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AAA¹ *abbr* ACCOUNTING **American Accounting Association**

AAA² STOCKHOLDING & INVESTMENTS top investment rating the maximum safety rating given to potential investments by Standard & Poor's or Moody's, the two best known rating agencies. *Also called triple A*

AAD *abbr* CURRENCY & EXCHANGE **Arab Accounting Dinar**

AASB *abbr* ACCOUNTING **Australian Accounting Standards Board**

AAT *abbr* ACCOUNTING **Association of Accounting Technicians**

AB *abbr* BUSINESS **Aktiebolag** or **Aktiebolaget**

ABA *abbr* BANKING **American Bankers Association**

abacus FINANCE frame holding rods strung with beads for calculating a counting device used for making basic arithmetic calculations, that consists of parallel rods strung with beads. Still widely used in education worldwide and for business and accounting in China and Japan, its origins can be traced back to early civilizations. Australia's oldest accounting journal bears the same name.

abandonment option STOCKHOLDING & INVESTMENTS early investment-termination option the option of terminating an investment before the time that it is scheduled to end

abandonment value STOCKHOLDING & INVESTMENTS value of investment terminated early the value that an investment has if it is terminated at a particular time before it is scheduled to end

ABA routing number BANKING number allocated to US financial institution a unique, nine-digit bank code, which appears on the bottom of **negotiable instruments** such as checks, that is used to identify the US federal- or state-chartered financial institution responsible for payment. *Also called routing number*

abatement FINANCE decrease in debt obligation a reduction in an amount of a liability, for example, in the amount of a person's debts, or in a company's costs of paying employee benefits

ABB *abbr* TREASURY MANAGEMENT **activity based budgeting**

abbreviated accounts ACCOUNTING abridged UK company accounts in the United Kingdom, a shortened version of a company's **annual accounts** that a company classified as small- or medium-sized under the **Companies Act** (1989) can file with the **Registrar of Companies**, instead of having to supply a full version

ABC *abbr* ACCOUNTING **activity based costing**

ABI *abbr* INSURANCE **Association of British Insurers**

Abilene paradox GENERAL MANAGEMENT theory of group decisions based on mistaken impressions a theory stating that some decisions that seem to be

based on consensus are in fact based on misperception and lead to courses of action that defeat original intentions. The Abilene paradox was proposed by management professor Jerry Harvey in 1974 following a trip made by his family to the town of Abilene. One person suggested the visit and the others agreed, each believing that everyone else wanted to go. On their return, everyone admitted that they would rather have stayed at home. Harvey used this experience to illustrate the mismanagement of agreement, and of decision making in organizations when apparent consensus is actually founded on poor communication.

ability-to-pay principle TAX theory of tax liability a theory which holds that taxes should be paid only by those who can best afford them

ABM *abbr* GENERAL MANAGEMENT **activity based management**

ABN *abbr* TAX **Australian Business Number**

abnormal loss ACCOUNTING loss exceeding normal allowance any loss which exceeds the normal loss allowance. Abnormal losses are generally accounted for as though they were completed products.

abnormal shrinkage ACCOUNTING shrinkage contributing to abnormal loss the unexpectedly high level of reduction in inventory that has contributed to an abnormal loss

abnormal spoilage ACCOUNTING shortfall contributing to abnormal loss the unexpectedly high level of shortfall that has contributed to an abnormal loss

abnormal waste ACCOUNTING waste contributing to abnormal loss the unexpectedly high level of waste that has contributed to an abnormal loss

above par STOCKHOLDING & INVESTMENTS trading above face value used to describe a security that trades above its **nominal value** or **redemption value**

above-the-line 1. ACCOUNTING indicating exceptional items in accounts used to describe entries in a company's profit and loss accounts that appear above the line separating those entries that show the origin of the funds that have contributed to the profit or loss from those that relate to its distribution. Exceptional and extraordinary items appear above the line. *See also below-the-line (sense 1)* **2.** ECONOMICS indicating country's revenue transactions in macroeconomics, used to describe a country's revenue transactions, as opposed to its below-the-line or capital transactions. *See also below-the-line (sense 2)* **3.** MARKETING relating to marketing costs for advertising used to describe marketing expenditure on advertising in media such as the press, radio, television, film, and the World Wide Web, on which a commission is usually paid to an agency. *See also below-the-line (sense 3)*

abridged accounts ACCOUNTING provisional UK company financial statement in the United Kingdom, financial statements produced by a company that fall outside the requirements stipulated in the **Companies Act**. Abridged accounts are often made public through the media.

ABS *abbr* **1.** STOCKHOLDING & INVESTMENTS **asset-backed security** **2.** STATISTICS **Australian Bureau of Statistics**