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Book Reviews

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THE UNITED STATES BOARD OF TAX APPEALS—PRACTICE AND EVIDENCE, by CHARLES D. HAMEL. *Prentice-Hall Inc.*, New York. 255 pp.

Most accountants engaging in tax practice have found it to the advantage of their clients to place the conduct of cases coming before the board in the hands of counsel so that while a working knowledge of practice and evidence before the board is to be desired, Mr. Hamel's book will appeal more to lawyers and to the few accountants who engage in active practice before the board. In the opening chapters of his book Mr. Hamel deals interestingly with the history, purpose and functions of the board; the procedure in the bureau of internal revenue leading up to appeal, and questions of jurisdiction. Among other matters not generally known which he points out may be mentioned the fact that there is no appeal to the board from a deficiency attributable to a mathematical error in the return, that the board has no general jurisdiction to decide the merits of claims for refund, claims in abatement or claims for credit under acts prior to the 1926 act (and under that act only in a limited degree) nor to review the purely administrative acts of the commissioner.

In commenting on the right of the board to award damages against a taxpayer bringing a frivolous appeal before the board under the 1926 act, Mr. Hamel points out that a similar award may not be made against the commissioner, but thinks it not improper to suggest that congress might authorize the board to do so when the commissioner by arbitrary or unreasonable action forces the taxpayer to take an appeal.

Each step in the preparation of an appeal is presented. The complete text of the 1926 revenue act is included as an appendix, along with the rules of the board, copies of forms, etc. The extent to which tax decisions have accumulated is evidenced by the closely printed table of cases covering over 50 pages. The book is well indexed and should form a valuable addition to the library of every one interested in the conduct of cases before the board.

DONALD ARTHUR.

UNIFORM SYSTEM OF ACCOUNTS FOR HOTELS. *The Hotel Association of New York.* 91+v pp.

The *Uniform System of Accounts for Hotels* is accurately described in the preface as "a manual of instructions for preparing standard financial statements and schedules of the various operating and productive units which make up a hotel."

It has been prepared for the Hotel Association of New York by a committee composed of 9 proprietors, 12 hotel accountants, a representative of the American Institute of Accountants, and a member of the New York State Society of Certified Public Accountants.

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In the preliminary definitions and instructions the accounts are divided into 8 main "account groups" each of which is then described, namely:

1. Net sales
2. Cost of supplies sold
3. Salaries and wages
4. Departmental expenses
5. General unapportioned expenses
6. Repairs
7. Taxes, interest, etc.
8. Other additions or deductions

This clears the ground for a monthly statement of income and profit and loss for which a form is given showing the results of the current month and the year to date, with increases or decreases as compared with corresponding periods for the previous year.

This form is followed by a brief description of the items to be included in the various headings and by very complete detailed forms, showing how the numerous and varied returns are collected. The extent to which these analyses are carried may be indicated by a few examples: Net sales included 19 heads, some of which are further analyzed, such as rooms and food, which are subdivided into 4 and 6 subheads respectively.

Appropriate standard forms are given for each department, such as candy shop, valet, newsstand and the various enterprises included in a large modern hotel, the accounts in each case being fully explained. The expense accounts are subdivided under 64 heads.

The operating accounts being disposed of, the balance-sheet is treated in the same manner. The general form is based on that approved by the federal reserve board but contains some minor modifications. The form is followed by a brief description of each of the suggested headings and by an index of the entire book.

The book has already been described by Mr. W. J. Forster in the September number of *THE JOURNAL OF ACCOUNTANCY* and the examples there given afford good illustrations of the scope of the work.

There can be no doubt as to the benefits to be derived from some standardization of the accounts of an industry which has become one of the most important and, in some ways, one of the most complicated, in the country. Nor can there be doubt as to the ability of those who have so clearly codified a system. The result is a valuable contribution to what may be called the specialists' branch of accounting literature.

Uniformity is essential if we are to have comparisons of any worth and such comparisons are invaluable. It is true that uniformity when carried to an excess may destroy individuality, but the compilers have escaped the danger of making a false god of uniformity by framing their remarks in a suggestive rather than a dogmatic form.

The book is written by experts for experts: it does not intend or pretend to teach hotel bookkeeping, for the reader's knowledge of that is assumed, and it confines itself to suggesting what the bookkeeper should show, the means of acquiring the information being left to his personal choice.

The book is primarily intended for large hotels open all the year, but the views expressed are so sound that one wishes its limitations had been some-

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what broader. The seasonal hotel has some special problems of its own, as have those which are managed on the dual plan, i.e. on the American and European plans. Some matters such as determining the cost of employees' meals are touched on somewhat lightly.

Numerous matters of detail such as forms of ledgers, of guest's accounts and of inter-departmental reports are not dealt with, nor is mention made of using graphs, although they are especially valuable in this relation. However, one point is quite clear: no accountant having hotels among his clients, and certainly no management of a hotel of any size can afford to lose the opportunity of adding this book to the library. We hope that the future may see a second volume relating to some of the details lying beyond the scope of the present one.

WALTER MUCKLOW.