Woman C.P.A.

Volume 20 | Issue 2 Article 8

2-1958

Woman C.P.A. Volume 20, Number 2, February, 1958

American Woman's Society of Certified Public Accountants

American Society of Women Accountants

Follow this and additional works at: https://egrove.olemiss.edu/wcpa

Part of the Accounting Commons, and the Women's Studies Commons

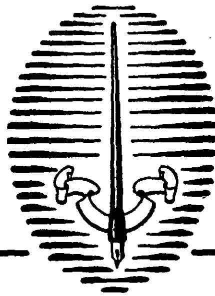
Recommended Citation

American Woman's Society of Certified Public Accountants and American Society of Women Accountants (1958) "Woman C.P.A. Volume 20, Number 2, February, 1958," *Woman C.P.A.*: Vol. 20 : Iss. 2 , Article 8.
Available at: https://egrove.olemiss.edu/wcpa/vol20/iss2/8

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 Woman C.P.A. by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

THE WOMAN C.P.A.

VOLUME 20



NUMBER 2

In This Issue

Statement Presentation	*Corinne Childs, C.P.A.*
Educator, My Responsibility?	*Shirley T. Moore, C.P.A.*
Current Depreciation Methods	*Mary F. Hall, C.P.A.*
Tax News	*Louise A. Sallman, C.P.A.*
Idea Exchange	*Lucille Perelman, C.P.A.*
Tips for Busy Readers	*Catherine Miles, Ph. D.*

FEBRUARY 1958

Official Publication

AMERICAN WOMAN'S SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN SOCIETY OF WOMEN ACCOUNTANTS

VOL. 20 FEBRUARY, 1958 NUMBER 2

Editor
MARGUERITE REIMERS, C.P.A.
418 Loretta Place #216, Seattle 2, Washington

Business Manager
BEATRICE C. LANGLEY
327 South LaSalle Street, Chicago 4, Illinois

Editorial Board
E. VIRGINIA BARNETT
1829 Marshall Avenue, Houston 6, Texas
MARY C. GILDEA, C.P.A.
Board of Trade Bldg., 141 W. Jackson Blvd., Chicago 4, Illinois
ROSEMARY HOBAN, C.P.A.
1380 National Bank Bldg., Detroit 26, Michigan
RUTH KRAVITZ, C.P.A.
111 West Main Street, Waterbury 2, Connecticut
EDITH MOORE, C.P.A.
1023 Chattanooga Bank Bldg., Chattanooga, Tennessee
HAZEL BROOKS SCOTT
3451 Mount Vernon Drive, Los Angeles 8, California

Associate Editor
HAZEL NIELSEN RICHARDS, C.P.A.
8011 Forest Drive, Seattle 15, Washington

Tax Editor
LOUISE A. SALLMANN, C.P.A.
1825 Fruitvale Ave. #1, Oakland, California

Idea Exchange Editor
LUCILLE PERELMAN, C.P.A.
509 Kanawha Banking & Trust Bldg., Charleston, West Virginia

Literary Editor
CATHERINE E. MILES, Ph.D.
Georgia State College of Business Administration
33 Gilmer Street, S.E., Atlanta, Georgia

AMERICAN WOMAN'S SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
OFFICERS 1957-58

President
LEE ELLA COSTELLO, C.P.A.
2204 Fannin Street, Houston 2, Texas

1st Vice President
MARY J. MCCANN, C.P.A. (Advisory)
640 East Armour Blvd., Kansas City 9, Missouri

2nd Vice President
DORIS PARKS, C.P.A. (Public Relations)
Room 2215 Tribune Tower, 435 N. Michigan Ave., Chicago 11, Illinois

Secretary
KATHERINE E. PFEIFER, C.P.A. (Yearbook)
3250 Euclid Avenue, Cleveland 15, Ohio

Treasurer
M. GERTRUDE HINDELANG, C.P.A.
Arthur Young & Company, 1217 National Bank Building, Detroit 26, Michigan

Directors
ELIZABETH A. STERLING, C.P.A. (Ex-Officio) (Policy & Procedure)
Sterling and Sterling, 407-8 Henry Grady Building, Atlanta 3, Georgia
WINIFRED D. OWENS, C.P.A. (Legislation)
Henry S. Owens & Co., 1001 Connecticut Avenue, Washington 6, D. C.
MARY F. HUNTER, C.P.A. (Education)
6557 North Lakewood Avenue, Chicago 26, Illinois
PEARL ISHAM, C.P.A. (Award)
1224 South Fourth Street, Alhambra, California
LINDA STANFORD, C.P.A. (Membership)
Endicott Johnson Corporation, Sales Building, Endicott, New York

OTHER COMMITTEE CHAIRMEN
GERTRUDE E. NORMAN, C.P.A. (Budget and Finance)
c/o Ernst & Ernst, 510 S. Spring Street, Los Angeles 13, California
GRACE S. HIGHFIELD (By-Laws)
33 North High Street, Columbus 15, Ohio
MARY E. KIRKBRIDE (Research)
2960 Zerobin St., Denver 12, Colorado
CHARLOTTE SCHACHTER (Publicity)
C/o Arthur Young & Company, 165 Broadway, New York 6. New York
MARY TONNA (Bulletin)
720 8th Avenue, San Francisco 18, California

AMERICAN SOCIETY OF WOMEN ACCOUNTANTS
OFFICERS 1957-1958

President
ALMA A. WESTERMANN
Hunting Towers, 829 Center, Alexandria, Virginia

1st Vice President
CAROLYN J. ABERNETHY (Program)
35-24 33rd St., Long Island City 6, New York

2nd Vice President
M. JANE DICKMAN, C.P.A. (Membership)
783 Ellicott Square Blvd., Buffalo 3, New York

Secretary
MARY F. HALL, *C.P.A.* (Yearbook)
1610 Kenwood Avenue, Alexandria, Virginia

Treasurer
MILDRED E. KOCH (Finance)
2540 Parkview Ave., Toledo 6, Ohio

Directors
ZOSIA EDWARDS STEGE (Ex-Officio) (Advisory)
139 Official Road, Addison, Illinois
BETTY BROWN (Public Relations)
Central Detroit Warehouse Co., 1627 W. Fort St., Detroit 16, Michigan
RUTH M. CRAWFORD (Chapter Development)
First National Bank of Atlanta, P. O. Box 4148, Atlanta 2, Georgia
MARGARET G. HOLMAN (Legislation)
5301 Callister Ave., Sacramento 19, California
MARILYN E. MUELLER (Education)
Box 559, Upper River Road, Route 2, Thiensville, Wisconsin
MILDRED SWEM, (Award)
Route 1, Box 22-H, Littlerock, California
ETHEL WOOD (Research)
William A. Wood & Company, Law & Finance Building, Pittsburgh 19, Pennsylvania

OTHER COMMITTEE CHAIRMEN
MARJORIE M. BECKER (Bulletin)
7612 S. E. 32nd Ave., Portland 2, Oregon
NANCY M. BUTLER (By-Laws)
65 Mars Street, San Francisco 14, California
GENEVIEVE MICHEL (Publicity)
4009 15th Ave. N.E., Apt. 128, Seattle 5, Washington

NATIONAL HEADQUARTERS, BEATRICE C. LANGLEY, Sup'r, Room 804, 327 So. La Salle St., Chicago 4, Ill.

The Woman CPA is published bi-monthly and copyrighted, 1958, by the American Women's Society of Certified Public Accountants and American Society of Women Accountants, 327 So. LaSalle Street, Chicago 4, Illinois. Subscription price $1.25 annually. While all material presented is from sources believed to be reliably correct, responsibility can not be assumed for opinions or interpretations of law expressed by contributors. Entered as second-class matter at the Post Office at Chicago, Illinois.

STATEMENT PRESENTATION

By CORINNE CHILDS, C.P.A., Tulsa Chapter, A.S.W.A.

The subject "Statement Presentation" would seem to require no particular definition of terms, but, possibly, we should consider some changing concepts in our meaning, even though we limit it to financial statements. Or perhaps you might like to think of an alternative topic which suggests itself, namely "Financial Reporting."

Let's go way back to some comments by Dr. Roy B. Kester in his book "Accounting Theory and Practice," published in 1917 for our starting point. Professor Kester did not refer to the plural of the word "statement"—instead, he wrote:

"The financial statement is designed to show the financial condition of a particular business at a given time. ***It marshals the assets in one list or schedule and the liabilities in another. The difference between the totals of the two schedules gives the present or net worth of the business. It is not sufficient in making a financial statement to give simply the figures of proprietorship or net worth, but schedules must be drawn up to show the items that make up that net worth."[1]

This part may shock you. Concerning what we know as the income statement, he wrote:

"The profit and loss summary is known usually as the 'Profit and Loss Statement', though other titles such as Loss and Gain, Income, Income and Expense, and Business Statement are frequently used. Showing as it does, the manner in which the net worth has been changed, it amplifies, it fills out the record shown by the financial statement. The profit and loss summary is a supplementary record because it gives additional information, and is complementary to the financial statement because it rounds out and completes the story of business life there recorded."[2]

That briefly describes statement presentation in 1917, some 40 years ago, as viewed by that eminent authority.

The next 20 years (the period including World War I, the hey-day of the 20's, and the dark days of the early 30's) also brought about some marked changes in the concept of our subject. For our authority, let's look at the "Accountants' Handbook," edited by W. A. Paton, the second edition being published in 1932. First of all, we note a recognition of the view that the income statement might not be, after all, a mere supplementary record:

"The two principal accounting statements are the balance sheet and the income sheet,***. Some authorities recommend, in addition, the use of a surplus statement or analysis to supplement the main financial exhibits. This practice, however, is of doubtful merit. On the whole it is preferable to include the surplus analysis and reconcilation as a final section of the income sheet.***"[3]

We do know that the editor recognized that variations in the grouping of income sheet items are many, but he suggested a most detailed outline for the income statement. He suggested various subtotals such as gross profit, operating income, total net income, and net earnings before arriving at the net income figure.

As a current work, containing much useful information for accountants, either public or private, may I suggest "Report Writing for Accountants" by Jennie Palen, one of our own members, and published in 1955. Miss Palen wrote as follows about financial statements:

"When accountants speak of financial statements they usually mean, as to a commercial or industrial enterprise, a statement, however described, which purports to show financial position and a statement or statements, however described, which purport to show the results of operations. Any footnotes necessary to make the statements fair presentations of the matters are an integral part of the statements, even though they appear for convenience, on a separate sheet or sheets. As used herein, then, the term financial statement means

[1]Roy B. Kester—ACCOUNTING THEORY AND PRACTICE. Copyright 1917 The Ronald Press Company. p. 26

[2]Roy B. Kester—ACCOUNTING THEORY AND PRACTICE. Copyright 1917 The Ronald Press Company. p. 43

[3]ACCOUNTANTS' HANDBOOK, Second Edition, edited by W. A. Paton. Copyright 1932 The Ronald Press Company. p. 3

(1) a balance sheet and (2) a statement of income and surplus or separate statements of income and of surplus.***"[4]

Further current references and "musts" for professional accountants are, of course, the bulletins and publications of the American Institute of Certified Public Accountants. Most of us here today know something of the activities of the American Institute in connection with accounting procedures and financial reporting. Since its organization the Institute has from time to time issued a series of opinions in its Accounting Research Bulletins.

During the period from 1938 until 1953 there were some 42 of these bulletins. Of necessity, of course, in that period some of them became of doubtful value. So we have Bulletin 43, "Restatement and Revision of Accounting Research Bulletins," which was issued in 1953. Bulletin 43 eliminated what was no longer applicable, and condensed and clarified, revised and rearranged the materials in the first 42 bulletins.

With respect to the combined statement of income and earned surplus, Bulletin 43 calls attention "to the increased significance attributed to the income statement by users of financial statements and to the general tendency to regard the balance sheet as the connecting link between successive income statements." It points out that the combining of the annual income statement with the statement of earned surplus, "where possible, will often be found to be convenient and desirable."[5]

With this brief review of some representative published accounting works of the past 40 years, let us adopt the concept that financial statements are an end product of the accountant's work.

The balance sheet, by whatever name called, is a snapshot, for it reveals the financial position of the entity for which it is prepared as of a particular instant of time, namely the end of the calendar or the fiscal year, or some other period.

The income statement, by whatever name called, is a motion picture of the entity for a particular period of time, for it records moving history in the life of the business activity.

Just as it is necessary when we look at a snapshot, or even at a single reel of a motion picture, to have some explanation of the various details and actions recorded by the snapshot or movie, so is it necessary that a balance sheet and income statement have supplementary statements and information. It is in this respect that supporting schedules and financial notes achieve their significance. And, of course, as we all know, the traditional financial statements are frequently supplemented by other exhibits which are related to the main statements, and by supporting schedules which serve to give further details concerning the enterprise being photographed.

At one time in the history of financial reporting there was considerable discussion of the question: Whose financial statements are they? Phrased another, and perhaps better, way, the question was: Who has the responsibility for the preparation of the financial statements? In my opinion that question is fully answered as of this date, even though there are still those who believe that the independent accountant or auditor prepares the financial statement. Management is primarily responsible for the correctness of the financial statements. It was in the Interstate Hosiery Mills case that the Securities and Exchange Commission pointed out:

"The fundamental and primary responsibility for the accuracy of information filed with the Commission and disseminated among investors rests upon management. Management does not discharge its obligations in this respect by the employment of"—a firm of—"independent public accountants however reputable. Accountants' certificates are not required as a substitute for management's accounting of its stewardship, but as a check upon that accounting."

In her book, Miss Palen reminds the reader that the independent accountant or auditor merely expresses his opinion with respect to the financial statements prepared by management. She writes:

"The client has directed the accumulation of data upon which they (the financial statements) are based and has initiated the transactions which they record. The auditor may restyle the statements and often does so, but the basic data are the client's. The independent auditor's report consists of his opinion respecting the fairness of those

[4]Reprinted by permission from *Report Writing for Accountants*, by Jennie M. Palen, p. 30. Copyright, 1955, by Prentice-Hall, Inc., Englewood Cliffs, N. J.

[5]Bulletin 43, "Restatement and Revision of Accounting Research Bulletins", Copyright 1953, by the American Institute of Certified Public Accountants, p. 17

statements, together with any comments he makes regarding them."[6]

As we accept the fact that financial statements are an accounting of the stewardship of management, then we should also recognize that the underlying function of the financial statements should be conceived by the accountant to be the presentation of significant information, whether the accountant be in public or private practice, about an enterprise to all interested parties, even though "significant information" may mean different things to each of them. Regardless of the purposes for which statements are prepared, there is one cardinal rule to be observed. Any statement prepared for any purpose should be a fair statement of what it purports to present, whether that be financial position and results of operations, or the amount of a payment due under a profit-sharing plan. Variations in length of statements or in manner of presentation are permitted, so long as we observe that rule.

Stated another way: There must be no misstatement of a material fact, and no omission of information necessary to make the statement not misleading; for once a report is issued, its use cannot be controlled.

If we pause to think of the question: For whom are statements prepared? we have difficulty in knowing where to stop. We could go on and on about statements for owners, statements for management, special reports for management, reports for credit purposes, reports for labor organizations and, of course, reports required by our governmental organizations and regulations.

It seems to me that the special reports for management, which may consist of such things as systems and procedures recommendations, reports of defalcations, computations of bonuses, and so on, offer the accountant the greatest opportunity for constructive service.

While there are those who would argue that we, as accountants, should prepare a single statement or series of statements—an accounting, if you please—which is all things to all men, it is not difficult for us, as accountants, to see that not all readers of a given set of statements can have the same interest, or seek the same information from statements. To repeat an earlier admonition, inasmuch as, once any statement is prepared and issued, we cannot control its use and interpretation, we must be certain always that there is no misstatement of a material fact and no omission of information necessary to make a statement not misleading.

Progressing now to some current trends in statement presentation, let's look at some specific present-day tendencies in financial reporting.

First of all, you are reminded that each year for the past 10 years the American Institute of Certified Public Accountants has published a most valuable survey made by its research department and called "Accounting Trends and Techniques." The 1956 publication is the tenth edition and it contains information on the published statements of some 600 industrial and commercial corporations, as well as excerpts from and comments upon unusual accounting treatments found in 700 additional reports, all with fiscal years ending within the calendar year 1955.

It is now well established that it is seldom satisfactory for a reader to see only a balance sheet as of a given date and an income statement for the preceding 12-months period. In Bulletin 43 it is pointed out that:

"The presentation of comparative financial statements in annual and other reports enhances the usefulness of such reports and brings out more clearly the nature and trends of current changes affecting the enterprise. Such presentation emphasizes the fact that statements for a series of periods are far more significant than those for a single period and that the accounts for one period are but an installment of what is essentially a continuous history. In any one year it is ordinarily desirable that the balance sheet, the income statement and the surplus statement be given for one or more preceding years as well as for the current year."[7]

There is a continuing trend toward the use of comparative statements with approximately 70 per cent of the customary certified statements being presented in that form in 1955 as compared with only 34 per cent in 1946.

Having recognized the prevalence of comparative summaries in current pub-

[6]Reprinted by permission from *Report Writing for Accountants*, by Jennie M. Palen, p. 29. Copyright, 1955, by Prentice-Hall, Inc., Englewood Cliffs, N. J.

[7]Bulletin 43, "Restatement and Revision of Accounting Research Bulletins," Copyright 1953, by the American Institute of Certified Public Accountants, p. 43

lished reports, we may now look at the language of these reports. No longer do reports adhere merely to the terminology of the professional accountant: there is a definite trend toward the use of "layman's language."

We can generalize here to the extent of saying that published annual reports are being prepared more from the standpoint of clarity and simplicity for the reader, and less from the viewpoint of what may be thought the highly technical and stilted language of the professional accountant. We find that there is a tendency toward less detail in book figures and greater emphasis on operational statistics.

This generalization is not intended to convey the impression that we, as accountants, are deviating from the generally accepted accounting principles that our profession has labored so diligently to establish, nor is it meant to question the reliability of the product of the accountant's labors. We have not put aside our basic requirements of, first of all, statements prepared in conformity with generally accepted accounting principles; and second, accounting principles consistently observed in the current period in relation to the preceding period.

Even though we have not put aside these basic requirements, we have, as accountants, heard the clamor of the public for readable and understandable statements designed to give the greatest possible degree of information concerning the business being reported.

For example, is there any real significance in the use of exact cents in most reports? There was a time in the not too distant past when it was felt that the use of exact dollars and cents in published reports indicated strict compliance and that their use assured competence on the part of the accountant and confidence on the part of the reader. Actually, that reasoning was not consistent with our provisions for items which admittedly were not definitely ascertainable, such as depreciation, depletion, amortization, uncollectible accounts, and so on.

In his recent article, "An Executive Looks at Accountancy," the former treasurer of R. H. Macy & Co. made some positive suggestions. He said:

"Reports should be in round figures, stopping with the last significant figure to avoid appearance of exactness."

He wrote further:

"For their own protection, it would seem wise that accountants inaugurate a campaign to break down the generally accepted reputation for infallibility which is accorded them."

He said further:

"Accountants should take a broader view of themselves and their responsibility to the public than most of them seem to do. *** Their difficult task is to educate the public that their reports are based on estimates, and the nature and degree of those estimates should be fully explained and emphasized. It would seem useful if they could concentrate on giving the kind of reports that the readers of those reports need, rather than confine themselves to their own techniques and methods."[8]

Many authorities feel that the omission of cents and some of these other modernizations we are talking about savor of carelessness or inaccuracy. Nothing could be farther from reality. Rather, this trend makes for greater clarity and understanding when we accept the fact that accounting is not an exact science. It is "the art of recording, classifying, and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of a financial character, and interpreting the results thereof."

Think about it. Is a balance sheet still a balance sheet? The majority of the companies included in the 1956 "Trends and Techniques" survey used the term "balance sheet" to describe the statement of assets, liabilities, and stockholders' equity. But you may be surprised to know that there is a trend toward the use of the terms "financial position" or "financial condition" in the balance sheet heading. This trend is due in part to the increased adoption of the "financial position" form of balance sheet, rather than the customary form. In the "financial position" form the net assets are shown equal to stockholders' equity, as distinguished from the "customary" form in which the assets are shown on the left, liabilities and stockholders' equity on the right.

Another significant recent development in statement presentation is the emphasis, as already hinted, on the importance of the income and retained earnings statements. All but three of the 600 corporations included in the 1956 survey provided the income statement in some form. Approximately two-thirds of these companies used a separate statement of income with the

[8]Oswald W. Knauth, "An Executive Looks at Accountancy" The Journal of Accountancy, January 1957, p. 29

remaining one-third using combined income and retained earnings statements. The past 10 years have seen a moderate trend toward adoption of the combined income and retained earnings statement.

In connection with this trend it is noted that the word "income" is the one most commonly used as the key word in the title of income statements; but we should be aware of the fact that recent years have seen a wider acceptance of the key word "earnings" in the income statement, with a continuing decrease in the use of the words "profit and loss."

There are two general types of income statements now in use in published reports, the multiple-step form and the single-step form. The older of these and still the more prevalent is, of course, the multiple-step form which contains the conventional grouping of items with intermediate balances.

The single-step form, on the other hand, consists of an income grouping over a single total and an expense grouping over a second total. However, many companies vary the use of each form in that they use a separate last section to set forth various tax or nontax, or both tax and nontax, items.

While the single-step income statement presents a less "cluttered" picture for published report purposes, it is frequently criticized for its failure to provide sufficient detail to enable the reader the ascertain the true results of the principal business activity of the entity. This criticism leads us back to one of our earlier conclusions—the purpose of a given statement is truly a factor in statement presentation.

Two other statements frequently found in published annual reports are the statement of source and application of funds and the statement of changes in working capital. The application-of-funds statement is the one likely to be of most interest and use to owners and management who may have difficulty in understanding the conventional financial statements.

Even a highly-successful businessman is not always able to read and understand a financial report. Thus we should not fail to recognize the needs of management, and particularly of that businessman who does not know how to understand and avail himself of the information in the usual balance sheet and income statement. To him, whether he be our employer or our client, we have an added responsibility of doing more than taking a picture of his business. We need to give a third dimension, cinemascope, if you will—to that picture.

It is the source and application of funds statement which frequently will best suit our purposes; nor do we need to use that formal title for it either. You might call it source and disposition of funds, or you might call it employment of funds. One report recently called it statement of cash flow. Another one called it statement of business activities, and an unpublished one contained a statement which was captioned, "Where it came from" and "Where it went."

No discussion of statement presentation or financial reporting would be complete if it did not point out some of the important areas of controversy today. One question that comes to my mind is: Should income be charged with depreciation based on original cost of the fixed assets, or should it be based on the replacement cost thereof?

A second current area of controversey is: How should the liability for past service pension costs be reflected on the books? Accounting Research Bulletin Number 47, issued last September, indicates some guides which are deemed to be acceptable for dealing with costs of pension plans in the accounts and reports of companies having such plans. But many questions in connection therewith are still unanswered.

A third current question, another related one, is: What effect, if any, should be given to the influence of changing price levels, particularly in inventory valuation for statement purposes? The Lifo method of inventory valuation has been determined as one approach to the problem of imperfect results when price levels change. Direct costing is another currently popular theory which affects the inventory valuation.

Concurrently, in the event changing price levels are recognized in inventory valuation, then should comparative summaries be adjusted for these changes in price levels? For an excellent current discussion of this problem take a look at the article in the May 1957 issue of The Journal of Accountancy, entitled "Accounting Measurements of Economic Concepts."

Another important area of controversy is: Should "out of period" income and expense items be included in current operating results? Stated another way, we have the problem of current operating performance versus all-inclusive or clean surplus theories in income reporting.

We designate the all-inclusive income statement as the one in which net income is defined by the inclusion of all items affecting the net increase in proprietorship during the period except dividend distributions and capital transactions. Miss Palen refers to this theory as the "clean surplus" theory.

The other income statement concept places its principal emphasis upon relationship of items to the operations of a given year, excluding from the net income any material extraordinary items which are not so related. This is sometimes referred to as the "current operating performance" basis.

There is, it would appear, a trend toward usage of the all-inclusive income statement. Admittedly, "materiality" is the deciding factor. Going back to Bulletin 43 again:

"There should be a general presumption that all items of profit and loss recognized during the period are to be used in determining the figure reported as net income. The only possible exception to this presumption relates to items which in the aggregate are material in relation to the company's net income and are clearly not identifiable with or do not result from the usual or typical business operations of the period."[9]

Another area of controversy conerns the ever-present matter of income taxes. What should be done about the allocation of income taxes for financial statement purposes when there are material differences between taxable and financial income?

Those are just some of the questions, some other areas of controversy, to point up again our expanding horizons.

A rather well-known financial writer, recently called accountants students of the past. He said it was our business to make autopsies, not forecasts. He classified us as undertakers, not doctors. Maybe we have brought that on ourselves by our failure to use originality and imagination in financial reporting.

Let's make our financial statements something more than glorified trial balances. How can we do this? By continuing to study, by reading the wealth of available material on accounting procedures, by observing available published reports, and by participating in the technical meeting opportunities available to us from time to time.

As accountants, we are in an enviable position for rendering valuable assistance to our employers and our clients. Someone has said that the accountant knows all about what has happened, something of what is happening, and even a little of what probably will happen next. Having this knowledge gives us no right, though, to presume that we are thereby qualified to decide what to do and how to get it done. We have a joint responsibility with management.

Perhaps it is appropriate to repeat the words of Howard C. Greer in a paraphrase of Sir Walter Scott:

"Breathes there the accountant, with soul so dead
Who never to himself has said:
'The boss is sure a stupid Joe?'
Whose heart has ne'er within him burned
To prove how much more could be earned
If they'd just let him run the show?
If such there be, go, mark him well,
He's been around enough to tell
That even if you know it all,
Good management is something more
Than calling strikes and keeping score:
You also have to hit the ball!"[10]

[9]Bulletin 43, "Restatement and Revision of Accounting Research Bulletins," Copyright 1953, by the American Institute of Certified Public Accountants, p. 63

[10]Howard C. Greer, The Accounting Review, April 1954, p. 175

EDUCATOR, MY RESPONSIBILITY?

By SHIRLEY T. MOORE, C.P.A., District of Columbia Chapter, A.S.W.A.

In my work, I deal with a good many persons, particularly women, who live on income from invested funds which were provided for them either by their husbands or through legacies. One of the things which has shocked me is the lack of understanding and interest in the sources of the income displayed on the part of these persons. They are completely satisfied to let their "trustees" make all the decisions and care not from whence the income comes as long as the check arrives promptly on the date due.

I have taken upon myself the job of arousing an interest on their part whenever possible. I do not attempt to advise them in making investments. That is the duty of an investment counsellor. I do ask leading questions, when going over their records, to arouse their curiosity. I suggest that they keep an eye on their income from period to period and discover which of the investments are profitable and which are not. When I take a completed tax return for signature, I refuse to allow the client to get it over with by just placing his signature on the return and giving me a check. I try to point out the special tax advantages which were available because of the type of investment involved.

One woman had been puzzled about the dividend income reported on her tax return. She did not think it agreed with her records. She was recording her receipts one month late in her check book and consequently there was slight difference in our figures. She had failed to get this matter cleared up for fear we would think she was stupid (in her own words). We went over her records in detail together. I prepared a sheet for her to keep in the back of her checkbook and record the income as it arrived. She notes omissions immediately and feels free to discuss her financial affairs. She is learning and is enjoying her knowledge. My work has actually been made easier now that I get understanding cooperation.

A man had allowed his payments to get far behind on his oil ventures. I told his secretary to get all papers signed and make all payments up to date. She told me that she delayed taking these matters up with him as he would fly into a rage if she mentioned them. She didn't understand anything about the oil business! I went into his office with her. He did bang the desk and shout. We all sat down and after a half-hour discussion, he understood that his income was being held up because he had failed to sign his division orders and return them to the pipeline company. He was in bad standing with his operator for failure to keep his portion of the bills paid. He was angry with me because I had not taken a current deduction for all expenditures. He had gone into this venture with a group of other businessmen; but did not understand it all! After our discussion, I think he will enjoy this project more and will be more cooperative.

Another recent experience involves a married couple who had inherited securities from the wife's family. They were being held for safekeeping by a broker. Each month a statement arrived recording all transactions. The lawyer who had handled the estate had suggested that these statements be kept in an orderly file for tax purposes—he had even provided the file! No estimated tax had been paid by this couple to cover this income. I arrived one day before the filing due date and was handed a box full of jumbled papers. I was able to get the information necessary for the return from these and several long distance telephone calls. The report came to me that I was some sort of a legend in that neighborhood. The story went that I had come to their house, taken all these jumbled papers, which were such a mystery, and made sense out of them in about a half-hour—just as if I had seen them before. How could I do it?

I explained that they should file an estimated tax, Again, I knew that they did not understand what it was all about. We have discussed the security transactions, we have gone over the rental manager's records, and they are now filing their records monthly. In fact, they are watching their investments, with the help of an investment counsellor. They are having fun with something that just a year ago was a source of bewilderment and embarrassment to them.

Perhaps, as accountants, we are not ful-

(Continued on page 14)

CURRENT DEPRECIATION METHODS

By MARY F. HALL, C.P.A., District of Columbia Chapter, A.S.W.A.

It says in the Bible that the poor ye have always with you, and the same thing is true of depreciation as we all know.

Research Bulletin Number 22 defines depreciation accounting as follows: "Depreciation accounting is the system of accounting which aims to distribute the cost or other basic value of tangible current assets, less salvage, if any, over the estimated useful life of the assets in a systematic and rational manner. It is a process of allocation, not of valuation."

I think it is very important that we note those words, that it says "aims to distribute a cost." It is a cost that we aim to distribute equitably that is not susceptible to measurement, such as a prepaid expense would be, as prepaid rent, fuel, or other supplies.

Historically the methods used have been straight line mostly, not necessarily because of any more merit in that method, but because it is simple to figure, and the old Internal Revenue code had a great deal of weight.

According to an article in the June, 1956 issue of the "Journal of Accountancy," the declining-balance method has been used quite a bit, in England particularly. The sum of the years-digits method has been used very little. As far as I can find it's been mostly a theoretical thing that has been put in to plague accounting students.

But our American system of economy being what it is, in 1954 the representatives of American industry appeared before the various Congressional committees and petitioned for greater depreciation write-offs in the early years of an asset. Of course, their argument for this was that the total cost of an asset that should be charged against income should be the asset's actual cost, plus the repairs to keep it in operation; and if an asset has little repair during its early life you would charge higher depreciation cost, thereby taking the total cost over the whole asset life on an even basis.

Apparently Congress was pursuaded that there was merit to this argument, so when the new code was passed, August 16, 1954, Section 167 of the code sanctioned various fast methods of depreciation write-offs for tax purposes. Those methods are listed as the declining-balance method, using a rate of 200 per cent of the straight-line method, the sum of the years-digits method, and to quote from the code "any other consistent depreciation method which will not give an aggregate depreciation write-off at the end of two-thirds of the useful life of the asset any larger than under the declining-balance method."

To give you the chracteristics of these fast methods of write-off quickly; the 200 per cent declining-balance method is quite simple. An asset's life is estimated, the rate on a straight-line method is computed, 10-year life would be 10-per-cent depreciation. Then that rate is doubled and applied each year to the remaining net asset value after deducting depreciation accumulated to the beginning of the year, without any concern for salvage value; except one cannot depreciate below salvage value.

The sum of the years-digit method is a fraction applied to the cost after salvage has been deducted. This fraction is arrived at by using as a numerator the number of years of life remaining in the asset from the beginning of the year, and the denominator is the sum of the digits in the life of that asset, the total life, as in a five-year asset, one, two, three, four, five added together gives you 15. This fraction is applied against the cost after salvage has been deducted.

There is a quicker way to arrive at that denominator. It is not in the code, but it is a quick mathematical computation that has been found to be very convenient. Take the life of the asset in years, square it, five times five is 25, add the life, plus five gives you 30, divide by two.

I have found, as an auditor, that I use this method if I want to quickly check somebody's fractions that they are using for depreciation. I ran into it being used when putting the sum of the years-digits depreciation on I.B.M. equipment for a very large volume of assets. I can't tell you all of the ramifications of that, because I am no I.B.M. expert, but it is very handy and it does make the application work beautifully.

There are restrictions in the code on the use of these fast methods. First, your fast methods may be applied to assets ac-

quired after December 31, 1953 only. They must be new assets, and they must have a life to the taxpayer of at least three years or more.

This matter of the items being new assets, has worked an unintended inequity it appears, in certain instances, that the lawmakers apparently did not mean to have occur, and I believe it will be straightened out later by subsequent legislation. That is, should a single proprietorship or a partnership decide to incorporate and the new corporation then take over the assets which had previously been fast-depreciation assets, the corporation now has used assets and may not use these methods.

It came to my attention, that despite this little gimmick there is nothing to prevent using declining-balance method with 150-per-cent rate, which was prescribed in the 1939 code. I have never seen that worked but I have heard it said that it is legitimate to use.

We have mentioned salvage value. Prior to the new code, salvage value had been very largely ignored. Most people paid no attention to it, and if any value was used, it was scrap value. However, with the fast rates some of our clever businessmen and their equally clever accountants apparently found that a quick depreciation led to higher capital gains, with the capital-gains treatment rather than on the disposition of the asset. The regulations for the 1954 code emphasize that salvage value must be more realistically ascertained by estimating the useful life in the light of the taxpayer's actual practices.

If a corporation buys the president's limousine, such an asset would likely have at least ten years of inherent life. But there are few organizations that would expect the president to use the same limousine for ten years. If it is used three or four years, that is the length of the life to be used by the taxpayer in settling on salvage value for depreciation purposes. This is not in the code, but the regulations emphasize that point.

In general this discussion has been based on the regulations as prescribed in the new code, because it appears to be the general practice to use, for statement purposes, the same depreciation methods that are used for tax purposes. Because there are exceptions, this leaves us with more accounting problems. To find what the actual usage has been, based on these new regulations, I turned to the 1956 edition of "Accounting Trends and Techniques" published by A.I.C.P.A. and found this rather interesting comparison.

The 1956 edition covers the reports of 600 companies for the year 1955, and of those 600 companies, 106 referred some place in the report or the notes to the method of depreciation used on their assets. On the assets acquired prior to December 31, 1953, the date when the new regulations take effect, we had the following percentages: 56 per cent were using straight-line method; 12 per cent were using a variety of methods and combinations of methods; and 32 per cent did not disclose what they used on these what I would call, the "old assets."

On the assets acquired after December 31, 1953, the time when it was possible to use the fast methods of write-off, we found that only 16 per cent used straight-line as compared to 56 before; 30 per cent used declining-balance method; 35 per cent used sum of the years-digits method, and 19 merely said "various accelerated methods."

It is important, before deciding to use any of these various fast methods, to look at all the factors involved, particularly the tax factors. It looks fine, and the management thinks it is wonderful, when they see the huge depreciation the first year, the second year it still looks wonderful, and the tax saving is wonderful, and all is well with the world. But be sure that management also gets the picture of what it looks like 10 years later when the depreciation is all gone and the tax is way back up there. It is only when all these factors have been considered that it is possible to make a proper decision as to what the proper current method can be in any situation despite these current trends.

TAX NEWS

By LOUISE A. SALLMANN, C.P.A., Oakland, California

Happy 1958 Tax Season! Or will it be as we start the first season under the 1954 Revenue Code with a complete set of regulations. 1955, 1956 and 1957 may have been years when the saying "ignorance is bliss" was appropriate but the latter half of 1957 and the forthcoming year will prove that it certainly is not going to be accepted as an excuse.

At this point we are all pretty much aware of what the regulations have done to destroy what looked like a boon to the taxpayer in the 1954 Code . . . in particular . . . rapid methods of depreciation. True, they are still available; however, there are so many strings attached to their application that most taxpayers rue the day they made an election to use the 200% declining balance method of computing depreciation, or the sum of the years' digits method. Even the conservatives are currently in trouble with the old straight-line method. What do we do now to reconcile the differences created by the conflict between the Code, the regulations, the revenue rulings and the various interpretations of examining agents.

Our first concern should be with the effect of the regulations upon the interpretation of the Code. Under the 200% declining balance and the sum of the years' digits methods, an asset must have been acquired new subsequent to December 31, 1953 and have a useful life of three or more years. To these Code requirements the regulations have added that such an asset may not be depreciated beyond salvage value, and the Internal Revenue Service has taken the position that "useful life" must be defined as it applies to each individual taxpayer.

For example, if a taxpayer has made a practice of replacing his automotive equipment every two years, even though he has used a four year life as a basis for computing depreciation, then the useful life of such equipment is two not four years and the rapid methods of depreciation do not apply. If the asset is held generally for more than two years, that is, three or more years, but is of the short lived nature of an automobile there is no advantage in the use of a rapid method of depreciation since it may not be depreciated beyond its salvage value. It may still be well to use the method for furniture, fixtures and equipment and buildings as between now and 1964 we can hope for some action in the Tax Courts. These classes of assets are usually depreciated over ten or more years and the question of salvage value will not be raised except in the event of sale or other disposition.

The use of the straight-line method has also been complicated since the requirement for establishing a salvage value is now being strictly adhered to by the Internal Revenue Service. The best approach to determining what the Service will consider as a reasonable salvage value is questionable. In this area accountants have approached the District Director for a rule of thumb. In the San Francisco District a 15% salvage value for automobiles, 10% for furniture, fixtures and equipment, 0% for buildings has been tentatively agreed upon. Assets which have been acquired prior to January 1, 1957, and have been depreciated to some extent under the straight-line method should be further reduced by the salvage value and the remainder of cost recovered over the remaining life.

One bright spot in things concerned with depreciation is Revenue Ruling 57-352. This ruling will now allow the use of the 150% declining balance method of depreciation for assets, new or *used,* if purchased subsequent to December 31, 1953, and an election is made to do so in the return filed for the year of acquisition. This method may be applied to a single asset or class of assets. Prior to Revenue Ruling 57-352, the 150% declining balance method was only available to new taxable entities or upon application to the Commissioner and had to be applied to all classes of assets.

1958 may bring clarification to the Code and regulations through additional Revenue Rulings and the Tax Courts; until then discretion and full disclosure to the client of the problems involved, will have to suffice.

IDEA EXCHANGE

By LUCILLE PERELMAN, Charleston, West Virginia

Actual Costs Versus Budget for Contractors

In the construction industry the General Contractor, particularly on large commercial or heavy construction projects, at all times should be able to compute an actual progressive cost, daily, weekly or monthly, according to each item as set up in the budget by engineering.

This can be a relatively simple accounting operation if the Job Cost Subsidiary Ledger is set up with the captions coded the same as the engineering budget.

For example:

ENGINEERING BUDGET ACCOUNTS

Account Number	*Description*	*Labor*	*Material*	*Subcontractor*
A-1	*Temporary Facilities:*			
A-1.01.1	Temporary Buildings	$x.xx		
A-1.01.2	Toilets		$x.xx	
A-1.01.3	Water Supply			$x.xx
A-1.01.4	Electric Power & Light	$x.xx		

Usually the "LABOR," "MATERIAL" and "SUBCONTRACTOR" are considered a major division of the job and are given a separate sheet or card, each having all the items or accounts on it.

If engineering budget sheets are mimeographed with the original budget amounts after each item and sufficient space is allowed for current progressive cost figures, accumulative totals from each item in the Job Cost Ledger can be inserted under the proper engineering budget caption and an "actual cost versus budget" is obtainable at any time without additional recaping and recalculations.

—Irene A. Lowrie
Los Angeles Chapter ASWA

Bank Reconciliation Short Cut

Your adding machine can come in handy in making your bank reconciliation statement. Instead of tediously hand-listing your outstanding checks, run a tape of the outstanding checks, using the non-add key to insert check numbers. When your tape is complete, the total is immediately available. The tape can be clipped to the reconciliation and is easily checked the following month to ascertain which checks are then outstanding.

Lou Whitesell O'Dell, Los Angeles

Expiration Date on Stored Records

There is little as frustrating as row upon row of filed records, among which there MUST be some which could be destroyed. To simplify this matter in years to come, always list the contents on the outside front of the file. But most important, record the DATE AFTER WHICH THE RECORDS MAY BE DESTROYED. This can be "Destroy after ...." or "Statute of Limitations Expires ...." It is suggested this be put in the lower left hand corner for the sake of consistency.

—Theia A. Cascio, Los Angeles

Gross Profit Table

To make a Gross Profit of:	Add to the Cost Price:
50%	100%
40%	66-2/3%
35%	53-4/5%
30%	42-6/7%
25%	33-1/3%
20%	25%
15%	17-2/3%
12½%	14-2/7%
10%	11-1/9%
8%	8-2/3%
5%	5-1/4%

—Maxine Wells, Grand Rapids

Consigned Inventory Control

For concerns who buy the same merchandise on consignment and on open account, the following method may be used to account for the exact amount on consignment:

On a perpetual inventory record show the total quantity of the item and show the amount on consignment in red pencil. At a glance the total inventory of an item and the amount owned on outright purchase can be determined. When the consignment report is prepared each month, sales are reported if the total inventory is less than the consigned balance. Each item is physically checked each month, and if the consigned balance has changed, this figure is again entered in red.

—Elizabeth Sage, Grand Rapids

TIPS FOR BUSY READERS

CATHERINE E. MILES, Ph.D., Atlanta, Georgia

I Wayne Keller, *Management Accounting for Profit Control,* (New York: McGraw-Hill Book Company, Inc., 1957, pp. 435, Price $7.00).

For the accountant who has been looking for a practical guide for installing a Direct Costing System, this book is the answer. However, Mr. Keller goes much further than Direct Costing. The author succeeds in correlating the many phases of accounting and controllership with emphasis on planning and control statements.

This book provides practical help in establishing cost accounting procedures, developing standard costs, and in setting up Budgets and Forecasts. The author also shows in detail methods of analyzing actual performance results as well as the preparation of reports applicable to the planning of future activities for all levels of management.

This is not a text for the beginning accountant, but it is a book which should receive priority on the reading list of every accountant who already has a good technical knowledge of accounting principles. The author has made an important contribution to our professional literature.

Reviewed by:

L. G. Federlein, Comptroller, Exposition Cotton Mills Company, Atlanta, Georgia. Director of Publications, Atlanta Chapter, N.A.A.

Eric L. Kohler, *A Dictionary for Accountants,* 2nd Edition (Englewood Cliffs, N. J., Prentice-Hall, Inc., 1957, pp. 516.

The second edition of *A Dictionary for Accountants* is an enlargement as well as a revision of the earlier edition. This expansion includes more accounting terms and phrases as well as more related terminology. This book may also be considered as a dictionary of the most widely used terms of economists and statisticians. For example, here are some of the terms which are defined and discussed: arithmetic mean, histogram, scatter diagram, standard deviation, national income, marginal analysis, and imputed interest. These are only a few terms picked at random relating to the above named fields.

The dictionary is not limited to definitions dealing with accounting, statistics, and economics, but includes definitions of interest to persons in the field of management, insurance, marketing, finance, or almost any phase of business.

James J. Mahon, Jr., Editor, *Working with the Revenue Code—1957,* (New York, American Institute of Certified Public Accountants, 1957, pp. 192, Price $3).

The above work consists of selected comments from The Journal of Accountancy's Tax Clinic, July, 1954, to July, 1957. All papers relating to the same general topic are under the same general classification so that the reader has little trouble in locating articles on a particular subject. A few of the general headings are: Computation of Tax, Gross Income, Personal Exemptions and Dependents, Deductions, Gain on Sale of Emergency Facilities. Needless to say, anyone in the tax field will find this a very valuable compilation of tax articles.

(Continued from page 9)

filling our obligation to the public when we prepare a tax return as quickly as possible, get the signature, and see that the tax is paid; but leave our client mystified and embarrassed at his own misunderstanding of the whole operation. It does take a long time to go over these things which are so simple to us time after time. But is it not better to have a happy client, proud of his knowledge, confident and understanding in his discussions? He will see to it that his records are kept in better condition the next year, because he understands now the necessity for it. I believe that we may save valuable time in the end—and perhaps we will make lifelong friends out of what could be just another business associate!

AMERICAN SOCIETY OF WOMEN ACCOUNTANTS
CHAPTER PRESIDENTS
1957 - 1958

Atlanta—DR. CATHERINE E. MILES
Georgia State College of Business Administration
33 Gilmer Street, S.E., Atlanta, Georgia

Baltimore—MRS. FREDA V. MEYERHOFFER
Route 2—Box 79, Taneytown, Maryland

Birmingham—MISS JEAN HUNT
3907 Clairmont Avenue, Apt. B. Birmingham 5, Alabama

Buffalo—MRS. LINDA R. VAN LEAVEN, C.P.A.
340 Puritan Road, Tonawanda, New York

Charleston—MRS. CHARLOTTE S. PECK
c/o Hooten Equipment Co., P. O. Box 1102, Charleston 24, W. Va.

Chattanooga—MISS EDITH MOORE, C.P.A.
c/o J. H. Hardy, C.P.A., 1023 Chattanooga Bank Building
Chattanooga, Tennessee

Chicago—MISS MARGARET R. GNIRK, C.P.A.
9135 South May Street, Chicago 20, Illinois

Cincinnati—MISS JEANNE F. ETIENNE
c/o Westerman Print Company, 2116 Colerain Avenue
Cincinnati 22, Ohio

Cleveland—MRS. LUCILLE S. GOHDES, C.P.A.
West Side Pontiac Inc., 11801 Detroit Avenue, Cleveland 7, Ohio

Columbus—MRS. DOROTHY SHROYER
785 Joyful Street, Columbus 4, Ohio

Connecticut—MISS MARION C. FRANK
c/o Gancher & Gancher, C.P.A.'s, 199 Bank St., Waterbury, Conn.

Dayton—MRS. MINA E. NEWMAN
c/o Arthur Seiferman & Associates, 907 Winters Bank Building,
Dayton 2, Ohio

Denver—MRS. IRENE V. CHAPEL
840 Vance Street, Lakewood 15, Colorado

Des Moines—MRS. NELLIE M. BROWN
c/o Wickes Engineering & Construction Co., 1441 2nd Avenue,
Des Moines, Iowa

Detroit—MISS RUTH GULLICK, C.P.A.
Shaer, Gullick & Co., C.P.A.'s, 10637 Puritan Avenue,
Detroit 38, Michigan

District of Columbia—MISS LEATRICE J. HARPSTER
512 New York Avenue, Takoma Park 12, Maryland

Evansville—MISS GERALDINE McFARLAND
423 Jefferson Avenue, Evansville, Indiana

Flint—MRS. JANE URICH
1302 W. Genesee, Flint, Michigan

Fort Wayne—MRS. ADA A. REYNOLDS
2726 Weisser Park, Fort Wayne, Indiana

Grand Rapids—MISS VONDA J. MIKLAS
334 Bristol Avenue, N. W., Grand Rapids 4, Michigan

Holland—MISS CECELIA VER HAGE
109 East Central Avenue, Zeeland, Michigan

Houston—MRS. IRIS F. HARMON
4030 Levonshire Drive, Houston 25, Texas

Indianapolis—MRS. HAZEL VEST
2723 Northview Avenue, Indianapolis 20, Indiana

Kalamazoo—MISS MARY HANNA
704 Egleston Avenue, Kalamazoo, Michigan

Kansas City—MISS GRACIA ROBINSON
320 North River Street, Independence, Missouri

Lansing—MRS. EDRIS CONRAD
1116 Climax, Lansing, Michigan

Long Beach—MRS. DORIS DEARDEN
14 Fifth Place, Long Beach, California

Los Angeles—MISS GERTRUDE E. NORMAN, C.P.A.
c/o Ernst & Ernst, 510 South Spring St., Los Angeles 13, Calif.

Louisville—MISS MARGARET J. LEAMEY
2115 Speed Avenue, Apartment 6, Louisville 5, Kentucky

Milwaukee—MISS KATHRYN A. YOUNK
2840 North 26th Street, Milwaukee 6, Wisconsin

Muskegon—MISS CARLEEN HEMERLING
5251 Whitehall Road, Muskegon, Michigan

New York—MISS CECILIA VERDON
739 Rogers Avenue, Brooklyn 26, New York

Norfolk—MRS. MARY W. CROCKER
742 West Princess Ann Road, Norfolk, Virginia

Oakland—MRS. ELINOR WALLACE
25 Gleneden Avenue, Oakland 11, California

Oklahoma City—MISS JULIA KATZ
700 Culbertson Drive, Apartment 4, Oklahoma City, Oklahoma

Philadelphia—MRS. ANNA BELLE BOOTH
2122 Sansom Street, Philadelphia 3, Pennsylvania

Phoenix—MRS. HELEN I. MATTHEWS
1114 West Heatherbrae, Phoenix, Arizona

Pittsburgh—MRS. MARY D. FRANKLIN
9229 Pannier Road, Pittsburgh 37, Pennsylvania

Portland—MRS. THAMA HILL
1235 S.E. 26th Avenue, Portland, Oregon

Richmond—MRS. ELIZABETH D. COLLINS
3514 Hanover Avenue, Richmond, Virginia

Rockford—MISS IRENE WHITE
2310 Greenwood Avenue, Rockford, Illinois

Sacramento—MRS. EDITH B. SHANE, C.P.A.
1317 24th Street, Sacramento, California

Saginaw—MISS KATHERINE BRIDWELL
c/o Bay Refining Corporation, Second National Bank Building,
Saginaw, Michigan

San Diego—MRS. ELIZABETH F. MATHEWS
4785 West Point Loma Boulevard, San Diego 7, California

San Francisco—MRS. GRACE LUSCOMBE
1925 Anza Street, San Francisco, California

Savannah—MISS ANNE GUILL
11 Rommell Avenue, Garden City, Savannah, Georgia

Seattle—MRS. DOROTHY MADISON, C.P.A.
7910 Ashworth Avenue, Seattle 3, Washington

Spokane—MRS. MARY BOHLING
Paine, Lowe, Coffin & Herman, 602 Spokane & Eastern Building,
Spokane, Washington

Syracuse—MISS LARISSA KONDRATICK
711½ West Onondaga Street, Syracuse, New York

Tacoma—MRS. RENIE M. BENNETT, C.P.A.
1502 Puget Sound Bank Building, Tacoma, Washington

Terre Haute—MRS. BERTHA MEYER
R. R. #5—Box 484, Terre Haute, Indiana

Toledo—MRS. FLORENCE HENNING
2450 West Central Avenue, Apartment 24, Toledo 6, Ohio

Tulsa—MISS AMERICA HULS, C.P.A.
1304 South Troost, Tulsa, Oklahoma

West Palm Beach—MRS. IRMA S. GRIDER
c/o City of West Palm Beach, P. O. Box 1348, West Palm Beach,
Florida

IAS

HOW IAS TRAINING MEETS INDIVIDUAL NEEDS

Each IAS training program is "tailored to fit" the needs of the individual. This is accomplished through the IAS elective plan embracing 240 comprehensive study assignments, covering a wide range of accounting and management subjects.

The IAS electives currently available (with the number of comprehensive study assignments indicated) are:

Basic Auditing (10)
Public Auditing (20)
Internal Auditing (20)
Basic Cost Accounting (10)
Advanced Cost Accounting (20)
Corporation Accounting (10)
Corporation Finance (10)
Business Statistics (10)
Management Control (20)
Economics (10)
Office Management (20)
Accounting Law (10)
Federal Income Tax (10)
CPA Coaching (20)

• After general accounting principles have been mastered, each IAS Diploma Course student selects from 14 electives those leading to his specific training objective.

• With this broad curriculum at his command, each IAS student can study first those subjects needed immediately and can then broaden his knowledge of accounting and management through study of additional electives.

The school's 24-page Catalogue A is available free upon request. Address your card or letter to the Secretary, IAS . . .

INTERNATIONAL ACCOUNTANTS SOCIETY, INCORPORATED
A Correspondence School Since 1903
209 WEST JACKSON BOULEVARD • CHICAGO 6, ILLINOIS

IAS IS AN ACCREDITED SCHOOL, ACCREDITED BY THE ACCREDITING COMMISSION OF THE NATIONAL HOME STUDY COUNCIL