Key Terms

**Auditing:** The examination of financial statements by a certified public accountant in order to express an opinion as to the fairness of presentation.

**Forensic accounting:** An area of accounting that uses accounting, auditing, and investigative skills to conduct investigations into theft and fraud.

**Management consulting:** An area of public accounting ranging from development of accounting and computer systems to support services for marketing projects and merger and acquisition activities.

**Private (or managerial) accounting:** An area of accounting within a company that involves such activities as cost accounting, budgeting, design, and support of accounting information systems, and tax planning and preparation.

**Public accounting:** An area of accounting in which the accountant offers expert service to the general public.

**Taxation:** An area of public accounting involving tax advice, tax planning, preparing tax returns, and representing clients before governmental agencies.