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Gap: a difference between two values which are supposed to be equal; for example, a gap between revenues and expenditures; a gap between receipts and payments; or a gap between tax collection target and tax actually collected.

Gearing: is the proportional relationship between two financial positions, or two financial variables usually expressed as a ratio; for example, a company's total debt and its total equity including issued capital plus reserves.

Gearing Ratio: is the ratio of a company's total long term borrowings to its equity.

General and Administrative Expenses: are expenses incurred in routine operations and management of a business other than direct expenses in acquiring inputs for manufacturing, sale and distribution of goods and services; for example, wages and salaries of staff, the payroll, office facilities and business premises, transport and communication.

General Auditor: is an individual or a firm of practicing accountants involved in auditing of its customers accounts; an official appointed by the government and responsible for auditing government finances and expenditures.

General Counsel: is a legal advisor or an advocate who provides legal advice of a general nature; or who provides legal advice as a corporate or company lawyer, tax advisor or tax lawyer.

General Ledger: is the group of accounts that supports the amounts shown in the major financial statement; in bank accounting, the book of accounts in which all the main or control accounts of a bank branch are maintained, enabling consolidation of accounts of all branches in preparation of the balance sheet of the bank.

General Loan Loss Provision: are appropriations from the current years' profit for a possible loan loss in future; this provision may be specific for a certain debt, or may be a general provision as a percentage of total debts. *(see Provision, Loan Loss Provision)*

General Obligation Bond: is a bond issued with an obligation for the repayment of the bond based on the faith and trust of the issuer; usually government bonds or bonds issued by the municipalities.

General Provisions: are appropriations of a portion of profits or retained earnings for unspecified purposes or contingencies in future as accounting book entry.

General Purpose Assets: are assets that have a variety of uses; or assets used by several units or departments of an organization in the routine operations of the business; for example, office facilities, photocopiers, business and fax machines; or in contrast to assets that are used for specific purposes only; for example, plant, machinery, and equipment dedicated to a line of production.

General Tax Incentives: is a reduction in tax liability, or tax exemption, or tax holidays provided by government to tax payers to encourage certain types of business or investment activities across the board, regardless of origin, ownership, location or other specific considerations; for example, a reduction in income tax or sales tax or excise duty regardless of the type of manufacturing activity or the business.

Generally Accepted Accounting Principles (GAAP): are the conventions, rules, broad guidelines as well as detailed accounting procedures, formulated by accounting authorities, accepted and used widely to ensure uniformity of accounts.

Gilts or Gilt-edged Securities: are government securities issued by the treasury such as treasury bills, treasury certificates or treasury bonds issued with sovereign guarantee of repayment with no risk to investors or to holders of these securities.

GIRO: is a system of credit transfers and payments operated by banks, post offices and postal banks in many European countries, using a GIRO form which permits the bank or post offices to debit the payer's account and credit the payee's account. *(see Payment System)*

Globalisation of Banking Activities: for a bank, it involves spreading banking operations and activities of a bank overseas through the network of international branches, subsidiaries, affiliated banks or through correspondent banks.

Globalisation of Financial Markets: a comparatively recent trend of allowing access and participation of market makers, savers and investors, financiers and broker agents in the financial market operations on a global basis; thus enhancing the reach of market participants to considerably enlarged size of financial markets, diversified sources of finance, enhanced portfolio returns, and a diversified base of financial operations. Since the mid-1980s, globalisation has gathered momentum, resulting in massive private capital flows, drastically altering foreign portfolio investment patterns across countries, in the wake of financial liberalization and opening up of the financial systems and establishment of market networks and operational facilities.

Going Concern: is a company which is operationally active and functional; as against a company which has ceased its operations and is no longer active in its line of business; the worth of a going concern as determined by its assets would have a better market value compared to a Gone Concern, whose assets would have a forced sale value or liquidation value.

Going Public: is to offer sale of shares of a company to investors or to the general public at stock exchanges to enhance market capitalization and to increase equity base, and to enlarge ownership; a company previously held as a partnership or a family owned business closed to outside investors or shareholders, offering shareholdings to investors and general public.

Gold (bullion): gold in the form of metal bars held by dealers in a gold market, or by the central bank as reserves as a base for the currency in many countries.

Gold Standard: a monetary system prevalent in many countries until the early 1970s but is now discontinued under which the units of the currency of a country were convertible into fixed amounts of gold; fixed parity a unit of currency, defined and maintained by the central bank and backed by the sovereign guarantee.

Good Money: is money of superior value, as opposed to bad money or money of lesser value; or a viable monetary asset, or a recoverable or a convertible monetary asset. *(see Bad Money)*

Goodwill: in finance, it represents a company's intangible assets accumulated over a long period of operations called *pugree* in common parlance; it consists of the client base and market network, location of the business, market reputation, operating procedures and practices, and other intangibles that give the company an edge over its competitors; goodwill is a substantial asset in distributive trade; it is estimated by the present value of expected future earnings of a business in excess of earnings normally realized in the industry; and is recorded when a business is purchased at a price in excess of the fair value of its net identifiable assets, less liabilities.

Government Bail-Out: is financial assistance extended by the government or arranged by the government in case of financial difficulties of a major corporation or a strategic company or a major organization, to prevent its bankruptcy or closure, causing widespread losses, unemployment or loss of investor confidence; the government may provide direct financial assistance or grants, or may provide guarantees to enable the company to borrow from the market and thus restore its operations.

Government Bill Market: is the market for bills and securities issued by the governments; for example, the treasury bills market; a major market in short term government backed financial instruments.

Government Securities: are securities issued by the government through the central bank for sale to the general public, banks or other financial institutions, to borrow from the public as part of its public debt management or to cover budget deficits.

Grace Period: is a specified time period allowed to the borrower by the lender as a moratorium on repayments due; a period when no repayment of principal or interest is due on the loan to enable the borrower to generate cash flow or income through the use of loan proceeds and consolidate his financial position; a breathing space offered by the creditors before repayment demand on a loan; for example, in case of a usuance bill, three days of grace period is allowed and added to the time of payment due as stipulated in the bill; in case of restructured loans a grace period of one to three years may be allowed on medium to long term loan.

Graded Loans: is classification of loans on the basis of the risk factor or the quality of the loan, and the probability of their repayment, considering financial integrity and credit worthiness of the borrower and quality of collateral tendered.

Grant: is a contribution, a subvention with no repayment obligation.
(see Subvention)

Grant Element: is the difference between market terms of a loan relative to the grant terms, usually lower or zero interest charge, and longer maturities; provided under bilateral and multilateral loans to government; or extended to priority borrowers for social or development causes.

Grant of Charter: is a formal recognition or a permission extended by the government to a newly established corporation to organize and establish its existence as a legal entity as per objectives and capital base listed in the charter, and initiate its operations.

Gross Operating Cash Flow: is the total cash receipt from business operations other than those associated with investment and financing activities, including cash from sales, collection from customers for sales of goods and services and any other receipts from business operations.

Gross Profit or Loss: is the difference between revenue from sales and the cost of goods sold; gross profit is the excess of sales over cost of goods sold; if sales are less than the cost of goods sold, the difference is gross loss.

Gross Profit Margin/Ratio: is the ratio of gross profits to sales; since gross profit is equal to sales minus cost of goods sold, this ratio is a measure of the gross margin left after covering production costs; if production costs are rising rapidly, this ratio will decline and if this decline is faster than other firms in the same industry, it shows the loss of competitive edge of the firm; in this sense, this ratio is an indicator of profitability of a firm in production.
(see Ratios, Profitability Ratios)

Gross Underwriting Spread: is the difference between the price of an issue paid by the public and the amount realized by the issuer after underwriting costs of the issue paid to the underwriter.

Group Banking: is a banking organization with many banks in a group, constituted a holding company with subsidiaries, or affiliated companies and joint venture banks.

Guarantee: is an undertaking where one party contracts as surety on behalf of another for performance of an obligation or repayment of a debt to which the latter is liable as the primary party; or a promise to assume a liability of a loan in case of default; or coverage of risks inherent in a transaction or a transfer; or a guarantee to cover fluctuations in the value of an asset; hence, guarantee is a contractual obligation, for example, a bond issued by a government agency with the guarantee of the government; guarantees are of several types such as:

- ***Financial Guarantee:*** includes payments of dues guaranteed; or guarantee in lieu of security deposit, or bid bonds; or guarantees issued in lieu of deposits of earnest money while bidding;
- ***Performance Guarantee:*** provides the assurance or guarantees fulfillment of a contract undertaken by a customer; and
- ***Shipping Guarantee:*** is a guarantee issued by banks in favor of shipping companies, enabling the importer to obtain delivery of goods upon presenting the Bill of Lading.

Guaranteed Bond: is a bond on which the principal and interest are guaranteed by a party other than the issuer; or a written promise by the issuer to pay a certain sum of money at its maturity where payment of the principal plus interest is guaranteed by another party; for example, bonds issued by a government agency and guaranteed by the government.

Guaranteed Collateral: is a third party guarantee for the value or access to the collateral tendered by a borrower to enhance creditworthiness of the borrower.

Guaranteed Deposits: is deposits in a bank or any financial institution guaranteed by another party , typically a deposit insurance scheme. *(see Deposit Insurance)*

Guaranteed Dividends: is distribution of dividends at a specified rate to the shareholders of a company, guaranteed to be disbursed regardless of whether the company earns a profit or not; for example, shares of GD series issued by Pakistan International Airline.

Guaranteed Loan: is a loan guaranteed by a third party to the lender in lieu of collateral, or in addition to the collateral for the loan, to ensure borrower performance; for example, a third party bank guarantee, or a pledge of highly convertible and secure assets for a loan, such as foreign currency deposits for a local currency loan.

Guaranteed Returns: are profits on investments and securities at a specified rate guaranteed by the issuing agency itself or someone else, as against market determined returns, or return on investments that may fluctuate from year to year depending upon the way the investments were utilized.

Guaranteed Stock: are stock and shares that are guaranteed by the company issuing the stock, or by another company or by a government.

Guarantor: one who issues a guarantee and undertakes that the debts, obligations or commitments of the guaranteed party will be paid or fulfilled by the guarantor in case there is a default.