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Fluctuating money value; Moving

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ARNOLD, BURKE & CAMPBELL SYNDICATE
STATEMENT OF OPERATIONS FOR THE YEAR ENDED
DECEMBER 31, 1918.

Profits on trading:	
Prairie Oil & Gas Company	\$2,472.92
Seneca Petroleum Company	700.00
Total profits on trading..	\$3,172.92
Loss on trading — Hazeltine Copper Company	25.00
Net profit on trading.....	\$3,147.92
Dividends from stocks owned	3,000.00
Total income	\$6,147.92
Deduct — Interest — net....	754.92
Net income for the year.....	5,393.00
Add—G. M. Campbell's share of increase in value of stock due to revaluation at date of his retirement (October 19, 1918)	3,858.33
Total	\$9,251.33
Deduct—Profits distributed to G. M. Campbell at retire- ment	4,907.40
Undivided profits — December 31, 1918	\$4,343.93
Capital at beginning of year..	\$75,000.00
Add—capital contributions:	
F. B. Arnold....	\$10,000.00
A. S. Burke....	10,000.00
Total	\$20,000.00
Less—Withdrawals of capital by G. M. Campbell.....	25,000.00
Capital—F. B. Arnold and A. S. Burke — December 31, 1918	\$74,343.93

EXHIBIT "B"

Fluctuating Money Value

IF prices have risen so that the purchasing power of \$1.00 now is only 60% of what it was in 1914, should this effect in any way be reflected in the accounts?

A thesis submitted recently at one of the universities had as its subject "The Effects of the Fluctuations in the Value of the Monetary Unit on the Balance Sheets of Corporations." The argument set forth was substantially as follows: Commodity prices are constantly fluctuating; therefore, the purchasing power of the dollar is constantly changing. Accounting which

does not consider these fluctuations does not give true expression to financial results. Consequently, balance sheets should show the effect upon the factors of financial condition of fluctuations in the value of the dollar.

Index numbers were offered as the means of determining the extent of the fluctuations.

We shall be interested to hear what opinions, if any, members of the staff hold with regard to the practical or theoretical propriety of such procedure.

Moving

AS the Bulletin goes to press this month, the New York office presents an unwonted appearance. A band of painters and plasterers has invaded the premises. They mount on ladders or crouch unexpectedly behind doors, a trap for the unwary. Partitions are falling and rising again in a new place over night. The smell of paint is borne on the spring breeze; fresh varnish gleams on the woodwork. In the midst of this changing scene, packers are busy, piling filled cases one upon the other, tagging and labeling furniture and other movable objects, in preparation for the day of removal now so near.

Meanwhile work goes on as usual; like time and tide, it waits for no man.

This general appearance of upheaval, which under ordinary circumstances might be thought somewhat racking to the nerves, and which in itself is unimportant, is nevertheless a sign of greater things. It accompanies an epoch in the firm's history. It is part of the shaping of the new organization. For this reason we who are living in this state of flux and apparent confusion have thought it worth while to fix the picture for the moment in our minds. In the history of the firm this is a noteworthy time. To assist in the process of evolution is a stirring experience.