letters, private interactions, advertisements, popular newspapers and broadcasting.

Here some examples in formal and informal:

INFORMAL	FORMAL
They **did** an experiment	The experiment was **carried out / performed**
Then the Drive Manager **goes through some steps to** install the programme	The Drive Manager then **performs / executes a series of functions / operations in order to** install the programme
One after the other	**At regular intervals**
They **found out** what **the important things** were	They **determined / discovered / established / identified** the **important properties / characteristics / issues**
You can find out all about the survey on page 7	**Details of the survey are to be found** on page 7
We think you should discuss the research findings at the next departmental meeting	**It is recommended that the research findings are discussed** at the next departmental meeting
Doctors have **come up with** a new method of….	Doctors have **created / established** a new method of….
Safety officers are **looking into** the problem	Safety officers are **investigating** the problem
The cost of cleaning services has **gone up** 25% over the last three years	The cost of cleaning services has **risen by** 25% over the last three years

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Formal language is more common when we write; informal language is more common when we speak. However, there are times where writing can be very informal, for example, when writing postcards or letters to friends, emails or text messages. There are also examples where spoken English can be very formal, for example, in a speech or a lecture. Most uses of English are neutral; that is, they are neither formal nor informal.

Formal language and informal language are associated with particular choices of grammar and vocabulary.

Contractions, relative clauses without a relative pronoun and ellipsis are more common in informal language.

Compare:

The girl whom I met in Singapore was interested in working in Australia.	Formal
The girl I met in Singapore was interested in working in Australia.	informal: relative clause without the relative pronoun *whom*

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Compare:

She has decided to accept the job.	*Formal*
She's decided to accept the job.	informal: *She's* = contraction

Compare:

We went to Barcelona for the weekend. We have a lot of things to tell you.	Formal

Went to Barcelona for the weekend. Lots to tell you.	Informal: ellipsis (more likely to be written or texted than spoken)

Here are **10 tips** on how to use formal and informal language:

1. Know in which situations you can use informal language

Formal language	Informal language
When you are communicating with someone that you don't know very well	Situations that are more relaxed and that involve people that you know well or know each other well
Business emails	Some business correspondence
Academic writing/ articles	In everyday conversations
Professional academic situations	Personal emails
Presentations	Social media
Reports	Advertising
Public tenders	Spontaneous speech
Official documents	Text messages

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Talking to superiors	Talking to peers
Legal documents	Some meeting minutes
Public speaking (speeches, lectures, etc)	Networking or socialising with clients
Job interviews	Team meetings

2. Grammar

In formal language, grammar is more complex and sentences are generally longer. For example:

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- We regret to inform you that the delivery will be delayed due to adverse weather conditions [formal]
- Sorry, but the delivery will be late because of the weather [informal]

3. Modal verbs

Formal language uses modal verbs.
For example:

- We would be grateful if….
- Could you kindly inform us as as to whether..?

4. Pronouns

Formal language is less personal, and is more likely to use the 'we' as a pronoun rather than 'I': For example:

- We can assist in the **resolution** of this matter. Contact us on our help line number [formal]
- I can help you solve this problem. Call me! [informal]

5. Vocabulary

In formal language, words are generally longer. For example:

- Require [formal] - need [informal]
- Purchase [formal] - buy [informal]
- Acceptable [formal] - okay [informal]
- Assistance [formal] - help [informal]
- Require [formal] - want [informal]

5. Pronunciation

Speech is generally slower in formal language, allowing for correct and clear pronunciation, and the tone of the voice is more **serious**.

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6. Contractions

These are not used in formal language. In informal language they are used for easier flow and faster speech. For example:

- She has decided to accept the job offer [formal]
- She's decided to accept the job offer [informal]

7. Abbreviations and acronyms

These are not used in formal language. For example:

- 'As soon as possible' [formal] - 'asap' [informal]
- 'Advertisement' [formal] - 'ad' or 'advert' [informal]
- 'Photograph' [formal] - 'photo' [informal]

8. Colloquial language

This is not used in formal language. For example:

- Would you like a cup of tea? [formal] - Fancy a cuppa? [informal]
- 'Would you like to…' [formal] - 'Do you want….' [informal]

10. Emojis are never used in formal language!

GLOSSARY

Eliminate: to remove or eliminate something.

Pompous: grand, solemn, or self-important.

Resolution: a firm decision to do or not to do something.

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Test your knowledge.

1. He made – on the theatre

a) speak b) speaking c) speech

2. The bride ware pink, as- her four bridesmaids

a) did b) ware c) pink

3. I was unable to- the barrister

a) warn off b) say c) contact

4. I broke this camera, he was upset about …

a) it b) that c) this 1

5. Do you know camera, he was upset about …

a) 1 is\ 2- b) 1 -\ 2 is c) -\-

6. The battery is flat, you didn`t turn the lights off, …?

a) you did b) didn't you c) did you

7. Hurry up, why did you always drive so ...

a) slow b) slowly c) Both of them are correct

8. Those are the flowers for Mum, …. ?

a) are those b) aren`t they c) aren`t those

9. There was hardly enough food for everyone,

a) wasn`t there b) was there c) there was

10. I saw Jane yesterday.

–

a) I did too b) so do I c) I did either

11. Are you coming to the party tomorrow

a) I think not b) I don`t hope c) I don`t think so

12. It`s $25 Norway - $25 for that

a) I am not paying b) am I paying c) I am paying

13. We put a new status in front of the palace!

a) So did they b) So they have c) So have they

14. I never drink coffee but I … tea sometimes

a) drink b) do drink c) do not drink

15. _____ have you done to your hair ?

a) Why on Earth b) However c) whatever

16. The witness is hazy on details but she ___ a sear on his fare arm.

a) noticed b) did notice c) did not notice

17. What is the point ___ writing to your MP?

a) of b) at c) in

18. I had _____ a night more last night.

a) so b) such c) frightening

19. It`s time you ____ a fridge

a) didn't defrost b) defrosted c) defrost

20. Well meet outside the main entrance ____

a) well b) I mean c) ok

21. Lees the worst player on the team. ____ He is rubbish

a) Huh b) Really c) Right

22. June`s moving to Canada _____ I had no idea

a) Right b) Really c) Huh

23. That was delicious. _____ who wants coffee ?

a) I mean b) Well c) Now

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24. I thought that film was pretty boring, ____

a) Incidentally b) by the way c) Frankly

25. Old I may be, But stupid _____

a) I am b) aren't I c) I am not

26. _____ For money was her only ambition

a) Marrying b) To marry c) Marry

27. Was, I _____ playing word games!

a) like b) do like c) don't like

28. ____ the current government has been a resounding success

a) Incidentally b) Neutrally c) Economically

29. You are staying away for two wheels, ____

a) won`t you b) don't you c) aren't you

30. Can you tell me where they (put) spare keys

a) did \ put b) put c) putted

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SUB-SKILL

Listening. Tape 6. Questions 1-6

Choose the correct letter A, B or C

Scope of the Audit

1. The auditor's opinion on the financial statements deals with_____ the financial statements are prepared

A) Which is

B) Whether

C) What

2. Such an opinion is common to all audits of financial _____

A) Statement

B) Subject

C) Sources

3. In some _____, however, applicable law or regulation may require auditors to provide opinions on other specific matters

A) Justice

B) Justifications

C) Courts

4. … such as the effectiveness of _____ control, or the consistency of a separate management report with the financial statements.

A) Inter

B) Inner

C) Internal

5. The ISAs include requirements and guidance in _____

A) Correlation

B) Connection

C) Relation

6. The auditor would be required to undertake further work if the auditor had additional responsibilities to_____ such opinions

A) Proof

B) Provide

C) Process

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REVIEW

Unit 9

Activity1. Fill in the gaps with the suitable word or word phrases according to the text in Unit9

1. Financial management is concerned with ….
2. The most popular and acceptable definition of financial management as given by ….
3. According to Howard and Upton "financial management" is ….
4. Financial Management is mainly concerned with ….
5. Financial economics is one of the emerging area, which provides ….
6. Accounting records includes ….
7. In the olden periods, financial management and accounting have been merged as Management Accounting because ….
8. Mathematical and statistical tools and techniques are called as ….
9. Production management helps to ….
10. Production performance needs finance, because ….
11. The financial manager or finance department is responsible ….

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Activity2. Match the words and their definitions.

1. Utilization	a) The application of math to the study of economic and financial data
2. Application	b) A system of rules or method of practice
3. Discipline	c) The process of usage
4. Capital	d) Verbal or written request for assistance
5. Econometrics	e) Property owned by a business

Activity3. Read and translate.

Milliy va xorijiy investorlar kapital qo'yilmalarini amalga oshirar ekan, ular o'zlarining soliq majburiyatlarini aniq bilishi kerak. Soliq turlari va stavkalari barqaror va tez-tez o'zgarmaydigan bo'lishi kerak. Soliqqa tortish tizimida mustahkam ishonch bo'lmagan taqdirda uzoq muddatli investisiyalarning harakati

susayadi.

Unit 10

Activity1. Fill in the gaps with the suitable word or word phrases according to the text in Unit10

1. The main aim of the financial statement is ….
2. According to Hamptons John, the financial statement is ….
3. The 5 types of financial statements are ….
4. Income statement may also be known as a ….
5. The income statement takes ….
6. The cash flow statement shows ….
7. The balance sheet displays three key things:
8. Looking at your balance sheet can help you ….
9. Note to Financial Statements gives ….
10. Statement of change in equity shows ….

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Activity2. Choose the best answer.

1. Which type of financial statement shows how many enters and leaves the business?

a) income b) balance c) cash flow

2. What is a financial statement?

A) a construction system

B) financial state of the company

C) a document about finance

3. What is the main aim of a financial statement?

A) to provide information

B) to understand the financial aspects of the firm

C) all of the above

4. What does IFKS stand for?

A) Income Federal Reporting system

B) International Financial Reporting system

C) International Facility Kefuge Standard

5. Which is not the key thing of balance sheet?

A) liability

B) compliance

C) assets

Activity3. Read and translate.

Soliqlarning budjetga ijobiy ta'siridan tashqari, muhim iqtisodiy islohotlarni amalga oshirish sohasida ham ulardan faol foydalanish mumkin. Narx-navoning isloh qilinishi, tashqi savdoning erkinlashtirilishi, mehnat bozorining isloh qilinishi va hokazolar yangi paydo bo'lgan tijorat tuzilmalarini moliyaviy jihatdan qo'llab-quvvatlash zaruratini yuzaga keltiradi.

Unit 11

Activity1. Fill in the gaps with the suitable word or word phrases according to the text in Unit11

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1. Auditing is done by ….
2. The term audit is derived from a Latin word "audire" which means ….
3. Auditor has to check …
4. The word audit has an extensive usage, and it now means ….
5. In short, an audit implies ….
6. The inspection of a business or other organization's accounting records and procedures –
7. written communication issued by an independent certified public accountant –

Activity2. Choose the best answer.

1. **Which word has a meaning of hearing authenticity of accounts?**
   a) Auditor b) audit c) report
2. **What is the primary function of auditing.**
   a) Maintenance b) forfeiture c) fraud
3. **What is the purpose of performing audit?**
   a) To detect and prevent error

b) To check receipts and balance sheet

c) Ascertain and reliability of information

4. What does audit imply?

a) Accuracy and error making

b) Balance sheet and manuals

c) Investigation and report

5. Which word means a thorough security of the books of account?

a) Auditor

b) Account

c) Audit

Activity3. Read and translate.

O‘zbekiston soliq qonunchiligida soliq stavkalarning asosan uch turi amal qiladi.: proporsional, progressiv va nolli stavkalar. 2002 yildan boshlab yuridik shaxslarning foyda solig’i va mol-mulk solig’i bo‘yicha asosiy stavkaga qo‘shimcha regressiv stavka (imtiyoz tariqasida) qo‘llanila boshlandi.

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Unit 12

Activity1. Fill in the gaps with the suitable word or word phrases according to the text in Unit12

1. International Standard on Auditing sets out ….
2. ISA explains ….
3. ISA includes ….
4. The independent auditor is referred to ….
5. ISAs do not address ….
6. The purpose of an audit is ….
7. The purpose of an audit is achieved by ….
8. The financial statements subject to audit are prepared by ….

Activity2. Choose the best answer.

1. What is the purpose of audit?

a) To analyze finance and marketing

b) To secure accounts and auditors

c) To enhace the degree of confidence of intended users in the financial statements

2. What does ISA stand for?

a) International standards on accounting

b) International standards on auditing

c) International schedules with affairs

3. Who is responsible for widing ISAs?

a) The owner of accountant

b) Auditor

c) Governor

4. What is the responsibility of the auditoring ISA?

a) To ensure compliance will all relevant obligations

b) To prepare the management of entity

c) To relieve management and charge with governance

5. **Which of is not imposed by ISAs as a responsibility**?

a) Dealing with overall responsibilities of independent auditors

b) Responsibilities on management charged with governance

c) Setting out the general subjectives of independent auditor

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TAPE SCRIPTS

Listening 1

Economic development and growth

Taxation can also have important effects on economic development and growth. When international financial markets are liberalized, for example, capital tends to flock towards countries where tax regimes are more advantageous.

When personal income tax is relatively high, individuals may prefer spending their time on recreational activities rather than on additional work. When taxation on savings (including taxation on financial rents and on real estate) is relatively high, individuals may prefer consuming their income today rather than putting part of it aside for the future.

Overall, the effects of decisions that individuals and businesses make may result in less money being available for investments and less effort to undertake business activities.

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Listening 2

Origin of taxation

The origins of taxes are clear It is natural for everyone to be interested in information. Exact information about the origin of taxes is historical Although not found in books, the testimony of sources that shed light on the history of taxes With the advent of the state, taxes have become an economic factor in society has become a necessary part of the relationship. Forms of state structure The tax system was constantly evolving as it developed. In the process of the emergence and development of taxes, their shapes are also changing. If taxes come to this day mainly in the form of money, but in ancient times there were several in the form of labor, including nature. That's it It should be noted that the society is in line with the growth of economic development The collection of taxes in the form of money has also developed.

Listening 3

What are the functions of accounting?

Accounting is crucial for managing and analysing the financial resources of a company. By understanding the functions of financial accounting and the duties and responsibilities of accountants, you can decide if you want to pursue a career in this field. In this article, we explain what is an accountant, review some types of accounting, list the functions of accounting and provide a few different jobs qualified accountants can undertake.

The functions of accounting include the systemic tracking, storing, recording, analyzing, summarizing and reporting of a company's financial transactions. Through the functions of the accounting department, the company can maintain a fiscal history that they can make accessible for audits. They can also use it to prepare reports, create budgets, reduce costs, increase profits, avail growth opportunities, assess future expenditure requirements and make financial predictions.

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Listening 4

Financial theory

It is a market approach that relies on solid theoretical assumptions coming from the Economics field, such as perfect markets and rational investors, the latter being defined as subjects that always take decisions based on a utility maximizing mindset.

The expected utility model for decision plays a central role in fields ranging from finance theory to macroeconomics, as well as almost all areas of microeconomics. Yet it has long been known that the model does not give an accurate representation of individual behavior, either in experimental studies or in market decisions. Generalized expected utility theories have shown that, for the case of decisions under risk, it is possible to encompass a less restrictive

representation of economic behavior, while maintaining the capacity to generate sharp analytical results.

Although the basic properties of generalized EU models, such as stochastic dominance, are now well understood, a great deal of work remains to be done, particularly as regards applications to problems involving intertemporal choices, health risks and problems of portfolio choice for agents who are not globally risk averse. The generalized theory of decision under risk remains a fruitful field for theoretical and empirical investigation.

Listening 5

What Is Financial Statement Analysis?

Financial statement analysis is the process of analyzing a company's financial statements for decision-making purposes. External stakeholders use it to understand the overall health of an organization as well as to evaluate financial performance and business value. Internal constituents use it as a monitoring tool for managing the finances. Companies use the balance sheet, income statement, and cash flow statement to manage the operations of their business and also to provide transparency to their stakeholders. All three statements are interconnected and create different views of a company's activities and performance.

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Financial statement analysis is used by internal and external stakeholders to evaluate business performance and value. Financial accounting calls for all companies to create a balance sheet, income statement, and cash flow statement which form the basis for financial statement analysis. Horizontal, vertical, and ratio analysis are three techniques analysts use when analyzing financial statements.

Listening 6

Scope of the Audit

The auditor's opinion on the financial statements deals with whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework. Such an opinion is common to all audits of

financial statements. The auditor's opinion therefore does not assure, for example, the future viability of the entity nor the efficiency or effectiveness with which management has conducted the affairs of the entity. In some jurisdictions, however, applicable law or regulation may require auditors to provide opinions on other specific matters, such as the effectiveness of internal control, or the consistency of a separate management report with the financial statements. While the ISAs include requirements and guidance in relation to such matters to the extent that they are relevant to forming an opinion on the financial statements, the auditor would be required to undertake further work if the auditor had additional responsibilities to provide such opinions

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Keys to the text exercises.

Unit 1

Activity1:

1. C
2. A
3. B
4. C
5. B
6. C
7. C
8. C
9. A
10. C

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Unit 2

Activity1

1. The use of resources
2. Burdened
3. Certinity, taxes
4. Maxims
5. Arbitrary
6. Progressive
7. Reforms
8. Income
9. Corruption
10. Harassment

Unit 3

Activity1

1. E
2. C

3. F
4. B
5. A
6. D

Act2

1. Trade barriers/capital
2. Daunting
3. Sub function
4. Deficiency
5. Refrain

Unit 4

Act1

1. Information center
2. Internal
3. Sub function
4. Counsel
5. Mutual

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Act2

1. False
2. True
3. False
4. True

Unit 5

Act1

1. True
2. False
3. True
4. True
5. False

Act2

1. Proportions
2. Correlation
3. System
4. Manufacturing
5. Invoice

Unit 6

Act1

1. Functional
2. Account
3. Internal
4. Forensic
5. Taxation

Act2

1. D
2. E
3. C
4. F
5. A
6. B

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Unit 7

Act 1

1. F
2. C
3. D
4. E
5. B
6. A

Act 2

1. Budget
2. Managerial

3. Utmost
4. Incomes
5. Accessories

Unit 8

Act 1

1. Process
2. Financial
3. Monitor
4. The auditor
5. Forensic

Act 2

1. A
2. C
3. C
4. B
5. B

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Unit 9

Act 1

1. Records
2. Production
3. Financial
4. Operational
5. Multidimensional

Act 2

1. F
2. T
3. F
4. F
5. T

Unit 10

Act 1

1. A
2. C
3. D
4. B
5. E

Act 2

1. Consistent
2. Profit
3. Distribution
4. Analize
5. Account

Unit 11

Act 1

1. Ascertain
2. Financial
3. Investigation
4. Auditor
5. Balance

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Act 2

1. B
2. C
3. D
4. E
5. A

Unit 12

Act 1

1. Ethical requirements
2. Relieve
3. Independent

4. Enable
5. Sheets

Act 2

1. A
2. B
3. E
4. C
5. D

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Keys to grammar exercises

Noun

Act 1

1. A
2. B
3. A
4. B
5. A
6. A
7. A
8. B
9. B
10. B

Act 2

1. housewives
2. fancy
3. envelopes
4. hairs
5. mistakes
6. rainbow
7. families
8. lamb
9. mathematics
10. twins`

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Article

Act 1

1. The name
2. OK
3. The second
4. The moon
5. The best
6. The film
7. The centre
8. The end
9. OK
10. OK

Act 2

1. Don't forget to turn off **the** light when you go out.
2. Enjoy your holiday and don't forget to send me **a** postcard.
3. What is **the** name of this village?
4. Madagascar is **a** very big island.

5. What is **the** largest city in Uzbekistan?
6. I like this room but I don't like **the** color of rug.
7. 'Are you ok?' 'No, I've got **a** toothache.'
8. We live in **an** old house near stadium.

Adjective and Adverb

Act 1

1. Peacefully
2. Dirty/ugly
3. Unsafe
4. Directly
5. Deeply
6. Fast/safe
7. Angrily
8. Carefully
9. Nearly
10. Completely

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Act 2.

1. Expensive
2. Slightly
3. Different
4. Far
5. Slowly

Act 3

1. In London the traffic is always bad.
2. Aunty owns a wonderful, red and gold, evening dress.
3. I always seem to play for loosing team
4. Our customers complain about the services a lot.
5. People are rarely regressive to foxes in the wild.

Verb

Act 1	**Act 2**
1. does seem	1. A
2. do like	2. C
3. thought	3. B
4. did tell	4. B
5. do grow	5. B
6. needed	6. A
7. did enjoy	7. C
8. did want	8. A
9. saw	9. A
10. did make	10. B
1. does like	
2. do happen	

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Collocation

Act 1	**Act 2**
1. Keep	1. C
2. Faith	2. A
3. Light	3. C
4. Traffics	4. B
5. Run	5. A
6. Heavy	6. B
7. Do	7. C
8. Make	8. B
9. Luck	9. A
10. Good	10. A

Modals

Act 1	**Act 2**

1. A	1. Can, can`t
2. B	2. could
3. C	3. Shouldn`t
4. A	4. Have to
5. C	5. Hadn`t better
6. B	6. must
7. B	7. Needn`t
8. C	8. Be able to
9. B	9. Ought to
10.B	10. should
11.C	11. Should have told
12.C	12. Couldn`t have been driving
13.C	13. Could have caught
14.B	14. will
15.C	15. didn`t need to

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Conditional

Act 1

1. Metals contract if they are cooled.
2. Don`t stand up if you are tired.
3. If I go home late, my parents often get angry.
4. Sit down if you want to take another tea.
5. If it is hot, we usually spend the day on the beach.

Act 2

1. If you buy me a beer, I will help you with your homework.
2. If he is punctual, we will catch the 10.45 train.
3. If it has stopped raining, I will show you round town.
4. You will arrive late if you do not hurry up.
5. If it continues to snow, we will not be able to go there today.

Act 3

1. If it were raining cats and dogs, I would go with you.
2. What would you do if you saw a burglar at home?
3. If he had the answer, he would not share it.
4. If Lionel got to know this, he would ruin your marriage.
5. You would have to obey me if your dad were here.

Act 4

1. If you had loved them, you would not have abandoned them.
2. If Mary had been in, she would have answered the phone.
3. They would not have run out of petrol if they had filled their car in.
4. If he had expressed his feelings, he would not have lost her.
5. If I had not had an important meeting, I would have taken you out to dinner last night, but I couldn't skip that meeting.

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Word order

Act 1

1. Very well
2. A fantastic
3. Remained
4. Ollie
5. Find

Act 2

1. The exhibition has had a lot of interest.
2. Marco presented his arguments quite well at the debate on Thursday.
3. Your terrible behavior has made your father really angry.
4. Jeremy became the head teacher of local secondary school.

5. Eroll promised me that he would call.

Act 3

1. Could you provide a formal quote?
2. Katharine kept a secret her marriage to Duncan.
3. John named the yacht Bettina….
4. … a certain class of the company amount
5. Will you show them the way to the motorway?
6. The magician pulled a rabbit from his hat.
7. … them that the prisoner didn`t want to see the visitors.
8. Can you show me how to use this machine?
9. She had enough experience and she was well-qualified.
10. … is much brighter than the previous one.

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Reported speech

Act 1

1. A
2. A
3. A
4. B
5. C
6. B

Act 2

1. She said that I had to stop writing.
2. She apologized me for losing my umbrella.
3. They complained that they had been waiting for hours.
4. He said that the explosion had been an accident.
5. She said that she was going to Japan the following year.
6. The teacher said not to come to school on Monday because of holiday.
7. Ben said that they had seen their cousin at the fair.

8. The boss said that it was time they began planning their work.
9. He asked if I wanted to attend English course.
10. He said that his friends had come

Passive voice

Act 1

1. B
2. C
3. B
4. C
5. C
6. A
7. A
8. B
9. C
10. C

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Act 2

1. The electricity might have been turned off.
2. The road is going to be closed for 24 hours by them.
3. The result will be posted tomorrow.
4. People are hated for shouting at me.
5. Is this form to be filled in?
6. This garment must be dry cleaned.
7. It was built for pharaoh while he was still alive.
8. You will be given plenty of time.
9. When we got to the stadium we found that the game had been cancelled.
10. I didn't realize that our conversation was being recorded.

Inversion

Testing

6. A	11. B	21. A
7. C	12. A	22. B
8. C	13. A	23. A
9. B	14. C	24. A
10.A	15. A	25. C
11.A	16. B	26. B
12.B	17. B	27. C
13.A	18. A	28. C
14.A	19. A	29. A
15. A	20. A	30. A

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Formal and Informal English

Testing

1. C	11. C	21. C
2. A	12. B	22. B
3. C	13. B	23. C
4. A	14. B	24. C
5. B	15. C	25. C
6. C	16. B	26. B
7. C	17. C	27. B
8. B	18. B	28. C
9. B	19. B	29. C
10. A	20. C	30. B

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