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## Book Reviews

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COST AND PRODUCTION HANDBOOK, by J. P. ALFORD, editor. *Ronald Press Company*, New York. 1544 pages. 1934.

The purpose of *Cost and Production Handbook*, as stated in the preface, is "to give in one reference volume practical working information on industrial operation for the benefit and assistance of every one engaged in manufacturing, whether in a shop or office position." In conformity with this purpose, the *Handbook* presents a wealth of practical information described by the editor as "realizable realities . . . from the practice of representative companies." The list of contributors contains eighty names, including five public accountants, five professors of accountancy and fourteen accounting executives. The rest are teachers, executives and consultants associated with various phases of engineering and management.

The system followed in the arrangement of the material is not quite apparent. There are no main divisions, such as accounting, management and engineering, nor is there any consistent attempt to present fundamentals first and details afterward. Instead the volume is divided into twenty-eight sections, tabulated both numerically and alphabetically on the inside cover pages. In many of these sections, accounting, engineering and administrative matters are intermingled in a way which is sometimes more confusing than thorough. Much of the information taken for granted at the beginning is not given until the end. Thus, section 1, entitled: "Statements and reports" gives an excellent twenty-three-page introduction to general accounting theory, but shifts without transition to a lavish display of complicated cost and operating reports, although the principles of cost accounting are not explained until section 19. There follow sections on budgets, organization, planning, standardization purchasing, estimating, storeskeeping and labor plans, all written with the management viewpoint predominating, but interspersed freely with cost forms, layout drawings, charts, graphs and impressive engineering formulæ. The accounting problems arising from inventories and payrolls are discussed briefly but adequately.

In the following sections on fixed assets, tools, material-handling and plant costs the management and engineering viewpoints again predominate, with occasional excursions into the realm of accountancy on such minor questions as how to charge off the undepreciated value of replaced machinery. The principles of accounting for fixed assets are deferred to section 22 on: "Depreciation and obsolescence."

Cost accounting is the subject of sections 19 to 23. It is introduced by a definition of cost and other elementary concepts, followed by a brief but well rounded survey of cost systems, classification of accounts and cost analysis. All this information is really introductory, as references to matters here explained occur throughout the first eighteen sections. The same comment may be made with respect to certain parts of sections 24 to 26, which deal with the principles of research, industrial engineering and the psychological and sociological aspects of labor. Sections on operating charts and symbols and a forty-six-page index complete the volume.

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A comparison of the *Cost and Production Handbook* with its precursor, the *Management's Handbook* confirms the editorial comment that the field of the new publication "is at once both narrower and broader. It is narrower in that it is restricted to manufacturing operation. It is broader in that it includes more activities in its field than its predecessor." The decision to bring cost accounting within the scope of the new handbook may also broaden its market appeal in accordance with the maxims set forth on page 90, under the title: "Determining desirable sales volume."

Style and exposition are, in general, quite satisfactory, except in places where the effort to save space is too evident. Several contributors use telegram style, omitting articles, prepositions and conjunctions. This defect however, is not very serious and occasionally even humorous. For instance, it may for a moment surprise the reader that there are "materials handling equipment" (pp. 857-882) and that it is possible to effect "savings from materials handling equipment" (p. 883), rather than through the use of equipment for the handling of materials. Other subtitles affirm that these versatile materials are capable of handling, not only equipment, but ratios as well; properly analyzed they also handle costs and if they are inexact, they can even estimate the sources of loss. (See p. 853: "Materials handling ratios," p. 1189: "Analysis of materials handling costs" and p. 411: "Inexact materials estimating source of loss").

It is rather difficult to reach a definite conclusion about the merits of this informative volume. Accountants may find it worth while to review the far-reaching systematization and standardization of engineering and management problems and it is more than probable that an engineer or general executive could profit by reading the sections on accounting. Many encyclopædias are subject to similar limitations; they offer much to the layman, but little to the expert. Of course, if the scope of an encyclopædia is broad enough, everyone will necessarily be in the position of a layman as to a portion of its contents.

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