

BUSINESS ENGLISH

Current Accounting and Finance Trends in Business English

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This week, we are going to take a look at some of the more **relevant** and **current news** that we can see in the Business and Accounting fields. These will be accompanied by a small **glossary** at the end of each article to help with the understanding of the content.

The field of accounting is in constant **evolution**, and with it arrive new and interesting terms in the English language. One such term is "**Blockchain Accounting**," this refers to the use of blockchain technology in accounting processes. This term has gained prominence over the last few years due to the growing popularity of **cryptocurrencies** and their underlying blockchain technology. Something, which although has begun to slow down and become **less relevant**, is still a rather popular way of banking. Blockchain is essentially a system of recording information in a way that makes it difficult or impossible to **change, hack, or cheat the system**. A blockchain is in essence a **digital ledger** of transactions that is duplicated and distributed across the entire network of computer systems on the blockchain

Another term we can see is "**Green Accounting**," which refers to the practice of accounting for **environmental sustainability**. With increasing concerns about climate change and the impact of businesses on the environment, this term has become more relevant and important in modern accounting practices. Other terms such as "**Big Data Analytics**" and "**Artificial Intelligence Accounting**" are also gaining traction as technological advancements continue to shape the field of accounting. Big data analytics is the often complex process of **examining big data** to discover information -- such as **hidden patterns, correlations, market trends** and customer preferences -- which can in turn help organisations make better, **informed business decisions**. On a larger scale, data analytics technologies and techniques give organisations a way to analyse data sets and gather new information. **Business intelligence** (BI) queries answer basic questions about business operations and performance. On the other hand **AI** (Artificial Intelligence) in accounting is primarily about **data and automation**. AI-fueled technologies and applications like **machine learning** can drive new and improved practices around data analytics for accounting.

Another new phenomenon that we are seeing across the world is "**shrinkflation**". This is when companies **reduce** the size of their products or range of services but whilst still **maintaining prices**. It is seen as a reaction to the increasing price of raw materials needed in the production process. Another **tactic** being used is to **place smaller** numbers of items in **larger boxes**, providing an illusion to shoppers that they are getting significantly **more for their money**. Shrinking the size of products is in effect a cost-cutting strategy. Manufacturers are relying on psychology here. They know that consumers are considerably more **sensitive** to price than

quantity or **quality**. Most shoppers will still make a regular purchase, even if it has shrunk, as long as the price has not risen.

The chocolate bar maker Cadbury has resorted to shrinking the size of one of its flagship products by 10% to **maintain its bottom line**. A company spokesperson said: "We look to absorb costs...in this difficult environment [so] we've had to make the decision to slightly reduce the weight of [chocolate] bars for the first time since 2012, so that we can keep them **competitive**." The service industry is also finding the need to be inventive to attempt to refrain from raising prices. The hotel chains Hilton and Marriott have made daily housekeeping services "opt in". This means that guests must now request the cleaning of their room. Many other free services we have taken for granted are on the wane and being shrunk.

These new and exciting terms demonstrate the dynamic nature of the accounting profession and the need for accountants to stay up-to-date with the latest trends and technologies.

Glossary

On the wane - *in declino*

Taken for granted- *dare per scontato*

Shrink- *restringersi*

