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# The Public Accountant—

## What Will He Be Like in 1980?

### Educators Talk It Over

by H. Justin Davidson  
Pittsburgh Office

**T**HE FUTURE OF ACCOUNTING EDUCATION—a problem of increasing concern to the accounting profession—brought approximately 20 of this country's leading accountants and accounting educators to the Carnegie Institute of Technology for a two-day conference December 15 and 16. Moderated by Robert M. Trueblood of our Pittsburgh Office, who is currently Visiting Ford Research Professor at Carnegie Tech, the conference was one of the first to bring together leading accounting educators and practitioners in face-to-face discussion of educational problems. The conference was made possible by the financial support of Touche, Ross, Bailey & Smart through the TROBAS Foundation.

Practicing CPAs attending the conference included John L. Carey, Executive Director—American Institute of CPAs; Herman Bevis, Executive Partner—Price Waterhouse & Co. and Vice-President of the American Institute of CPAs; Harry C. Zug, Partner—Lybrand, Ross Bros. & Montgomery and Past President of the Pennsylvania Institute of CPAs; Elmer G. Beamer, Partner—Haskins & Sells; and Edward S. Lynn, Director of the Education Division—American Institute of CPAs.

Accounting educators at the conference included Herbert E. Miller, University of Michigan; Sidney Davidson, University of Chicago; Norton M. Bedford, University of Illinois; William M. Frasure, University of Pittsburgh, and Paul E. Fertig, Ohio State University. Participants from Carnegie Institute of Technology included George L. Bach, Dean of the Graduate School of Industrial Administration, and Professors W. W. Cooper and Richard M. Cyert.

Starting with a forecast of management practices in the 1980s, the participants discussed what impact the current trend toward the use of more analytical techniques in management problem solving will have on the three phases of accounting practice—audit, taxes, and management services. Prospective developments in these phases of accounting

practice were related, in terms of objectives, to a program of education for CPAs. Action required to make such a program a reality in the business schools of the country was also discussed.

No formal recommendations or conclusions were adopted at the conference. Some of the discussion highlights of the conference are summarized briefly in the following paragraphs.

### ***On Future Accounting Practice***

It was the general opinion that the audit or attest function of the CPA would continue to grow in absolute, but not relative, terms. Tax practice was viewed as decreasing in importance. It was predicted that management service practice would continue to grow, both absolutely and relatively.

### ***On Management Sciences***

A general view was that, within the next twenty years, developments in the management sciences will affect the audit function. Current research into control mechanisms, for example, is affording new insights into the nature of internal control. The concept of the information system of a company is being expanded to include all elements of quantitative information, and not only information of a traditionally financial nature. An understanding of these developments may well be necessary to perform an audit in twenty years. An often-posed question, whether or not CPAs must eventually acquire competence in management sciences in order to perform management services, is misleading. CPAs must eventually acquire such competence just to perform the audit function.

### ***On Education Objectives***

There was considerable agreement (and some disagreement) on the following kinds of education objectives for the training of future CPAs:

1. Early training of the CPA should prepare him *to learn to be* a CPA, not *to be* a CPA.
2. The CPA should acquire a broad understanding of the basic social, economic, and business environment within which he will operate.
3. CPA training should be directed toward developing broad problem-solving and analytical ability, as opposed to developing specialized competence in a limited area.

4. Basic principles, rather than descriptive matter, should be emphasized in each body of knowledge taught.
5. The CPA should acquire the basic principles necessary to permit further development in the management services.
6. The CPA must master a hard core of accounting, tax and auditing principles.

Educators at the conference noted an increasing trend for better business schools to drop the tradeschool approach to education and to adopt educational objectives similar to those described above. The publication of both the Gordon-Howell report<sup>1</sup> and the Pierson report<sup>2</sup> on business education has accelerated this trend, which is likely to continue whether or not the professions approve.

A summary of the accounting education conference at Carnegie Tech is being prepared for public distribution.

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**Management and Corporations — 1985.** Edited by Melvin Anshen and G. L. Bach, McGraw-Hill Book Company, Inc., New York, 1960, 253 pp. *The central theme of this provocative book is the "necessity for management and corporations to adapt to major changes in their internal and external environments in the next twenty-five years — and their probable ability to do so effectively."*

Possibly the most interesting single paper, from the standpoint of accountants, is Herbert A. Simon's treatment of the question of whether corporations will be managed by machines in 1985. Although Mr. Simon may go too far in predicting that machines will take over much of the thinking process in the administrative function, his argument is convincing and refreshing — especially to those who feel that management generally tends to depreciate the extent of change to be generated by the impact of the machine.

David Lilienthal and Barbara Ward, in papers on multi-national corporations and the underdeveloped economies, make a convincing argument for the necessity for business managers and practicing professionals to extend their interests and understandings well beyond the limits of this country and the American community. Many practitioners have already felt this trend, but these two papers leave little doubt about the extent of the change Americans will experience from worldwide involvement in economic affairs.

— *Reviewed by Robert M. Trueblood*

<sup>1</sup>R. A. Gordon and J. E. Howell, *Higher Education for Business*, New York: Columbia University Press, 1959. 25

<sup>2</sup>F. C. Pierson, *The Education of American Businessmen: A Study of University-College Programs in Business Administration*, New York: McGraw-Hill Book Co., 1959.