

Accounting: A Very Short Introduction

By Christopher Nobes

Questions for Thought and Discussion

- In what ways does civilization rest upon there being good accounting?
- What led to the invention of double-entry bookkeeping, and why was it invented in northern Italy in the thirteenth century?
- Why is an increase in cash a “debit”?
- In which different ways could buildings be valued in a balance sheet; what is the normal way; and why?
- What is a subsidiary, and why did Enron arrange for many of its companies to be treated as not subsidiaries?
- What is the “expectations gap” between what auditors think their job is and what the public thinks it is?
- What is implied by “giving a true and fair view”?
- In what ways does taxation rest on accounting, and accounting become influenced by tax?
- Why is accounting under German national rules different from accounting under US national rules?
- Why was the idea of audited published financial statements invented in the UK in the nineteenth century?
- Why is it a good idea for a company to record pension expenses in the current year even if the pension will be paid in twenty years time, and what problems does this practice cause?
- Is it a good idea for accountants to show some leased assets in a company’s balance sheet even though the company does not own the assets?
- In what different ways can costs be divided in order to help managers to make decisions?
- How can a company have a successful year but still go bust because it runs out of cash?
- In what ways is it useful to have international accounting standards?
- Why is it necessary to have rules for financial reporting?
- Would it be better if audits were conducted by government bodies rather than by accountancy firms?
- In what ways can budgeting be more successful if it takes account of the fact that managers are human?
- Is it always bad if a company exceeds its budget for material and labour costs?
- What other issues, apart from financial ones, might a company’s success be judged by?

Other Books by Christopher Nobes

The Economics of Taxation (with S.R. James) (Fiscal Publications, 2013)

Financial Accounting. An International Introduction (with D. Alexander) (Prentice Hall, 2013)

Comparative International Accounting (with R.H. Parker) (Prentice Hall, 2012)

Current Debates in International Accounting (Edward Elgar, 2010)

The Penguin Dictionary of Accounting (Penguin, 2002)

Further Reading

Jane Gleeson-White, *Double Entry. How the Merchants of Venice Shaped the Modern World – and How their Invention Could Make or Break the Planet* (Allen and Unwin, 2011)

M. Lebas, H. Stolowy, and Y. Ding, *Financial Accounting and Reporting. A Global Perspective* (Cengage Learning, 2013)

N. Antill and K. Lee, *Company Valuation under IFRS* (Harriman House, 2008)

Financial Reporting and Global Capital Markets. A History of the International Accounting K.

Camfferman and S.A. Zeff *Standards Committee, 1973 – 2000* (Oxford University Press, 2007)

Michael Power, *The Audit Society. Rituals of Verification* (Oxford University Press, 1999)

A. Bhimani et al., *Introduction to Management Accounting* (Pearson, 2012)