

Accounting terminology and translation – a linguistic challenge

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Abstract

This article focuses on linguistic comparability and the understanding of accounting terms between languages in the context of international standardization of accounting principles. By analyzing the translations of the American English term *income* in bilingual dictionaries (English/Swedish and Swedish/English), the complexity of translating accounting terms, and the risk of miscommunication involved in the process, is highlighted.

The study shows that non-technical uses of terms are commonly confused with technical uses, and that the information presented in bilingual technical dictionaries may be both incorrect and misleading. The research demonstrates the fuzzy nature of language, and shows that linguistic and cultural aspects in accounting communication cannot be ignored in the on-going work of standardizing accounting world-wide.

1 Introduction

The aim of this paper is to explore the comparability and understanding of accounting terms in two related languages – English and Swedish. By analyzing the translations of the accounting term *income* in bilingual business dictionaries the difficulty in translating accounting terms correctly, and the danger of miscommunication, is highlighted. Our aim is to make producers and users of accounting information aware of linguistic aspects in financial reporting, and show that uniformity of principles and terminology is needed to promote transparency in international accounting communication.

In accordance with accounting theory, companies' disclosure of timely and relevant information in financial reports reduces information asymmetries (see, for instance, Frankel & Li, 2004). There is, however, as pointed out by Soderstrom and Sun "considerable variation in accounting quality and economic efficiency across countries" (2007: 676). Therefore, convergence to unifying standards has been regarded as necessary, and constitutes a current topic in financial reporting (Chua & Taylor, 2008; Zeghal & Mhedhbi, 2006). Chua and Taylor (2008) argue that the complexity of international capital markets and their interconnection are critical rationales for the adoption of a unifying standard. According to Barth (2008), one global standard would not only reduce the costs international companies pay for preparing financial statements, it would also help them interpret financial statements prepared in other countries. His view is that one single language of business is a prerequisite for ensuring comparability of international accounting information. Quite similarly, Jacob and Madu (2009) emphasize that the development of one global standard would have the potential to contribute to more comparable and solid reports.

Until today, much of the work on standardizing international accounting has focused on norms and regulation. Work focusing on how companies actually interpret and do their accounts in practice has been wanting, although pointed out as a necessary complement to harmonization work on a *de jure* level (Beuren *et al.*, 2008; Baker & Barbu, 2007). One important aspect of harmonization on a *de facto* level which has been receiving increased attention during the last few decades is language (Beuren *et al.*, 2008; Evans 2004; Evans *et al.*, 2010). Our aim is to contribute with knowledge concerning the centrality of language in accounting communication, and thereby contribute to the work on converging accounting to international standards.

Prior studies focusing on the relationship between language and accounting in cross-national settings have primarily focused on connotative differences in accounting practitioners' understanding of expressions and phrases (Doupnik & Richter, 2004; Evans, 2004; Evans & Nobes, 1996; Archer & McLeay, 1991). This study adds to previous research on accounting terminology by focusing on the understanding of a term part of the financial statement and by showing that even denotative meanings of terms may give rise to confusion. The article examines the translation of *income* in dictionaries by employing the idea of fuzzy meaning as an analytical framework.

2 Background to the study

2.1 Theoretical framework

It is common practice to discuss word meaning in terms of denotative and connotative meanings. A strict division into these two sense-components of word meaning builds on componential analysis or core theory. In line with Aristotle's theory of word meaning, proponents of core theory hold that the denotative or essential meaning of every word can be extracted and specified (Aitchison, 2012:53-54). The difficulty of applying the theory to a number of words has been observed, however, and today most linguists argue that few words have a fixed meaning (Aitchison, 2012: 54ff; Kövecses, 2006; Persson, 1995: 11). To illustrate the difficulty of applying core theory to word meaning, the definitions of the concepts 'tiger' and 'bird' have commonly been used. Most people would say that they know what a bird or a tiger is, but when asked for exact definitions of the concepts which separate them from other entities and which hold true for all tigers and birds, the complexity of defining the exact meaning of words is highlighted (Aitchison, 2012: 59ff).

The antithesis of componential analysis is that word meaning is fuzzy and that exact or discrete meanings of terms are seldom, if ever, found (Aitchison, 2012: 58ff.; Rosch, 1975). Many words have such complex meanings that not even speakers within the same profession within the same country share the same conceptual understanding of them (for examples of different understandings of terms in interprofessional accounting communication see, for example, Libby (1979), Oliver (1974) and Jain (1973).

Proponents of the theory of fuzzy meaning argue that words should not be studied in isolation (Aitchison, 2012: 80ff). To acquire the full understanding of a word, knowledge of the whole setting or frame in which it occurs is required. For instance, to understand what 'Monday' is, an understanding of the whole concept 'week' is needed, which in Western culture is divided into a sequence of five working days and two days off (Aitchison, 2012: 86; Fillmore, 1985). In a similar way, it could be argued that when an individual talks and refers to the term *income*, the whole frame 'accounting' is activated.

In the analysis and classification of words, discrepancies in lay and scientific understandings of concepts are frequently referred to and discussed. Scientific definitions of terms often differ in many significant ways from the lay understanding of the same terms (Ungerer & Schmid, 2006: 55ff; Wardhaugh, 2006: 232; see also Aitchison, 2012: 59; Janicki, 2002). Ungerer and Schmid (2006: 55 ff) give a number of examples of such discrepancies and demonstrate that although many lay models of concepts have shown not only to clash with scientific ones, but to be incorrect, they nevertheless influence people's understanding of the world. Examples of misconceptions and confusion as a result of failures to distinguish between scientific and everyday meanings of terms have, for instance, been provided from the legal realm by Cao (2002). It is thus reasonable to assume that the everyday understanding of *income* differs from the technical definition of the term, and that the former may affect the understanding of the latter (see 5.1.1 below).

2.2. Language and culture

Various theories have been launched about the nature of the relationship between language, culture and world-view. In the context of language relativity, for example, the degree of language's impact on thought has been explored, resulting in stronger and weaker versions of language relativism (Saeed, 2003: 41). The way people cut up the color spectrum is frequently used to demonstrate this relationship. We all know that the color spectrum is a continuum where different colors merge into each other without clear-cut boundaries. In spite of this, names are assigned to the color shades of the spectrum as if they were perceived as distinct entities that could be separated from one another. How people categorize colors and assign names to them is, however, as is well known, quite different world-wide. Most Western cultures employ about eleven basic color terms, whereas other cultures make use of considerably fewer categories. It has also been shown that despite an equal or almost equal number of color terms in some cultures people may nevertheless conceptualize colors differently in these cultures (Taylor, 2003: 1-17).

The relationship between color terminology and human categorization has been studied extensively within a variety of fields and supplied us with valuable clues to human cognition (Taylor, 2003; Heider (Rosch), 1971; Berlin & Kay, 1969). For the purpose of this study, however, it seems enough to state that the link between language, culture and world-view

exists, and as a consequence accounting terms and expressions used in one language do not necessarily mean the same thing in another. One may thus conclude that translating a text from one language into another requires knowledge of the target language which goes far beyond knowing its linguistic structure, and that misunderstandings of terms and underlying concepts are likely to occur, particularly in international communication.

The degree of inconvenience caused by the discrepancy between terms and what they refer to and how they are understood in various languages is, of course, highly context-dependent. If people with different cultural backgrounds meet and realize that they understand color terms differently, the harm may perhaps not be equally severe – at least not in informal contexts – as if people engaged in accounting discussions misunderstand each other. Misinterpretations of accounting terms may, for instance, lead to research flaws or incorrect investment decisions (Beuren *et al.*, 2008; Evans, 2004). Misunderstandings with serious consequences are also likely to arise in accounting classes if the underlying principles of accounting as described in the course literature do not correspond to the accounting practice of the country where the course is taught. International students in such classes may at worst be doubly confused if both the course literature and the system to which it is applied are foreign to them. Similar problems may arise in situations where people speaking different languages meet to discuss business and use a lingua franca to make communication possible (for a discussion on the role of English as a business lingua franca see, for instance, Kankaaranta & Planken (2010) and Ehrenreich (2010).

The relationship between language and culture in mind, it is thus important to remember that full semantic equivalence between terms in various languages is rarely found (Riemer, 2010; Ungerer & Schmid, 2006; Bassnett, 2002: 22; Janicki, 2002), implying that even if one global financial accounting standard would improve international accounting communication, a single set of accounting standards can never guarantee comparability between terms in different languages. Comparability is not achieved, as pointed out by Dahlgren & Nilsson (2009), simply by obliging international companies to prepare their statements in accordance with the IFRS.¹ As mentioned above (section 2.1), true comparability requires understanding of the whole frame where a particular word occurs.

2.3. US and Swedish Accounting traditions and international accounting communication

Together with Great Britain, Ireland, Holland, Canada, New Zealand, Australia and the former British colonies the US adheres to the Anglo-American (also referred to as Anglo-Saxon) accounting tradition. Sweden has traditionally been influenced by the continental tradition together with Japan and the main part of the west European countries (Alexander & Archer, 2000; Smith, 2000: 73). An important difference between the American and Swedish accounting systems is that while US accounting regulation focuses on protecting external shareholders, the Swedish system, like that of other continental accounting countries, focuses on taxation and the protection of creditors (Aisbitt, 2008; Smith, 2000: 76-77). Whereas the US law system shows similarities with British practices, Swedish accounting theory has primarily been influenced by German regulation and theory (Aisbitt, 2008; Alexander & Archer, 2000). Some time in the mid twentieth century, a move from the continental to the common law tradition began to take place in Sweden, however. German textbooks in

¹ Since 2005 all European Union member states must adopt the International Financial Reporting Standards (IFRS).

Swedish accounting education were, for instance, replaced by many Anglo-American books, and English became more important than German in a number of social and political instances (Artsberg, 2010: 192, 198- 200). This change was caused by an increased number of multinational companies listed on the New York and London stock exchanges. Another important factor was that accounting was becoming increasingly international and international accounting standards developed primarily in accordance with Anglo-American traditions (Smith, 2000: 76).

Anglo-American accounting legislation includes supplementary requirements issued by sector bodies, commonly made up of accountants. In the continental countries, by contrast, accounting practice is typically dominated by tax law leaving little room for the influence of professional accounting bodies, such as the Financial Accounting Standards Board (FASB) in the US and the International Accounting Standards Board (IASB) in the UK (Blake *et al.*, 1997). This is, for example, the case in France and Germany (Degos & Mattessich, 2006). Sweden serves as an exception to continental practice in this respect, because, like professional accounting boards in the US and the UK, Swedish accounting bodies have traditionally had a great influence on accounting regulation, although it is true that the Swedish legal accounting system is based on a binding tax-accounting link (Blake *et al.*, 1997). Sweden's position between these two approaches, and the debate concerning the effects of a strong link between tax rules and accounting regulation in an international context appear to illustrate both difficulties in and demands on standardizing global accounting information and practices.

All European Union companies are today required to adopt the International Financial Reporting Standards (IFRS). These standards have been adopted by a number of countries in the world, but not by the US, whose financial reporting system follows GAAP (Generally Accepted Accounting Principles). A convergence program between the international accounting organizations FASB and IASB was started in 2002, however, and a Memorandum of Understanding between them was issued in 2006.² In 2009 they reaffirmed their commitment to the memorandum, and in line with this, the Securities and Exchange Commission (SEC) proposed a work plan with several milestones to achieve global harmonization.³

² See: <http://www.ifrs.com/updates/fasb/memorandum.html>

³ See: <http://www.ifrs.org/>

2.4. Language and accounting

Along with an increased need of communicating accounting internationally, and the demands on standardizing accounting, the last few decades have witnessed a growing amount of research focusing on how accounting information is communicated cross-nationally and on the problems of translating accounting terms into other languages. Archer and McLeay (1991), for example, have examined the extent to which the accounting registers of different languages may be regarded as translanguistic, that is, translated rather unproblematically from one language into others. Their study shows that even if there is some evidence of semantic overlap between different national accounting registers, which would make transnational financial reporting possible, cultural differences in the way information is presented in a given context, for example, in terms of courtesy and choice of wording are more difficult to overcome in translation.

A number of studies have focused on how the concept of ‘true and fair view’ is understood in accounting communication (Evans, 2004; Nobes, 1993; Walton, 1991), all of them suggesting that there is great variation in how the concept is perceived both on a single and a cross-national level. Walton (1997) points out that not even in the UK where the concept originates is it understood unambiguously among accountants.

Another accounting term which has attracted attention among researchers with respect to translation is *prudence*. Evans and Nobes (1996) studied the prudence principle in European languages in relation to the Forth Directive⁴ and concluded that there is a difference in emphasis between different language versions of the directive as to the meaning of the principle. In a more recent article by Evans focusing on the same concept (2004), the author explains that differences in the understanding of the prudence principle most likely depend on the fact that language users interpret the word in accordance with what they are familiar with in their respective economic and legal systems. In the same article, the translation of the German expression *Grundsätze, ordnungsmässiger Buchführung* (GoB) (‘principles of orderly accounting’) into English is discussed, as the meaning of it, as pointed out by the author, “persistently give[s] rise to problems and misunderstandings” (Evans, 2004: 212).

The problems entailed in interpreting technical vocabulary have also been addressed by Evans, Baskerville and Nara (2010). Their study, written in the context of the convergence of the IFRS, contains a review of literature focusing on translation from other disciplines than accounting to enable comparison and practical solutions. The Swedish translation of the IFRS has been studied by Dahlgren and Nilsson (2009). A number of translation errors concerning accounting terms are presented in their study, there among, the translations of *income*, *profit* and *recognition*. This study adds to previous research on the complexity involved in translating accounting terms, but, unlike prior studies, it points more explicitly to “problems” inherent in language as a cause for misunderstanding, and demonstrates that misconceptions occur on both connotative and denotative levels. To illustrate the complexity in interpreting word meaning, this study primarily focuses on the English term *income* in its relation to the Swedish term *inkomst* – two terms which historically meant the same thing but have developed to mean different things. The problems entailed in translating specialized

⁴ The directive includes “general valuation principles to be applied in the preparation of financial statements” (Evans & Nobes, 1996: 361).

vocabulary, and the danger involved in it, are highlighted by analyzing the possible interference of the everyday understanding of ‘income’ on the technical understanding of the concept.

3 Research aims

The aim of this study is to analyze the suggested translations of the accounting term *income* in eight two-way business dictionaries (English-Swedish/Swedish-English). Based on the information found in the dictionaries, the study addresses the following questions:

- Are there any inconsistencies or incorrect translations of the term in the dictionaries? If so, what are the possible reasons for the mistakes?
- In what way may the errors be attributed to the fact that Swedish and English are related languages?
- Does the lay definition of *income* affect the understanding of the technical sense of the term?
- Is it possible to achieve full comparability and transparency in international accounting communication?

4 Method and material

Since American English is the most commonly used language of account in international contexts today (Parker, 1994), the focus on the term *income* in this study is on how it is used and understood in American English. For this reason, only dictionaries which mark when a term is used specifically in American English were selected. *Income* was chosen as a term of investigation, because it constitutes a key term in accounting which is commonly misunderstood in international accounting communication (see, for instance, Dahlgren & Nilsson, 2009).

All the dictionaries (see Tables 1 and 2) chosen for the study are bilingual business dictionaries, except *Google Translate*, which is a web-based general dictionary. It was included in the material as it constitutes one of the most frequently consulted dictionaries among Swedish accounting practitioners. The first step was to look up *income* in the English-Swedish dictionaries. The suggested translations of the English term are presented in Table 1. They are listed in the same order as they occur in the dictionaries. The terms listed as Swedish equivalents of *income* were then looked up in the same dictionaries to see what their English translation rendered (Table 2). This method was chosen not to demonstrate possible inconsistencies in the dictionaries’ presentations of the terms, but as a means of highlighting the complexity involved in transferring the meaning of terms from one language to another and the risk of miscommunication entailed in it. The business dictionary *FARs engelska ordbok (FAR)* (2000), which is recognized as an authorized accounting dictionary in Sweden, was used as a point of departure for the analysis. This dictionary lists five different Swedish terms to cover the meaning of the English term: *inkomst*, *intäkt*, *vinst*, *resultat* and *avkastning*.

Each translation presented in the dictionaries is analyzed and discussed semantically and compared to other suggested translations. Since the Swedish term *inkomst* is frequently understood as the equivalent term of *income*, the focus is primarily on the concept of ‘income’ in its relation to ‘*inkomst*’.

5 Analysis and discussion

5.1. *Income* – a term of confusion

It is generally argued that absolute equivalence between languages is unusual (Harkins & Wierzbicka, 2001; Joseph, 1998; Gibbs, 1994; Nida, 1996). Even if one may come across terms whose equivalents in another language refer to exactly the same concepts, connotative differences may create differences in people's conceptualization of them (Aitchison, 2012: 54; Bassnett, 2002: 22). The fact that not all concepts are lexicalized in all languages constitutes another complexity in international communication (Zeff, 2007: 296; Wardhaugh, 2006: 223). English, for example, makes no linguistic distinction between the brother of someone's mother and the brother of the father of this person. They are both *uncles*. Such a distinction is made in Swedish where the former is called *morbror* and the latter *farbror*. Numerous examples of similar mismatches between terms in different languages could be listed, in particular in the terminology of cultural and social artifacts (see, for instance, Kocbeck, 2008; Wardhaugh, 2006: 232), as such concepts, more than perhaps others, are culturally defined. The risk of confusion is moreover likely to increase if a term in the source language resembles a term in the target language whose underlying concept differs from that of the source language (false friends). A related phenomenon with a similar effect on perception is the so-called "Einstellung effect" which implies that once a word for a specific concept has been understood as the "correct" term for it, this term will cause its users to over-generalize its meaning and make him or her see only what he or she expects to see (Evans, 2004; Jain, 1973; Luchins, 1942).

A semantic analysis of the term *income* and Swedish translations of it should provide valuable information in the contexts of international accounting communication. To demonstrate the social and cultural impact on the semantic development of terms and to underscore the fact that the meanings of terms are not static, but change over time (Kleparski, 1996: 4ff; Hughes, 1988), a short etymological background to the development of *income* and the Swedish term *inkomst*, followed by a presentation of the understanding of *income* on a national level, precedes the analysis.

As noted above, the term which is commonly understood as the nearest equivalent of the English term *income* in Swedish is *inkomst*. Originally, *income* meant 'entrance' or 'coming in' (Oxford English Dictionary (OED)), formed from *in* + *come* (Old English *incuman*). According to the OED, the verb form occurred for the first time in English about 1000. The Swedish term *inkomst* was formed from the same collocation. The first recorded example of *income* as a noun is in 1300 (OED). The first instances of "periodical produce of one's work, business, lands or investments" (OED) were recorded in both languages around 1600 (OED; *Svenska Akademiens Ordbok*). Since the seventeenth century legal and social changes have caused the original concept designated by the two terms to develop differently in their respective languages, however. Swedish accounting principles, including the *income* concept, received a more uniform meaning in commercial accounting through the implementation of the so-called M-chart (Mekanförbundets Normalkontoplan) in 1945 (Fagerström & Lundh, 2009). The US term, on the other hand, appears to have developed as a rather generic term including many different kinds of *income*, for example *revenue* "the income generated from sale of goods or services, or any other use of capital or assets, associated with the main operations of an organization before any costs or expenses are deducted," *net income* "the total revenue in an accounting period minus all the expenses during the same period," *other income* "income derived from transactions not involved in daily operations of business. For

example, rent received from other business properties” and *gross income* “the amount by which sales revenue exceeds production costs” (*BusinessDictionary*).

Regardless of how the two terms have developed the meanings of income and the Swedish term *inkomst* are, as shown more in detail in the analysis below, not clear-cut. As for the English term, Schroeder, Clark and Cathey (2009: 137) emphasize that “there is a general lack of agreement as to the proper definition of [it].” It is used with reference to both economic and accounting income, and “means different things to different people,” to use Dyckman et al.’s words (1992: 135). In economic terms, for example, it refers to a change in wealth between two periods (Dyckman et al., 1992: 135), but in accounting, it denotes “specific events that give rise to recognizable elements of revenue and expense during a reporting period” (Epstein & Mirza, 2000: 65). Unlike economic income, which does not necessarily need to be realized, accounting income is normally “recognized only when it is fully realized” (Epstein & Mirza, 2000: 65). Investors and shareholders also understand the term differently. To the investor, it represents “earnings before any payments.” To the common shareholder, on the other hand, it means “earnings after payments to other investors” (Epstein & Mirza, 2000: 65). That the term income covers many different concepts is also illustrated in the on-line *BusinessDictionary* which presents five different meanings of the term: one general, two in accounting, one in economics and one in law.

5.1.1 Income in Bilingual Business Dictionaries

Against the information presented above, this section provides an analysis of the American English accounting term *income* and the Swedish translations of it in eight bilingual business dictionaries (see Tables 1 and 2).

| Dictionaries | Swedish translations |
|---|---|
| <i>Accounting Bilingual dictionaries</i> | <i>inkomst, vinst</i> |
| <i>Business dictionary : English-Swedish, Swedish-English</i> | <i>inkomst ‘revenue’, intäkt, vinst</i> |
| <i>Ekonomiordbok: svensk-engelsk, engelsk-svensk</i> | <i>intäkt, resultat, vinst</i> |
| <i>Elsevier’s dictionary of commercial terms and phrases</i> | <i>inkomst, intäkter, vinst</i> |
| <i>English-Swedish Business Dictionary</i> | <i>inkomst, avkastning</i> |
| <i>FARs engelska ordbok</i> | <i>inkomst, intäkt, vinst, resultat, avkastning</i> |
| <i>Natur och kulturs ordböcker, engelsk-svensk-affärsordbok</i> | <i>inkomst, avkastning</i> |
| <i>Google translate</i> | <i>intäkter, inkomst, avkastning, inkomster</i> |

Table 1. Swedish translations of the US term *income*

As shown in the above table, seven of the eight dictionaries list *inkomst* as a possible translation of the English term *income*, and all of these except one (*Google Translate*) present it as the first meaning, indicating that it is the most typical sense. Indeed these two terms have a lot in common. As shown above, they derive from the same Germanic source and originally they meant the same thing. Today, they are both frequently used business terms in their respective languages, and on a general level they both refer “to the money that a person, a region, a country etc. earns from work, from investing money from business etc.” (*Oxford Advanced Learner’s Dictionary*). Similar general definitions of the two terms are presented in the Swedish terminology bank *Rikstermbanken* and in the *BusinessDictionary*. At first glance, *inkomst* thus appears as the most “natural” translation of the English term. *Income* is the term that most Swedish people associate with *inkomst*, and also the term which most dictionaries present as the equivalent term of the Swedish term in question. They moreover look very similar. A closer look at the contexts where the two terms occur, however, reveals that they are far from the equivalents of one another. In accounting, in particular, they are shown to refer to entirely different concepts.

The difference between the two terms is mainly a matter of divergent accounting practices in Sweden and the US and may be explained by reference to how the inflow and outflow of resources are accounted for in the respective systems. The US accounting system makes use of two pairs of terms to describe the inflow and outflow of resources; the Swedish system uses three. In the US system, one pair describes the recognition of the components of income (*revenues* and *expenses*) and the other refers to the realization of the resources (*receipts* and *disbursements*). The latter pair is similar in the Swedish system, where *inbetalning* corresponds to *receipt* and *utbetalning* to *disbursement*. The first pair is not equally straightforward in its application within the two systems, however. Swedish accounting practices make a distinction between the compensation for products and services which have not yet been accrued for (*inkomster* and *utgifter*) and resources which have been accrued for and recognized in the financial statement (*intäkter* and *kostnader*). In US accounting, the Swedish concepts of ‘*inkomst*’ and ‘*utgift*’ do not exist.

Surprisingly, none of the English-Swedish dictionaries explains the difference between the two terms by referring to and explaining differences in the accounting practices of the two countries. Instead between two and five different terms (*inkomst*, *intäkt*, *vinst*, *resultat* and *avkastning*) with entirely or slightly different meanings are listed as possible equivalents of the English term. Two of them are included in the Swedish income statement in the senses of ‘revenue’ and ‘net income’ (*intäkt* and *resultat*), whereas the other three are not. *Vinst* and *avkastning* (‘gain’ and ‘return’ on, for instance, investments) are more general business terms also used among lay people in everyday speech. All the dictionaries except *Norstedts juridik* present *inkomst* as an equivalent term of *income*. *Norstedts juridik* nevertheless contributes to the confusion concerning the meaning of the two terms by listing *income and expenditure* under a separate entry and translating the expression as *inkomster* (the plural of *inkomst*) och (‘and’) *utgifter* (the plural of *utgift*, that is, *expenditure*).

If the information concerning the understanding of *income* and *inkomst* appears limited and misleading, the confusion is even greater when the meanings of the other terms suggested as possible translations of *income* are taken into consideration (see Table 1). The information

about *intäkt* is of particular interest since it is a term which is commonly mixed up with *inkomst* on a single-language level, and which, according to the dictionaries, is a common meaning of *income*. Like the information about *inkomst*, the presented meanings of *intäkt* are far from clear-cut. For instance, none of the dictionaries explains that *income* and *intäkt* converge semantically in the sense of ‘revenue’, but are used on different semantic levels in other contexts. The main difference between the terms, which appears to cause problems in translation, is that *income*, as used in US accounting, covers a much larger area of use than the Swedish term *intäkt*. As stated above, the English term functions both as a superordinate term including many different kinds of income and as a term for a specific kind of income. *Intäkt* is only used in the sense of ‘revenue’ (Gröjer, 1983: 208-209).

Compared to *inkomst*, *intäkt* thus appears to be semantically closer to *income*. This is not shown in the dictionary information, as three of them do not list *intäkt* as a possible meaning of *income*. *Norstedts juridik* gives *intäkt* and also *resultat*, that is, ‘net income’ as translations of *income*. The *Business dictionary: English-Swedish, Swedish-English* explains that *income* could coincide with the meaning of *intäkt*, but emphasizes that *inkomst* corresponds to its meaning in most contexts. Only two dictionaries list *intäkt* as the first meaning of *income* (*Google Translate* and *Ekonomiordbok*).

Resultat is found in two of the dictionaries, although not listed as the first meaning in either of them. It corresponds to the English term *net income*, that is, revenues minus expenses, and may therefore, like *intäkt*, be viewed as one of the meanings included in the concept of ‘income’. Against this, the limited occurrence of the term in the dictionaries is surprising. The Swedish term *vinst*, on the other hand, which is a term for ‘gain’ in general discussions concerning financial issues occurs in five dictionaries. Curiously, only the result of a positive net income is mentioned (*vinst*). Analogously, *förlust*, that is, a negative net income (*loss*) could have been listed. Finally, four dictionaries suggest *avkastning* as a translation of *income*.

The complexity of translating technical terms into other languages and the confusion which may arise when doing so is perhaps most clearly demonstrated in how the suggested terms for ‘income’ are translated back into English again in the same dictionaries (See Table 2).

| Dictionaries | <i>inkomst</i> | <i>intäkt</i> | <i>vinst</i> | <i>resultat</i> | <i>avkastning</i> |
|--|--|--|--|--|---|
| Accounting Bilingual dictionaries | <i>income, gross, revenue, receipts receipts</i> | ---- | <i>gain, profit, net income, net profit, lucre, profits, earnings</i> | ---- | ---- |
| Business dictionary: English-Swedish, Swedish-English | <i>earning, income 'revenue', revenue 'proceeds'</i> | <i>income, proceeds, return 'gain', revenue 'income', takings</i> | <i>earnings, income 'profit', gain, return 'profit'</i> | <i>profit and loss</i> | <i>return 'yield', yield 'return'</i> |
| Ekonomiordbok: svensk-engelsk, engelsk-svensk (Norstedts juridik) | <i>revenue primarily 'incomes of takings', proceeds 'of sales', gains, yield, receipts</i> | <i>accrued revenue 'income', receipts, yield, proceeds</i> | <i>gain(s), profit(s), margin, income, earnings, yield, return, proceeds</i> | <i>Income, net income</i> | <i>yield, return, profit, proceeds, interests</i> |
| Elsevier's dictionary of commercial terms and phrases | <i>income, revenue</i> | <i>income, revenue, proceeds, avails, receipts, takings, incomings</i> | <i>profit, income</i> | <i>result</i> | <i>yield</i> |
| FARs engelska ordbok | <i>income</i> | <i>revenue, income, earnings</i> | <i>profit, gain, results, income, earnings</i> | <i>earnings, income, result</i> | <i>earnings, income, return, yield</i> |
| Natur och kulturs ordböcker, svensk. engelsk affärsordbok | <i>income, earnings, revenue 'intäkt', receipts, takings, proceeds</i> | <i>Income, revenue 'intäkter', earnings, receipts, proceeds</i> | <i>gain, profit, earning, margin, proceeds, yield, return</i> | <i>income 'net', profit, loss, proceeds, earning</i> | <i>return, yield, profit, income</i> |
| Swedish- English Business Dictionary | <i>profit, yield, proceed(s)</i> | <i>income 'inkomst', receipts, proceeds, revenue, takings, profit, yield</i> | <i>profit, gain, income, yield, return(s), earnings, proceeds</i> | <i>result, profit, income, net income, loss, proceeds, return, yield</i> | <i>yield, return, proceeds, revenue, profit</i> |
| Google translate 2012-11-16 | <i>revenue, income, earnings</i> | <i>earnings</i> | <i>profit, win, gain, yield</i> | <i>results, result</i> | <i>revenue, return, income, yield, proceeds</i> |

Table 2. English translations of *inkomst*, *intäkt*, *vinst*, *resultat* and *avkastning*

As shown in Table 2, six of the eight dictionaries present *income* as an equivalent term of *inkomst*. Four of them list *income* as the first meaning of *inkomst*. In two of the dictionaries *income* is shown to be the second most common sense of the Swedish term in question. FAR suggests *income* as the only translation of the Swedish term. No fewer than six dictionaries (two of them as the first listed meaning) give *revenue* as a term to cover the Swedish concept of 'inkomst', one of them emphasizing *revenue* in the sense of 'intäkt', and another one in the sense of 'incomes of takings'. Three dictionaries give *receipts*. Other terms included as possible meanings of the Swedish term in the dictionaries are *profit*, *yield*, *proceeds*, *takings* and *earnings*.

That *intäkt* converges with *income* in the sense of 'revenue' comes forth more clearly in the Swedish-English versions of the dictionaries. Four of the dictionaries list *income* as the first meaning of *intäkt*, and one dictionary lists it as the second most common sense. Altogether six of the dictionaries present *revenue* as a translation of the Swedish term, but only one of them as the first meaning, one with the additional explanation *accrued revenue*. Other terms

shown to cover the meaning of *intäkt* in the dictionaries are *proceeds*, *return*, *takings*, *yield*, *earnings* and *receipts*.

Like the information about *vinst* in its relation to *income* in the English-Swedish dictionaries, *income* is presented as a possible equivalent term of *vinst* in five of the Swedish-English dictionaries, most of them without further explanations. One dictionary gives *net income*. Seven of the dictionaries list *profit* and *gain* as translations of *vinst* and six *earnings*. A variety of other terms are also suggested: *lucre*, *return*, *yield*, *proceeds*, *results* and *margin*.

That *resultat* and *income* have more in common than *income* and *vinst* is not shown clearly in the suggested meanings of the Swedish term *resultat* in the dictionaries. Four of them present *income* as an equivalent term of the Swedish term (cf. five occurrences of *income* as a translation of *vinst*). Two dictionaries present both *net income* and *income* without further explanation. One dictionary (*Natur och kulturs ordböcker*) gives *income* with the additional explanation *net*. Four dictionaries give the general term *result* as a term for *resultat*. Other terms presented in the dictionaries are *earnings*, *proceeds*, *profit*, *loss*, *return* and *yield*. As for the translation of *avkastning*, a variety of terms with quite different meanings are suggested: *yield*, *return*, *proceeds*, *income*, *profit*, *interests*, *takings*, *receipts* and *revenue*. Among these, *yield* appears in all the dictionaries and *return* in all but one.

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The present study shows that the understanding of the American English term *income* is far from clear among users of accounting information. The dictionaries analyzed suggest a number of different meanings of the English term. The most conspicuous finding is that the Swedish term *inkomst* is presented as the first meaning of the English term in the majority of the dictionaries, despite the fact that the two concepts differ considerably in accounting. In line with the “Einstellung effect,” it may be concluded that the mistaken idea of *income* and the Swedish term *inkomst* as equivalent terms has resulted in an over-generalization of the meaning of the Swedish term in its relation to *income*.

On a specific level, the study shows that terms which resemble each other linguistically, but differ semantically, are likely to cause confusion, and that semantic developments of terms are not always observed by language users (cf. Parker, 1994). The findings demonstrate that non-technical uses of terms are commonly confused with technical uses (cf. Cao, 2002), and that misunderstandings concerning the meaning of terms on a national level are likely to be exacerbated in translation. It is also shown that some terms are difficult to translate simply because there are no terms for the concepts in question in the target language (Khuwaileh, 2011; Zeff, 2007: 296; Bassnett, 2002: 37ff; Crystal, 1987). The concept of ‘*inkomst*’ serves a purpose in Swedish accounting, but not in American. Consequently, no equivalent technical term exists in American English. To translate meaning concepts which do not exist in other languages is of course possible, but requires great linguistic expertise (cf. Bassnett, 2002: 42), and in this case, also expert knowledge of accounting (cf. Khuwaileh, 2011; Shen, 2009; Kocbek, 2008; Cao, 2002).

On a more general level, the present study points to the fuzzy nature of language when it comes to the definition of words. The many different translations of the English term *income*

and the confusion as to the “real” meaning of the term – both in national and international contexts – show that exact meanings of terms in the Aristotelian sense of the word are unusual, even when it comes to the definition of technical terms whose meanings are generally expected to be more exact than non-technical ones (Aitchison, 2012: 59; Ungerer & Schmid, 2006: 42). The confusion as to the exact meaning of *income* (and also *inkomst*) on an intra-cultural level (Schroeder *et al.*, 2009: 137) demonstrates that not even people sharing the same cultural and social background understand terms in the same way (Aitchison, 2012: 60; Labov, 1973: 354).

Finally, even if many of the misleading translations of *income* in the dictionaries seem to be related both to “problems” inherent in language and divergent accounting principles in two countries, the effect of poor translation cannot be ignored. Many of the terms presented in the dictionaries investigated are listed without a context explaining when and how the terms are used in their respective systems. Like David and Brierley’s study (1985) of the translation of legal terms in dictionaries (French/English), this study shows that the information presented in technical dictionaries may be both misleading and incorrect. Khuwaileh (2011) reports similar dictionary inefficiencies in his study of the translation of IT terminology from English into Arabic.

6 Conclusion

Based on the translation of a key term in accounting the present study demonstrates that linguistic aspects in accounting communication cannot be ignored in the on-going work of standardizing accounting principles world-wide. Although the study is limited to the understanding of one single accounting term, the findings are indicative and show that misinterpretations of accounting terms occur both on national and cross-national levels. The confusion as to the understanding of accounting terms and the difficulty in transferring the exact meaning of them between languages have been highlighted and pointed out as aspects in international accounting communication that users and producers of business information need to be acquainted with.

In line with proponents of accounting standardization and harmonization (Jeanjean *et al.*, 2010; Ball, 2006), the study shows that terminological uniformity is needed to promote transparency and comparability in accounting communication. It is true that the nature of language makes complete understanding of terms between speakers more or less impossible (Taylor, 2003; Janicki, 2002; Bassnett, 2002). It is, however, the present writers’ contention that misconceptions would be reduced considerably, if as many countries as possible active in international accounting used one unifying system (the same semantic frame), instead of, as is the practice today, a number of different principles and languages, sometimes overlapping in practice and terminology, but other times completely different both in application and terminology.

In conclusion, it is important to emphasize that everything is possible to communicate in any language of the world. The purpose of this article is not to show that translation is an impossible thing (Evans, 2004: 239; Joseph, 1998), but to demonstrate the complexity involved in it, and show that special consideration needs to be taken when technical terms are translated into other languages (Evans, 2004). Further research highlighting linguistic aspects in translating technical terms is therefore encouraged. A fruitful way of studying business words, for example, would be to retrieve information about the representation of them in large



electronic language corpora. As a result of an increasing number of international classes at all universities of the world, the educational domain should also constitute a potential research field – particularly in the context of international accounting communication.

Orthographic conventions

- Terms and expressions referred to or discussed are italicized
- Concepts or meanings are enclosed by single inverted commas.

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