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Book Reviews

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Book Reviews

TAX DIARY AND MANUAL, 1928. *Prentice-Hall, Inc.*, New York.

To those who have subscribed for and used Prentice-Hall's *Tax Diary and Manual* in past years, little can be conveyed in a review of this contribution to the taxpayer's stock of information upon the subjects of which the book treats. But to those who have not equipped themselves with this ever-ready aid and reminder, some few paragraphs may be enlightening.

Here is a book that in a most concise manner reminds its possessor of the duty devolving upon him of making returns and paying taxes to the various taxing authorities on the day when such action should be taken. As the 1928 edition has been brought up to date and includes the latest tax legislation it will be apparent that the former editions can not safely be used for the year 1928.

In addition to the diary, the book contains in summary form reliable information upon the following matters: State income taxes imposed on individuals; reciprocal exemption and charts of inheritance tax on securities; inheritance tax charts; state corporation taxes; comparative chart for use in choosing a state for incorporating.

There are twelve states at the present time that impose income taxes on individuals, and the summary of the available data in this manual is contained under the following titles: Who taxable; on what imposed; non-taxable items; deductions from income; personal exemptions; rates; credits against tax; returns; collection and payment; interest and penalties; abatement and credit; administration.

The chapter on reciprocal exemption and charts showing inheritance tax on securities, etc., is quite as concise and comprehensive as that on state income taxes on individuals, and is valuable as a quick reference when a question of this kind is asked.

Succeeding this is a chapter on inheritance taxes setting forth the various provisions, by states, under the following titles:

Exemptions to each beneficiary

The rate of taxes graduated from the minimum amount taxable to the maximum amount

Then follows a chapter on state corporation taxes showing the initial taxes and the annual taxes of each state imposing such taxes, after which there is a chapter entitled "Choosing a state for incorporating."

One of my clients has a comptroller who at regular intervals drops in and unburdens himself of his woe. The general tenor of his sad tale is that several times each month he must devote a lot of his valuable time to the making up of some tax return for one or more of the numerous subdivisions of the United States government in which his corporation carries on its far-flung business. The next time he is seen entering the office, I am going to break the cheering news that there is an up-to-date book available which will not make it necessary to remember just when each of the multitudinous tax returns and tax payments must be made, and that for the expenditure of five dollars he can obtain this daily tickler and encyclopedia on taxes, and cease to be surprised and made indignant at the temerity of the various and numerous taxing authorities prodding him for belated information or payment. If this does not

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appease him, I shall be able to point out that the book also contains plenty of space to set down such intimate thoughts as may occur to him, each day, on the utter depravity of legislators who are so inconsiderate of their constituents as to be parties to the enactment of complex and almost incomprehensible tax laws.

STEPHEN G. RUSK.

THE INTERPRETATION OF ACCOUNTS, BY THOMAS A. BUDD AND EDWARD N. WRIGHT. *Prentice-Hall, Inc.*, New York. 416 pages.

Those who have read Joseph Conrad's *Lord Jim* will undoubtedly remember in its preface the author's frank review of the criticisms made of the book and will probably remember, in particular, the reference to the suggestion that he appeared to have embarked on a short story which had eventually run away with him and developed into a full-sized novel. One gets a somewhat similar impression from *The Interpretation of Accounts*.

The authors, both assistant professors of accounting in the University of Pennsylvania and both equipped academically with "B.S. in Econ., A.M.," appear to have heard, as many of us do, the repeated call from those who have not had an accounting training, for a book which will give them, without years of study, the ability to look intelligently at a balance-sheet and operating statement and to derive therefrom some indication of their significance. They state in the preface that "This book is intended for students and others interested in financial records, not as prospective bookkeepers and accountants, but as prospective executives and investors".

It was apparently decided to approach the subject synthetically rather than analytically and to describe the construction of the accounts on the books and their passage into the final statements, rather than to give guidance in the study of those statements. This assumption finds support in the fact that of the entire 416 pages there is but one chapter of 19 pages devoted to "analysis of statements".

The result of this treatment, coupled with the tendency toward diversion referred to above, and the apparently academic outlook of the authors, is that the student is led through a series of discussions on some of the controversial points familiar to most of the readers of accounting literature, only to emerge, one would imagine, with the feeling of the gentleman who knew it was a fine fight but was not quite sure how he became involved or what the result was.

In particular, the sections of the book dealing with appreciation and such subjects as the more advanced treatment of discounts appear to be somewhat out of place.

From the point of view of the practising accountant there is, of course, little to be learned from the book. There is, on the other hand, a considerable amount of matter which some clients could read with great advantage, and the tutorial experience of the authors enables them to present this in a particularly interesting and digestible form.

From the scholastic viewpoint, the novel treatment accorded the subject has, in all probability, considerable merit, but, once again, it is a pity that more time is not devoted to the study of the statements built up.

HAROLD R. CAFFYN.

HOW TO UNDERSTAND ACCOUNTING, by HOWARD C. GREER. *The Ronald Press Co.*, New York. 255 pages.

Many business men confess frankly that accounting is a complete mystery to them. They stir uneasily in their chairs when accounting data are presented to them. They call in the bookkeeper and demand to know in plain English whether they are making or losing money. The technical terminology seems to them composed of necromantic symbols and weird incantations.

How to Understand Accounting, by Howard C. Greer, may be helpful to such persons. The book is intended to facilitate intelligent interpretation and use of accounting material.

With commendable swiftness and clarity the author states and illustrates the purposes and scope of accounting, the fundamental double-entry principles and the primary bookkeeping mechanics. Even at this early point the executive-reader should have ceased to balk and rear at the sight of a trial balance. Mr. Greer then leads the way adroitly through the formidable mazes of accounting appurtenances, cost accounts, problems of valuation, financial statements, analytical and comparative statements, budgetary control, etc. He skilfully avoids entanglement in the innumerable complications of the subject he has undertaken to outline in a single volume. Throughout the book the most involved refinements of accounting procedure are shown to depend directly on the initially enunciated simple principles. The author preserves the thread of continuity always and the interdependence of the various records and statements is shown unmistakably. It is the kind of book in which it would be easy to become confusing, and Mr. Greer's logical simplicity is creditable.

The author is not much concerned, naturally, in a book of this kind, with public accountants and their functions, but brief references to professional practitioners stress the value of their impartial, unbiased reports and certificates and their aid in the installation of accounting systems, in discovering error or fraud, in handling emergency or peak-load situations, etc.

J. L. C.