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Book Reviews

W. H. Lawton

Lee J. Wolfe

W. B. Franke

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Book Reviews

QUALIFICATIONS IN AUDITORS' REPORTS, by RUSSELL KETTLE.
Gee & Co., London. 46 pages.

Qualifications in Auditors' Reports is an address delivered by the author before two chartered accountants students' societies in England on an important and delicate subject. He starts with a summary, analysis and criticism of the existing English laws specifying certain items of information which must be furnished to shareholders of corporations. Such laws in America are somewhat of a hodge-podge and are called into existence no doubt as the result of commercial crises and scandals. The latest law—companies (consolidation) act, 1908—however, presumably embodies them all and represents current English practice, though there is a bill before parliament (February, 1928) proposing some further amendments to the act. Section 113 of this act is interesting to Americans in that it practically sets forth a form for an unqualified certificate which is followed in England and might furnish a model for American practice. Based on this section, and using almost literally the words of the act, the form is as follows:

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF A. B. C., LIMITED

We have audited the balance-sheet of A. B. C., Ltd., dated . . . as above set forth.

We have obtained all the information and explanations we have required.

In our opinion such balance-sheet is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of our information and the explanations given us and as shown by the books of the company.

Any qualifications are inserted between the second and last paragraphs, and the latter then begins with the phrase "subject to the foregoing remarks, etc."

It will be observed that the second paragraph places a heavy responsibility upon the auditor. Failure to uncover material facts that he might have learned by simple inquiry is inexcusable.

The author then proceeds to discuss many varieties of qualifications the student must expect to make in practice, giving some sixty-odd illustrations with comments on the points they bring out. One of them will sound strange to American ears—a reference to the accompanying directors' report for facts which the auditor is unable to verify. Mr. Kettle considers this plan of referring to directors' reports as "helpful" but it seems rather dangerous to me.

W. H. LAWTON.

INSURANCE, by S. B. ACKERMAN, *The Ronald Press Co.*, New York. 609 pages.

S. B. Ackerman, the author of *Insurance*, is a member of the New York bar and is assistant professor of insurance at the school of commerce, accounts and finance of New York University. He was formerly the assistant actuary of the New York state insurance department and of the New York state industrial commission.

The book should prove an excellent aid to laymen and students desiring to ascertain the definite forms of coverage granted by insurance companies. Mr. Ackerman is well qualified to write on this subject and in his book will be found a short description of practically every form of insurance coverage issued in this country.

In addition to the descriptions of the various forms of policies issued by life, fire and casualty companies, there is a description of the various types of insurance carriers, including Lloyds of London, and a chapter on rate-making associations, as well as a chapter on organization and management of insurance companies.

The book is intended as an aid to students and contains a number of problems based upon the text.

LEE J. WOLFE.

MULTIPLE SHOP COMPANIES, by VICTOR G. WINSLET. *Gee & Co.*, London. 83 pages.

The term "multiple-shop companies" in Great Britain is apparently synonymous with our expression "chain stores." Mr. Winslet's small book on the subject describes in considerable detail the organization of chain-store companies, their accounting and administrative procedure and various other matters relating to this particular kind of business. The text is supplemented by numerous forms.

No specific type of chain store has been used as a basis for this volume although one receives the impression that the author has in mind stores devoted to the sale of groceries and associated articles.

The volume is printed in small type and is, therefore, somewhat difficult to read. On the other hand, the use of such type has permitted the inclusion of a large amount of subject matter in comparatively few pages. Much study has apparently been given the subject and the author is undoubtedly well versed in chain-store organization and accounting. A number of grammatical errors, however, detract from the excellence of the presentation.

This book may be of interest to chain-store executives in this country but it is doubtful whether such executives will find it of real value in their work or not.

W. B. FRANKE.

SIX ENGLISH ECONOMISTS, by T. F. KINLOCH, *Gee & Co.*, London. 76 pages.

In *Six English Economists* Mr. Kinloch gives brief biographies of six men together with summaries of their chief accomplishments in economic study and literature. The six in the chronological order of their most important works are Adam Smith, Thomas Robert Malthus, David Ricardo, John Stuart Mill, William Stanley Jevons and Alfred Marshall. A short bibliography contains the titles of their chief books and of the best books written about them and their work.

The booklet is a handy little guide for the student and the general reader interested in the subject of economics.

W. H. LAWTON,