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## ASWA Grows

American Society of Women Accountants

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the janitor to the president. With the uncertainty of taxes (the final amount, that is) and its resultant terrific impact on business, the cost accountant gets headaches, writer's cramp, backache, ulcers, and other assorted ailments.

The challenge had to be met. The cost accountant made a completely new evaluation of his theories and practices and came up with the answers upon which business, large and small can rely without fear of material error. It makes no difference whether the cost accounts are an integral part of the accounting records or are maintained separately. You have projected your function beyond accounting for manufacturing and job costs and have shown management that you have the tools and the "know how" to apply and distribute every manner of expense by equitable methods. All cost departments do not carry their work so far that the sales department can say, "This article cost us 90¢—let's try to sell it for a dollar and come up with a net profit of 10%." But those that don't, know how to do it, and, if they don't know how, they jolly well know how to learn how.

Use of cost accounting goes beyond giving information to supervisors, superintendents, controllers, sales managers, buyers and heads of business. Good cost records, well documented and correctly maintained, are one of the best proofs of the correctness of computed taxable income. My friends in the Internal Revenue Service put a great deal of reliance upon and have a wholesome respect for good records.

Too, the cost accountant is more apt to be right than wrong in estimates of costs. May I relate a personal experience? In an audit some time ago, we found considerable variance between certain job costs as recorded in the general records and those in the cost ledger. In this particular job, a portable plant was set up and a ramp covered with gravel and asphalt had to be constructed. The general ledger included the cost of this ramp with that of purchasing and placing on the ground the necessary portable plant. But the cost accountant charged the ramp to the over-all cost of the job. Needless to say, we sided with the cost department. The tax saving was in two years rather than over the twenty-year life of the portable plant.

The ideal cost department is seldom economically advisable as yet because of the still limited understanding of management and the impatience business men often have with statistics. Your goal is to prepare and present all information that is

valuable, and, as year follows year, more and more information becomes useful. Those following in your professional footsteps may receive in education a completely new accounting concept based upon the spade and brick work you have done to perfect methods and systems required by the myriad sorts of business in existence today.

The industrialization of all parts of our nation and of the world is placing an overwhelming demand upon the profession of accounting. We all know that the first question asked by the tycoons of business is, "What is it going to cost us?" Your answer will be based on the maxim and theory which you know and use every day. Break costs finely, but be sure your break-downs pay—devise equations and norms whereby you can arrive at the goal you are seeking—test your formulae often—and be sure your department is the economical tool you intend it to be. You will thus safeguard the prospect of profits and have all pertinent data on hand ready for use at a moment's notice.

I have not meant to eulogize you or your profession. That you do not need and would disdain. My intent is to remind you of the challenge you have given yourself and to say that I dare to believe the day is dawning when the cost department will be the governing factor in every accounting set-up. Your own "A Re-Examination of Cost Accounting Objectives and Methods" shows you the way and points up the strides you have made toward the goal you may be unconsciously achieving—to be the manager of management.

*\* Portions of address presented to the Tulsa Chapters of the National Association of Cost Accountants & the American Society of Women Accountants.*

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## ASWA GROWS

WELCOME, Chapter 53. On April 1, 1957 we were proud to welcome Tacoma Chapter to ASWA.

WELCOME, Chapter 54. At the All-Michigan Day on May 4, 1957, in Muskegon, Flint received Charter 54.

We extend to both Tacoma and Flint Chapter our greetings and best wishes for your growth and development.