

ACCOUNTING

AND

MANAGEMENT

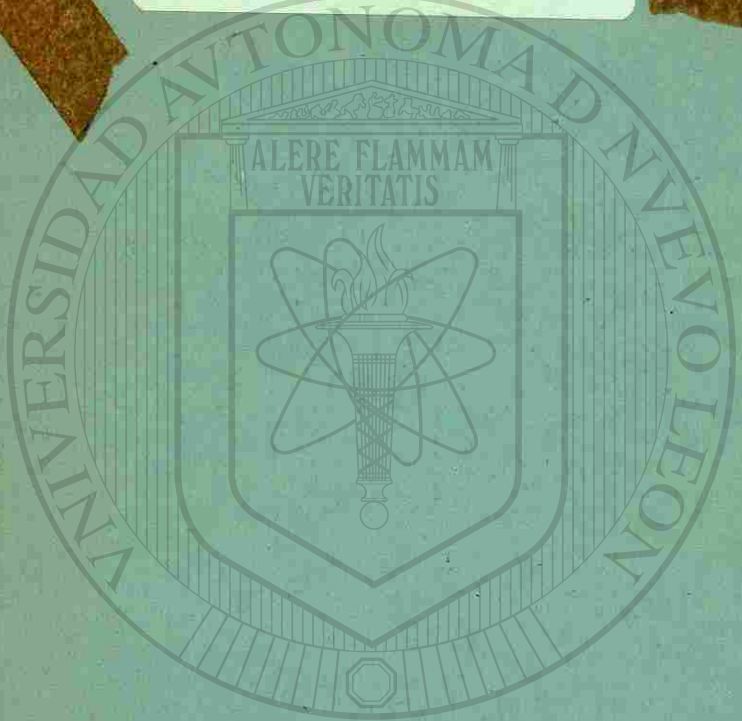
CONCEPTS

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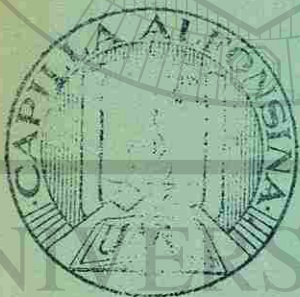
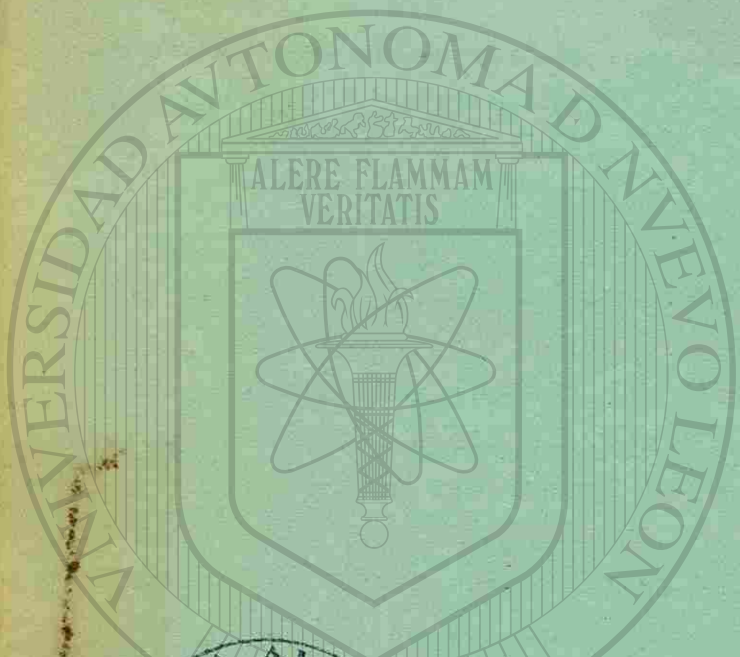
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## PRIMICIAS

Es un esfuerzo editorial, sin precedentes, presentamos hoy con orgullo el libro de Texto, preparado y editado por un valioso elemento del CENTRO DE INVESTIGACIONES de la Facultad.

— CECILIO ALCOCER, acucioso Profesor, ha querido llevar la enseñanza extra-muros. Su experiencia de muchos años en el salón de clase lo comparte no tan sólo con sus alumnos, ahora la lleva hacia ese lector, que se convierte en un estudiante anónimo.

La contribución del Maestro, es valiosa no tan sólo porque aborda el difícil tema de la enseñanza del idioma Inglés, especialmente orientado a las Ciencias Contables y Administrativas. Su trabajo es importante, porque está metodológicamente preparado en la más moderna técnica de la enseñanza por objetivos.

Sabemos sin embargo, que su obra es perfectible. Pero lo importante es que dá el paso más importante en el desarrollo del magisterio. Ese cambio trascendental que convierte al Profesor en autor y que dá una fuerza ilimitada a la enseñanza.

Con CECILIO ALCOCER, nuestra Facultad, a través de su CENTRO DE INVESTIGACIONES, entra en la etapa del desarrollo definitivo, que será alcanzado en plenitud cuando los contenidos de nuestra enseñanza, sea el producto de la experiencia propios y satisfaga -- los reclamos de nuestro medio, sin improvisaciones o adaptaciones precipitadas.

LIC. RAUL S. MONTOYA RETTA

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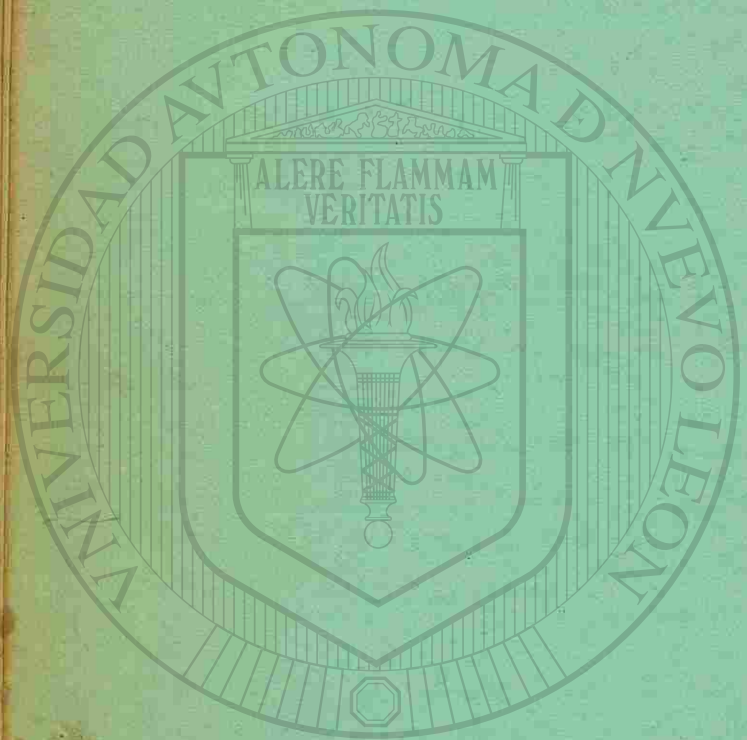
MANAGEMENT CONCEPTS

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P R E F A C I O

En virtud de que en México se sigue contando con escasa literatura para la profesión de Contador Público y Administrador de Negocios, toda vez que la mayor parte proviene de los Estados Unidos de Norteamérica y con el afán de superación nos hemos fijado la meta de contar con un cuaderno de apuntes que sea adecuado a las necesidades académicas de nuestra Facultad.

Dedicamos con cariño y respeto la presente obra a nuestro Director C.P. JOSE CARDENAS CAVAZOS por su gran dinamismo y entrega absoluta a esta Facultad.

Adaptador: PROFR. CECILIO ALCOCER LLANAS  
 Colaborador: PROFR. ARTEMIO BALDERAS SAENZ

## CHAPTER I

## BOOKKEEPING SYSTEMS

BOOKKEEPING RECORDS. The key to good business management is good bookkeeping records. Bookkeeping records can show whether a business operates at a profit or at a loss. Studies show that the success or the failure of a business may often be traced to the kind of records that are kept.

THE WORK OF THE ACCOUNTANT. One who records all the business affairs of a business in an orderly manner is called an accountant. An accountant must be accurate, understand what he is to do and how he should do it, and be systematic, neat and rapid in his work. A person who knows bookkeeping can manage business affairs.

## ACCOUNTING CONCEPTS

The individual, an entire industry or government branch has to make decisions on how to allocate its resources. Accounting aids these decisions by recording, classifying, summarizing, and reporting business transactions. This definition makes it clear that the recording of data, or bookkeeping is only

the first step in the accounting process.

The information provided by accounting is used as follows.

Direct users. Owners, Managers Customers Employees, taxing authorities Suppliers, Creditors.

Indirect users. Labor unions, Stock exchanges, financial press, trade associations, etc.

The field of accounting has expanded into separate branches.

Branches.

Teaching. Accountants teach accounting courses in universities and junior colleges.

Governmental accounting. Accountants working in federal, state, and local government units are engaged in governmental accounting.

Private accounting. Accountants employed by an enterprise to work on its own affairs are engaged in private accounting.

Public accounting. Accountants who offer their professional services to the public for a fee, are engaged



ged in public accounting. These are Certified Public Accountants.

### The Branches of accounting.

There are six principal specialization of private -- accounting these are indicated belw.

#### CONTROLLER

Costs Taxes Budgets Accounting Auditing Systems

These same specializations may be performed in other branches of accounting. For example, auditing is performed by public accountants, by private accountants who are called internal auditors and by governmental auditors.

### The fundamental bookkeeping equation

This equation is true of all balance sheets. It is therefore known as the fundamental bookkeeping equation.

Assets. Properties that are owned and have monetary value: For Instance, Cash, buildings, office equipment, accounts receivable, inventory.

Liabilities. Amounts owed to outsiders, such as --

accounts payable, notes payable, mortgage payable -- bonds payable.

Capital. The amount that would remain if all the -- liabilities were paid is known as Capital. The amount of the Capital is obtained by subtracting the total liabilities from the total assets. Capital. The interest of the owners in an enterprise.

Assets, Liabilities, Capital, These elements are Connected by a fundamental relationship Called the -- bookkeeping or accounting equation.

This equation expresses the equality of the assets on one side with the claims of the creditors and owners on the other side:

$$\downarrow \rightarrow \text{ASSETS} = \text{LIABILITIES} + \text{CAPITAL}$$

{ According to the accounting equation, a firm is assumed to possess its assets subject to the rights of -- the creditors and owners. } ®

#### Example A:

If a business owned assets of \$ 150,000, owed creditors \$ 100,000, and owed the owner \$ 50,000. The -- accounting equation would be:

ASSETS = LIABILITIES + CAPITAL

\$ 150,00    \$ 100,000    \$ 50,000

Any business event which alters the amount of assets, liabilities or capital is called a transaction. Example B, We show how the accountant makes a meaningful record of a series of transactions, reconciling them step by step with the accounting equation.

Example B:

During the month of January Mr. John Kelly, Physician,

1. Opened his practice by investing \$ 5,000 in the business.
2. Bought supplies (stationery, pencils, etc.) for cash \$ 300.
3. Bought office equipment from Cindy Furniture Company on account, \$ 2,500.
4. Received \$ 2,000 in fees earned during the month.
5. Paid office rent for January \$ 500.

We show how these transactions might be analyzed and recorded.

Transaction 1.- Mr. Kelly invested \$ 5,000 to open his practice. There are two accounts that are affected; the asset Cash is increased, and the capital of the firm is increased by the same amount.

ASSETS = LIABILITIES + CAPITAL

→

	=	
CASH		J. KELLY CAPITAL
+ \$ 5,000		+ \$ 5,000

Transaction 2.- Bought supplies for Cash \$ 300. In this case, Mr. Kelly is substituting one asset for another: he is receiving (+) the asset Supplies and paying out (-) the asset Cash. Note that the capital of \$ 5,000 remains unchanged.

ASSETS = LIABILITIES + CAPITAL

	=	
CASH + SUPPLIES		J. KELLY CAPITAL
+ \$ 5,000		+ \$ 5,000
- 300	+ 300	
\$ 4,700	300	\$ 5,000

Transaction 3.- Bought office equipment from Cindy Furniture Company on account \$ 2,500. He is receiving the asset Equipment, but is not paying for it with the asset Cash. Instead, he will owe the money to the Cindy Furniture Company. Therefore he is liable for this amount in the future, thus creating the liability Accounts Payable.

ASSETS = LIABILITIES + CAPITAL

CASH + SUPPLIES + EQUIPMENT	ACCOUNTS PAYABLE	J. KELLY CAPITAL
\$ 4,700    \$ 300		\$ 5,000
<u>          </u> <u>          </u> <u>          </u>	<u>          </u> <u>          </u>	<u>          </u>
\$ 4,700 + \$ 300 + \$ 2,500 =	\$ 2,500 +	\$ 5,000

Transaction 4.- Received \$ 2,000 in fees earned during the month. Because he received \$ 2,000, the asset Cash increased and also his capital increased. It is important to note that he labels the \$ 2,000 fees income to show its origin.

ASSETS = LIABILITIES + CAPITAL

CASH + SUPPLIES + EQUIPMENT	ACCOUNTS PAYABLE	J. KELLY CAPITAL
\$ 4,700    \$ 300    \$ 2,500	\$ 2,500	\$ 5,000
+ <u>2,000</u>		<u>2,000</u> Fees income
\$ 6,700 + \$ 300 + \$ 2,500 =	\$ 2,500 +	\$ 7,000

Transaction 5.- Paid office rent for January \$ 500. When the word "paid" is stated, you know it means a deduction from Cash, since he is paying out his asset Cash. Payment of expense is a reduction of Capital. It is termed rent expense.

ASSETS = LIABILITIES + CAPITAL

CASH + SUPPLIES + EQUIPMENT	ACCOUNTS PAYABLE	J. KELLY CAPITAL
\$ 6,700    \$ 300    \$ 2,500	\$ 2,500	\$ 7,000
<u>- 500</u>		<u>- 500</u> rent expenses
\$ 6,200 + \$ 300 + \$ 2,500	\$ 2,500	\$ 6,500

### REVIEW

- The phases of accounting are \_\_\_\_\_
- The accounting equation is \_\_\_\_\_
- Items owned by a business that have monetary value are known as \_\_\_\_\_
- \_\_\_\_\_ is the interest of the owner in a business.
- Money owed to an outsider is a \_\_\_\_\_<sup>®</sup>
- The difference between assets and liabilities is \_\_\_\_\_
- Financial events that occur in a business are termed \_\_\_\_\_

- 8. An investment in the business increases \_\_\_\_\_ and \_\_\_\_\_
- 9. To purchase "on account" is to create a \_\_\_\_\_
- 10. When the word "Paid" occurs, it means a deduction of \_\_\_\_\_

Answers: 1.- recording, classifying, summarizing, reporting; 2.- Assets, liabilities, Capital; 3.- assets 4.- Capital; 5.- liability; 6.- Capital; 7.- transactions; 8.- assets, capital; 9.- liability; 10.- Cash.

SOLVE THE FOLLOWING PROBLEMS

What effect do the transactions below have on the owner's equity?

- 1. The owner invested \$ 10,000 in business \_\_\_\_\_
- 2. He paid office rent \$ 300.00 \_\_\_\_\_
- 3. He withdrew \$ 500 from the business \_\_\_\_\_
- 4. He paid salaries for the week \$ 700.00 \_\_\_\_\_
- 5. He received \$ 2,500 in fees \_\_\_\_\_
- 6. He bought equipment on account \$ 3,000 \_\_\_\_\_

SOLUTION

- |                               |                                |
|-------------------------------|--------------------------------|
| 1.- Increase <i>augmenta</i>  | 4.- Decrease                   |
| 2.- Decrease <i>disminuye</i> | 5.- Increase                   |
| 3.- Decrease                  | 6.- No effect <i>no afecta</i> |

SOLVE THE FOLLOWING TRANSACTIONS

- 1. Paid a Creditor money owed \_\_\_\_\_
- 2. Paid rent expense for month \_\_\_\_\_
- 3. Cash fees collected for the week \_\_\_\_\_
- 4. Bought equipment on account \_\_\_\_\_
- 5. Bought medical equipment, paying cash \_\_\_\_\_

SOLUTION:

- 1. Decrease in cash and in account payable.
- 2. Reduction of cash an capital.
- 3. Increase in cash and capital.
- 4. Increase in equipment and in account payable.
- 5. Increase in quipment, reduction in cash.

## VOCABULARY I

## - A -

- 1.- ACCOUNTING - Contabilidad
- 2.- ACCOUNTING CONCEPTS - principios, conceptos de contabilidad
- 3.- AIDS - Ayuda
- 4.- AFFAIRS - asuntos
- 5.- AS - como
- 6.- ACCOUNTANT - contador
- 7.- AS DOES - como lo hace
- 8.- ACCOUNTING COURSES - Cursos de Contabilidad
- 9.- AUDITING - Auditoría
- 10.- ACCOUNTING EQUATION - Ecuación Contable
- 11.- ASSETS - activos
- 12.- ACCOUNTS PAYABLE - cuentas por pagar
- 13.- ACCORDING TO - según, conforme a
- 14.- ALTERS - altera
- 15.- AMOUNT - cantidad
- 16.- AFTER TAKING - después de llevar a cabo
- 17.- AS FOLLOWS - como sigue

- 18.- BRANCH - sucursal, dependencia, rama
- 19.- BY RECORDING - al registrar
- 20.- BY CLASSIFYING - al clasificar

- 21.- BY SUMMARIZING - al resumir
- 22.- BY REPORTING - al reportar
- 23.- BUSINESS TRANSACTIONS - transacciones comerciales
- 24.- BOOKKEEPING - registrar operaciones, teneduría de libros
- 25.- BOTH - por ambas partes - de uno y otro lado
- 26.- BECOME - llegar a ser
- 27.- BROADENED - ensanchado - ampliado
- 28.- BUDGETS - presupuestos
- 29.- BUSINESS ENTERPRISE - Empresa comercial
- 30.- BUILDINGS - edificios
- 31.- BONDS - bonos
- 32.- BASIC - básico
- 33.- BILL - cuenta, estado de cuenta, pagare', letra
- 34.- BOUGHT - compró, comprado.

## - C -

- 35.- CUSTOMERS - clientes
- 36.- CONTROLLERS - Contralores, Directores
- 37.- CERTIFIED PUBLIC ACCOUNTANT - Contador Público Titulado
- 38.- CALLED - llamó
- 39.- CASH - Caja, efectivo, dinero contante
- 40.- CALL - llamar
- 41.- CREDITORS - acreedores
- 42.- CLEAR - aclarar, poner en claro

- CH -

- 43.- CHIEF - Jefe  
44.- CHANGES - cambios

- D -

- 45.- DATA - información  
46.- DIRECTLY - directamente

- E -

- 47.- ENTIRE - entero, completo, perfecto  
48.- EMPLOYEES - empleados  
49.- EMPLOYED - empleó, empleado  
50.- EVEN - aún o todavía  
51.- EXPANDED - ensanchado, alargado  
52.- EQUALITY - igualdad  
53.- EXPRESSES - expresa  
54.- EVENT - acontecimiento, suceso, evento  
55.- EARNED - ganó, ganado  
56.- EXAMINATION - exámen  
57.- EXPENSE - gasto

- F -

- 58.- FINANCIAL INFORMATION - información financiera

- 59.- FURTHER - más aún, promover, además llevar adelante  
60.- FIRM - firma  
61.- FEE - honorarios, cuota  
62.- FIXED ASSETS - activos fijos  
63.- FINANCIAL ANALYSTS - analizadores financieros  
64.- FINANCIAL POSITION - situación financiera  
65.- FOR INSTANCE - por ejemplo  
66.- FURNITURE - mobiliario, mueblería  
67.- FOUND - encontró, encontrado  
68.- FINANCIAL PRESS - prensa financiera

- G -

- 69.- GOVERNMENTAL - Gubernamental  
70.- GOVERNMENT - Gobierno

- H -

- 71.- HIGH SCHOOL - Escuela Secundaria  
72.- HOW - como  
73.- HAVE PASSED - han pasado, hemos pasado

- I -

- 74.- INDIVIDUAL - particular, individual  
75.- INDIRECTLY - indirectamente

- 76.- INDICATED - indicado, señalado  
 77.- INCOME TAX - impuesto sobre la renta  
 78.- INVESTED - invirtió, invertido  
 79.- INCREASED - aumentó, aumentado  
 80.- ITEMS - bienes, partidas  
 81.- INTO - en, dentro

ALERE FLAMMAM  
 VERITATIS

- J -

- 82.- JUNIOR COLLEGE - Colegio Universitario

- K -

- 83.- KEY - referencia, guía, clave

- L -

- 84.- LAWYER - abogado  
 85.- LABOR UNIONS - Sindicatos  
 86.- LIABILITIES - pasivos  
 87.- LAW PRACTICE - Bufete  
 88.- LABELS - clasifica, señala  
 89.- LEFT - dejó, dejado

- M -

- 90.- MONETARY VALUE - valor monetario

- 91.- MEANINGFUL - significativo  
 92.- MEANS - significa  
 93.- MANAGERS - Gerentes, Administradores

- N -

- 94.- NATURE - Naturaleza  
 95.- NET - neto, líquido, limpio  
 96.- NOTES PAYABLE - documentos por pagar

- O -

- 97.- OWNERS - dueños  
 98.- OWN - propio  
 99.- OFFER - ofrecer  
 100.- OUTSIDERS - Acreedores  
 101.- ON ACCOUNT - a crédito  
 102.- OWE - deber

- P -

- 103.- PRIVATE ACCOUNTING - Contaduría privada  
 104.- PART-TIME HELP - empleado de jornada incompleta  
 105.- PERFORMED - ejecutó, ejecutado  
 106.- PAID - pagó, pagado  
 107.- PROVIDED - recabada, proporcionó, proporcionado

- 108.- PURCHASED - compró, comprado  
 109.- PHASES - fases  
 110.- PROCESS - proceso  
 111.- PROPERTIES - propiedades

- Q -

- 112.- QUANTITY - cantidad

- R -

- 113.- RESOURCES - recursos  
 114.- REGULATORY AUTHORITIES - autoridades regulado  
 115.- REALLY - realmente  
 116.- RATHER - más bien  
 117.- RECORD - registro, registrar  
 118.- RECEIVED - recibió, recibido

- 119.- REMAINS - queda

- 120.- REDUCES - reduce

- 121.- RELATIONSHIP - relación

DIRECCIÓN GENERAL DE BIBLIOTECAS

- 122.- SIMPLEST - el más simple

- 123.- STEP - paso

- 124.- SUPPLIERS - proveedores

- 125.- SPECIALIZATIONS - especializaciones

- 126.- STOCK EXCHANGES - bolsa de acciones o valores

- 127.- SIDE - lado

- 128.- SHOWED - mostró, mostrado

- 129.- SUPPLIES - Artículos, suministros

- 130.- STATIONERY - papelería

- 131.- STATED - estableció, establecido

- 132.- SINCE - ya que, puesto que

- 133.- STATE - estatal

- T -

- 134.- TAXING AUTHORITIES - autoridades de impuestos

- 135.- TEACHING - enseñanza

- 136.- TRADE ASSOCIATIONS - asociaciones mercantiles

- 137.- TERMED - nombrado, llamado

- 138.- TO ALLOCATE - distribuir, aplicar

- U -

- 139.- USERS - usuarios

- W -

- 140.- WORTH - valor

- 141.- WITHDREW - retiró



## CHAPTER II

Estado Financiero  
FINANCIAL STATEMENTS

May 2 pregun  
There are two questions that the owner of a business makes to the accountant periodically:

- (1) What is my profit?
- (2) What is my Capital?

The simple balance of assets against liabilities and capital, provided by the accounting equation, is insufficient to give complete answers. (A) We must know the type and amount of income and the type and amount of each expense for the period in question. (B) It is necessary to obtain the type and amount of each asset, liability, and Capital account at the end of the period. This information is provided by the income statement and the balance sheet.

## Example:

After the transaction for the month of January has been recorded in the books of Mr. John Kelly, the accounts show the following balances.

ACCOUNTS	ASSETS	LIABILITIES AND CAPITAL
CASH	\$ 4,700	
SUPPLIES	100	
EQUIPMENT	2,500	
ACCOUNTS PAYABLE		\$ 1,500
JOHN KELLY, CAPITAL		5,800
	TOTAL: \$ 7,300	\$ 7,300

## INCOME STATEMENT

The income statement may be defined as a summary of the revenue, expenses, and net income of a business for a specific period of time. This may be also called a Profit and Loss Statement, or Statement of Operations. Let us know the meaning of the elements.

Revenue. The increase in capital resulting from the delivery of goods or rendering of services by the business. In amount, the revenue is equal to the cash and receivables gained in compensation for the goods delivered or services rendered.

Net Income. The increase in Capital resulting from profitable operations of a business; It is the excess of revenues over expenses for the accounting period.

Expenses. The decrease in Capital caused by the business's revenue-producing operations. In amount, the expense is equal to the value of goods and services used up or consumed in obtaining revenue.

Note that, borrowing cash from a bank does not contribute to revenue and a cash payment is an expense only if it decreases capital.

In many companies there are hundreds and perhaps thousands of income and expense transactions in one month. To lump all these transactions under one account would be very cumbersome and would, in addition, make it impossible to show relationship among the various items.

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✓28  
no no

## VOCABULARY II

- A -

- 1.- ASK - pedir, rogar, preguntar
- 2.- AT THE BEGINNING OF - a principios de
- ✓3.- AT THE END OF - a fines de
- 4.- ACCOUNTING PERIOD - ejercicio o período contable
- 5.- ALREADY - ya, antes de ahora
- ✓6.- AVAILABLE - disponible, útil, ventajoso
- ✓7.- ACCRUED ITEMS - partidas acumuladas
- 8.- AFFECT - afectar

- B -

- ✓9.- BALANCE - saldo
- 10.- BALANCE SHEET - balance general
- 11.- BUSINESS - negocio
- 12.- BEGINNING - principio, origen
- 13.- BORROWING - pedir prestado
- ✓14.- BEYOND - más adelante, más allá

- C -

- 15.- CONTAINS - contiene
- ✓16.- CAPTIONS - títulos

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- 17.- CURRENT - circulante  
 18.- CURRENT ASSETS - activos circulantes  
 19.- CONTRIBUTE - contribuir  
 20.- CURRENT LIABILITIES - pasivos circulantes  
 21.- CASH RECEIPT - ingreso en caja  
 22.- CUMBERSOME - embarazoso, pesado

- D -

- 23.- DEFINED - definió, definido  
 24.- DELIVERY - entrega  
 25.- DUE - exacto, debido, oportuno, vencido  
 26.- DETAILS - detalles

- E -

- 27.- EQUAL - igual  
 28.- ENTER - entrar, introducir  
 29.- EARLIER - al principio

- F -

- 30.- FOR INSTANCE - por ejemplo  
 31.- FIXED ASSETS - activos fijos

- G -

- 32.- GOODS - mercancías, artículos

- 33.- GAINED - ganado  
 34.- GOOD WILL - crédito mercantil

- H -

- 35.- HEADING - encabezado  
 36.- HUNDREDS - cientos  
 37.- HIGHER - más alto

- I -

- 38.- IN PREPARING - al preparar  
 39.- INCURRED - causó, incurrió  
 40.- IN ADDITION - además  
 41.- INSTEAD - en lugar, en vez de  
 42.- INDEX - relación, índice

- J -

- 43.- JOURNAL - diario, libro auxiliar

- K -

- 44.- KNOWN - conocido

- L -

- 45.- LET US REVIEW - repasemos  
 46.- LUMP - amontonar, agregar  
 47.- LOWER - más bajo  
 48.- LESS - menos, inferior  
 49.- LONG LIVED ASSETS - activos a largo plazo  
 50.- LONG-TERM LIABILITIES - pasivos fijos

- M -

- 51.- MORTGAGES PAYABLE - hipotecas por pagar  
 52.- MUST - deber  
 53.- MEANINGS - significados  
 54.- MATCHED - igualado

- N -

- 55.- NET INCOME - utilidad neta

- O -

- 56.- OVER - sobre  
 57.- OTHER ASSETS - otros activos  
 58.- ORIGINAL - primera, original  
 59.- OPERATING - operación

- 60.- ON HAND - existencia  
 61.- OUGHT - deber

- P -

- 62.- PROFIT AND LOSS STATEMENT - estado de pérdidas y ganancias  
 63.- PROFIT - ganancia  
 64.- PRODUCE - producir  
 65.- PREPAID RENT - renta pagada por adelantado  
 66.- PREVIOUS - previo, de antemano  
 67.- PREPAID EXPENSES - gastos pagados por adelantado

- Q -

- 68.- QUALIFIES - califica

- R -

- 69.- REVENUE - entrada  
 70.- RENDERED - prestado, suministrado  
 71.- REVENUE - ingreso  
 72.- RELATE - estar en relación  
 73.- RECEIVABLES - cuentas y documentos por cobrar  
 74.- RELATIONSHIP - relación  
 75.- RATIO - cantidad, número, relación

- S -

76.- SET UP - establecer

77.- SET - juego, serie

- T -

78.- TYPE - tipo

79.- THUS - así, de este modo

80.- THOUSANDS - millares

- U -

81.- UNDER - bajo, debajo

## BALANCE SHEET

Use of the balance sheet

By studying the balance sheet, the proprietor can obtain information that is useful to him in the management of his business. He can observe whether he has sufficient cash on hand or will collect enough from the accounts receivable to enable him to pay his liabilities when they are due.

The balance sheet may then be defined as a statement showing the assets, liabilities, and capital of a business at a specific date. This statement is also called a statement of financial position or statement of financial condition.

## Example "C"

JOHN KELLY

Balance Sheet

January 31, 197\_\_.

## ASSETS

Cash	\$ 4,700
Supplies	100
Equipment	<u>2,500</u>
Total Assets	\$ 7,300

## LIABILITIES AND CAPITAL

## Liabilities

Accounts Payable	\$ 1,500
------------------	----------

## Capital

Balance January 1, 197	\$ 5,000
------------------------	----------

Net Income of January	\$ 1,100
-----------------------	----------

Less Withdrawals	300
------------------	-----

Increase in Capital	800
---------------------	-----

Total Capital	\$ 5,800
---------------	----------

Total liabilities and Capital	\$ 7,300
-------------------------------	----------

The close relationship of the income statement and the balance sheet is apparent. The net income of \$ 1,100 for January, shown as the final figure on the income statement of Example "B", is also shown as a separate figure on the balance sheet of Example "C". The income statement is thus the connecting link between two balance sheets. As discussed earlier, the income and expense items are actually a further analysis of the capital account.

The balance sheet of Example "C" is arranged in report form, with the liabilities and capital section shown below the asset section. It may be also arranged in account form, with the liabilities and capital sections to the right of, rather than below the asset section.

## VOCABULARY III

- A -

- 1.- ACCOUNT FORM - forma de cuenta
- 2.- APPARENT - claro, patente, manifiesto

- C -

- 3.- CLASSIFY - clasificar
- 4.- CONNECTING - conectar, enlazar
- 5.- COSTLY - costoso, caro

- D -

- 6.- DECREASES - disminuciones

- G -

- 7.- GREAT MANY - gran número

- L -

- 8.- LINK - cadena, enlace
- 9.- LOST - perdió, perdido

- 0 -

10.- OBTAINED - obtenido

- P -

11.- REPORT FORM - forma de reporte

- T -

12.- TIME CONSUMING - tiempo gastado

- W -

13.- WAY - modo, forma, camino

14.- WITHDRAWAL - retiro

## THE BALANCE SHEET

The balance sheet becomes a more useful statement for comparison and financial analysis where the assets and liability groups are classified. For example, an important index of the financial state of business, derivable from the classified balance sheet, is the ratio of current assets to current liabilities. This current ratio ought generally to be at least 2 to 1; that is, current assets should be twice current liabilities. For our purpose we will designate the following classifications.

Current assets. Assets reasonably expected to be converted into cash or used in the current operation of the business. The current period is generally taken as one year. Examples are cash, inventory, notes receivable, accounts receivable, and prepaid expenses (prepaid insurance, prepaid rent, etc.)

Property plant, and equipment. Long-lived assets used in the production of goods or services. These assets, sometimes called fixed assets or plant assets, are used into the operation of the business rather than being held for sale, as are inventory items.

Other assets. Various assets other than current

assets, fixed assets, or assets to which specific captions are given.

Current liabilities

Debts which must be satisfied from current assets - within the next operating period, usually one year. Examples are accounts payable, notes payable.

Long-term liabilities. Liabilities which are payable beyond the next year. Examples are bonds payable and mortgages payable.

- A -

1. AT LEAST - por lo menos

- B -

2. BEYOND - más allá, más adelante

- C -

3. COMPARISON - comparación, confrontación

4. CAPTIONS - títulos, membretes

- D -

5. DESIGNATE - apuntar, señalar

6. DERIVABLE - derivable, deducible

- F -

7. FINANCIAL STATE - estado financiero



- I -

8.- INDEX - indicio, señal, índice

- O -

9.- OUGHT - deber

- P -

10.- PURPOSE - propósito o fin

11.- PLANT ASSETS - activos de fábrica

12.- PROPERTY PLANT - propiedades del negocio

- S -

13.- SOMETIMES - algunas veces

- T -

14.- TAKEN - tomado

15.- TWICE - dos veces, al doble, duplicadamente

- U -

16.- USEFUL - útil

- W -

17.- WITHIN - dentro, adentro, dentro de

## CHAPTER III

## CLASSIFYING TRANSACTIONS

After each transaction would be cumbersome and costly to prepare a new equation. An efficient way is to classify the transactions according to items on the balance sheet and income statement. The increases and decreases are then recorded according to type of item by means of a summary called an account.

The "t" Account

This account is known as the "t" account because it resembles the letter "t". This account has three parts (1) the name of the account and the account number (2) The debit side (left side), and (3) the credit side (right side). The abbreviations for debit and credit are Dr. and Cr., respectively.

The Double - Entry System

When an amount is entered on the left side of an account, it is a debit and the account is said to be debited. When an amount is entered on the right side, it is a credit and the account is said to be credited.

- I -

8.- INDEX - indicio, señal, índice

- O -

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Increases and Decreases

Asset and expense increases are recorded as debits, liability, capital and income increases are recorded as credits. Asset and expense decreases are recorded as credits, liability, capital, and income decreases are recorded as debits.

Example A:

Transaction 1. - Mr. Kelly opened his practice investing \$ 5,000 in cash. <sup>inviendo</sup> <sup>cash</sup> The two accounts affected are cash and Capital. <sup>Recuerde</sup> Remember that an increase in an asset (cash) is debited, and an increase in Capital is credited.

CASH		CAPITAL	
DR.	CR.	DR.	CR.
+	-	+	-
\$ 5,000			\$ 5,000

Transaction 2. - Bought supplies for cash \$ 300. Here we are substituting one asset (cash) for another asset (supplies). We debit supplies because we are

receiving more supplies. We credit cash, because we are paying out cash.

CASH		SUPPLIES ON HAND	
DR.	CR.	DR.	CR.
+	-	+	-
\$ 5,000	\$ 300	\$ 300	

Transaction 3. - Bought equipment from Cindy Furniture Company on account \$ 2,500. We are receiving an asset (equipment) and therefore debit equipment to show the increase. We are not paying cash, but creating a new liability, thereby increasing the liability account (accounts payable)

EQUIPMENT		ACCOUNTS PAYABLE	
DR.	CR.	DR.	CR.
+	-	-	+
\$ 2,500			\$ 2,500

Transaction 4. - Received \$ 2,000 in fees earned <sup>ganado</sup> <sub>recibid</sub> <sup>honorarios</sup>

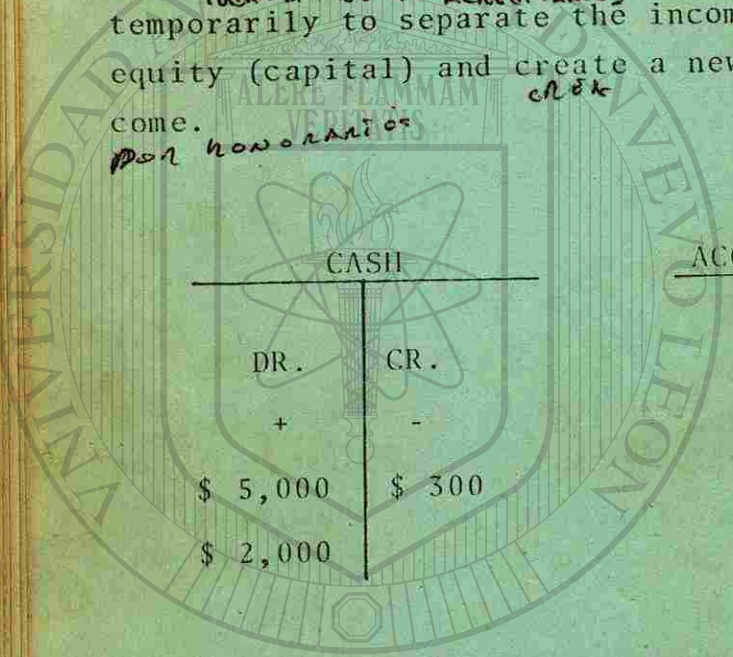
ring the month. In this case we are increasing the asset account cash, as we have received \$ 2,000 - - therefore, we debit it. We are increasing the capital, yet we do not credit capital. It is better temporarily to separate the income from the owner's equity (capital) and create a new account, Fees Income.

*por honorarios*

CASH		ACCOUNTS PAYABLE	
DR.	CR.	DR.	CR.
+	-	-	+
\$ 5,000	\$ 300		\$ 2,000
\$ 2,000			

Transaction 5. - Paid office rent for January \$ 500 we must decrease the asset account cash, because we are paying out money. Therefore we credit it. It is preferable to keep expenses separated from the owner's equity.

Therefore, we open a new account for the expenses involved. Rent Expenses. The \$ 500 is entered on the left side, as expenses decrease owner's equity.



Si

*to - hasta - a favor - con* 41

CASH		RENT EXPENSES	
DR.	CR.	DR.	CR.
+	-		
\$ 5,000	\$ 300	\$ 500	
\$ 2,000	\$ 500		

*orden* *acomodo* *Todo*  
 Order of arrangement of accounts in the ledger. All accounts of one kind are grouped together in the ledger. It is customary to have separate groups for assets, liabilities, proprietorship, income, and expenses. Each of these groups is called a division of the ledger. It is also a valuable source of information for managerial purposes, giving, for example the amount of sales for the period of the cash balance at the end of the period. Depending on what method of data processing is used.

*proco*  
 The chart of accounts. A list of accounts that shows the arrangement of the accounts in the ledger is called a Chart of Accounts. This method sometimes called the code of accounts, is a listing of the accounts by title and numerical designation. In some companies the chart of accounts may run to hundred of items.

*orden*  
*ordenamiento*

*clase*  
*es costumbre*

*grupos*  
*grupos*

*división del libro mayor*  
*es también una fuente valiosa de una información propósitos Admin*  
*ejemplo la cantidad de venta por*  
*Al final del periodo*

*proco*  
*lista de cuentas*

*codigo*  
 code of accounts

*cientos*  
 hundred of items

*cada cuenta tiene 2*  
Numbering accounts in the ledger. Note that each account number has two digits. The first digit indicates the division of the ledger; the second digit indicates the number of the account within that division. For example, the office machines account is numbered 14. The first digit, 1, indicates that the office machines account is an asset account. The second digit, 4, indicates that the office machines account is in the fourth account in the asset division.

The number of each asset account starts with the figure 1; the number of each liability account, with the figure 2; the number of each capital account with the figure 3; the number of each income account with the figure 4; and the number of each expense account, with the figure 5. Within each division the accounts are numbered consecutively.

*pen*  
The Trial Balance. The owner of the business, is interested in learning at regular intervals whether his transactions have resulted in a profit or a loss. All the needed information is in the ledger. Since the ledger is summarized in the trial balance, it is possible to calculate the amount of the profit or the amount of the loss directly from the trial balance.

*no*  
 ce. The modern method of analyzing the trial balance is to use a <sup>de un solo papel</sup> single sheet of paper with six or more amount columns and to distribute the balances among these amount columns. The number of columns used depends on the kind and the size of the enterprises. *depende del tipo de empresa*

*escrito*  
 The trial balance is written in the columns at the left of the work sheet. *balanza de comprobación se anota*  
 129. *hoja de trabajo*

*Los papeles*  
 The work sheet. The work sheet is a bookkeeper's working paper and is not a part of the permanent bookkeeping record. It may therefore be prepared with a pencil. *registro para ser borrado*  
 The chief purpose of the work sheet is to provide a sorting process that makes it possible to calculate the profit or loss with the minimum amount of work. The work sheet also provides a convenient method of summarizing the bookkeeping records and providing the accuracy of all calculations. *es proporcional proceso de selección que hace cantidad perdida*  
*de resumen de precisión*  
*proporcionar exactitud cálculos*

SUMMARY

- 1.- Increases in all liability accounts are abono.
- 2.- Increases in all capital accounts are abono.

3.- Increase in all income accounts are Abonos

4.- Increases in all expense accounts are cargos

5.- The schedule showing the balance of each account at the end of the period is known as the balance sheet

6.- The accounts comprise a record called a Libro

7.- The left side of the account is known as the debetado, while the right side is the haber

8.- Increases in all assets accounts are cargos

ANSWERS:

1.- credited

2.- credited

3.- credited

4.- debited

5.- trial balance

6.- ledger

7.- debit side, credit side

8.- debited

VOCABULARY V

- A -

- 1.- ARRANGEMENT - arreglo  
 2.- ACCURACY - cuidado, exactitud

- B -

- 3.- BETTER - mejor  
 4.- CONSECUTIVELY - consecutivamente  
 5.- CALCULATIONS - cálculo  
 6.- CUSTOMARY - costumbre  
 7.- CODE OF ACCOUNTS - catálogo de cuentas ✓  
 8.- CHART OF ACCOUNTS - catálogo de cuentas  
 9.- CHIEF PURPOSE - objetivo primordial

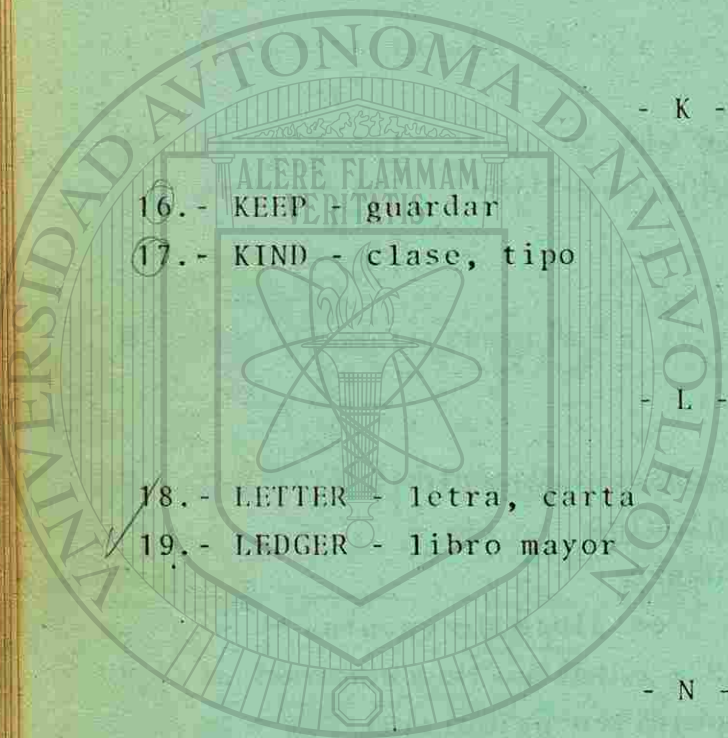
- D -

- 10.- DEPENDING - dependiendo  
 11.- DESIGNATION - señalamiento, designación  
 12.- DIGIT - dígito, cifra

- E -

- 13.- EQUITY - capital, propiedad neta, equidad ✓

- 14.- ENTERED - asentado  
 15.- ENTERPRISES - empresas



- K -

- 16.- KEEP - guardar  
 17.- KIND - clase, tipo

- L -

- 18.- LETTER - letra, carta  
 19.- LEDGER - libro mayor

- N -

- 20.- NUMBER - número

- O -

- 21.- OFFICE MACHINES - máquinas de oficina

- R -

- 22.- RESEMBLES - se parece

- 23.- RECORDED - registrado  
 24.- REMEMBER - recordar  
 25.- RECEIVING - recibiendo  
 26.- RUN - introducir X

- S -

- 27.- SINCE - ya que, desde X  
 28.- SCHEDULE - programa  
 29.- SOURCE - creador, origen  
 30.- SIZE - tamaño, medida  
 31.- SORTING PROCESS - proceso de separar  
 32.- STARTS - empieza

- T -

- 33.- TRIAL BALANCE - balanza de comprobación ✓

- 34.- TEMPORARILY - temporal, temporalmente

- V -

- 35.- VALUABLE - valioso

- W -

- 36.- WORK SHEET - hoja de trabajo

CHAPTER IV

RECORDING TRANSACTIONS  
TRANSACTIONS

In the preceding pages we showed the effects of transactions by making entries in "T" accounts. However these entries do not provide the necessary data for a particular transaction nor do they provide a chronological record of transactions. The missing information is furnished by the journal.

The journal.

The journal, is the book of original entry for accounting data. Subsequently the data is posted to the ledger the book of secondary entry. The various transactions are evidenced by purchase invoices, sales tickets etc. These transactions are entered in chronological order in the journal. The process is called journalizing.

In a business may be used a number of different journals, the sales journal, the cash receipts journal, or the cash payment may be grouped into (A) general journals or (b) specialized journals to illustrate journalizing, we use the general journal below

97  
83  
0  
18063  
0060

GENERAL JOURNAL

(a) DATE	(b) DESCRIPTION	(c) POST. REF.	(d) DEBIT	(e) CREDIT
1976 OCT-5	CASH Robert Brown, Capital (f) Invested cash in the business.	1 50	10,000	10,000



Journalizing

- (a) DATE. The year, month, and day of the first entry in the date column. Do not repeat the year and month until a new month occurs or a new page is needed.
- (b) DESCRIPTION. The account title to be debited is entered on the first line, next to the date column. The name of the account to be credited is entered on the line below and indented.
- (c) P.R. (POSTING REFERENCE). Nothing is entered in this column until the particular entry is posted, that is, until the amounts are transferred to the related ledger accounts. The posting process will be described in other section.
- (d) THE DEBIT amount for each account is entered in this column. Generally there is only one item, but there could be two or more separate items. *debita son*
- (e) CREDIT. The credit amount for each account is entered in this column. Here again, there is generally only one account, but there could be two or more accounts involved with different amounts. *creditados*

- (f) EXPLANATION. A brief description of the transaction is usually made on the line below the credit. Generally a blank line is left between the explanation and the next entry.

## EXAMPLE 1

To help to understanding the operation of the general journal, let us journalize the transaction previously described for Mr. Kelly's business.

TRANSACTION (1) Invested in bussiness			
197			
Jan-4	Cash	5,000	
	J. Kelly Capital		5,000
	Investment in law practice		
TRANSACTION (2) Bought supplies			
Jan-4	Supplies on hand	300	
	Cash		300
	Bought supplies for cash		

## VOCABULARY VI

- B -

1.- BRIEF - breve

ALERE FLAMMAM  
VERITATIS

- C -

2.- CHRONOLOGICAL - cronológico

- E -

3.- EFFECTS - efectos

4.- ENTRIES - asientos, anotaciones

5.- EVIDENCED - demostrado, evidenciado

- F -

6.- FURNISHED - proporcionado

- G -

7.- GROUPED - agrupado

H

8.- HOWEVER - sin embargo

- I -

9.- INDENTED - sangrado (iniciado con sangría)

10.- INVOLVED - mezclado, implicado

- J -

11.- JOURNALIZING - contabilización  
(registrar una transacción en el  
diario)

- M -

12.- MISSING - que falta, extraviado

- N -

13.- NOR - ni



- 14.- POSTED - pasada, asentada  
 15.- PURCHASE INVOICES - facturas de compra  
 16.- PREVIOUSLY - previamente  
 17.- PAGES - páginas  
 18.- PRECEDING - anterior, que procede

- 19.- SALES - ventas  
 20.- SECONDARY - secundaria

- 21.- TRANSFERRED - transferido, cambiado

## REPETITIVE TRANSACTIONS

## INTRODUCTION:

In earlier sections, the accounting principles discussed were illustrated in terms of small businesses having relatively few transactions. Each transaction was recorded by means of an entry in the general journal, then posted to the related account in the general ledger.

Such a simple system becomes altogether too slow and cumbersome when transactions of various categories occur by the hundreds or thousand monthly. In that case, it is more practical to group the repetitive transactions according to type (sales, purchases, cash, etc.) and to provide a separate special journal for each type. Entries not of a repetitive nature, such as corrections, adjusting entries, and closing entries, will still be entered, ~~will still be entered~~ in the general journal.

## ADVANTAGES OF SPECIAL JOURNALS:

The advantages of using special journals where there are numerous repetitive transactions may be summari

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## ADVANTAGES OF SPECIAL JOURNALS:

The advantages of using special journals where there are numerous repetitive transactions may be summari

zed as follows:

- 1) Reduces detailed recording. In the special journal, each transaction is entered on a single line which is designed to provide all necessary information. For example, a sales transaction is recorded on a single line indicating a debit to the customer's account and giving the customer's name, the date, the amount, and any other desired data (such as the invoice number). Under the special-journal concept, individual posting is eliminated. Only one posting for the total amount is made to the appropriate ledger account at the end of the month. Thus, if a firm had 1,000 sales on account during the month, the sales account would be credited once, not 1,000 times.
- 2) Permits better division of labor. Each special journal can be handled by a different person, who become more familiar with the special work and therefore more efficient. Just as important: journalizing can now be done by a number of people working simultaneously, rather than consecutively.
- 3) Permits better internal control. Having separate journals allows the work to be arranged in

such a way that no one person has conflicting responsibilities; for example, the receipt and the recording of cash. Thus, no employee can steal received cash and then make a journal entry to conceal the theft.

#### SPECIAL LEDGERS (SUBSIDIARY LEDGERS):

Further simplification of the general ledger is brought about by the use of subsidiary ledgers. In particular, for those businesses which sell goods on credit and find it necessary to maintain a separate account with each customer and with each creditor, a special accounts receivable ledger and an accounts payable ledger eliminate multiple entries in the general ledger.

The advantages of special or subsidiary ledgers are similar to those of special journals. These are:

- 1) Reduces ledger detail. Most of the information will be in the subsidiary ledger, and the general ledger will be reserved chiefly for summary or total figures. Therefore, it will be easier to prepare the financial statements.
- 2) Permits better division of labor. Here again,

each special or subsidiary ledger may be handled by a different person. Therefore, one person may work on the general ledger accounts while another person may simultaneously work on the subsidiary ledger.

3) Permits a different sequence of accounts. In the general ledger, it is desirable to have the accounts in the same sequence as in the balance sheet and income statement. As a further aid, it is desirable to use numbers to locate and reference the accounts. However, in connection with accounts receivable or accounts payable, which involve names of customers or companies, it is preferable to have the accounts in alphabetical sequence.

4) Permits better internal control. Better control is maintained if a person other than the person responsible for the general ledger is responsible for the subsidiary ledger. For example, the accounts receivable or customer's ledger trial balance should agree with the balance of the accounts receivable account in the general ledger. The general ledger account acts as a controlling account, and the subsidiary ledger must agree with the control.)

↳ No unauthorized entry could be made in the subsi-

diary ledger, as it would immediately put that record out of balance with the control account.

The idea of control accounts introduced above is an important one in account. Any group of similar accounts may be removed from the general ledger and a controlling account substituted for it. Not only is another level of error-protection there by provided, but the time needed to prepare the general ledger trial balance and the financial statements becomes further reduced.

## VOCABULARY VII

## - A -

- 1.- ALTOGETHER - enteramente del todo
- 2.- ADJUSTING ENTRIES - asientos de ajuste
- 3.- ADVANTAGES - ventajas
- 4.- AS FOLLOWS - como sigue

## - C -

- 5.- CLOSIGN ENTRIES - asientos de cierre
- 6.- CUSTOMER - cliente
- 7.- CONCEAL - ocultar
- 8.- CHIEFLY - primordialmente, principalmente

## - D -

- 9.- DETAILED - detallado
- 10.- DESIRED - deseado
- 11.- DURING - durante

## - E -

- 12.- EASIER - más fácil

13.- EARLIER - al principio

14.- ELIMINATE - elimina

## - F -

15.- FEW - pocos

## - H -

16.- HANDLED - manejado

## - I -

17.- INVOICES NUMBER - número de factura

18.- INTERNAL CONTROL - control interno

## - L -

19.- LOCATE - ubicar

## - M -

20.- MONTHLY - mensual

- O -

21.- ONCE - una vez

- P -

22.- PREFERABLE - preferible

23.- PRACTICAL - práctico

- S -

24.- SINGLE LINE - línea sencilla

25.- STILL - fijo, inmovil, de aquí

26.- SLOW - lento

27.- SUCH - igual, tal, semejante

28.- SUBSIDIARY LEDGER - libro mayor auxiliar

- T -

29.- TYPE - tipo

30.- TOO - demasiado

31.- TERMS - términos

32.- THEFT - hurto

33.- TIMES - veces

- U -

34.- USING - usar

- W -

35.- WHILE - mientras

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CHAPTER VI

SUMMARIZING AND REPORTING VIA THE WORKSHEET

INTRODUCTION:

The recording of transactions and the adjusting and closing procedures have been discussed in previous chapters. It is reasonable to expect that among the hundreds of computations and clerical tasks involved some errors will occur, such as posting a debit as a credit. Today many financial records are maintained on the computer or on mechanical bookkeeping systems. The use of machine time to correct errors can be very costly and can bring painful questions from high financial executives.

WORKSHEET PROCEDURES FOR A SERVICE BUSINESS:

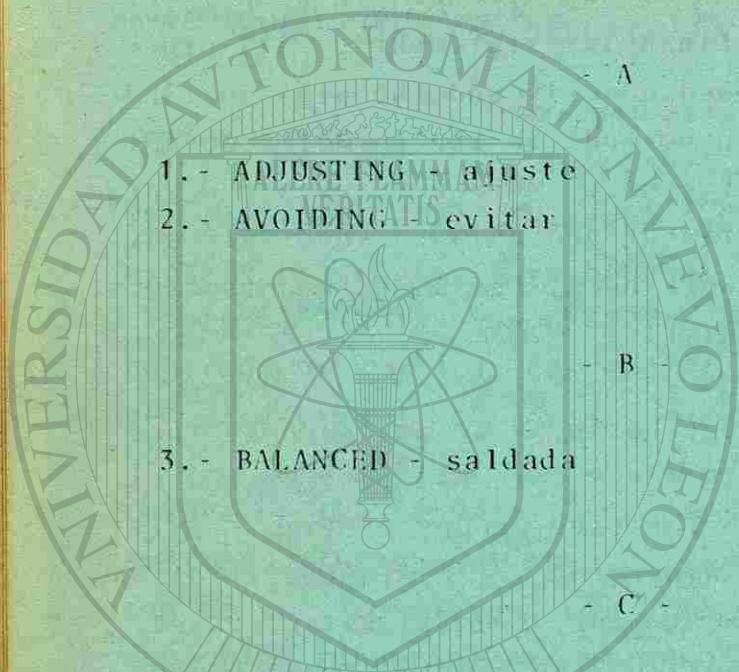
We are already familiar with the types of accounts found in a service business-- i.e. a business in which revenue comes from services rendered-- so we shall first discuss the worksheet for such a business.

The worksheet is usually prepared in pencil on a large sheet of accounting stationery called analytical paper.

On the worksheet the ledger accounts are adjusted, balanced, and arranged in proper form for preparing the financial statements. All procedures can be reviewed quickly and the adjusting and closing entries can be made in the formal records with less chance of error. Moreover, with the data for the income statement and balance sheet already proved out on the worksheet, these statements can be prepared more quickly.

For a typical service business we may suppose the worksheet to have 10 money columns; namely, a debit and a credit column for five groups of figures: (1) Trial Balance, (2) Adjustments, (3) Adjusted Trial Balance, (4) Income Statement, and (5) Balance Sheet. (Later on, with practice, the adjusted trial balance columns may be eliminated). The steps in completing the worksheet are then:

1. Enter the trial balance figures from the ledger.
2. Enter the adjustments.
3. Compute the adjusted trial balances.
4. Extend the adjusted trial balance figures to either the income statement or balance sheet columns.
5. Total the income statement columns and the balance sheet columns.
6. Enter the net income or net loss.



- A
- 1.- ADJUSTING - ajuste  
2.- AVOIDING - evitar

- B
- 3.- BALANCED - saldada

- C
- 4.- CLOSING - cierre  
5.- CHANCE - oportunidad  
6.- COMPUTER - máquina calculadora, computador

- E
- 7.- EITHER - cualquiera, cada uno  
8.- EXECUTIVES - ejecutivos  
9.- EXTEND - amplie, comunique, prolongue

- F
- 10.- FAMILIAR - familiarizado

- I
- 11.- LARGE SHEET - hoja grande  
12.- LESS - menos

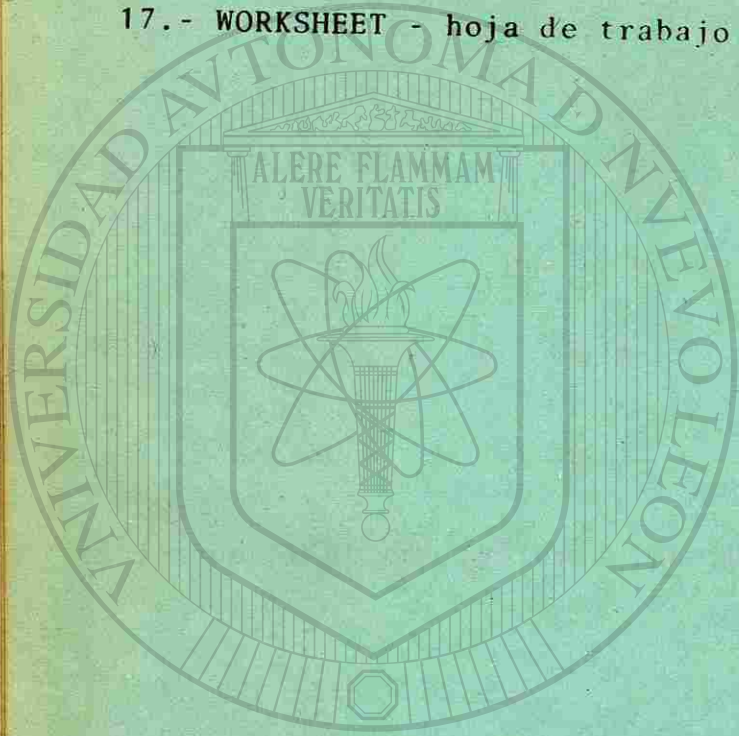
- M
- 13.- MOREOVER - además, también, más de lo que se ha dicho

- N
- 14.- NAMELY - llamada

- P
- 15.- PROVED OUT - justificado, mostrado, probado

- Q
- 16.- QUICKLY - rápidamente

## 17.- WORKSHEET - hoja de trabajo

CHART OF ACCOUNTS

## CURRENT ASSETS

Cash on hand and at banks  
 Petty Cash  
 Banks  
 Collections in transit  
 Marketable securities  
 Customers Notes receivable  
 Notes issued pending acceptance  
 Notes on hand, accepted  
 Notes sent for collection  
 Notes returned  
 Notes Discounted  
 Liabilities for notes under discount

## CATALOGO DE CUENTAS

## ACTIVO CIRCULANTE

Caja y Bancos  
 Caja Auxiliar o caja chica  
 Bancos  
 Cobros en tránsito  
 Valores negociables  
 Documentos por cobrar de clientes  
 Documentos estimados por aceptar  
 Documentos aceptados en cartera  
 Documentos al cobro  
 Documentos devueltos  
 Documentos descontados  
 Responsabilidad por documentos descontados

Customer's Accounts Receivable	Cientes - cuentas por cobrar
Cash sales	Ventas al contado
Instalment accounts	Ventas en abonos
Open accounts	Cientes - cuentas corrientes
Doubtful accounts	Cientes - cuentas dudosas
Provision for doubtful accounts	Reserva para cuentas dudosas
Sundry Debtors	Deudores diversos
Sundry Notes receivable	Documentos por cobrar de diversos
Sundry Notes discounted	Documentos diversos descontados
Liability for Sundry Notes discounted	Responsabilidad por documentos diversos descontados
Stockholders, for capital subscribed	Accionistas, por capital suscrito
Associated Companies	Empresas Asociadas
Branches and agencies	Sucursales y Agencias
Advances to Suppliers	Anticipos a Proveedores
Employees	Empleados
Other Debtors	Otros Deudores
Provision for doubtful accounts	Reserva para deudores dudosos

## FIXED ASSETS

Investments	ACTIVO FIJO
Investments in associated companies	Inversiones
Special investment funds	Inversiones en empresas asociadas
Other investments	Inversiones de fondos especiales
Projects in process	Otras inversiones
Land	Proyectos en proceso
Buildings	Terrenos
Installations, machinery equipment	Edificios
Transportation equipment	Instalaciones maquinaria y equipo
Accumulated Depreciation	Equipo de Transporte
Memorandum accounts - Debit	Gr. Depreciación acumulada
Securities deposited	Cuentas de Orden - Deudoras
Garantees received	Valores depositados
Merchandise delivered on consign't	Garantías recibidas
	Mercancía entregada en consignación

## DEFERRED ASSETS

Long-term deposits (over a year)  
 Long-term Notes receivable  
 Long-term Accounts receivable  
 Guarantee Deposits  
 Outstanding Claims receivable  
 Clearing charge accounts  
 Prepaid expenses  
 Advances for employees espensos  
 Prepaid Taxes  
 Fiscal stamps on hand  
 Prepaid insurance  
 Prepaid rents  
 Prepaid interest  
 Other prepaid expenses  
 Other prepaid expenses  
 General supplies  
 Opening inventory

## ACTIVO DIFERIDO

Depósitos a largo plazo (más de 1 año)  
 Documentos por cobrar a largo plazo  
 Cuentas por cobrar a largo plazo  
 Depósitos en garantía  
 Reclamaciones pendientes de cobro  
 Cargos por clasificar  
 Gastos anticipados  
 Anticipos a empleados para gastos  
 Impuestos anticipados  
 Timbres fiscales en cartera  
 Seguros anticipados  
 Rentas anticipadas  
 Intereses anticipados  
 Otros gastos anticipados  
 Otros gastos anticipados  
 Almacén de Materiales  
 Inventario inicial del ejercicio

Purchases of General Supplies  
 Consumption  
 Inventory adjustments

Compras de Materiales  
 Consumo de Materiales  
 Diferencias por inventario

## Amortizable Charges

Organization expense  
 Stock issuance Expense  
 Bond Issuance expense  
 Installations in leases property  
 Goodwill purchased  
 Concessions  
 Patents, trade-marks, etc.  
 Other amortizable expenses

Gastos Amortizables  
 Gastos de Organización  
 Gastos de emisión de capital  
 Gastos de emisión de obligaciones  
 Instalaciones en inmuebles arrendados  
 Compra de Razón Social  
 Concesiones  
 Patentes, marcas, etc.  
 Otros gastos amortizables

## Accumulated Amortization

Amortización acumulada

## INVENTORIES

Finished Products

## INVENTARIOS

Productos terminados

Work in process  
 Raw materials  
 Sundry supplies  
 Merchandise in transit

Producción en Proceso  
 Materias primas  
 Materiales diversos  
 Mercancías en tránsito

## CURRENT LIABILITIES

## PASIVO CIRCULANTE

Bank credits  
 Deposits received  
 Notes payable (under a year)  
 Suppliers  
 Sundry Creditors  
 Advances received from customer's  
 Associated companies  
 Employees  
 Other creditors  
 Suspense credits

Créditos bancarios  
 Depósitos recibidos  
 Documentos por pagar (menos de 1 año)  
 Proveedores  
 Acreedores Diversos  
 Anticipados recibidos de clientes  
 Empresas asociadas  
 Empleados  
 Otros acreedores  
 Créditos en suspenso

## DEFERRED LIABILITIES (over 1 year)

## PASIVO DIFERIDO (más de 1 año)

Deposits received - long-term  
 Notes payable - long-term  
 Accounts payable - long-term  
 Loans received - long-term  
 Mortgages

Depósitos recibidos a largo plazo  
 Documentos por pagar a largo plazo  
 Cuentas por pagar a largo plazo  
 Préstamos recibidos a largo plazo  
 Hipotecas

## CAPITAL AND SURPLUS

## CAPITAL Y UTILIDADES

Capital Stock  
 Legal Reserve  
 Investment Reserve (legal)  
 Investment Reserve - additional  
 Revaluation Reserve  
 Capital Surplus  
 Earnings retained from previous years  
 Earnings, this year  
 Dividends declared on account

Capital Social  
 Reserva legal  
 Reserva de Reinversión (legal)  
 Reserva adicional de Reinversión  
 Reserva por revaluación  
 Excedente o superávit de capital  
 Remanente de ejercicios anteriores  
 Utilidad del ejercicio  
 Dividendos declarados a cuenta

Memorandum Accounts - Credit  
 Contingent Liabilities  
 Goods received on consignment

Cuentas de Orden Acreedores  
 Pasivo Contingente  
 Mercancía recibida en consignación

TAXES (excl. Income Tax)

IMPUESTOS (excl. i:s/renta)

Mercantile Revenue Tax  
 (on sales)  
 Export duties  
 Production Taxes  
 Property Tax  
 Local Taxes  
 Other Taxes

Impuesto sobre ingresos mercantiles  
 Derechos de Exportación  
 Impuestos sobre la Producción  
 Impuesto Predial  
 Impuestos legales  
 Otros impuestos

UTILES

SERVICIOS PUBLICOS

Water  
 Electricity  
 Gas

Agua  
 Electricidad  
 Gas

Postage, Telephone & Telegraph

Correo, teléfono y telégrafo

TRAFFIC

TRAFICO

Freight  
 Export expenses  
 Auto expenses  
 Local fares  
 Unallocated buying expenses

Fletes  
 Gastos de exportación  
 Gastos de automóviles  
 Pasajes locales  
 Gastos de compra no clasificados

INSURANCE

SEGUROS

Fire insurance  
 Vehicle insurance  
 Transportation insurance  
 Other insurance

Seguros contra incendio  
 Seguro de vehículos  
 Seguro de Transporte  
 Otros seguros

SUNDRY

DIVERSOS

Office supplies

Material de oficina

Office services  
Books and magazines  
Bank charges  
Extraordinary expenses  
Sundry expenses

## OTHER CHARGES

Amortization  
Depreciation of buildings  
Depreciation - other  
Provision for bad debts  
Lease of premises  
Maintenance of buildings  
Maintenance - other  
Interest paid  
Royalties paid  
Expenses incurred abroad  
Personnel Insurances

Servicios de oficina

Libros y revistas  
Gastos bancarios  
Gastos extraordinarios  
Gastos diversos

## OTROS CARGOS

Amortización  
Depreciación de inmuebles  
Depreciación de bienes muebles  
Provisión para cuentas incobrables  
Arrendamiento de inmuebles  
Conservación de inmuebles  
Conservación de bienes muebles  
Intereses pagados  
Regalías pagadas  
Gastos hechos en el extranjero  
Seguro de Personal

Medical services

Dinning room

Housing

Soports

Education

Servicios médicos

Comedor

Habitaciones

Deportes

Educación

## PROFESIONAL SERVICES

Lawyer Fees

Audit fees

Technical Services

Other consultants fees

Legal expenses

Patents and trade-marks

Other official registration

Advertising

## SERVICIOS PROFESIONALES

Honorarios de abogados

Auditoría

Servicio Técnico

Otros honorarios

Gastos legales

Patentes y marcas

Otros registros oficiales

Publicidad

## GENERAL EXPENSES

## GASTOS GENERALES



Selling expenses	Gastos de venta
Advertising expense	Gastos de publicidad
Research expense	Gastos de investigación
Administration expenses	Gastos de administración
Sundry charges	Cargos diversos
Loss on sale of Fixed Assets	Pérdida en ventas de activo fijo
Loss in foreign exchange	Pérdida en cambio extranjero
Other charges	Otros cargos
Provision for Income Tax	Provisión para impuesto sobre la renta

## COST CONTROL

Raw materials applied	Materia prima aplicada
•General supplies	Materiales diversos
Maintenance supplies	Materiales de mantenimiento
Inventory adjustments	Ajustes de inventarios
Direct labor	Mano de obra directa
Indirect expenses	Gastos indirectos
Total cost	Costo total

## COSTOS

Materia prima aplicada
Materiales diversos
Materiales de mantenimiento
Ajustes de inventarios
Mano de obra directa
Gastos indirectos
Costo total

Change in Process Inventory  
Output cost

## EXPENSE ANALYSIS

## SALARIES AND WAGES

Salaries	Sueldos
•Salary overtime	Tiempo extra de empleados
•Indirect wages	Salarios indirectos
Indirect overtime	Tiempo extra indirecto
Direct wages	Salario directo
Direct overtime	Tiempo extra directo
Commissions to employees	Comisiones a empleados
Indemnities	Indemnizaciones
•EMOLUMENTS	EMOLUMENTOS
•Travelling allowances	Viáticos
Travelling expenses	Gastos de viaje
• Auto allowances	Asignación gastos automóvil
Entertaining	Representación

Cambios de Inventario en Proceso  
Costo de lo producido

## ANALISIS DE GASTOS

## SUELDOS Y SALARIOS

Sueldos
Tiempo extra de empleados
Salarios indirectos
Tiempo extra indirecto
Salario directo
Tiempo extra directo
Comisiones a empleados
Indemnizaciones
EMOLUMENTOS
Viáticos
Gastos de viaje
Asignación gastos automóvil
Representación

## GROSS EARNINGS

## INCOME

Sales - Class A  
 Cash  
 Instalments  
 Associated companies  
 Export  
 Returns  
 Special allowances  
 Trade-ins  
 Sale of trade-ins  
 Salce - Class B  
 Sales - Class C  
 Sales - Sundry  
 Interest & charges on instalments  
 Sale of scrap  
 Income from Servicios  
 Service to customer's

## UTILIDAD BRUTA

## INGRESOS

Ventas - Clase A  
 Contado  
 En abonos  
 Crédito  
 Empresas asociadas  
 Devoluciones  
 Documentos especiales  
 Artículos tomados a cuenta  
 Venta de artículos tomados a cuenta  
 Ventas - Clase B  
 Ventas - Clase C  
 Ventas diversas  
 Intereses y recargos sobre abonos  
 Venta de residuos  
 Ingresos por Servicios  
 Servicio a clientes

## Service contracts

## Commissions received

## Sundry Income

## Dividends received

## Interest received

## Income from real estate

## Royalties received

## Profit on sale of Fixed Assets

## Other income

## Contratos de servicio

## Comisiones recibidas

## Ingresos Diversos

## Dividendos recibidos

## Intereses recibidos

## Productos de inmuebles

## Regalías recibidas

## Utilidad en ventas de activo fijo

## Otros Ingresos

## COSTO OF GOODS AND SERVICES SOLD

## Cost of Goods Sold - Class A

## Standard cost

## Cost Variances

## Cost of Goods Sold - Class B

## Cost of Goods Sold - Class C

## COSTO DE LO VENDIDO

## Costo de lo vendido - Clase A

## Costo estandar

## Diferencias de costos

## Costo de lo vendido - clase B

## Costo de lo vendido - Clase C

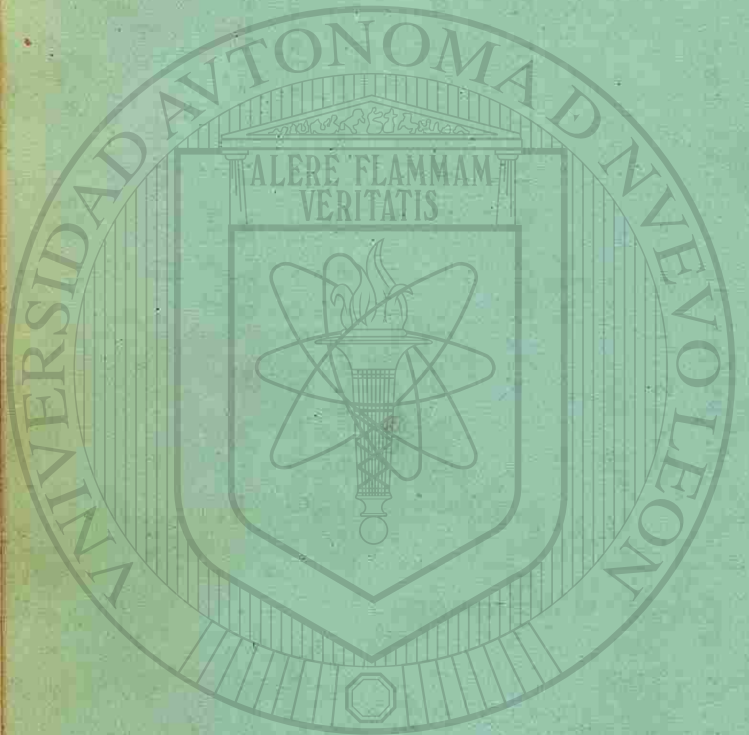
CHAPTER I

THE DEVELOPMENT OF MANAGEMENT CONCEPTS

*congruous intention*  
 Any attempt to formulate general management concepts is based on the assumption that there is a common set of principles underlying successful managerial performance in a diversity of fields. The purpose of this chapter is to review briefly some of the influences on the development of management concepts during this century. From the standpoint of the history of human managerial activity, these are, of course, relatively recent influences. Thus, we shall discuss Taylor's scientific management, Fayol's general principles of management, the influence of the behavioral sciences, and the systems approach to management. We conclude the chapter by considering some of the cultural factors which have influenced managerial decisions during the past decade.

A. TAYLOR'S SCIENTIFIC MANAGEMENT

Frederick W. Taylor is generally acknowledged to be the founder of the scientific management movement. His overall goal was higher industrial efficiency, in the form of either higher productivity or lower unit cost. What distinguishes



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scientific management from other approaches is not so much its goal, but the basic assumptions, specific objectives, and techniques by which industrial efficiency is to be achieved. The techniques of scientific management reflect Taylor's belief that the planning of tasks needs to be separated from the doing. His book, The Principles of Scientific Management, was first published in 1911.

1. One of the assumptions underlying scientific management is that the application of the methods of science to problems of management will lead to high industrial efficiency. It was in this sense that Frederick \_\_\_\_\_ believed management should be "scientific".

TAYLOR

2. Observation, measurement, and experimental comparison are among the principal methods of \_\_\_\_\_ that can be applied to problems of \_\_\_\_\_

SCIENCE  
MANAGEMENT

3. A second basic assumption is that the incentive of high wages will promote the mutuality of interest between workers and managers that will result in high industrial \_\_\_\_\_.

EFFICIENCY (or productivity, etc.)

4. Thus two basic assumptions underlying the techniques of scientific management are that industrial efficiency can be improved through the application of the methods of \_\_\_\_\_ and the payment of (high/low) wages.

SCIENCE  
HIGH

5. Several specific objectives are included in the scientific management approach to improving industrial efficiency. One is the standardization of working conditions. Determining the best temperature and humidity for achieving productivity has to do with the standardization of \_\_\_\_\_.

WORKING  
CONDITIONS

6. The provision for work breaks of optimum dura-

tion and frequency is another example of standardization of \_\_\_\_\_ to achieve higher industrial \_\_\_\_\_.

#### WORKING CONDITIONS

#### EFFICIENCY

7. Closely related to the objective of standardizing working conditions is the standardization of -- work methods. Determining the best procedure -- for doing a job is an example related to standardization of \_\_\_\_\_.

#### WORK METHODS

8. Motion study is the observation of all the motions that compose a particular job and the determination of the best set of motions that leads to the greatest efficiency. Therefore, \_\_\_\_\_ is a technique used to attain the specific objective of standardizing work methods.

#### MOTION STUDY

9. Taylor concentrated on observing and measuring performance of high producers in order to disco-

ver and develop standardized \_\_\_\_\_ methods for particular jobs.

#### WORK

10. The use of motion-picture cameras to record -- worker movements and work methods is included -- in the technique of \_\_\_\_\_.

#### MOTION STUDY

11. In addition to the standardization of \_\_\_\_\_ and the standardization of \_\_\_\_\_, Taylor believed that the planning of a large daily task promotes industrial efficiency.

#### WORKING CONDITIONS

#### WORK METHODS

12. Just as motion study is a technique related to the standardization of \_\_\_\_\_, time study is related to the planning of a large \_\_\_\_\_ for each worker.

#### WORK METHODS

#### DAILY TASK

13. The use of a stopwatch is related to the technique of \_\_\_\_\_.

## TIME STUDY

14. Determining the appropriate production standard for a particular job can be accomplished by using the technique of \_\_\_\_\_.

## TIME STUDY

15. On the other hand, observing the detailed job performance of a number of workers in order to discover the best way to do a job is related to the technique of \_\_\_\_\_.

## MOTION STUDY

16. Another specific objective of scientific management is that encouragement to stay in a job should be given to (high low) producers, whereas encouragement to transfer to a different job should be given to (high low) producers.

HIGH

LOW

17. Accordingly, for those producing above standard the per unit pay under the Taylor Differential Piecework Plan is (higher lower) than is for those producing below standard.

HIGHER (Note that not only overall pay but also per-unit pay is higher).

18. As a result, job transfers for employees producing above standard are (encouraged discouraged) by the use of the Taylor Differential Piecework Plan, whereas job transfers for those producing below standard are (encouraged/discouraged).

DISCOURAGED

ENCOURAGED

19. Thus two basic assumptions of scientific management are that industrial efficiency can be attained through the application of the methods of \_\_\_\_\_ and the payment of \_\_\_\_\_.

SCIENCE

HIGH WAGES

20. Of the techniques of scientific management, studies of rest breaks, lighting, and the like are

related to the objective of defining standardized \_\_\_\_\_.

#### WORKING CONDITIONS

21. Motion study is related to the objective of defining standardized \_\_\_\_\_.

#### WORK METHODS

22. The use of the Taylor Differential Piecework -- Plan is related to the objective of encouraging high producers to \_\_\_\_\_ while encouraging low producers to \_\_\_\_\_.

STAY IN THE JOB (etc.)

TRANSFER TO ANOTHER

JOB (etc.)

23. The production standard to be used in a wage incentive system can be determined by using the technique of \_\_\_\_\_.

#### TIME STUDY

24. Although the historical connection is not direct

recent work in operations research, which emphasizes the application of the methods of science to managerial decision making, is a further development of one of the operating assumptions of Taylor's scientific \_\_\_\_\_.

#### MANAGEMENT

#### B. FAYOL'S GENERAL PRINCIPLES OF MANAGEMENT

In contrast to Taylor's emphasis on management techniques applicable at the working, or operative, level. Henri Fayol's approach to developing management concepts is oriented toward the higher levels of the organization. The so-called "functional approach" to the study of management is a direct outgrowth of Fayol's work. Because all of Chapter 2 is devoted to describing the functional approach to management, our coverage of Fayol's work in this chapter is restricted to providing a brief exposure to the overall framework that Fayol followed in his development of management concepts.

Henri Fayol was a French industrialist who published his observations <sup>FRANCÉS</sup> about general management -- principles in 1916 in French, under the title <sup>quien publicó</sup> Administration Industrielle et Générale. <sup>Administración</sup> However <sup>bajo el título de</sup> <sup>SIN CAMBIO</sup>

this monograph was not translated into English -  
 until 1929 and was not published in the United -  
 States until 1949. *AVANTOGRÁFICA NO FUE TRADUCIDA AL INGLÉS HASTA 1949.*

25. Fayol identified six activities which he believed had to be accomplished all organizations. - Referring to Figure 1.1 we see that organizational activity concerned with the optimum use of capital is the \_\_\_\_\_ activity.

FINANCIAL

1. TECHNICAL
2. COMMERCIAL
3. FINANCIAL
4. SECURITY
5. ACCOUNTING
6. MANAGERIAL

Figure 1.1 Fayol's identification of the activities to be accomplished in all organizations.

26. Continue referring to Figure 1.1 for the following frames. The buying selling and exchange functions in an organization are related to the \_\_\_\_\_ activity.

COMMERCIAL

27. Production would be classified as a \_\_\_\_\_ activity in Fayol's analysis.

TECHNICAL

28. The determination of present financial position is included in the \_\_\_\_\_ activity.

ACCOUNTING

29. Protection of property would be included in the \_\_\_\_\_ activity.

SECURITY

30. Finally, Fayol identified the functions of - - planning, organizing, commanding, coordinating, and controlling as being included in \_\_\_\_\_ activity. *MANEJANDO COMO QUEES*

MANAGERIAL

31. Most of Fayol's analysis of organizational activities was devoted to the area listed in the preceding frame, i.e., the analysis of \_\_\_\_\_ activity.

MANAGERIAL



32. Fayol held that the importance of managerial ability increases as one goes up the chain of command. Consequently, one would expect that managerial skill is the most important component of job performance in (first-level/top) management positions.

TOP

33. Fayol also indentified a number of principles of management listed in Figure 1.2 which apply in varying degrees in all amanagerial situations. We shall discuss some of these principles briefly in the trames that follow, in order to illustrate his approach to managerial problems. These fourteen concepts, then are considered to be the most important principles of \_\_\_\_\_

MANAGEMENT

1. DIVISION OF WORK
2. AUTHORITY AND RESPONSIBILITY
3. DISCIPLINE
4. UNITY OF COMMAND
5. UNITY OF DIRECTION
6. SUBORDINATION OF INDIVIDUAL INTEREST TO GENERAL INTEREST.
7. REMUNERATION OF PERSONNEL
8. CENTRALIZATION
9. SCALAR CHAIN
10. ORDER

11. EQUITY
12. STABILITY OF TENURE OF PERSONNEL
13. INITIATIVE
14. ESPRIT DE CORPS

Figure 1.2 Fayol's general principles of management.

34. Remuneration of personnel concerns the importance of the remuneration system being fair and -- affording maximum satisfaction to employee and employer. This principle is similar to one of the basic assumptions underlying the field of \_\_\_\_\_, which we discussed in the preceding section of this chapter.

SCIENTIFIC  
MANAGEMENT

35. The scalar chain refers to the chain of superiors from the highest to the lowest rank, which should be short-circuited only when scrupulous following of it would be detrimental. This principle suggests, for example, that an employee - (should/should not) feel free to contact his immediate superior's superior.

SHOULD NOT

36. The unity of command principle suggests that an employee should receive orders from (only one/several) superior(s).

ONLY ONE

37. Initiative is conceived of as the thinking out and execution of a plan. Fayol suggests that since it is one of the "keenest satisfactions for an intelligent man to experience" managers should "sacrifice personal vanity" in order to permit subordinates to exercise it. Fayol thus appears to suggest that managers should share some of their decision-making authority with their \_\_\_\_\_.

SUBORDINATES

38. The principle of division of work suggests that specialization within an enterprise leads to a higher level of \_\_\_\_\_.

EFFICIENCY (OR PRODUCTIVITY, ETC.)

39. "A place for everything (everyone) and everything (everyone) in its (his) place" concerns the principle of order. The use of a formal organization chart in a company would be (consis-

tent/inconsistent) with the objective of this principle.

CONSISTENT

40. Stability of tenure of personnel suggests that high employee turnover is (advantageous/detrimental) to an organization.

DETRIMENTAL

41. In concluding his discussion of management principles, Fayol stated that he had tried to present only those that he had the most occasion to use in his career as a manager. Thus the principles (were/were not) regarded as being exhaustive.

WERE NOT

YA NO



## VOCABULARY I

## - A -

- 1.- ATTEMPT - intento
- 2.- ASSUMPTION - suposición, presunción
- 3.- ACKNOWLEDGED - reconocido
- 4.- APPROACH - medio, camino, aproximación
- 5.- ACCORDINGLY - de acuerdo a
- 6.- ALTHOUGH - aunque, a pesar de
- 7.- ACCOMPLISHED - realizado, alcanzado
- 8.- AS BEING - como para ser, de este modo ser
- 9.- APPLIED - aplicado
- 10.- ATTAIN - lograr
- 11.- ACHIEVING - alcanzando, logrando

## - B -

- 12.- BRIEFLY - brevemente
- 13.- BEHAVIORAL - conducta
- 14.- BELIEF - creencia
- 15.- BELIEVED - creyó
- 16.- BETWEEN - entre
- 17.- BUYING - comprar

## - C -

- 18.- CHART - catálogo

- 19.- CONCEPTS - conceptos, ideas
- 20.- CLOSELY - juntamente, estrechamente
- 21.- COMPOSE - componer
- 22.- COMMANDING - mando
- 23.- CHAIN - cadena
- 24.- COMMON - común

## - D -

- 25.- DETRIMENTAL - perjudicial
- 26.- DOING - hacer, hecho
- 27.- DEVOTED - dedicado
- 28.- DETERMINING - determinar
- 29.- DISCOURAGED - desanimado
- 30.- DIVERSITY - diversidad, variedad
- 31.- DECADE - década
- 32.- DEVELOPMENT - desarrollo, evolución
- 33.- DAILY TASKS - tareas diarias
- 34.- DIFFERENTIAL PIECE WORK PLAN - trabajo a destajo

## - E -

- 35.- EITHER - ya sea, cualquiera
- 36.- ENCOURAGED - animado, alentado, impulsado
- 37.- EXPOSURE - exposición

38.- EXCHANGE - intercambio

- F -

- 39.- FOUNDER - fundador  
 40.- FREQUENCY - frecuencia, ocurrencia  
 41.- FOR DOING - para hacer  
 42.- FURTHER - más aún, futuro, posterior  
 43.- FRAMES - marcas  
 44.- FINALLY - finalmente  
 45.- FREE - libre, gratis

- G -

46.- GREATEST - más grande

- H -

- 47.- HIGHER - más alto  
 48.- HUMIDITY - humedad  
 49.- HELD - sostuvo  
 50.- HIGHEST - el más alto

- I -

- 51.- INCENTIVE - incentivo  
 52.- IN ORDER TO - con el fin de  
 53.- IN ADDITION TO - además de  
 54.- IDENTIFIED - identificó, identificado  
 55.- INITIATIVE - iniciativa

- J -

- 56.- JOB - trabajo  
 57.- JUST AS - precisamente

- K -

58.- KEENEST - el más hábil

- L -

- 59.- LOWER - más bajo  
 60.- LEAD - conducir  
 61.- LIGHTING - alumbrado  
 62.- LISTED - anotado, listado  
 63.- LOWEST - el más bajo

## - M -

- 64.- MANAGEMENT - administración, manejo  
 65.- MANAGERIAL - administrativo  
 66.- MEASUREMENT - medir, medición  
 67.- MUTUALITY - reciprocidad  
 68.- MOTION STUDY - estudio de movimientos  
 69.- MOTIONS - movimientos

## - O -

- 70.- OVERALL GOAL - meta general  
 71.- OBJECTIVES - objetivos  
 72.- OBSERVATION - observar  
 73.- ON THE OTHER HAND - por otra parte  
 74.- OF - de, tocante a  
 75.- ORIENTED - orientado  
 76.- OUTGROWTH - sobreestimado  
 77.- OF COURSE - por supuesto

## - P -

- 78.- PRINCIPLES - principios  
 79.- PROVISION - provisión  
 80.- PROCEDURE - procedimiento

- 81.- PERFORMANCE - ejecución, realización  
 82.- PRODUCERS - productores  
 83.- PROMOTES - promueve  
 84.- PUBLISHED - publicado, publicó  
 85.- PLANNING - planeación

## - R -

- 86.- REVIEW - repasar  
 87.- RELATED - relacionado  
 88.- RESULT - resultado  
 89.- REST BREAKES - pausas de descanso  
 90.- RESEARCH - investigaciones  
 91.- RESTRICTED - limitado  
 92.- REFERRING - refiriendo  
 93.- REMUNERATION - remuneración  
 94.- REFLECT - reflejar

## - S -

- 95.- SKILL - destreza  
 96.- SET - serie, juego  
 97.- STOP WATCH - cronometro, reloj marcador  
 98.- SUCCESSFUL - exitoso, afortunado, prospero  
 99.- STANDPOINT - punto de vista

- 100.- SCIENTIFIC MANAGEMENT - administración científica  
 101.- SHOULD BE - debe ser  
 102.- STANDARDIZATION - estandarización  
 103.- SHOULD SHARE - debería compartir  
 104.- SENSE - sentido

- T -
- 105.- TO - a, para  
 106.- THUS - así, de este modo  
 107.- TECHNIQUES - técnicas  
 108.- TRANSFERS - cambios  
 109.- THOSE - esos, aquellos  
 110.- TOWARD - hacia  
 111.- THE OVER ALL FRAMEWORK - el marco general de trabajo

- U -

- 112.- UNDERLYING - reforzando, fortaleciendo, fundam<sup>ental</sup>  
 113.- UNDER - bajo  
 114.- UNTIL - hasta  
 115.- UNITY - unidad

- W -

- 116.- WAGES - salarios

- 117.- WORKING CONDITIONS - condiciones de trabajo  
 118.- WORK BREAKES - pausas de descanso  
 119.- WORKER - trabajador  
 120.- WORKING CONDITIONS - condiciones de trabajo

## CHAPTER II

## THE FUNCTIONS OF THE MANAGER

Stemming from the work of Henri Fayol, the functional approach to management focuses upon the managerial activities that have to be carried out in order to achieve organizational objectives. In this chapter we consider the characteristics of the major management functions of planning, organizing, directing, and controlling. There is no universal agreement regarding which activities constitute the major management functions, but these four are listed by the large majority of writers in the field. Along these lines, some have added the function of "staffing" to this list. Fayol himself identified a fifth function he called "coordinating", and in the last section of this unit we discuss why coordinating is better considered an objective of management rather than a function of management. The four major functions described in this chapter serve as the principal basis for organizing the topics in the remainder of this book, and therefore the ideas introduced in this chapter are more fully developed in later chapters.

## A. THE FUNCTIONAL APPROACH TO MANAGEMENT

In addition to focusing upon what managers do, the functional approach to the study of management emphasizes the universal applicability of the functions. Thus, whether in a small business firm, a governmental agency, or a large corporation, whether on the general management level or in a specialized area of work, all managers are involved in carrying out the functions of planning, organizing, directing, and controlling.

1. Universal applicability and the focusing upon what managers do is descriptive of the \_\_\_\_\_ approach to studying the process of management.

FUNCTIONAL

2. Management functions should not be confused with organizational functions. Thus finance, production, and sales are examples of \_\_\_\_\_ functions, whereas planning, organizing, directing, and controlling are \_\_\_\_\_ functions.

ORGANIZATIONAL  
MANAGEMENT

3. Is a manager whose area of activity is restricted to one organizational function, such as production, nevertheless concerned with the several management functions? (Yes/No)

YES

4. Figure 2.1 illustrates the relationship between some representative organizational functions and the management functions. The figure indicates, for example, that a manager who has a primary assignment the organizational function of production can effectively carry out this assignment by appropriate use of the management functions of \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

- PLANNING
- ORGANIZING
- DIRECTING
- CONTROLLING

5. Viewed the other standpoint. Figure 2.1 indicates that effective planning for a firm as a whole requires planning for each of the \_\_\_\_\_ functions represented in that firm.

ORGANIZATIONAL

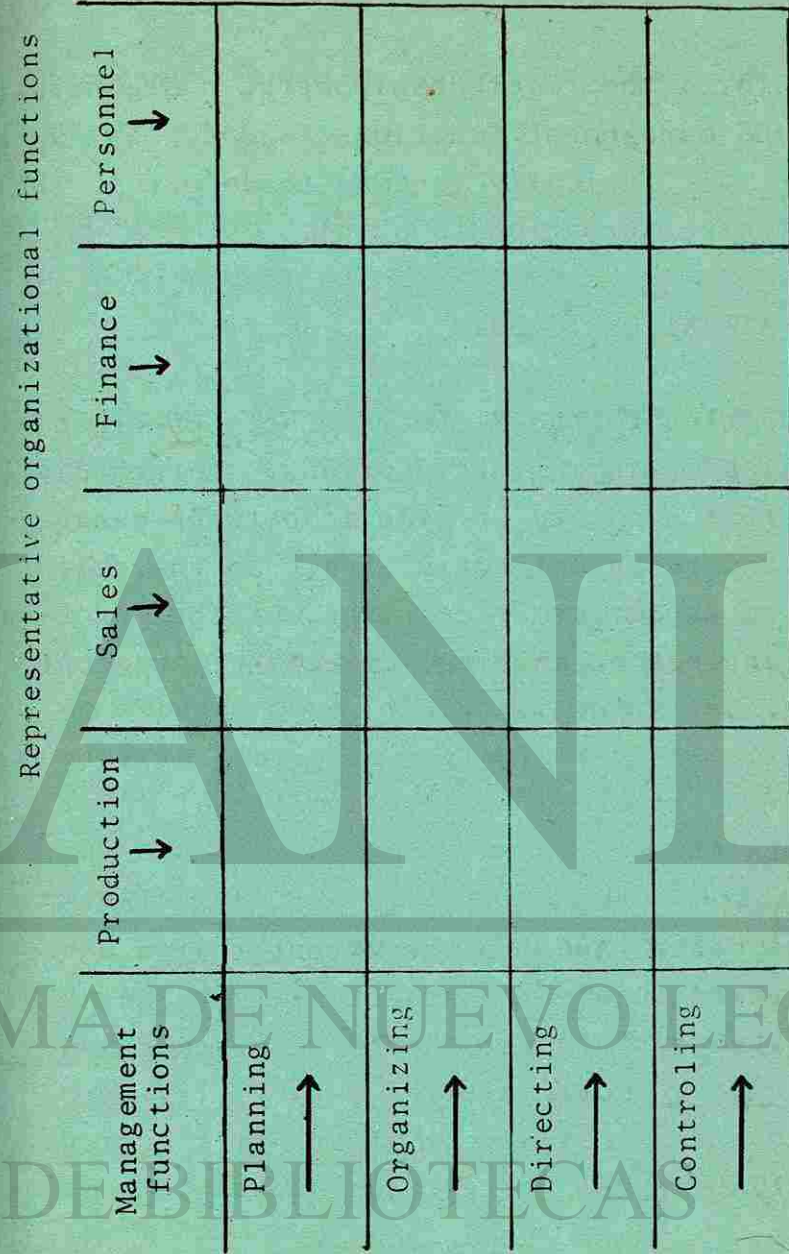


Figure 2.1 The relationship between organizational functions and management functions. ®



6. Therefore, the relationship between organizational and management functions is such that a manager must typically (choose to do one or the other/give attention to both).

GIVE ATTENTION TO BOTH

7. In addition to the difference between organizational and management functions, another distinction that needs to be made is between managerial and technical activities. To the extent that an executive is carrying out the functions of planning, organizing, directing, and controlling, he is involved in \_\_\_\_\_ activities.

MANAGERIAL

8. On the other hand, to the extent that a manager does not delegate nonmanagerial tasks but carries them out himself, he is involved in \_\_\_\_\_ activities.

TECHNICAL

9. When a senior accountant directs the efforts of a group of junior accountants, he is performing \_\_\_\_\_ work. When he himself audits -

certain record or reports, he is doing \_\_\_\_\_ work.

MANAGERIAL

TECHNICAL

10. Therefore, is all of a manager's time necessarily spent carrying out management functions? (Yes/No)

NO

11. Since these managers are closest to the technical work being done, the time spent on technical activities is usually greatest at the (top/middle/first-level) managerial level.

FIRST-LEVEL

12. In effect, we are suggesting that a manager is not a manager when he is doing technical work - Similarly, an employee who does not have a managerial title is in fact working as a manager - when he has responsibility for any of the \_\_\_\_\_ functions.

MANAGEMENT

13. Therefore, the absolute distinction between managers and nonmanagers that is implied by position titles is generally (accurate/misleading).

#### MISLEADING

14. Just as the time spent on managerial and technical activities varies with managerial level, the proportion of time spent on planning and organizing, as contrasted to directing and controlling, also varies with the \_\_\_\_\_ level.

#### MANAGERIAL

15. Top managers, who need to be concerned about the future position of the organization, are likely to spend relatively more time on the functions of (planning and organizing/directing and controlling).

#### PLANNING AND ORGANIZING

16. On the other hand, first-level managers, whose prime responsibility is to see that work already scheduled is accomplished, are likely to spend more time on the functions of (planning and organizing/directing and controlling).

#### DIRECTING AND CONTROLLING

17. Though he included coordinating in his analysis, Fayol had difficulty in distinguishing coordinating from the other management \_\_\_\_\_. In this chapter we regard coordinating not as a function, but as an objective related to all of the functions.

#### FUNCTIONS

18. In the following sections of this chapter, we briefly consider the descriptions of the four management functions of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, and more complete development for each of these functions takes place in later chapters.

#### PLANNING

#### ORGANIZING

#### DIRECTING

#### CONTROLLING

#### B. PLANNING

From the standpoint of logical progression, the function of planning precedes activities in organizing, directing, and controlling. And ---

within planning, the first logical and necessary step is the identification of the organization's objectives. Following the identification of objectives, necessary policies, procedures, and methods can then be determined.

19. In discussing organizational objectives, we cannot ignore the fact that the groups of people associated with an organization have their own personal objectives that affect the organization's success. The owner and employee groups, for example, are considered to be (within/outside) the firm, whereas suppliers and customers are (within/outside) the firm.

WITHIN  
OUTSIDE

20. From this standpoint, equitable distribution of economic gains to the various groups associated with an enterprise (enhances/diminishes) the likelihood of long-run success.

ENHANCES

21. However, an organization can also be viewed as an entity with its own objectives. In their

search for a universal organizational objective, management theorists have considered three general objectives: profit, growth and survival, and the product or service objective. Of these, the objective most frequently associated with privately owned firms is \_\_\_\_\_.

PROFIT

22. For a number of reasons, to be discussed in Chapter 3, most writers in management prefer to identify the production of an economic value in the form of a product or service as being the universal objective of all organizations. This objective assigns particular importance to the influence of (owners/employees/customers) on organization success.

CUSTOMERS

23. As part of the process of defining specific operating objectives, such factors as expected demand, technological changes, and governmental fiscal policy have to be considered. Such factors have been called planning premises because they (are/are not) subject to the firm's direct control.

ARE NOT

24. The determination of policies, which are general statements that guide decision making in the organization, typically follows the identification of the organization's specific operating \_\_\_\_\_

OBJECTIVES

25. In contrast to the needs of top management personnel, a first-level manager needs relatively (specific/broad) policy statements to guide his decision making.

SPECIFIC

26. Accordingly, policies are often classified according to the \_\_\_\_\_ level affected.

MANAGERIAL (OR ORGANIZATIONAL)

27. Furthermore, it is also useful to classify policies according to the way they were formed and according to the organizational function involved. An example of the latter would be the company's \_\_\_\_\_ policies.

FINANCE (OR PRODUCTION, SALES, ETC.)

28. Whereas a "general guide for decision making" defines a \_\_\_\_\_, a procedure specifies the sequence of steps to be taken to attain an objective.

POLICY

29. On the other hand, a method specifies how some one step of a procedure should be performed, and is thus more detailed than either a \_\_\_\_\_ or a \_\_\_\_\_.

POLICY PROCEDURE

30. Overall, the identification of the organization's objectives and the formulation of policies, procedures, and \_\_\_\_\_ are all components of the planning process.

METHODS

31. Though the skill of decision making is involved in all management functions, it is especially important in determining the manager's effectiveness in carrying out the function of \_\_\_\_\_.

PLANNING

32. In addition to research interest in creativity,

there has been extensive application of quantitative methods to improve managerial skill in \_\_\_\_\_ making.

#### DECISION

33. Some of the techniques of operations research (OR) are presented and discussed in Chapter 5. The development of OR has resulted in expanded application of \_\_\_\_\_ methods managerial decision making.

#### QUANTITATIVE

### C. ORGANIZING

The organization chart, which is a kind of model representing the formal organization, indicates the grouping of activities, authority relationships, and certain communication channels. As such, the organization chart represents the result of the management function of organizing. The function itself consists of determining the activities to be performed in an organization, grouping these activities, and assigning managerial authority and responsibility to people employed in the organization.

34. As indicated in the introduction above, the results of the process of organizing are typically represented by means of an organization \_\_\_\_\_.

#### CHART

35. Departementation, which is the grouping of \_\_\_\_\_, in a business enterprise can be done on the basis of several different factors.

#### ACTIVITIES (ETC.)

36. For example, grouping of activities according to such factors as sales, finance, production, and the like is departmentation based on organizational \_\_\_\_\_.

#### FUNCTIONS

37. Grouping of activities according to the number of people, the product, the territory, the customer, and the process involved are other bases for \_\_\_\_\_.

#### DEPARTMENTATION

38. As an organization expands, growth may the place

in either a vertical or a horizontal direction. The addition of more levels of management represents \_\_\_\_\_ growth, whereas the addition of more organizational functions, with the number of levels held constant, represents \_\_\_\_\_ growth.

VERTICAL  
HORIZONTAL

39. Determining the ideal span of management, i.e., the number of employees whose work can be effectively supervised by one manager, has been a long standing problem related to the management function of \_\_\_\_\_.

ORGANIZING (OF COURSE, THIS ALSO BECOMES A DIRECTING PROBLEM).

40. Whereas classical writers tended to search for an ideal span of \_\_\_\_\_ for all situations, contemporary writers emphasize the importance of such factors as the organization level involved, the type of activity, the type of personnel, and the type of organization.

MANAGEMENT

41. Overall organizational structure is greatly affected by whether the enterprise tends toward a philosophy of managerial centralization or decentralization. Concentration of authority at top management levels is reflective of managerial \_\_\_\_\_.

CENTRALIZATION

42. On the other hand, wide dissemination of authority in the organization is reflective of a managerial philosophy of (centralization/decentralization).

DECENTRALIZATION

43. Identification of line and staff activities, and definition of the authority relationships between the two, constitutes another dimension of the management function of \_\_\_\_\_.

ORGANIZING

44. Activities that are directly concerned with attaining company objectives are classified as line activities, whereas those that have an indirect relationship are classified as (line/staff) activities.

## STAFF

45. There are various ways in which the staff gives assistance in attaining the organization's objectives, sometimes involving even staff control of \_\_\_\_\_ activities.

## LINE

46. Further, the manager needs to be aware that in every enterprise an informal social organization exists (instead of/in addition to) the formal one defined and constructed by the manager.

*in addition to*

47. The informal organization serves as an additional communication medium, making possible (faster/shower) flow of information within an enterprise, though the information may or may not be accurate.

## FASTER

48. From what you know about the tendency of people to communicate and get together outside formal organization channels, would you expect it to be possible to eliminate the informal organiza-

tion in an enterprise? (yes/No).

NO

49. Finally, an organization has to be staffed, which includes the determination of personnel needs and the selection, appraisal, and training of the people who are required. Therefore, such personnel functions can also be considered an inherent part of the management function of \_\_\_\_\_

## ORGANIZING

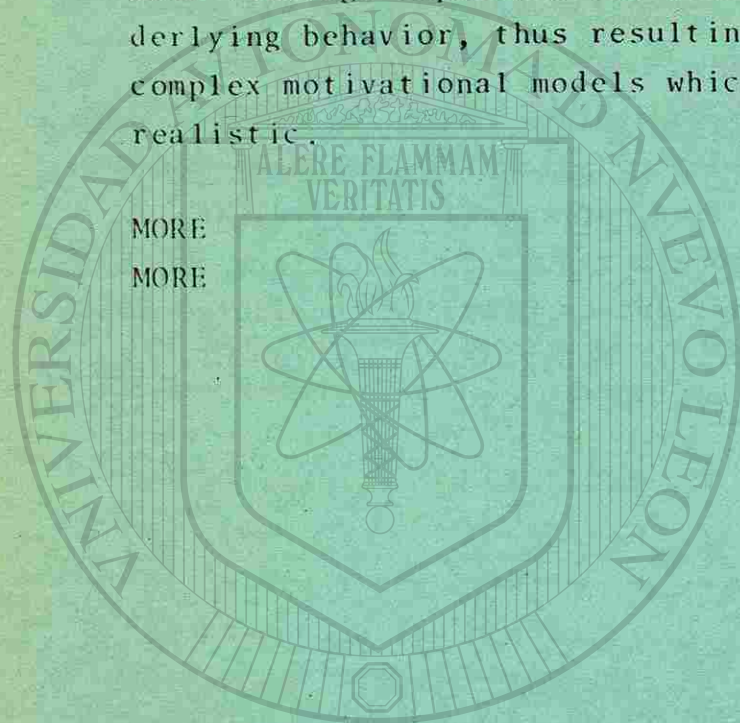
## D. DIRECTING

The function of directing involves guiding and supervising the efforts of subordinates toward the attainment of the firm's goals. Through research in human motivation, leadership, communication, and employee development, the behavioral sciences have contributed substantially to our understanding of this function in recent years.

50. In contrast to the classical economic-man assumption, which suggested that amount of pay is the

only factor determining worker productivity, recent findings emphasize the diverse motives underlying behavior, thus resulting in (more/less) complex motivational models which are (more/less) realistic.

MORE  
MORE



## VOCABULARY II

- A -

- 1.- ALREADY - ya
- 2.- APPROPRIATE - apropiado
- 3.- ACHIEVE - lograr, alcanzar
- 4.- AGREEMENT - convenio, acuerdo
- 5.- ADDED - agregó, agregado
- 6.- APPLICABILITY - aplicabilidad
- 7.- ASSIGNMENT - asignatura, tarea
- 8.- AS A WHOLE - como un todo, en general
- 9.- ASSIGNS - asigna, señala
- 10.- ABOVE - sobre
- 11.- ADDITION - añadidura

- B -

- 12.- BASIS - bases
- 13.- BUSINESS FIRM - firma comercial
- 14.- BUT - pero, si no, sin embargo

- C -

- 15.- CONSTITUTE - constituir





- 16.- CONFUSED - confundido  
 17.- CARRY OUT - llevar a cabo  
 18.- CONSTANT - constante  
 19.- CLASSIFY - clasificar  
 20.- CLOSEST - más cerca  
 21.- CHANGES - cambios  
 22.- CHARACTERISTICS - características

- D -

- 23.- DESCRIBED - descrito  
 24.- DO - hacer  
 25.- DESCRIPTIVE - descriptivo, representativo  
 26.- DONE - hecho  
 27.- DETERMINATION -  
 28.- DELEGATE - delegar  
 29.- DISTINCTION - distinción  
 30.- DEPARTMENTATION - departamentización

- E -

- 31.- EXENT - grado  
 32.- EMPLOYEE - empleado  
 33.- ENHANCES - poner en alto  
 34.- EQUITABLE - justa, equitativa  
 35.- EXPECTED - esperado

- 36.- EFFECTIVENESS - efectividad

- F -

- 37.- FULLY - completamente  
 38.- FOCUSES - enfoque  
 39.- FOLLOWS - sigue  
 40.- FURTHERMORE - además  
 41.- FIELD - campo

- G -

- 42.- GUIDE - guía  
 43.- GROWTH - crecimiento  
 44.- GAINS - ganancias  
 45.- GROUPING - grupo, agrupando  
 46.- GIVE - dar

- H -

- 47.- HOWEVER - sin embargo

- I -

- 48.- INVOLVED - mezclado, implicado

- 49.- IDENTIFY - identificar  
 50.- INFLUENCE - influencia  
 51.- IN DISCUSSING - al examinar, al debatir

## - L -

- 52.- LONG-RUN SUCCESS - triunfar tarde, temprano  
 53.- LIST - lista  
 54.- LAST - última  
 55.- LIKELYHOOD - posibilidad  
 56.- LIKELY - apto, idoneo, probable  
 57.- LATER - subsecuente, más adelante

## - M -

- 58.- MAJOR - principal  
 59.- MISLEADING - ejecutar lo que no es justo, engañar  
 60.- MOST - más

## - N -

- 61.- NEVERTHELESS - a menos que  
 62.- NONMANAGERIAL - no administrativo

## - O -

- 63.- ON THE OTHER HAND - por otra parte  
 64.- OUTSIDE - fuera

## - P -

- 65.- PRIMARY - primordial  
 66.- PRIME - primero  
 67.- PRECEDES - va primero, antecede  
 68.- PRIVATELY - privadamente  
 69.- PLANNING PREMISES - premisas de planeación  
 70.- PERFORMED - ejecutado  
 71.- POLICES - políticas  
 72.- PROCEDURES - procedimientos

## - Q -

- 73.- QUANTITATIVE - cuantitativo

## - R -

- 74.- REGARDING - considerando  
 75.- RESTRICTED - limitado  
 76.- REASONS - razones

80.- RESPONSABILITY - responsabilidad

- S -

- 81.- SEQUENCE - secuencia  
 82.- STEMMING - sugiendo  
 83.- STAFFING - asesorando  
 84.- SERVES - sirve  
 85.- SCHEDULED - programado  
 86.- STEP - paso  
 87.- SURVIVAL - supervivencia, conservación  
 88.- SEVERAL - varios  
 89.- SPENT - invirtió, gastó  
 90.- SEARCH - búsqueda  
 91.- SPAN - lapso  
 92.- SUPERVISED - supervisado

- T -

- 93.- TYPICALLY - típicamente  
 94.- TOPICS - tópicos  
 95.- THUS - así, de este modo  
 96.- THEREFORE - por lo tanto  
 97.- THEORISTS - teóricos  
 98.- TAKEN - tomado

- 99.- TITLES - títulos  
 100.- TOP - alto, superior  
 101.- TAKES PLACE - tiene lugar  
 102.- THOUGH - aunque  
 103.- TENDED - tendía

- U -

- 104.- UPON - en, sobre  
 105.- USEFUL - útil

- V -

- 106.- VIEWED - visto  
 107.- VALUE - valor

- W -

- 108.- WRITERS - escritores  
 109.- WHETHER - ya sea, si  
 110.- WHEREAS - mientras que  
 111.- WHOSE - de quien, cuyo  
 112.- WITHIN - dentro de, adentro de

## PROCESAMIENTO DE DATOS

## VOCABULARIO

- 1.- ABC CLASSIFICATION - Clasificación de los Artículos.

La clasificación de los artículos en un inventario en orden decreciente al costo anual. Se divide en 3 clases, llamadas A, B y C. La clase A contiene los artículos con mayor costo anual y recibe mayor atención; la clase media B recibe menor atención y la clase C, la cual contiene los artículos de costo más bajo es controlada continuamente.

- 2.- ABC INVENTORY CONTROL  
Control de Inventarios ABC

Un sistema de clasificación de inventarios el cual reconoce que dado algún inventario, un pequeño porcentaje del costo anual; y un gran porcentaje de los componentes incluirá un pequeño porcentaje del costo anual.

- 3.- ABSOLUTE LANGUAGE - Lenguaje Absoluto

Lenguaje mediante el cual se dan las instrucciones a la computadora. Se determina cuando la computadora es designada.

- 4.- ABSORPTION COSTING - Costos de Absorción

Una evaluación del inventario mediante el cual los costos variables y los costos fijos son asignados a cada unidad de producción. Los costos fijos son colocados a unidades de salida en base a horas de mano de obra directa, horas máquinas o costos de material. Cuando una gran porción de los costos unitarios en un sistema de absorción es colocado inecesariamente puede desarrollarse particularmente en comparaciones entre productos.

- 5.- ACCESS TIME - Tiempo de acceso

El valor de tiempo que la computadora toma para localizar y transferir datos de una sección hacia una sección primaria.

- 6.- ACUMULATION BIN - Depósito de acumulación

Cuando un producto es armando, este es usualmente una localización física usado para acumular todos los componentes que van hacia el montaje, antes de enviar la orden de montaje fuera de este Departamento.

- 7.- ACCURACY - Exactitud

El grado de libertad de error, el cual es el grado de conformidad a una regla por ejemplo: 4 números de lugar son menos precisos que 6 números de lugar, pero computados convenientemente puede resultar lo contrario.

- 8.- ACTIVE INVENTARIO - Inventario Activo

Trabajos en proceso, productos terminados, etc. los cuales serán vendidos o usados dentro del

período de comportamiento sin costo extra o -- pérdida.

9.- ACTIVITY RATIO - Relación de actividad

La razón del número de registros en un archivo que tiene actividad al número total de registros en un archivo.

10.- ACTUAL COSTS - Costos reales

Aquellos costos de mano de obra y materiales - que son cargados al trabajo y se mueven a través del proceso de producción.

11.- ACTUAL COSTS SYSTEM - Sistema de Costos Reales

Un sistema que colecciona costos históricos - los cuales son aplicados a la producción, y colocados a los costos indirectos basados sobre sus costos específicos y volumen archivado.

12.- ADAPTIVE SMOOTHING - Suavización de Adaptación

Una parte de la suavización exponencial que incluye el uso de funciones propias trascendentales (p.o. funciones exponenciales y trigonométricas). Particularmente usadas para pronosticar el comportamiento estacional. Los coeficientes de las funciones propias son revisados después de cada observación de nuevos datos.

13.- AGGREGATE INVENTORY - Inventario agregado

La suma de los niveles de inventario para artículos individuales.

14.- ANTICIPATION INVENTORIES - Inventarios de Anticipación

Inventarios adicional sobre las existencias básicas, para cubrir tendencias proyectadas de incremento de ventas, fluctuaciones estacionales, paros de trabajo en la planta y vacaciones.

15.- ARITHMETIC-LOGIC SECTION - Sección Aritmético-Lógica

Una sección de la que hace operaciones aritméticas y ejecuta operaciones y comparaciones lógicas.

16.- AVAILABLE MATERIAL - Material disponible

Un término que usualmente significa "material disponible para planeación" y de esta manera - incluye no sólo los inventarios poseídos, sino también los inventarios disponibles. El material "disponible para uso" será, por supuesto, solamente el material poseído que no se tiene asignado.

17.- AVAILABLE WORK - Trabajo disponible

Trabajo que está listo para ser procesado; opuesto al programado que no puede ser procesado todavía.

18.- AVERAGE INVENTORY - Inventario Promedio

En un sistema simple de inventarios el inventario promedio es la suma de la mitad del tamaño del lote más las existencias de reserva.

## 19.- BACKLOG OF ORDERS

Registros atrasados de ordenes

La suma de todas las ordenes incompletas esperando a ser procesadas o completadas.

## 20.- BACKORDERS - Ordenes atrasadas

Una técnica de programación. La demanda puede ser colocada en el inventario de un artículo cuando no hay existencias. Si la demanda es acumulada en un archivo, será completada del siguiente recibimiento, el archivo de demandas la orden atrasada. En la práctica la orden atrasada es frecuentemente tratada como si fuera una cantidad negativa existente.

## 21.- BACKWARD SCHEDULING - Programación atrasada

Una técnica de programación donde el programa es computado comenzando con el plazo para la orden y con el trabajo atrasado al determinar la demanda requerida.

## 22.- BALANCED LOADING - Balanceo de cargas

Consiste en cargar un Departamento con un producto sin mostrar sobrecargas ni cargas bajas en los Departamentos subsecuentes.

## 23.- BALANCE-OF-STORES RECORD

Registro de Balance de Provisiones

Un sistema de registro de doble entrada, el

cual muestra todos los tiempos adicionales al balance de inventario de artículos existentes (o inventario perpetuo), los balances de materiales en orden y "disponibles" para ordenes futuras. Cuando un sistema de reserva de control de materiales es usado, el balance de material "en reserva" es también mostrado dentro de él.

## 24.- BANK - Banco

Cantidad de materiales que están esperando un procesamiento adicional. Puede referirse a materiales semi terminados, material nuevo etc.

## 25.- BASE INVENTORY LEVEL - Nivel de Inventario Base

Es el nivel de inventario normal más el inventario de seguridad pero sin tomar en cuenta el inventario de anticipación, el cual resultará del plan de producción. El inventario base será desconocido antes de que se haga el plan de producción.

## 26.- BASE PIPELINE STOCK

Existencias de conducto base

Inventario para llevar los puntos de existencia en el sistema de distribución. El flujo de tiempo a través del conducto, tiene un mayor efecto en el valor del inventario requerido en el conducto ejemplo, si el tiempo promedio para pasar a través de los niveles de distribución al final de su uso es de 90 días entonces el inventario del conducto básico puede ser el promedio de 90 días de suministro. Los factores de tiempos implicados incluyen transmisión de pedidos, procesamiento de pedidos, transportación de pedidos, etc.

## 27.- BASIC PRODUCER - Productor Básico

Es el fabricante que usa los recursos naturales para producir materiales para otra fabricación. Un ejemplo típico es una Compañía de Acero que procesa el mineral acero y producto lingotes de acero.

## 28.- BASE-STOCK SYSTEM - Sistemas de Existencia de Base.

Un método fundamental de control de inventario que incluye casos especiales como la mayoría de los sistemas en práctica. En este sistema, cuando una orden es recibida para cualquier artículo es usado como un "una tarjeta de recolección", y copias duplicadas, llamadas "ordenes surtidas", son enviadas otra vez a todas las etapas de producción a empezar a surtir de provisiones. Las ordenes positivas o negativas llamadas "ordenes de existencias base" son usadas periódicamente para ajustar los niveles de existencias base para cada artículo. En la práctica, las ordenes surtidas son acumuladas cuando estas son acabadas y remitidas a intervalos regulares.

## 29.- BASIC STOCK - Existencias básicas

Ver: base inventory level

## 30.- BASE SERIES - Series de base

Observaciones de series standard de demanda sobre tiempos, usadas en pronosticos de artículos estacionales. Estas series de factores están basadas sobre el nivel relativo de demanda, durante el período correspondiente de años anteriores. El valor promedio de la serie base

sobre 12 artículos es decir períodos mensuales será 1.0. La serie base es impuesta arriba del promedio de tendencias en demanda para el artículo, para propósitos de pronosticos.

## 31.- BILL OF MATERIALS - Factura de materiales

Una lista de todos los sub-ensambles o partes y van hacia un producto ensablado mostrando la cantidad requerida para cada uno al hacer un montaje. Estos sub-ensambles y partes son generalmente categorizados como componentes. Una cuenta de materiales puede ser agrupada en 3 formas: 1) Productos cortos, 2) Estructura de productos, 3) Matriz de productos.

32.- BILL OF MATERIAL PROCESSOR  
Procesador de cuenta de materiales

Se refiere a las aplicaciones de la computadora completada por muchos manufactureros para mantener, componer y adaptar la información en archivos de acceso directo de la cuenta de materiales.

## 33.- BIN TAG - Cédula de Depósito

Un tipo de inventario perpetuo, designado para propósitos de mantenimiento, para cada inventario de artículos.

## 34.- BINARY CODED DECIMAL - Código Decimal Binario

Un sistema de numeración usado en muchas computadoras donde el sistema binario básico es usado para representar números decimales.

35.- BINARY NUMBERING SYSTEM  
Sistema de numeración binaria

Este sistema usa sólo los símbolos 0 y 1 los cuales están adaptados a la computadora y representan cargas negativas o positivas.

36.- BIT - Dígito Binario

Información básica mediante la cual trabaja la computadora. El bit puede tomar varias formas (ejem. impulsos electrónicos). Un número de bit juntos son usados para representar un carácter en la computadora.

37.- BOOK INVENTORY - Libro de Inventario

Una definición del Inventario de unidades o valores obtenidos de un registro de inventario perpetuo más bien que por cuentas reales.

38.- BOOLEAN ALGEBRA - Algebra Boreana

Algebra ordinaria. Representa relaciones y propiedades con símbolos. Sin embargo, contienen también clases, proposiciones, circuitos elementales (on-off), y operadores (and, or, not, except, if, then), los cuales son usuales en la lógica del sistema complejo.

39.- BUFFER STOCK - Existencias de resorte

Ver: Decoupling inventories

40.- BUSINESS CYCLE - Ciclo de Negocios

Un cambio aparente recurriendo en general a ac

tividades de negocios que van desde un punto bajo (depresión) a un punto alto (prosperidad). Si un tiempo es llamado "ciclo" es dudoso que las condiciones extremas se repitan con la misma regularidad.

41.- BYTE -

Consiste de 8 bits usados para almacenar 2 caracteres numéricos o alfabético.

- C -

42.- CALENDAR TIME - Tiempo de calendario

Se refiere al paso de los días o las semanas como en la definición de tiempo inicial o reglas de programación en contraste con el tiempo de flujo.

43.- CAPACITY - Capacidad

Lo más alto, sostenible fuera de la proporción la cual puede ser archivada con las especificaciones de los productos comunes, productos mixtos, esfuerzo de los trabajadores, planta y equipo de planta.

44.- CARLOAD LOT - Lote de carga completa

Un embarque el cual califica para una proporción reducida de tarifa porque es más grande que un peso específico mínimo. Puesto que la proporción de cargas llenas usualmente incluye proporciones mínimas por unidad de volumen, la



más alta proporción de L.A.B. puede ser menos caro para un embarque pesado pero relativamente corto.

45.- CASCADED SYSTEM - Sistema de salto

Operaciones de multisecciones; la entrada de cada disco es la salida del siguiente, causando con eso interdependencias entre los discos.

46.- CENTRAL PROCESSING UNIT -  
Unidad Central Procesadora

El principal componente de la computadora el cual esta hecho de una sección de control y de una sección aritmético-lógica. La otra unidad básica de la computadora son las unidades de entrada y salida y la sección primaria.

47.- CENTRALIZED DISPATCHING - Despacho centralizado

Organización de la función del despacho hacia una localización central. Esta con frecuencia incluye algunas de las comunicaciones entre la función del despacho generalizado, el cual usualmente reporta al departamento de control de producción y al departamento de manufactura.

48.- CHANCE - Probabilidad

Algo que sucede como resultado de fuerzas desconocidas o no consideradas.

49.- CHANGE ORDER - Cambio de Orden

Una notificación formal que puede ser cambiada de alguna forma. Puede resultar de algún cam-

bio de fecha o de una especificación hecha por el cliente o bien por algún cambio de ingeniería.

50.- CHANGE-OVER COST - Cambio sobre costo

La suma de los costos establecidos y los costos de desperdicio para una operación de manufactura.

51.- CHANNEL - Canal

Aparato por el cual los datos fluyen entre las unidades de salida y entrada de una computadora y la sección primaria.

52.- CHARACTER - Carácter

Una letra individual, número, etc. En computadoras los caracteres están compuestos de un número de bits.

53.- CHRISTMAS TREE - Arbol de Conexiones

Una factura del material en la forma de estructura gráfica, mostrando que el montaje es hecho de subensambles desde los niveles de componentes más bajos.

54.- COBOL -

Un lenguaje de computadora que se adapta principalmente a problemas de negocios y comerciales significa: Common Business Oriented Language.

55.- COMBINATION DISPATCHING RULE  
Regla de combinación de despacho

Una regla de despacho que dirige la secuencia de trabajo basada sobre dos o más de los factores principales incluyendo: los datos tratados, el tiempo de procesamiento remanente y el tiempo de espera remanente. Un ejemplo manual de esta regla sería la división de trabajo hacia dos grupos: aquellos que están cerca de la fecha de vencimiento y aquellos que están lejos. La secuencia mostrada será corta para el tiempo inicial del primer grupo así como el tiempo de procesamiento. Para el segundo grupo el tiempo inicial será más largo.

56.- CONSIGNED STOCKS - Existencias consignadas

Son inventarios generalmente de productos terminados los cuales están en posesión del cliente, comerciantes, agentes, etc. Pero permanece la propiedad de la manufactura por conformidad con estos en posesión.

57.- CONSOLE - Consola

La estación de control de la computadora con encendedores, apagadores y otros aparatos provistos de significado para la operadora de la computadora al comunicarse con la computadora y viceversa.

58.- CONTROL BOARD - Tabla de Control

Un significado visual en la cual se muestra la carga de las máquinas o la planeación proyectada. Usualmente una variación de la gráfica Gantt.

59.- CONTROL CHART - Diagrama de Control

Usualmente una gran pieza de papel gráfico usada de la misma manera que la tabla de control. Donde la tabla de control con frecuencia usa cuerdas y clavijas o tiras movibles de papel al representar el plan y progreso de la gráfica de control típicamente será completada con un lápiz.

60.- CONTROL SECTION - Sección de Control

La sección de la CPU que interpreta las instrucciones y dirige las operaciones de todas las otras unidades del sistema de la computadora.

61.- COORDINATION MODELS - Modelos de Coordinación

Una clase de modelos de investigación de operaciones incluyendo las relaciones entre los tiempos establecidos de los componentes y los datos complejos tomados de un proyecto.



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