

7-1928

Book Reviews

Maurice E. Peloubet

Alexander R. Grant

Walter Mucklow

J. L. C.

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



Part of the [Accounting Commons](#)

Recommended Citation

Peloubet, Maurice E.; Grant, Alexander R.; Mucklow, Walter; and C., J. L. (1928) "Book Reviews," *Journal of Accountancy*. Vol. 46 : Iss. 1 , Article 10.

Available at: <https://egrove.olemiss.edu/jofa/vol46/iss1/10>

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

FINANCE, by CHARLES L. JAMISON. New York. *Ronald Press Co.*, 377 pages.

It is somewhat difficult to understand why such an inclusive and comparatively uninforming title has been given to *Finance* by Charles L. Jamison. As a matter of fact finance, in the usually accepted meaning of the word, is the subject of only five out of the twenty chapters and any intention to treat the subject in general at all exhaustively is disclaimed in the author's preface.

What is attempted and accomplished, however, is the compilation of a manual for the use of the treasurer of a corporation in the usual, every-day transactions and routine of his office. It would be particularly useful to the young treasurer of a small corporation, as practically every corporate activity that could come under the treasurer's supervision or control is covered and is treated in a most direct and simple way. In the larger corporation, for instance, the treasurer would not usually be held responsible for details of insurance, stock transfers or the working of the voucher system, while in a small corporation these matters might well come within the scope of his work. In the endeavor to be direct and simple the author has occasionally been betrayed into bald statements of obvious fact, as when discussing credits he gravely states that "no one should knowingly grant credit where a loss seems certain."

The author recognizes the difficulty of compiling a manual covering the duties and responsibilities of an office so variously defined and of such varying importance in different corporations. The writer can think of a number of corporations, large and small, in some of which the treasurer is a mere clerk, in another the principal executive officer, in a third in charge of sales, in another chiefly responsible for production. In some cases all financial and accounting details are in the treasurer's charge, in others no accounting matters come before him and only the largest and most important of the financial transactions. With the exception of the protean vice-president, no officer has more numerous or diverse duties than the treasurer.

A typical treasurer's office, devoted mostly to financial matters but closely coordinated with the accounting department is described in the present book. In general the author puts forward ideas which have been well tested by experience and methods which are generally accepted as being safe and efficient.

On one point of organization, however, a very positive statement is made which is not borne out by anything like universal practice, that is, that the credit manager is and should always be part of the treasury department, under the treasurer. While there are, of course, many organizations, perhaps a majority, where this is true, there are, nevertheless, many others where passing on credits is a function of the principal or a subordinate accounting officer. Such a man frequently combines credit work and supervisory accounting functions with great success. It is not infrequently the case that he has at one time kept the receivables ledger and has a close and intimate knowledge of many of the company's principal accounts.

The foregoing is intended more to point out the difficulties of the author's task than as criticism. Almost everything strictly within the scope of the

Book Reviews

treasurer's department is well and simply described and many more things of which the treasurer should have knowledge, but not usually considered to be part of his duties, are discussed. Anyone in the treasury department of a corporation could read this book with profit and would be almost certain to get some new and wider conceptions of his work.

M. E. PELOUBET.

A SIMPLE SYSTEM OF ACCOUNTS FOR TAILORS AND CLOTHIERS, by CHARLES A. METCALF. *Gee & Co., Ltd.*, London. 95 pages.

Again an effort has been made to treat a more or less technical subject in a manner which may be understood by the so-called layman. The author of *A Simple System of Accounts for Tailors and Clothiers* states, "The work has not been compiled for the professional accountant only or even mainly, but for the tailor himself; and to this end an endeavor has been made to simplify the subject so as to render it easy of comprehension by persons who may not have had the time or the opportunity for acquiring an intimate knowledge of accountancy."

The book is devoted almost entirely to an exposition of the particular system of accounts recommended by the author, comprising the following five books in addition to "daily sheets" and "daily sheets summaries":

1. Bank account
2. Petty-cash account
3. Ledger
4. Purchases and stock book
5. Salaries and wages book

In addition the first few pages discuss very briefly the objects of bookkeeping and the fundamentals of debit and credit, and one short chapter treats of "collection of accounts."

In the introduction the author writes, "It is submitted that where the system is adopted, the proprietor himself, or his manager, can make the necessary entries and need call in an accountant only when the books are to be balanced and the final accounts prepared at the end of the financial year." Although the author has reduced the subject to simple terms, it is doubted if this book will enable the ordinary small tailor to function successfully as his own bookkeeper. My contact with owners of small tailor shops has led me to believe that they have, on the whole, almost no knowledge of bookkeeping rather than no "intimate knowledge of accountancy." The system recommended is too complicated for the tailor or his manager to operate and not sufficiently elaborate to produce the benefits a few additional details might give it. I should say that a tailoring business large enough to require a perpetual stock record would be large enough to require the services of a bookkeeper, if only of the "part-time" variety. Further, the book gives little information and no forms peculiar to tailors and clothiers other than the stock record.

Illustrations given and banking details outlined follow the English terminology and procedure and would tend to be confusing to the American business man learning the elements of bookkeeping.

In brief, I do not believe that the book succeeds in giving a tailor who is not at all conversant with accounting technique sufficient detailed information to enable him to keep a satisfactory set of books. Obviously it has nothing to offer to the practising accountant.

ALEXANDER R. GRANT.

SECOND MORTGAGES AND LAND CONTRACTS IN REAL ESTATE FINANCING, by SAMUEL N. REEP. *Prentice Hall, Inc.*, New York. 255+ xxi pages.

Such a title as *Second Mortgages and Land Contracts in Real Estate Financing* appeals strongly to all those who are in any way actively interested in real estate, and especially to those who are now recovering their breath and their sanity, after having lived for several years in an atmosphere of "boom".

In some parts of the country we have seen mortgages fall from their high estate. Instead of being treasured in the collateral security caches of banks, they drifted to the safety-deposit boxes of their owners and alas! only too frequently at last reached the final degradation of the waste-paper basket.

I have seen many examples of such loss of value, so I read with raised hopes the words on the jacket of the present volume, which stated that the volume "tells how and when second mortgages can be secured to the best advantage, and how they can be discounted."

The book consists of 17 chapters, and a dozen appendixes containing forms and tabulated statements of laws of the several states as to mortgages and usury.

It opens with a discussion of "The real-estate financing problem," and especially with the peculiarities of junior liens, that is, second mortgages and land contracts.

To those familiar with the terms and expenses which often attend the procuring or discounting of second mortgages, it is not inappropriate that this discussion should be followed by several chapters devoted to the subject of usury.

Naturally the foreclosure of mortgages and the cancellation of land contracts are dealt with in some detail. The reader is warned against sharp practices indulged in by lender, borrower and broker.

The closing chapters are devoted to the market for junior liens, the organization of companies for handling them and the future which awaits them in coming years.

The author was chief of the department of land valuation of the Federal Land Bank of St. Paul; is president of the Home Financing Corporation and Home Building & Loan Association, Minneapolis, and is chairman of the mortgage and finance division of the National Association of Real Estate Boards. "Unto whomsoever much is given, of him much shall be required and to whom men have committed much, of him they will ask more."

It may be that this old principle, coupled with the above-quoted promise on the jacket, led one to expect more than it was possible to give, but on laying the book down, I have to admit feeling a certain amount of disappointment and a sense of irritation at myself in not being able to state definitely the causes of that disappointment. It may be partly from the literary style, for, although one enjoys short sentences, and although they are used by the author through-

Book Reviews

out the book, in this case they leave an impression of jerkiness instead of simplicity and ease. It may be partly from the frequent generalizations and the infrequency of specific examples, although it is difficult—probably dangerous—to use specific figures in dealing broadly with a business including many varieties of risks in widely differing circumstances.

It may arise from the limited number of forms, although here again, difficulties beset an author. For example, the forms used for land contracts may be numbered by the legion. Manifestly, it is impossible to print all, and yet if an author selects one form—as he has in this case—even though he consider it the best, no one form can satisfy all cases to the greatest advantage.

While, at the end of each chapter, the author gives a bibliography of the subject treated, the present volume is, so far as I know, the first which has been devoted exclusively to the subject of these junior liens which are, beyond all question, acquiring a growing importance throughout the country. It is always well to welcome a pioneer and to wish him God speed; this one brings together much information of value and opens up a field which, hitherto, has been unworked.

WALTER MUCKLOW.

FORM, by A. E. CUTFORTH. *Gee & Co.* London. 29 pages.

EFFECTIVE BUSINESS LETTERS, by EDWARD HALL CARPENTER AND ROBERT RAY AURNER. *The Ronald Press Co.*, New York. 385 pages.

Professional men, of course, are expected to be gentlemen. The terms are practically synonymous. In *Form*, a short lecture to articulated clerks, A. E. Cutforth dwells upon a few details of gentility in a very gentlemanly manner. He delicately and humorously points out the incongruities of sport costumes in clients' offices, the beauty of tact in a professional man and the efficacy of a good working knowledge of the king's English. The essay itself illustrates these last two virtues so splendidly that one can not help agreeing with the author's remarks.

Effective Business Letters, which also tells how to do something gracefully, is not as pleasant reading as Mr. Cutforth's book, partly because it is much longer, and partly because the authors seem a bit too solemn about the importance of their message. Soberly and scientifically they deliver advice on how to write letters asking for favors, making inquiries, offering congratulations, dunning for money and for almost every other purpose a letter could conceivably fulfil. After all, it should occur to any professional man, without three hours' reading on the subject, that it is unwise to insult the recipient of one's letters, that short sentences are clearest, that ambiguity is undesirable, that stock phrases lack vitality, and so on. If, however, there be an accountant not quite sure of his ability as a correspondent, he might find the suggestions in this book helpful.

The chapters on the technical uses of letters in sales and advertising campaigns are undoubtedly excellent, but they would, of course, be of no interest to accountants. The book is probably of far greater value from the viewpoint of business men than from that of practitioners of a profession.

J. L. C.