FIN611 – ADVANCED FINANCIAL ACCOUTING

Glossary (Collected from VULMS)

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Accounting Principles:
The standards, rules, guidelines, and industry-specific requirements for financial reporting

Accounting equation:
Assets = Liabilities + Owner's Equity. For a corporation the equation is Assets = Liabilities + Stockholders' Equity. Because of double entry accounting this equation should be in balance at all times. The accounting equation is expressed in the financial statement known as the balance sheet

Accrued expenses/accruals:
These are expenses which have been incurred but not yet paid for. Salaries are a good example. Employees earn or accrue salaries each hour they work. The salaries continue to accrue until payday when the accrued expense of the salaries is eliminated.

Accumulated funds:
Capital fund of a non-profit organization, such as an association, charity, or club. Surpluses of income over expenditure are added to this fund, and deficits are withdrawn

Accumulated depreciation:
Accumulated depreciation is the reduction of the carrying amount of the assets on the balance sheet to reflect the loss of value due to wear, tear, and usage.

Accountant:
Person skilled in the recording and reporting of financial transactions (See CERTIFIED PUBLIC ACCOUNTANT.)

Accrual basis, system/method:
It is an accounting system that records revenues and expenses at the time the transaction occurs, not at the time cash changes hands. If you buy a coat and charge it, the store records or accrues the sale when you walk out with the coat, not when you pay your bill Cash basis accounting is used by individuals. Accrual basis accounting is used by most businesses.

Accrual accounting:
Accrual accounting recognizes revenue when earned, rather than when collected. Expenses are recognized when incurred rather than when paid. This is contrasted with cash basis accounting that recognizes transactions and other events only when cash is received or paid.

Assets:
Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential is expected to flow to the entity.

Account:
An accounting record in which the results of transactions are accumulated; shows increases, decreases, and a balance

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Assembly of Financial Statements:
The providing of various accounting or data-processing services by an accountant, the output of which is in the form of financial statements ostensibly to be used solely for internal management purposes

Accounting cycle:
The procedures for analyzing, recording, classifying, summarizing, and reporting the transactions of a business

Account payable:
An amount owed to a supplier for good or services purchased on credit; payment is due within a short time period, usually 30 days or less.

Accounts payable:
An amount owed to a supplier for good or services purchased on credit; payment is due within a short time period, usually 30 days or less.

Accounts receivable:
A current asset representing money due for services performed or merchandise sold on credit

Accrual basis:
Gross income is recognized when earned.

Accrual-basis accounting:
A system of accounting in which revenues and expenses are recorded as they are earned and incurred, not necessarily when cash is received or paid.

Accrued liabilities:
Liabilities that arise through adjusting entries when accounting for unrecorded liabilities.

Adjusting entries:
Entries required at the end of each accounting period to recognize, on an accrual basis, revenues and expenses for the period and to report proper amounts for asset, liability, and owners' equity accounts.

Aging accounts receivable:
The process of categorizing each account receivable by the number of days it has been outstanding

Allowance for Uncollectible Accounts:
A contra account, deducted from Accounts Receivable that shows the estimated losses from uncollectible accounts

Allowance method:
The recording of estimated losses due to uncollectible accounts as expenses during the period in which the sales occurred

Amortization:
The process of cost allocation that assigns the original cost of an intangible asset to the periods benefited.

Annual report:
A document that summarizes the results of operations and financial status of a company for the past year and outlines plans for the future

Annuity:
A series of equal amounts to be received or paid at the end of equal time intervals

Arm's-length transactions:
Business dealings between independent and rational parties who are looking out for their own interests

Audit:
The result of an independent accountant's review of the statements and footnotes to ensure compliance with generally accepted accounting principles and to render an opinion on the fairness of the financial statements

Audit committee:
Members of a client's board of directors who are responsible for dealing with the external and internal auditors

Audit report:
A report issued by an independent CPA that expresses an opinion about whether the financial statements present fairly a company's financial position, operating results, and cash flows in accordance with generally accepted accounting principles

Authorized stock:
The amount and type of stock that may be issued by a company, as specified in its articles of incorporation

Accounting period:
Period for which a firm prepares its internal or external accounts; the period covered by the financial statements. For internal accounts, it may be a month or a quarter; for external accounts it is normally a period of 12 months.

Accrued income:
Income that has been earned but not yet received.

Accrued expense:
An expense that is incurred, but not yet paid for, during a given accounting period

Accounting change: Change in (1) an accounting principle; (2) an accounting estimate; or (3) the reporting entity that necessitates DISCLOSURE and explanation in published financial reports.

Auditor:
Person who Audits financial accounts and records kept by others. Includes both public accounting firms registered with the PCAOB and associated persons thereof

Authorized capital stock:
It is the maximum number of shares of common stock that can be issued under a company's Articles of Incorporation. Issued shares are normally less than the number of authorized shares.

Audit Sampling:
Application of an AUDIT procedure to less than 100% of the items within an account BALANCE or class of transactions for the purpose of evaluating some characteristic of the balance or class.

Accounting:
Accounting is the act of recording and reporting financial transactions, including the origination of the transaction, its recognition, processing, and summarization in the financial statements.

Accrued expenses:
Expenses that arise through adjusting entries when accounting for unrecorded expenses.

Balance sheet:
The financial statement that shows the assets, liabilities, and owners' equity of an entity at a particular date

Bank reconciliation:
The process of systematically comparing the cash balance as reported by the bank with the cash balance on the company's books and explaining any differences.

Book value per share:
A measure of net worth; computed by dividing stockholders' equity for each class of stock by the number of shares outstanding for that class

Business:
An organization operated with the objective of making a profit from the sale of goods or services.

Bank reconciliation statement: It is a statement reporting all transactions in the accounts held by the account holder.

Bankrupt:
If an individual or unincorporated company has greater liabilities than it has assets, the person or business can petition for, or be declared by its creditors, bankrupt. In the case of a limited company or corporation in the same position, the term used is insolvent.

Breakeven point:
The amount of revenue from sales which exactly equals the amount of expense. It is often expressed as

the number of units that must be sold to produce revenues exactly equal to expenses. Sales above the breakeven point produce a profit; below produces a loss.

Bills payable:
In merchant accounts, are all bills which have been accepted, and promissory notes which have been made, are called "bills payable," and are entered in a ledger account under that name, and recorded in a book bearing the same title.

Bills receivable:
In merchant accounts, are all promissory notes, bills of exchange, bonds, and other evidences or securities which a merchant or trader holds, and which are payable to him.

Bad debts:
An uncollectible account receivable

Business documents:
Records of transactions used as the basis for recording accounting entries; includes invoices; check stubs, receipts, and similar business papers.

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.

Bankruptcy:
Legal process, governed by federal statute, whereby the DEBTS of an insolvent person are liquidated after being satisfied to the greatest extent possible by the DEBTOR'S ASSETS. During bankruptcy, the debtor's assets are held and managed by a court appointed TRUSTEE

Board of directors:
Individuals responsible for overseeing the affairs of an entity, including the election of its officers. The board of a CORPORATION that issues stock is elected by stockholders.

Business segment:
Any division of an organization authorized to operate, within prescribed or otherwise established limitations, under substantial control by its own management.

Book value\Face value:
The net amount shown in the accounts for an asset, liability, or owners' equity item

Business expenses:
Expenses that have been paid or incurred in the course of business and that are ordinary, necessary, and reasonable in amount.

Bills Purchased:
In trade finance, allows a seller to obtain financing and receive immediate funds in exchange for a sales

document not drawn under a letter of credit. The bank will send the sales documents to the buyer's bank on behalf of the seller.

Capital:
The total amount of money or other resources owned or used to acquire future income or benefits

Capital expenditure:
An expenditure that is recorded as an asset because it is expected to benefit more than the current period

Cash:
Coins, currency, money orders, checks, and funds on deposit with financial institutions; the most liquid of assets

Cash-basis accounting:
A system of accounting in which transactions are recorded and revenues and expenses are recognized only when cash is received or paid

Cash equivalents:
Short-term, highly liquid investments that can be converted easily into cash

Cash inflows:
Any current or expected revenues or savings directly associated with an investment.

Cost principle:
The idea that transactions are recorded at their historical costs or exchange prices at the transaction date

Cash Book:
A journal where a business's cash sales and purchases are entered. A cash book can also be used to record the transactions of a bank account. The side of the cash book which refers to the cash or bank account can be used as a part of the nominal ledger

Creditors:
A list of suppliers to whom the business owes money

Current Liabilities:
These include bank overdrafts, short term loans (less than a year), and what the business owes its suppliers.

Capital market:
A financial market in which long-term debt obligations and equity securities are bought and sold

Cash Budget:

A budget used to quantify an immediate, short-term cash flow. Reviewing daily, weekly, and monthly expenditures is essential for a resolution to establish credit lines or contemplate investing short-term idle cash.

Cash dividend:

A cash distribution of earnings to shareholders

Credit:

An entry on the right side of the account

Closing the books:

A term used to describe the journal entries necessary to close the sales and expense accounts of a business at year end by posting their balances to the profit and loss account, and ultimately to close the profit & loss account too by posting its balance to a capital or other account.

Creditworthiness:

This is the judgment of an organization which is assessing whether or not to take a particular individual on as a customer. An individual might be considered credit-worthy by one organization but not by another. Much depends on whether an organization is involved with high risk customers or not.

Capital account:

An account in which a proprietor's or partner's interest in a firm is recorded; it is increased by owner investments and net income and decreased by withdrawals and net losses

Capital gain:

The excess of the selling price over the cost basis when assets, such as securities and other personal and investment assets, are sold

Cash basis:

Gross income is recognized when cash is received.

Cash disbursements journal:

A special journal in which all cash paid out for supplies, merchandise, salaries, and other items is recorded.

Cash outflows:

The initial cost and other expected outlays associated with an investment

Common stock:

The most frequently issued class of stock; usually it provides a voting right but is secondary to preferred stock in dividend and liquidation rights.

Contingent liability:
A potential obligation, dependent upon the occurrence of future event

Cost of goods sold:
The expenses incurred to purchase or manufacture the merchandise sold during a period.

Current assets:
Cash and other assets that may reasonably be expected to be converted to cash within a year or during the normal operating cycle

Capital Stock:
Ownership shares of a CORPORATION authorized by its ARTICLES OF INCORPORATION. The money value assigned to a corporation's issued shares. The BALANCE SHEET account with the aggregate amount of the PAR VALUE or STATED VALUE of all stock issued by a corporation.

Capital loss:
It is the excess of purchase price over selling price when the assets have been held for more than a certain period of time and which is given a special treatment for tax purposes.

Deferred Income Taxes:
An account used to record the difference between income tax expense on the income statement and income taxes payable for the year to federal and state governments.

Depreciation:
The process of cost allocation that assigns the original cost of plant and equipment to the periods benefited.

Debenture:
This is a type of share issued by a limited company. It is the safest type of share in that it is really a loan to the company and is usually tied to some of the company's assets so should the company fail, the debenture holder will have first call on any assets left after the company has been wound up.

Due date:
Each governing agency and its forms scheduled reporting and most importantly payments have a required due date. It is this date that if most files timely may result in a penalty, fine, and commence interest charges.

Cash cycle:
It is the length of time, normally stated in numbers of days, between the purchase of raw materials and the collection of accounts receivable generated in the sale of the final product.

Credit agreement:
Arrangement in which one party borrows or takes possession in the present by promising to pay in the future

Debentures:
Bonds for which no collateral has been pledged

Direct method:
A method of reporting net cash flow from operations that shows the major classes of cash receipts and payments for a period of time

Discount period:
The time between the date a note is sold to a financial institution and its maturity date.

Drawing:
Distribution to the owner(s) of a proprietorship or partnership; similar to dividends for a corporation

Deferred Income:
Income received but not earned until all events have occurred.
Deferred income is reflected as a LIABILITY.

Dividends:
These are payments to the shareholders of a limited company

Deficit:
Financial shortage that occurs when LIABILITIES exceed ASSETS

Distribution Expense:
Expense of selling, advertising, and delivery of goods and services

Documentation Completion Date:
A complete and final set of audit documentation should be assembled for retention as of a date not more than 45 days after the report release date.

Earnings per share:
The amount of net income (earnings) related to each share of stock; computed by dividing net income by the number of shares of common stock outstanding during the period

Equity financing:
Acquiring funds in the form of investments by owners (proprietor, partner, or stockholder).

Equity method of accounting:
Investors cost basis is adjusted up or down (in proportion to the % of stock ownership) as the investee's retained earnings fluctuation; used for long-term investments in equity securities of affiliate where holder can exert significant influence; 20% ownership or greater is arbitrarily presumed to have significant influence over the invitee.

Earned Income:
Wages, salaries, professional fees, and other amounts received as compensation for services rendered.

Fixed assets:
Assets that are used to produce revenue and are not intended for sale, such as office furniture, vehicles, real property, building improvements, and factory equipment. These assets are also called "long-term" assets.

Fair market value:
The current value of an asset, e.g., the amount at which an asset could be sold or purchased in an arm's-length transaction

Financial accounting:
The area of accounting concerned with reporting financial information to interested external parties.

Financial statements:
Reports such as the balance sheet, income statement, and statement of cash flows, which summarize the financial status and results of operations of a business entity

Fiscal year:
An entity's reporting year, covering a 12 month accounting period

Finance:
Finance is science of managing financial resources in an optimal pattern. i.e. the best use of available financial resources.

Financial accounting standards:
Official promulgations, known as STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS, by the FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) which are part of GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) in the United States

Financial assets:
Intangible assets such as Deposits, stocks, bonds, notes, currencies, and other instruments that possess value and give rise to claims, liabilities, or equity investment are called Financial Assets

GAAS (generally accepted auditing standards):
Auditing standards developed by the AICPA.

Generally accepted accounting principles (GAAP):
Authoritative guidelines that define accounting practice at a particular time.

Generally accepted auditing standards (GAAS):
Auditing standards developed by the AICPA

General-purpose financial statements:
The financial reports intended for use by a variety of external groups; they include the balance sheet, the income statement, and the statement of cash flows.

Going concern:
The idea that an accounting entity will have a continuing existence for the foreseeable future

Goodwill:
An intangible asset that exists when a business is valued at more than the fair market value of its net assets, usually due to strategic location, reputation, good customer relations, or similar factors; equal to the excess of the purchase price over the fair market value of the net assets purchased

Gross income:
The taxable portion of a taxpayer's gross receipts

Gross margin:
The excess of net sales revenue over the cost of goods sold.

Gross tax liability:
The amount of tax computed by multiplying the tax base (taxable income) by the appropriate tax rates

GAAP (generally accepted accounting principles):
Authoritative guidelines that define accounting practice at a particular time.

Gross sales:
Total recorded sales before deducting any sales discounts or sales returns and allowances.

Gross margin method:
A procedure for estimating the amount of ending inventory; the historical relationship of cost of goods sold to sales revenue is used in computing ending inventory.

Historical cost:
Original cost of an asset to an entity

Income statement (statement of earnings):
The financial statement that summarizes the revenues generated and the expenses incurred by an entity during a period of time

Income taxes payable:
The amount expected to be paid to the federal and state governments based on the income before taxes reported on t he income statement.

Intangible Asset:
Nonphysical resources that provide gainful advantages in the marketplace. Copyrights, software, logos, patents, goodwill, and other intangible factors afford name recognition for products and services. They are all examples of intangible assets and may provide significant value to a business operation.

Indirect method:
A method of reporting net cash flow from operations that involves converting accrual-basis net income to a cash basis

Inventory:
It is the supply or stock of goods and products that a company has for sale. A manufacturer may have three kinds of inventory: raw materials waiting to be converted into goods, work in process, and finished goods ready for sale.

Insolvent:
When an entity's LIABILITIES exceed its ASSETS

Internal control:
Process designed to provide reasonable assurance regarding achievement of various management objectives such as the reliability of financial reports.

Investment:
EXPENDITURE used to purchase goods or services that could produce a return to the investor.

Investment portfolio:
A set of financial assets owned by an individual or an institution for investment purposes

Journal:
An accounting record in which transactions are first entered; provides a chronological record of all business activities.

Journal entry:
A recording of a transaction where debits equal credits; usually includes a date and an explanation of the transaction.

Junk bonds:
Bonds issued by companies in weak financial condition with large amounts of debt already outstanding; these bonds yield high rates of return because of the high risk.

Ledger:
A book of accounts in which data from transactions recorded in journals are posted and thereby classified and summarized.

Liabilities:
Obligations measurable in monetary terms that represent amounts owed to creditors, governments, employees, and other parties.

Liquidation:
The process of dissolving a business by selling the assets, paying the debts, and distributing the remaining equity to the owners

Liquidity:
A company's ability to meet current obligations with cash or other assets that can be quickly converted to cash

Long-term investment:
Expenditure to acquire a non-operating asset that is expected to increase in value or generate income for longer than 1 year

Long-term liabilities:
Debts or obligations that will not be paid within one year

Losses:
Costs that provide no benefit to an organization

Liquid assets:
Cash, cash equivalents, and marketable SECURITIES

Legal entity:
A legal entity is a natural person or a legal construct through which the law allows a group of natural persons to act as if it were a single composite individual for certain purposes. The most common purposes are lawsuits, property ownership, and contracts. A legal entity is not necessarily distinct from the natural persons of which it is composed. Most legal entities are simply amalgamations of the persons that make it up for convenience's sake. A legal entity that does have a separate existence from its members is called a company or corporation.

Maturity:
The date a long-term interest-bearing investment, such as a bond, becomes due and payable.

Management accounting: The area of accounting concerned with providing internal financial reports to assist management in making decisions.

Margin: Excess of selling price over the unit cost

Matching principle:
The concept that all costs and expenses incurred in generating revenues must be recognized in the same reporting period as the related revenues.

Marketable Securities:
Stocks and other negotiable instruments which can be easily bought and sold on either listed exchanges or over-the-counter markets

Materiality:
Magnitude of an omission or misstatements of ACCOUNTING information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would change or be influenced

Natural resources:
Assets that are physically consumed or waste away, such as oil, minerals, gravel, and timber

Net assets (owners' equity):
The ownership interest in the assets of an entity; equal total assets minus total liabilities

Net income (or net loss):
A measure of the overall performance of a business entity; equal to revenues minus expenses for the period

Net proceeds:
The difference between maturity value and discount when a note receivable is discounted

Net realizable value:
The selling price of an item less reasonable selling costs

Net realizable value of accounts receivable:
The net amount that would be received if all receivables considered collectible were collected; equal to total accounts receivable less the allowance for uncollectible accounts; also called the book value of accounts receivable.

Nominal accounts:
Accounts that are closed to a zero balance at the end of each accounting period; temporary accounts generally appearing on the income statement.

Non-cash item:
Items included in the determination of net income on an accrual basis that do not affect cash; examples are depreciation and amortization.

Non-cash transactions:
Investing and financing activities that do not affect cash; if significant, they are disclosed below the statement of cash flows or in the notes to the financial statements.

Non-operating assets:
Investment and other assets not used in a business but held to earn a return separate from operations

Nonprofit organization:
An entity without a profit objective, oriented toward providing services efficiently and effectively

Notes payable:
A debt owed to a creditor, evidenced by an unconditional written promise to pay a certain sum of money on or before a specified future date.

Notes receivable:
A claim against a debtor, evidenced by an unconditional written promise to pay a certain sum of money on or before a specified future date

Net Income:
Excess or DEFICIT of total REVENUES and GAINS compared with total expenses and losses for an ACCOUNTING period.

Net Worth:
Assets minus liabilities. Commonly defined as "all that you own less all that you owe"

Non Routine Transactions:
Activities that occur only periodically, the data involved are generally not part of the routine flow of transactions.

Net sales:
Gross sales less sales discounts and sales returns and allowances

Notes to financial statements:
Explanatory information considered an integral part of the financial statements.

Operating activities:
Transactions and events that enter into the determination of net income

Operating assets:
Long-term, or non-current, assets acquired for use in the business rather than for resale; includes property, plant, and equipment; intangible assets; and natural resources.

Owners' equity (net assets):
The ownership interest in the assets of an entity; equal total assets minus total liabilities

Operating Cycle:
Period of time between the acquisition of goods and services involved in the manufacturing process and the final cash realization resulting from sales and subsequent collections

Organization Expenditures:
The cost of organizing a trade or business or for profit activity before it begins active business. A taxpayer may elect to amortize such expenses for a tern no less than 60 months. If the election is not made then the expenses are not deductible and may only be recovered when the business ceases operation or is sold.

Preferred stock:
A class of stock that usually provides dividend and liquidation preferences over common stock

Prepaid expenses:
Payments made in advance for items normally charged to expense

Profitability:
A company's ability to generate revenues in excess of the costs incurred in producing those revenues

Purchase Returns and Allowances:
A contra-purchase account used for recording the return of, or allowances for, previously purchased merchandise

Purchases account:
An account in which all inventory purchases are recorded; used with the periodic inventory method

Profit:
The amount left over when expenses are subtracted revenues. Gross profit is the profit left when cost of sales is subtracted from sales, before any operating expenses are subtracted

Perpetual Inventory:
System that requires a continuous record of all receipts and withdrawals of each item of INVENTORY

Portfolio:
The combined security holdings of an individual investor or mutual fund. The objective of holding investments in a portfolio is to reduce risk through diversification.

Petty cash fund:
A small amount of cash kept on hand for making miscellaneous payments

Profit and Loss Statement:
It reflects a company's financial condition. Because profits and losses relate to revenue inflows from business operations, a profit and loss statement is an income statement.

Retained earnings:
The portion of a corporation's owners' equity that has been earned from profitable operations and not distributed to stockholders

Return on investment (ROI):
A measure of operating performance and efficiency in utilizing assets computed in its simplest form by dividing net income by average total assets

Revenue recognition principle:
The idea that revenues should be recorded when (1) the earnings process has been substantially completed and (2) an exchange has taken place.

Revenues:
Increases in a company's resources from the sale of goods or services

Receivables:
Amounts of money due from customers or other DEBTORS

Reconciliation:
Comparison of two numbers to demonstrate the basis for the difference between them

Routine Transactions:
Recurring financial activities reflected in the accounting records in the normal course of business

Sales discount:
A reduction in the selling price that is allowed if payment is received within a specified period

Solvency:
A company's long-run ability to meet all financial obligations

Statement of earnings (income statement):
The financial statement that summarizes the revenues generated and the expenses incurred by an entity during a period of time

Straight-line depreciation method:
The depreciation method in which the cost of an asset is allocated equally over the periods of an asset's estimated useful life

Share:
A unit of equity ownership in a corporation or mutual fund. Corporate shares are represented by stock certificates

Statement of cash flows:
The financial statement that shows an entity's cash inflows (receipts) and outflows (payments) during a period of time

Supplies:
Materials used in a business that do not generally become part of the sales product and were not purchased to be resold to customers

Transactions:
Exchange of goods or services between entities (whether individuals, businesses, or other organizations), as well as other events having an economic impact on a business.

Trial balance:
A listing of all account balances; provides a means of testing whether total debits equal total credits for all account

Tangible Asset:
ASSETS having a physical existence, such as cash, land, buildings, machinery, or claims on property, investments or goods in process

Treasury stock:
Stock reacquired by the issuing company. It may be held indefinitely, retired, issued upon exercise of STOCK OPTIONS or resold

Tax:
Charge levied by a governmental unit on income, consumption, wealth, or other basis

Treasury bills:
Short-term obligation that bears no INTEREST and is sold at a discount

Uncollectible Accounts Expense:
An account that represents the portion of the current period's receivables that are estimated to become uncollectible

Unearned revenues:
Amounts received before they have been earned

Unrealized gains and losses:
Gains and losses resulting from changes in the value of securities that are still being held

Unrecorded expenses:
Expenses incurred during a period that have not been recorded by the end of that period.

Unrecorded revenues:
Revenues earned during a period that have not been recorded by the end of that period.

Useful life:
The term used to describe the life over which an asset is expected to be useful to the company; cost is assigned to the periods benefited from using the asset.

Underwriting:
The process by which an insurance company determines whether, and on what basis, it can assume the risk of a specific life insurance policy

Variance:
Deviation or difference between an estimated value and the actual value

Variable cost:
A cost that changes as sales or production change. If a business is producing nothing and selling nothing, the variable cost should be zero. However, there will probably be fixed costs

Vertical analysis of financial statements:
A technique for analyzing the relationships between items on an income statement or balance sheet by expressing all items as percentages

Weighted-average:
A periodic inventory cost flow alternative whereby the cost of goods sold and the cost of ending inventory are determined by using a weighted-average cost of all merchandise available for sale during the period.

Work sheet:
A columnar schedule used to summarize accounting data.

Working capital:
Current assets minus current liabilities

Written-down value:
The partial reduction in the value of an asset, recognizing obsolescence or other losses in value

Write-off:
The total reduction in the value of an asset, recognizing that it no longer has any value

Yield to Maturity (YTM):
The return an investor will receive if a long-term interest-bearing investment, such as a bond, is held until the date it becomes due and payable (maturity date).

Yield:
The return received from an investment

Zero Coupon Bond:
A bond that makes no periodic interest payments, but rather sells at a deep discount from its face value