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## American Institute Publishing Co., Inc. has Pleasure in Announcing Publication of Basic Standard Costs

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THE AMERICAN INSTITUTE PUBLISHING CO., INC. (1932)

has pleasure in announcing publication of

## BASIC STANDARD COSTS

BY ERIC A. CAMMAN

AMONG the important texts selected by the American Institute of Accountants through its committee on publication is "Basic Standard Costs" by Eric A. Camman. This text has been written in response to many requests for an authoritative discussion and explanation of this important field of cost accounting. The subject is one of interest not only to cost accountants but to all accountants, executives, factory managers, engineers and industrialists generally.

The author is known throughout the United States by students of cost accounting. His ability to present in a clear, comprehensive way his argument for the adoption of basic standard costs is unquestioned.

The volume will consist of approximately 284 pages, 6" x 9", and will contain important graphic illustrations of the application of the principles of standard costs in various industries. The book will be bound in the familiar style of the American Institute Publishing Company and the price will be \$3.50 delivered in the United States.

*Advance orders may be sent to*

THE AMERICAN INSTITUTE PUBLISHING CO., INC.

135 CEDAR STREET

NEW YORK

# BASIC STANDARD COSTS

## *CONTROL ACCOUNTING FOR MANUFACTURING INDUSTRIES*

“STANDARD COSTS” is the term used to signify a notable development in industrial accounting procedure, to meet the requirements of business management under modern conditions for information that can be used in determining sound policies and in exercising control over operations. The term inadequately denotes the real scope of this development—perhaps the outstanding advance in its field—because the use of standard costs is not restricted to the single aim of cost finding but enters into all the phases of managing a manufacturing business, from deciding what products to make to determining the variations in net profits which arise from various causes upon sale of the products marketed. It enters even into the projection of the probable results to be realized from operations under a given combination of conditions.

There is a wide interest at the present time among manufacturers in the possibility for effecting savings, increasing profits and obtaining other benefits through adopting standard cost accounting procedure. The subject is new only in respect of this widening interest, which comes from a growing appreciation of these possibilities; but the development itself is not new, having undergone a steady growth during at least the past twenty-five years. New features and improved procedure, of course, are constantly being devised. Undoubtedly standard cost accounting procedure in use today is superior in many ways to earlier attempts.

This book deals with the principles underlying the application of so highly useful an instrument to all types of manufacturing industries, bringing out the reasoning by which the principles are formulated and the manner in which operating data are assembled and analyzed in ways adaptable to differing conditions which are encountered in different businesses. Among the businesses for which these principles are suitable are:

Agricultural Implements  
Airplanes  
Bakery  
Bleaching and Dyeing  
Boxes (wood) (paper)  
Brick and Clay

Canning, Packing  
Carpets, Rugs  
Confectionery  
Cotton Mills  
Die Casting  
Enameling

Fibre Products  
Foundries  
Food Products  
Furniture  
Hardware  
Ink Manufacture  
Jewelry  
Jute Mills  
Linoleum  
Machine Shops  
Machine Tools

Milling, Flour and Cereals  
Printing, Publishing  
Radios  
Rubber  
Silk Mills  
Smelting  
Tobacco Products  
Wire, Cable  
Woolen Mills  
Woodworking

Some confusion has arisen in recent years as to just what is meant by standard cost accounting procedure, through different concepts of the term "standard costs," which affects both the accounting treatment and the use of the information compiled. An effort is made in this book to dispel this confusion by clarifying terminology and bringing out the distinctions between these concepts. A comprehensive presentation is given, with the object of removing from the field of discussion those questions which are perplexing mainly because of an incomplete understanding of the subject in its various aspects.

The subject is divided into fourteen chapters, under the following headings:

The difference between job costs and standard costs  
Description of the standard cost plan  
Standard costs as ideals or as measures  
Analysis of labor cost variations  
Analysis of burden cost variations  
Analysis of material cost variations  
Manufacturing cost variations: graded products  
Manufacturing cost variations: joint products  
Analysis of variations in net profits  
Projection of results under expected changed conditions  
Outlining the accounting plan; classification  
Determining normal capacity  
Reporting production and inter-departmental transfers; inter-departmental profits

Throughout the text illustrations are given in which completely detailed hypothetical figures are presented, showing by specific calculation how the principles are applied and the manner in which methods may be adapted

to fit the circumstances. There are 106 such illustrations in the 14 chapters. In addition, 11 charts are provided. These charts are folded into the back of the book and are removable, so that they may be referred to conveniently in following the explanatory text.

The contents of the book are wholly original material, never before published in this arrangement or so completely, and no space is taken up by description of the minutiae of accounting routine or by discussion of matters of cost accounting principle and practice already formulated and available elsewhere in published works.

The author, Eric A. Camman, is a Certified Public Accountant of New York and New Jersey. He is a partner of the firm of Peat, Marwick, Mitchell & Co., and is regarded as one of the ranking authorities on the subject of which he writes. He has specialized for fifteen years in industrial accounting methods, both in public practice and in employ in accounting and related capacities by industrial corporations. He has had experience in many fields of cost accounting and for the past nine and a half years has been with the firm of which he is now a partner.

Mr. Camman is a member of the American Institute of Accountants, the New York State Society of Certified Public Accountants, the Society of Certified Public Accountants of the State of New Jersey, and an Associate of the American Society of Mechanical Engineers. He is a former President of the New York Chapter of the National Association of Cost Accountants, and at the present time is Director of Research and a member of the Executive Committee of the National Board of Directors of this Association. He has written a number of papers on industrial accounting topics at various times, including "Standard Costs, Installation and Procedure" presented before the International Congress on Accounting, held in New York in 1929.

The American Institute Publishing Company has pleasure in recommending this authoritative text and believes that it will be found of invaluable assistance to all who are concerned with the better conduct of industry.

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NEW YORK

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