

Finance English

Instructor guide for high-level ESL learners working in accounting, FP&A, treasury, banking, investments, audit, risk, and corporate finance

Audience: instructors, finance English coaches, corporate learning teams, finance managers, and advanced professional English programs

Focus: high-level professional English for finance workplaces, including financial statements, FP&A, treasury, banking, investment analysis, valuation, risk, audit, controls, compliance, and realistic finance dialogue.

Designed for advanced ESL learners who already work in accounting, FP&A, treasury, banking, investment management, corporate finance, audit, risk, investor relations, or finance-adjacent roles.

Teaching stance: this is finance English training, not investment, tax, accounting, banking, or legal advice. Standards, regulations, products, and disclosure requirements vary by jurisdiction and role. Learners should practice precise language and professional judgment while relying on qualified finance, accounting, legal, tax, and compliance guidance for actual decisions.

Purpose and Teaching Position

This EFSP curriculum is for high-level ESL learners working in finance environments: accountants, FP&A analysts, controllers, treasury staff, bankers, credit analysts, investment analysts, portfolio support teams, auditors, risk professionals, compliance staff, investor relations teams, and finance-adjacent business leaders.

The course is not a certification course in accounting, banking, investing, or valuation. It trains professional English for finance work: explaining drivers, challenging assumptions, writing variance commentary, presenting risk, documenting controls, and communicating with executives, clients, auditors, lenders, and business partners.

Core language challenge

Finance teams compress judgment into short phrases: one-time item, recurring margin pressure, covenant headroom, run-rate assumption, working-capital drag, duration exposure, adjusted EBITDA add-back, material weakness, downside case, valuation range, and fair performance presentation. Learners need both the vocabulary and the conversational discipline around it: quantify, caveat, challenge, reconcile, explain tradeoffs, and recommend.

Course objectives

- Use finance terminology accurately in close meetings, forecast reviews, treasury calls, audit discussions, investment committee meetings, credit reviews, board updates, and client conversations.
- Explain financial performance using drivers, variances, bridge logic, assumptions, run rate, one-time items, seasonality, mix, timing, and confidence level.
- Discuss financial statements, liquidity, working capital, debt, covenants, valuation, investment risk, and controls in concise professional English.
- Push back on weak assumptions, aggressive forecasts, unsupported add-backs, misleading performance claims, or risky shortcuts using evidence and audience-appropriate language.
- Participate in realistic finance dialogues: budget challenge, cash runway review, covenant monitoring, audit issue escalation, portfolio performance review, M&A diligence, and board-level liquidity update.
- Write clear finance outputs: variance commentary, forecast notes, investment summaries, covenant updates, control memos, risk statements, and executive finance briefings.

Finance Communication Principles

Explain the movement, not only the number

A finance answer should usually include comparison point, driver, magnitude, timing, recurrence, confidence, and action. 'Revenue missed by 4 percent' is not enough. The useful answer explains whether the miss came from volume, price, mix, churn, timing, FX, accounting treatment, or a one-time event.

Make uncertainty useful

- Use 'base case,' 'upside case,' and 'downside case' instead of pretending the forecast is one certain number.
- Use 'current evidence suggests' when data is incomplete.
- Use 'recurring' and 'non-recurring' carefully; a cost is not non-recurring just because the team dislikes it.
- Use 'cash impact' when a P&L improvement does not translate into liquidity.
- Use 'decision trigger' to tell leaders when they need to act.

Turn vague finance requests into answerable work

Vague request	Stronger finance question
Why are we down?	Which driver explains the variance: price, volume, mix, churn, timing, FX, cost, or accounting treatment?

Vague request	Stronger finance question
Can we afford it?	What is the impact on cash, covenant headroom, leverage, liquidity, and downside flexibility?
Is the forecast realistic?	Which assumptions differ from actual trends, and what evidence supports those differences?
Is the deal attractive?	What is the valuation range, return profile, downside case, integration risk, and strategic rationale?

Nomenclature and Jargon

Teach these terms as working vocabulary. Learners should be able to define the term, use it in a realistic sentence, ask one clarification question about it, and explain the business consequence. Because finance terms depend on standards, formulas, contracts, and jurisdiction, learners should ask which definition is being used.

Financial statements and accounting

Term	Working meaning
Revenue	Income from delivering goods or services, recognized under applicable accounting rules.
Gross margin	Revenue minus cost of goods or services, often expressed as a percentage of revenue.
Operating income	Profit from operations before items such as interest and taxes, depending on presentation.
EBITDA	Earnings before interest, taxes, depreciation, and amortization; often adjusted but not a cash-flow substitute.
Accrual	An accounting estimate recorded before cash payment or receipt occurs.
Deferred revenue	Cash received before revenue is recognized.
Working capital	Operational assets and liabilities such as receivables, inventory, and payables.
Free cash flow	Cash generated after operating needs and capital expenditures, depending on definition used.

FP&A and performance management

Term	Working meaning
Budget	Approved financial plan for a period.
Forecast	Updated estimate of future performance based on current information.
Run rate	An annualized or forward-looking estimate based on recent performance, with limitations.
Variance	Difference between actual and comparison point such as budget, forecast, or prior period.
Bridge	Step-by-step explanation from one financial number to another.
Sensitivity	Analysis showing how results change when an assumption changes.
Scenario	A coherent case such as base, upside, downside, or stress case.
Guidance	Management's communicated expectation for future performance, usually externally sensitive.

Treasury, liquidity, and working capital

Term	Working meaning
Liquidity	Ability to meet obligations when due without unacceptable loss or disruption.
Cash runway	How long available cash is expected to last at current or projected burn.
Revolver	A revolving credit facility that can be drawn and repaid within agreed limits.
Covenant	A requirement in a financing agreement, often tied to leverage, coverage, or reporting.
DSO	Days sales outstanding; a measure of collection speed for receivables.
DPO	Days payable outstanding; a measure of payment timing to suppliers.
Hedge	A transaction intended to reduce exposure to financial risk.
FX exposure	Potential financial impact from movements in foreign exchange rates.

Markets and investments

Term	Working meaning
Return	Gain or loss on an investment over a period, usually expressed as a percentage.
Volatility	Degree of price movement or variability over time.
Liquidity	Ability to buy or sell an asset without excessive delay or price impact.
Yield	Income return on a bond or investment, expressed as a percentage.
Duration	Measure of a bond's sensitivity to interest-rate changes.
Spread	Difference between yields or rates, often reflecting credit or liquidity risk.
Benchmark	Reference index or target used to evaluate performance.
Attribution	Analysis explaining sources of portfolio return or relative performance.

Banking and credit

Term	Working meaning
Credit risk	Risk that a borrower or counterparty does not meet obligations.
Leverage	Use of debt relative to earnings, assets, or equity.
DSCR	Debt service coverage ratio; cash flow relative to required debt payments.
LTV	Loan-to-value ratio; loan amount relative to collateral value.
Collateral	Assets pledged to support repayment or reduce loss severity.
Probability of default	Estimated likelihood that a borrower defaults.
Loss given default	Estimated loss severity if default occurs.
Concentration risk	Exposure to a borrower, sector, geography, customer, or asset type that is too large or correlated.

Valuation and corporate finance

Term	Working meaning
DCF	Discounted cash flow valuation based on projected cash flows and discount rate.
WACC	Weighted average cost of capital; a common discount-rate input.

Term	Working meaning
NPV	Net present value; present value of benefits minus costs or investment.
IRR	Internal rate of return; discount rate that sets NPV to zero.
Enterprise value	Value of the operating business, often before deducting net debt.
Equity value	Value attributable to shareholders after net debt and other adjustments.
Multiple	Valuation ratio such as EV/EBITDA or price/earnings.
Accretion/dilution	Whether a transaction increases or decreases a per-share metric, often EPS.

Controls, audit, and compliance

Term	Working meaning
Internal control	Process designed to provide reasonable assurance around reporting, operations, or compliance.
Control deficiency	A control design or operating issue that may allow errors or misstatements.
Material weakness	A serious control deficiency creating reasonable possibility of material misstatement.
Reconciliation	Process of comparing records and resolving differences.
Segregation of duties	Dividing responsibilities to reduce error or fraud risk.
SOX	Sarbanes-Oxley Act controls and reporting framework for many public companies.
KYC	Know your customer processes used in financial institutions and compliance programs.
AML	Anti-money laundering controls for detecting and preventing illicit financial activity.

Finance verbs and meeting language

Term	Working meaning
Bridge	Explain the movement from one number to another through drivers.
Normalize	Adjust results to remove unusual or non-recurring effects.
Stress-test	Evaluate performance under adverse assumptions.
Reprice	Change pricing to reflect cost, risk, demand, or market conditions.
Reserve	Record an estimate for expected loss, liability, or adjustment.
Impair	Reduce asset value when recoverability or fair value requires it.
Escalate	Raise an issue to a higher authority because risk, materiality, or timing requires it.
Reconcile	Compare records, identify differences, and resolve them.

Instructor Module Plans

Module 1. Finance Communication: Drivers, Assumptions, Materiality, Risk (90 minutes)

Finance English is decision language. Strong learners do not only state numbers; they explain what changed, why it changed, whether it matters, what is recurring, and what decision follows.

Learning objectives

- Separate result, driver, assumption, estimate, risk, and recommendation.
- Use materiality and confidence language without hiding uncertainty.
- Convert vague finance questions into answerable analysis tasks.

Core concepts

- Driver: an underlying factor that moves a metric, such as price, volume, mix, churn, utilization, rate, or cost inflation.
- Materiality: whether a difference, risk, or error matters enough to affect decisions or reporting judgment.
- Estimate vs actual: finance work often compares assumptions, forecasts, accruals, and actual results.

Activities

1. Number-to-story drill: learners turn a table of results into three business drivers and one recommended action.
2. Materiality debate: learners decide which variances require executive attention and which can stay in appendix detail.
3. Assumption challenge: learners rewrite vague statements into testable assumptions with source, owner, and sensitivity.

Learner outputs

- Finance driver sentence bank.
- Assumption and confidence checklist.
- Decision-grade variance comment.

Facilitator note

When learners give a vague finance answer, ask: compared with what, driven by what, recurring or one-time, cash or non-cash, material or immaterial, controllable or external, and what decision should follow?

Module 2. Financial Statements, Close, and Accounting Judgments (90 minutes)

Financial statement conversations require precise links among income statement, balance sheet, cash flow, notes, accruals, revenue recognition, reserves, and internal controls.

Learning objectives

- Explain the three main financial statements and how they connect.
- Use accounting-close terms such as accrual, deferral, reserve, reconciliation, adjusting entry, and cut-off.
- Discuss accounting judgment without sounding either casual or alarmist.

Core concepts

- Accrual accounting records revenue and expenses when earned or incurred, not only when cash moves.
- Working capital connects operations to cash through receivables, inventory, payables, and timing.
- Revenue recognition, fair value, impairments, reserves, and contingencies can require judgment and documentation.

Activities

1. Statement connection map: learners explain how a sale on credit affects revenue, receivables, cash flow, and working capital.
2. Close meeting role-play: learners explain why an accrual changed and what evidence supports it.
3. Judgment memo rewrite: learners convert informal accounting language into audit-ready language.

Learner outputs

- Financial statement explainer.
- Close issue update template.
- Accounting judgment phrase bank.

Facilitator note

When learners give a vague finance answer, ask: compared with what, driven by what, recurring or one-time, cash or non-cash, material or immaterial, controllable or external, and what decision should follow?

Module 3. FP&A, Budgeting, Forecasting, and Variance Analysis (90 minutes)

FP&A conversations live between accounting truth and business uncertainty. Learners need language for budget vs actuals, forecast risk, bridge analysis, sensitivity, scenarios, guidance, and management action.

Learning objectives

- Explain budget, forecast, outlook, guidance, run rate, bridge, and variance.
- Challenge business-owner assumptions respectfully and specifically.
- Write variance commentary that identifies driver, magnitude, timing, recurrence, and mitigation.

Core concepts

- Variance: the difference between actual result and budget, forecast, prior period, or benchmark.
- Bridge: a structured explanation that walks from one number to another through drivers.
- Scenario and sensitivity: testing how results change if assumptions move.

Activities

1. Forecast review: learners challenge sales, hiring, cost, churn, and margin assumptions.
2. Bridge building: learners create a revenue bridge from prior quarter to current forecast.
3. Executive commentary: learners condense a detailed variance file into a CFO-ready paragraph.

Learner outputs

- Variance commentary template.
- Forecast challenge question set.
- Scenario explanation script.

Facilitator note

When learners give a vague finance answer, ask: compared with what, driven by what, recurring or one-time, cash or non-cash, material or immaterial, controllable or external, and what decision should follow?

Module 4. Treasury, Cash, Liquidity, Working Capital, and FX (90 minutes)

Treasury language connects operations, banking relationships, liquidity risk, funding strategy, covenant compliance, and market exposure. Cash is not the same as profit.

Learning objectives

- Discuss cash runway, liquidity, revolver availability, covenants, DSO, DPO, inventory, and free cash flow.
- Explain why EBITDA, net income, and cash flow can move differently.
- Use FX, interest-rate, and hedging language in business-facing conversations.

Core concepts

- Liquidity: ability to meet obligations when due without unacceptable loss or disruption.
- Covenant: a contractual requirement in a financing agreement, often tied to leverage, coverage, reporting, or restricted actions.
- Hedge: a position or contract intended to reduce exposure to risk such as FX or interest-rate movements.

Activities

1. Cash runway meeting: learners explain burn, collections, payables, financing options, and tradeoffs.
2. Covenant monitoring drill: learners identify when forecast changes may create compliance risk.
3. FX exposure role-play: learners explain transaction exposure and hedge cost to a sales leader.

Learner outputs

- Liquidity update template.
- Covenant risk script.
- FX exposure explanation.

Facilitator note

When learners give a vague finance answer, ask: compared with what, driven by what, recurring or one-time, cash or non-cash, material or immaterial, controllable or external, and what decision should follow?

Module 5. Markets, Investments, Performance, and Client Communication (90 minutes)

Investment conversations require language for return, risk, benchmark, attribution, volatility, liquidity, duration, yield, spread, allocation, fees, and fair performance presentation.

Learning objectives

- Explain market and portfolio performance without overstating causation.
- Use fixed income and equity vocabulary in client-safe language.
- Discuss underperformance, benchmark deviation, and risk exposure with credibility.

Core concepts

- Return vs risk: performance must be understood relative to volatility, drawdown, liquidity, benchmark, and objective.
- Duration: a bond portfolio's sensitivity to interest-rate changes, often discussed with yield and spread.
- Attribution: analysis that explains which decisions or exposures contributed to performance.

Activities

1. Performance review: learners explain a portfolio that underperformed its benchmark but followed its risk mandate.
2. Market update: learners summarize rate moves, spread widening, equity sector rotation, and liquidity conditions.
3. Client concern role-play: learners respond to a client who wants to sell after a volatile month.

Learner outputs

- Performance attribution script.
- Market update template.
- Client-safe risk explanation.

Facilitator note

When learners give a vague finance answer, ask: compared with what, driven by what, recurring or one-time, cash or non-cash, material or immaterial, controllable or external, and what decision should follow?

Module 6. Banking, Credit, Lending, and Counterparty Risk (90 minutes)

Credit conversations are evidence-driven. Learners need language for borrower capacity, leverage, collateral, covenant package, probability of default, loss given default, concentration, and stress case.

Learning objectives

- Use credit terms accurately in underwriting, portfolio review, and borrower conversations.

- Explain why a profitable borrower can still be a weak credit.
- Discuss downside cases, collateral gaps, and covenant protections without sounding accusatory.

Core concepts

- Credit risk: risk that a borrower or counterparty fails to meet obligations.
- Debt service coverage: whether cash flow is sufficient to cover required debt payments.
- Collateral and guarantees may reduce loss severity but do not remove repayment risk.

Activities

1. Credit memo drill: learners summarize borrower strengths, weaknesses, mitigants, and conditions.
2. Borrower call: learners ask for updated financials and explain covenant concerns professionally.
3. Stress case debate: learners decide whether lower revenue, margin compression, or rate increases create the binding constraint.

Learner outputs

- Credit memo paragraph.
- Borrower information-request script.
- Stress-case language bank.

Facilitator note

When learners give a vague finance answer, ask: compared with what, driven by what, recurring or one-time, cash or non-cash, material or immaterial, controllable or external, and what decision should follow?

Module 7. Controls, Audit, Compliance, Fraud, and Ethics (90 minutes)

Finance teams must be precise when discussing control failures, audit evidence, policy exceptions, conflicts of interest, suspicious activity, and performance claims.

Learning objectives

- Differentiate control deficiency, significant deficiency, material weakness, error, fraud, and remediation.
- Discuss audit and compliance findings with evidence and professionalism.
- Recognize when finance communication must be escalated to legal, compliance, tax, audit, or senior management.

Core concepts

- Internal control: a process designed to provide reasonable assurance around reporting, operations, or compliance.
- Segregation of duties reduces the chance that one person can both commit and conceal an error or fraud.
- Performance information and marketing claims should be fair, accurate, complete, and supported.

Activities

1. Control issue escalation: learners explain a reconciliation failure without blame or minimization.
2. Audit evidence review: learners identify what support is sufficient, missing, or inconsistent.
3. Ethics scenario sorting: learners classify conflicts, side letters, revenue pressure, selective disclosure, and misleading performance claims.

Learner outputs

- Control finding response.
- Audit evidence request script.
- Ethics escalation checklist.

Facilitator note

When learners give a vague finance answer, ask: compared with what, driven by what, recurring or one-time, cash or non-cash, material or immaterial, controllable or external, and what decision should follow?

Module 8. Valuation, M&A, Capital Allocation, and Executive Finance (90 minutes)

Senior finance discussions often combine valuation, strategy, risk, capital structure, and narrative. Learners need language for assumptions, valuation methods, diligence findings, synergies, add-backs, WACC, NPV, IRR, and board recommendations.

Learning objectives

- Explain DCF, multiples, WACC, NPV, IRR, accretion/dilution, enterprise value, and equity value at a practical level.
- Challenge aggressive M&A assumptions, EBITDA add-backs, synergies, and integration costs.
- Present a recommendation that distinguishes financial return, strategic rationale, execution risk, and downside protection.

Core concepts

- Valuation is not a single number; it is a range based on assumptions, methods, comparables, and risk.
- Adjusted EBITDA can be useful, but add-backs require evidence, consistency, and skepticism.
- Capital allocation compares uses of cash such as reinvestment, acquisitions, debt repayment, dividends, and buybacks.

Activities

1. Investment committee simulation: learners recommend approve, reject, or defer an acquisition.
2. Diligence readout: learners explain quality of earnings, working capital peg, customer concentration, and integration risk.
3. Board update: learners brief liquidity, leverage, valuation range, and next decision points.

Learner outputs

- Investment committee recommendation.
- M&A diligence issue log.
- Executive finance briefing script.

Facilitator note

When learners give a vague finance answer, ask: compared with what, driven by what, recurring or one-time, cash or non-cash, material or immaterial, controllable or external, and what decision should follow?

Assessment and Coaching**Pre-course diagnostic**

- Learner explains their finance role in 90 seconds, including metrics owned, audiences served, recurring meetings, and highest-risk communications.
- Learner defines twelve finance terms and uses six in realistic workplace sentences.
- Learner handles a short role-play: an executive asks why cash is tight even though EBITDA improved.

Performance rubric

Skill	Developing	Proficient	Strong
Terminology	Recognizes terms but uses formulas loosely.	Uses finance terms accurately in context.	Defines terms, asks which definition applies, and adapts to audience.
Driver analysis	Reports numbers without explaining movement.	Names drivers, magnitude, timing, and recurrence.	Links drivers to decision, risk, and next action.
Forecast judgment	Accepts or rejects assumptions broadly.	Challenges assumptions with evidence and scenarios.	Frames confidence, sensitivity, and decision triggers clearly.
Risk communication	Sounds either alarmist or overly reassuring.	Explains exposure, mitigants, and uncertainty.	Connects financial risk to business choice and governance path.
Executive presence	Gives too much detail or hides uncertainty.	Summarizes what changed, why, so what, and now what.	Handles pushback with concise evidence and recommendation.

Capstone simulation

Learners lead a finance leadership meeting after a difficult quarter. Revenue missed forecast because of renewal timing and churn, cash tightened because DSO increased, leverage is near covenant sensitivity, sales requests a discount-heavy strategic deal, and the board wants a capital allocation recommendation. The learner must explain drivers, challenge assumptions, present downside risk, propose actions, and write an executive summary.

Source orientation for instructors

- SEC Investor.gov glossary and SEC guidance on reading Form 10-K financial statements, MD&A, risk factors, and filings.
- FASB Accounting Standards Codification and FASB revenue-recognition and fair-value resources for U.S. GAAP concepts.
- Federal Reserve resources on monetary policy, interest rates, liquidity facilities, and policy tools.
- FINRA investor education and fixed-income resources for yield, volatility, liquidity, duration, and market terminology.
- FDIC supervisory resources on interest-rate risk and banking risk management language.
- CFA Institute Code and Standards and GIPS resources for performance presentation, fair representation, and investment communication.