

12-1930

Book Reviews

W. H. Lawton

Herbert M. Temple

A. P. Richardson

A. van Oss

Follow this and additional works at: <https://egrove.olemiss.edu/jofa>



Part of the [Accounting Commons](#)

Recommended Citation

Lawton, W. H.; Temple, Herbert M.; Richardson, A. P.; and van Oss, A. (1930) "Book Reviews," *Journal of Accountancy*. Vol. 50 : Iss. 6 , Article 7.

Available at: <https://egrove.olemiss.edu/jofa/vol50/iss6/7>

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Journal of Accountancy by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

Book Reviews

FUNDAMENTALS OF AUDITING, by J. F. SHERWOOD and D. J. HORNBERGER. *South-western Publishing Co.*, Cincinnati. Cloth, 341 pages.

In Messrs. Sherwood and Hornberger's *Fundamentals of Auditing* we have a somewhat new line of attack in teaching practical auditing through text-books. Briefly, the method, presumably that used in the University of Cincinnati and Ohio Wesleyan University, is as follows:

The auditing programme is arranged in the order of the standard balance-sheet, and a chapter is devoted to each item of it. Each chapter begins with a schedule of the sub-items in that class in the form that any well-prepared audit programme would assume. Then follows a brief description of each sub-item with clear instructions as to what facts are to be ascertained with reference to them. This is followed by the standard procedure of auditing as prescribed in the *Verification of Financial Statements* prepared for the federal reserve board by the American Institute of Accountants. The next feature, a novel one in text-books as far as I know, is a narrative account of the application of this standard procedure by a staff consisting of one senior and two junior auditors, telling what they are assumed to have discovered, what they did in the circumstances stated, and how they recorded the facts on their working papers. Finally the working papers are turned over to one of the partners of the auditing firm, and his report and certificate close the illustrative audit.

There are other chapters on special audits and investigations, and the book is well illustrated with the usual forms, examples of adjusting entries, etc. A summary at the close of each chapter serves as a review, and questions prepared by the authors or taken from actual Institute and C. P. A. examination papers furnish good tests for the student.

In the preface the authors state that they have endeavored to develop the subject from the viewpoint of the student, and they seem to have succeeded. One gets the impression in reading each chapter that the text answers questions that would naturally be asked by any beginner—"What do I do now? Why? What is the standard practice in the profession? How do I do this or that?" And education after all is mainly a matter of satisfying intelligent curiosity.

W. H. LAWTON.

APPRAISERS AND ASSESSORS' MANUAL, by W. L. PROUTY, J. W. COLLINS and FRANK H. PROUTY. *McGraw-Hill Book Co., Inc.*, New York. 500 pages.

A casual review of *Appraisers and Assessors' Manual* inspires a confidence that the subject matter has been carefully considered and is presented in an orderly and readily understandable manner. The experience in Chicago of having police precinct captains make valuations of real property for taxation purposes with political colorings finds no place in this treatise on the scientific valuation of real estate and buildings.

Taxation of real and personal property is confronted with a basic problem in the determination of fair values for the property subject to tax. Due to great varieties and kinds of property, the average governmental assessor is con-

fronted by conditions quite beyond his experience, and without impartial guidance he is in a position unwittingly to cause great injustice either to the taxpayer or to the municipality.

The chapters devoted to determining building and labor costs, together with the comparative tables and units of cost used in various leading cities of this country furnish comparative data that will prove of inestimable assistance to all who may be interested in establishing or confirming building values.

The chapter on establishing a system for land appraisals is of unusual interest in that it presents the best features of many systems. Due credit for their systems is given William A. Somers of St. Paul, John A. Zangerle of Cleveland, Judge Hoffman and many others who have pioneered in this field. This chapter alone is an invaluable addition to a technical library.

Chapters on assessors' valuation of industrial plants, merchandise and intangible property are replete with many valuable and practical suggestions.

The authors are to be congratulated on their concise presentation of a most complex subject; and anyone interested in property values, especially those whose responsibility it is to pass on property values, will find in this manual a wealth of assistance in drawing conclusions.

HERBERT M. TEMPLE.

CENTURY DICTIONARY. *The Century Company*, New York. 2 volumes, 2792 pages.

The wits of all ages since dictionaries first were published have been trying to say something original in reviewing publications of this sort. There is not good continuity. The plot lacks clarity and purpose. The style is jerky. Probably these things are said because there is not much that one can say about a dictionary except that it is good. There has never been a wholly bad one. Some part of the work must have merit. But perhaps one may say that a dictionary is better than that or than those, and if so let it be said of the new *Century Dictionary* that it seems to comprise more in a comparatively small compass than any other of which there is general knowledge. There are portions of it that I have not read, but at least those that I have read are helpful. The *Century Dictionary* is one of the classic authorities and a new edition is a matter of moment. The edition now appearing is published in two volumes, easily handled—that is, easy as dictionary handling goes—and its price is so low that—really one should write to the publishers to find out about it. It seems that there must have been a mistake. However that may be, I am glad to have the volumes on my desk.

A. P. RICHARDSON.

HANDBUCH FUER DAS REVISIONS—UND TREUHANDWESEN, by WILHELM VOSS. *C. E. Poeschel Verlag*, Stuttgart, Germany, 1930. 500 pages.

In his preface the author states as his principal object the comprehensive and systematic presentation of accountancy—especially auditing—as a science and a profession. By way of introduction he relates the necessarily haphazard way wherein single problems at first were treated and solved as they presented them-

Book Reviews

selves. In the attempt to outline a general theory the diverse data are used more or less like bits of stone in a mosaic. He intends to formulate the general problem and give the design of a pattern that will show the lines of inner unity and order. He mentions the antitheses of theory and practice and his desire to make his book serve both.

The book deals with the development of accountancy as a profession and with its condition and functions. It is divided in two parts. The first gives an historical review of the profession in general and the development of the numerous societies and institutes in Germany and other European countries and in the United States.

The second part deals with general practice, especially in Germany, types of audits and investigations, their field and scope, limitations imposed, methods of approach, the auditor's duties and responsibilities and like general subjects.

Separate chapters are devoted to the technique of the different kinds of audits and verifications, investigations, etc. The form and meaning of the certificate is fully discussed and considerable space is given to the audit report.

The author has not produced a text-book in the accepted meaning of the word. Only very broad directions are given concerning the audit of assets and liabilities, earnings and expenses, purchases, sales, payrolls, inventories, etc. In fact they are more like statements of principle.

There is discussion of the German law of 1889 making the audit of corporations obligatory, the governmental audit of tax returns, the advantages of coöperation between federal and private auditors, receiverships and trusteeships, and the auditor as business expert before the courts and as tax expert.

An appendix to the second part contains the rules and regulations of certain bodies governing the appointment of public accountants, general rules for the entrance examinations to various societies and institutes, a discussion of the basis of charges for work done, including schedules of permissible minimum charges, an audit programme, lists of current literature, etc.

The book deals primarily with conditions in Germany and thus seems of interest only to the student of these conditions. Its perusal will impart interesting knowledge of the difference between the continental European and the British and American attitude and opinion in matters of audit.

A. VAN OSS.