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What's new in Reading

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What's New in Reading

ALMA E. RASMUSSEN, C.P.A., Chicago, Illinois

The Rest of Your Life—by Leo Cherne.
Publisher—Doubleday, Doran and Company—
Price \$2.75. 291 pages.

An entertaining and stimulating prophesy by the Executive Secretary of the Research Institute of America as to what the post war world may be like. Not too optimistic as to how far we will have moved toward the solution of our basic problems by war's end.

The rubber question posed by the author illustrates one of the many problems which will confront us. With plants equipped to produce one-third more synthetic rubber than our largest prewar civilian needs for rubber, what are we to do about imports of natural rubber? And what about tariffs and subsidies? Upon our decisions on this and similar problems will depend jobs and our standard of living. And are we to decide these questions with a short-term or long-term view? A prophesy as to final disposition of government-owned plants—"it will be surprising if some mixed corporations aren't formed in which the ownership is held jointly by the private management and government."

Mr. Cherne discusses many other questions which will require answers soon after war's end, such as whether enough *useful* jobs can be provided by either private business or government. And can small business survive? He tells us that aside from loans by government and its agencies, we in the United States depended on government for more than eighteen per cent of our entire national income in 1940. One hundred years ago sixteen out of every twenty people in America owned the means by which they made their living—today seventeen out of twenty don't. Labor unions and the part they will play are the subject of one chapter.

The housing problem and what our new homes will be like are discussed under the provocative chapter heading "Six Million Bathtubs." The wonderful developments in medical science—airplanes—helicopters—streamlined automobiles—are covered.

But we are reminded that before the possible super-world is an accomplished fact there will be a transition period with probable extensive unemployment and depression, and that the responsibility for shortening that period of transition and minimizing its effects is ours!

Auditing Standards and Procedures in the Light of Court Decisions.

An article by Frederick K. Rabel, C.P.A., in the July number of the Journal of Accountancy.

Mr. Rabel divides the audit into fourteen classifications, some of which are — General Purpose of the Audit; Testing and Sampling Method; Knowledge of Legal Matters; Effects of Terms of Audit Agreement. Under each of the classifications he reviews decisions of American and British courts relating to the duties and responsibilities of the independent auditor.

1944 Tax Diary and Manual

Publisher—Prentice-Hall—Price \$4.25.

This 387-page volume contains charts showing taxes imposed by each State, with summaries of the laws regarding them, as well as charts of Federal taxes. There is also a diary section showing last days for payment of all Federal and State taxes. A useful book for public accountants, as well as for businesses having branches or subsidiaries in more than one State.

Production, Jobs and Taxes—by Harold M. Groves.

Publisher—McGraw-Hill—Price \$1.25—112 pages.

"A Research Study of the Committee for Economic Development," this book deals with post war revision of Federal taxes as a necessary step toward the achievement of our National goal of a higher standard of living through increased production and employment.

Among other changes, integration of corporate and personal taxes is recommended, thus doing away with the present duplication of taxes on dividends. It is the author's belief that this one change would effect either a reduction in prices, increase in wages, or increases in corporate profits with consequently increased dividends to stockholders, or all three of these most desirable results.

Increase in the carry-over period for net business losses is suggested, as well as changes in present allowances for depreciation and obsolescence.

Please turn to Page Fifteen

- 2330 Bonds
- 2360 Other Long-Term Obligations
- DEFERRED CREDITS:
 - 2400 Unamortized Premium on Debt
 - 2450 Other Deferred Credits
- RESERVES:
 - 2500 Reserve for Depreciation—Carrier Operating Property
 - 2600 Reserve for Amortization—Carrier Operating Property
 - 2610 Reserve for Depreciation and Amortization—Other Property
 - 2650 Reserve for Uncollectible Accounts
 - 2660 Insurance Reserves
 - 2680 Injuries, Loss and Damage Reserves
 - 2690 Other Reserves
- CAPITAL STOCK:
 - 2700 Preferred Capital Stock
 - 2710 Common Capital Stock
 - 2720 Premiums and Assessments on Capital Stock
 - 2730 Capital Stock Subscribed
- NONCORPORATE CAPITAL:
 - 2800 Sole Proprietorship Capital
 - 2810 Partnership Capital
- UNAPPROPRIATED SURPLUS:
 - 2900 Unearned Surplus
 - 2930 Earned Surplus

Income Accounts

- 3000 Operating Revenues
- 4000 Operation and Maintenance Expenses
 - 4100 Equipment Maintenance and Garage Expense
 - 4200 Transportation Expense
 - 4300 Terminal Expense
 - 4400 Sales, Tariff and Advertising Expense
 - 4500 Insurance and Safety Expense
 - 4600 Administrative and General Expense
- 5000 Depreciation Expense
- 5100 Amortization Chargeable to Operations
 - 5110 Amortization of Carrier Operating Property
 - 5120 Property Loss Chargeable to Operations
- 5200 Operating Taxes and Licenses
- 5300 Operating Rents—Net
 - 5310 Equipment Rents—Debit
 - 5320 Other Operating Rents—Debit
 - 5340 Joint Facility Rents—Debit

- 5350 Equipment Rents—Credit
- 5360 Rent from Owned Land and Structures
- 5370 Sublease Rental Income
- 5390 Joint Facility Rents—Credit
- 5400 Rent for Lease of Carrier Property—Debit
- 5500 Income from Lease of Carrier Property—Credit
- 6000 Net Income from Non-Carrier Operations
- 6100 Net Income from Non-Operating Property
- 6200 Interest Income
- 6300 Dividend Income
- 6400 Income from Sinking and Other Funds
- 6500 Other Non-Operating Income
- 7000 Interest on Long-Term Obligations
- 7100 Other Interest Deductions
- 7200 Taxes Assumed on Interest
- 7300 Amortization of Debt Discount and Expense
- 7400 Amortization of Premium on Debt—Credit
- 7500 Other Deductions
- 8000 Provision for Income Taxes
 - 8010 Federal Income Tax
 - 8020 Federal Excess Profits Tax
 - 8030 Federal Surtax on Undistributed Profits
 - 8040 Other Federal Income Taxes
 - 8050 State Income Taxes
 - 8060 Other Income Taxes

What's New in Reading—Con. from Page 12

*Where's the Money Coming From?—*by Stuart Chase.

Publisher—The Twentieth Century Fund — Price \$1.00—179 pages.

The third in a series of six books under the general heading, "When the War Ends," this volume discusses the problem of post war finance. The author points out that gradually we have come to live in a "disaster economy," where waste and loss are virtues, while thrift and good quality depress, rather than stimulate, trade.

The tremendous government debt and its effect on our economy is discussed, as is also the necessity for full employment and the means of attaining it. According to Mr. Chase, we can better afford a higher standard of living than we can afford not to attain it.