German Accounting

A Guide for Students and Professionals

by

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Note for lecturers:
In order to help you prepare and conduct your courses, we will be happy to provide you with a PowerPoint presentation based on the book. To receive the presentation, please contact buchvertrieb@ESVmedien.de and provide proof of your teaching position.

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Preface

“Accounting is the language of business.”
Warren Buffett

Until now, there have hardly been any textbooks in English which deal with accounting according to the **German Commercial Code (HGB)**. We took up the challenge and published the first edition of this book in 2021. Only a few years later, our publisher has requested an updated third edition. **We are thrilled about the success of the book and the positive feedback we have received!** So, we have continued to work on the content and also to fine-tune it with regard to the English. The book is essentially a streamlined and improved version of the current edition of “Buchführung und Jahresabschlusserstellung nach HGB” by *Torsten Mindermann* and *Gerrit Brösel*.

After reading this textbook, you will hopefully realize that **accounting can be as exciting as the movie “The Accountant”! To understand accounting, however, it is neither necessary to possess the extraordinary skills** of the protagonist *Christian Wolff* (played by *Ben Affleck*) nor, and perhaps more importantly, even if you do understand accounting, to live your life as dangerously as *Christian Wolff*. On the contrary, you too can use accountancy to **your advantage**!

This textbook teaches the basics of bookkeeping and the preparation of annual financial statements according to HGB in a **compact, clear and practical** manner. Special attention has been paid to the didactic preparation of the learning content. With this in mind, numerous examples, test questions as well as exercises and – on the yellow book pages – a sample exam with suggested solutions have been integrated into the book. In addition, a clearly arranged index enables a targeted search for specific aspects. The **“glossaries” (English/German and German/English)** with the most important technical terms (red book pages) are a particular highlight.

For a better overview, the following symbols are used for the **different didactic tools**:

- for exercises within a chapter, the solutions of which can be found at the end of the textbook (yellow book pages),
- for test questions to check your understanding, which also point to important learning objectives for the respective (completed) chapter,
- for (further) literature references,
- for important learning points.

The textbook is primarily aimed at **students of economics** who (have to) attend English-language courses in accounting or bookkeeping and financial statements at universities, universities of applied science or other public or private educational institutions. Due to its didactic orientation, however, the textbook is also eminently suitable for self-study and for "refreshing" the memories of **business professionals, especially for expatriates sent to Germany and for Germans working in enterprises with an international business element, as well as for a better understanding of the topic of "accounting" in the context of commercial apprenticeships**.

The **legal framework conditions from 2025/06/01** have been taken into account. Due to the book's orientation towards the **HGB**, it is advisable to work through the book with an **up-to-date legal text**. Unfortunately, no official translation is (currently) available (for details see p. 278). However, we recommend that you resort to a **translation** that Prof. Dr. *Guido Förster* (former holder of the Chair of Business Administration and Corporate Taxation at the Heinrich Heine University in Düsseldorf) and his former staff made an excellent job of and which he has kindly made available to us for further use in March 2025. His work is now being continued by the author of this work, *Gerrit Brösel*:

https://e.feu.de/gcc

The "magic patchwork" of **German tax law**, see for example the German Income Tax Act (EStG), is at best considered in the relevant passages of these book. Nevertheless, it is essential to always keep an eye on the current legal situation.

Our special thanks go to Prof. Dr. *Guido Förster* for his generous support. We would also like to thank Mr. *Yannick Stein* (first edition) and Mr. *Daniel Payne* (second and third editions) for their excellent support and the publisher *"Erich Schmidt Verlag"* for the very pleasant cooperation.

Criticism, suggestions for improvement and other comments are always welcome. Please send them to: *Gerrit.Broesel@FernUni-Hagen.de*

Düsseldorf, June 2025 *Gerrit Brösel, Christoph Freichel* and *Torsten Mindermann*

PS: The dates used in the book have been formatted **yyyy/mm/dd** for the year (yyyy), month (mm) and day (dd).

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