

# Accountant Encyclopedia Article

## Accountant

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# Accountant

Accountants prepare, analyze, and verify financial records for individuals, businesses, and the government. Accountants may have their own businesses, work for accounting firms, or be employed by various types of businesses.

Some accountants specialize in tax matters and help people prepare income tax returns. Tax accountants also advise companies on the tax advantages and disadvantages of certain business decisions. These tasks involve a great deal of mathematics.

In preparing tax forms, accountants must add up income from the various sources. They use multiplication to compute tax savings that change with the number of exemptions, such as dependent children. They use subtraction to deduct expenses from income to calculate how much income must be taxed. Using all of these calculations, they determine how much tax their **clients** owe and develop and present various options to save the most money for their clients.

Accountants may review and assess budgets, performance, costs, and **assets** of different parts of a company. Computers are often used to prepare reports and graphs and to handle the detailed mathematics of business.

Many accountants prepare financial reports. An income statement summarizes a company's revenues (income) and expenses. A company's net earnings equal **revenues** minus expenses. Performance may be evaluated by comparing net earnings from one year to the next. Thus, there may be a percentage increase or decrease. The financial reports often contain graphs summarizing financial data.

Accountants use mathematical models to estimate how much a company's equipment **depreciates**. Accountants also use mathematics when budgeting, which entails controlling expenses based on the money available during a particular time period.

People seek the advice of accountants to help them budget and prepare income tax forms.

Most accountant positions require at least a bachelor's degree in accounting. Large accounting firms often prefer people with a master's degree.

## See Also

Financial Planner; Graphs.

## Bibliography

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