

7-1927

Book Reviews

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Recommended Citation

Musgrave, W. A. (1927) "Book Reviews," *Journal of Accountancy*. Vol. 44 : Iss. 1 , Article 7.
Available at: <https://egrove.olemiss.edu/jofa/vol44/iss1/7>

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Book Reviews

COSTING AND COST ACCOUNTS FOR WOOL TEXTILES, by J. E. WILLIAMS and E. SUDWORTH. *Gee & Co.*, London. 70 pages.

The authors of *Costing and Cost Accounts for Wool Textiles* have directed their efforts to the present-day need for a scientific cost system which will tie in, in total, with the manufacturing and profit-and-loss charges. While the book contains considerable practical and constructive information, it must be understood that it is an English work and as such is based upon mill conditions and practices existing in England which will be found to vary considerably when compared with the woolen industry in this country.

Chapter II deals with material control and follows the product through each process by blends, or mixes, to the spun yarn at which point of production the yield or shrinkage is determined. It is to be observed, however, that the authors did not make any definite provision for the controlling of the various blends of yarn used in the woven fabrics. Such provision would permit the identification of the blend cost with fabric cost and would be invaluable when pricing the inventory as well as accounting for material losses which otherwise might not be disclosed. The importance the authors attach to the use of the blend book, in my judgment, is of real value, for it enables the manufacturer to compare the estimated market prices with the actual cost prices as developed in this book.

Chapter III deals with labor analysis, development of burden rates and basis of distribution in an admirable manner. A notable feature is contained on page 211, item 4, where the burden has been broken down merely as to spinning and weaving. While this may be sufficiently accurate for a woolen mill manufacturing a few styles of fabrics made from blends of about the same quality, there are many mills in this country of a hundred-loom capacity whose product is so varied from season to season that the burden requires further analysis than that set forth in the above paragraph in order that unit-process cost, as well as cost by styles of fabric, may be developed not only for the coarser but for the finer qualities of fabrics.

Chapter IV and chapter V deal with the details of manufacturing costs and the manner in which the yarn and fabric costs are calculated. The authors advocate the development of normal or standard cost based on a budget and combining this with the time element of each operation. In this way a standard measure for each process is obtained.

Inasmuch as the burden development is based upon pre-determined or normal rates, I looked for an idle "time" analysis in order that the increases or decreases in efficiency might be measured and inventories adjusted. Doubtless this escaped the authors' attention.

The most valuable feature set forth is summarized on page 70, under the caption "manufacturing account". This analysis allocates the net profit or loss as to sources, which is the only way proof may be had of the accuracy of the costs. In this manner attention is directed to the processes incurring a loss which permits concentrated effort at these points in order that the organization may be made as efficient and profitable as possible.

Literature covering cost finding for woolen mills is very meagre and this condensed volume of seventy pages, excellently prepared, contains many valuable ideas and suggestions and is a useful contribution.

W. A. MUSGRAVE.