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Charles Waldo Haskins Institute; Professional training conference

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In practice the accountant having to handle accounts in foreign currencies, finds a great divergence of opinion between the managers of foreign branches and the home office officials as to the rates of exchange to be used in setting up their accounts. To illustrate, let us take the accounts of the Chilean establishment, and suppose that they are under discussion at a conference in New York, at which are present the following:

The treasurer of the company.

The plant engineer.

The sales manager.

A shareholder.

A banker.

The accountant presents the results shown by the trial balance given in the solution to the problem. Probably the only official who will be satisfied will be the treasurer, who will take credit for the profit on exchange.

The plant engineer will object on the ground that the plant has not really cost the amount in dollars indicated. On the other hand, if he is an outside contractor, working on a cost plus basis, he will be quite satisfied.

The sales manager will state that he cannot make a profit on sales if his costs are to be burdened with an exchange profit.

The shareholder will claim that if a profit has been made, he is entitled to a dividend.

Finally the banker will enquire as to how many pesos have been set up with which to liquidate the balance of \$120,000 due to New York, and when he finds that the figure is pesos 600,000 he will probably say that the \$120,000 should be converted at 6. This would mean a liability of pesos 720,000, which must be set up on the books in order to permit the Chilean establishment to liquidate their dollar indebtedness at the date of the balance sheet. This would necessitate a

charge to exchange of pesos 120,000, which at 6 represents a loss of \$20,000.

We are bringing these solutions and points of view to your attention in order to show that, in practice, there is no fixed rule for handling accounts in two currencies. Perhaps further discussion will bring out which of several methods used is the best, and we should be glad to have your views in this connection.

(Signed)

H. & S.

Charles Waldo Haskins Institute

PUBLIC announcement was recently made of the establishment of Charles Waldo Haskins Institute. Founded by Mr. Sells, as a memorial to his late co-worker, the purpose of the Institute is to train men for accountancy.

Beginning September fifteen next, courses will be offered to students who possess fitness to enter the profession as evidenced by their character, personality, mentality and technical ability. Each applicant for admission will be examined in these respects before entrance.

The professional section of the course will extend over a calendar year consisting of three forms of fifteen weeks each. The first form will be devoted to formal class room lectures. The second and third terms will be given over to laboratory work on practice engagements carried out under the conditions which prevail in practice.

Those who are unable to meet the technical requirements of the professional section will find a senior preparatory section which will prepare them for the professional course. The principal subjects covered in this section will be theory of accounting, accounting practice, economics, business law, finance, organization, cost accounting, fiduciary accounting, foreign exchange accounting, accountancy English, business administration, etc. The senior

preparatory section will cover a period of two school years, each consisting of two forms of fifteen weeks each.

To provide fundamental courses for students without technical accounting knowledge who desire to enter the profession a junior preparatory section will be offered. This section will consist of courses in preparatory accounting, business mathematics, business practice, elements of business, and English grammar and composition. The junior preparatory course will be given both as a one-form and a two-form course, the selection depending upon the previous work of the student.

Professional Training Conference

The growing needs of our practice and the desirability of having representatives of the Department for Professional Training in the larger offices resulted in a conference, during the first three weeks in June, of such representatives from a majority of the American offices.

The conferences included lectures and individual instruction covering the reviewing of reports, the theory and technique of selecting men, instructing them in their duties and responsibilities as members of the organization, and subsequently directing their technical and professional development.

An outline of the subjects discussed during the conference is now in course of preparation and will be distributed later to all offices.

Additions to the Library, June, 1920

Bankers Trust Company. English public finance from the Revolution of 1688, with chapters on the Bank of England; by Harvey E. Fisk. New York, Bankers Trust Company, 1920. 241 p.

Hoskold, H. D. Engineer's valuing assistant: being a practical treatise on the valuation of collieries and other mines, with rules, formulae and examples; also a set of valuation tables. Edition

2, revised. New York, Longmans, Green, & Co., 1905. 185 p.

Skinner, Ernest Brown. The mathematical theory of investment. New York, Ginn & Company, (c1913). 245 p.

Swift, Edgar James. Psychology and the day's work; a study in the application of psychology to daily life. New York, Charles Scribner's Sons, 1920. 388 p.

United States. Bureau of Foreign and Domestic Commerce. Commercial handbook of China, by Julean Arnold and others. 2 v. Washington, Government Printing Office, 1919. (Miscellaneous series No. 84.)

Van Antwerp, William Clarkson. The Stock Exchange from within. New York, Doubleday, Page & Company, 1914. 459 p.

Whitaker, Albert Conser. Foreign exchange. New York, D. Appleton & Company, 1920. 646 p.

Whitten, Robert H. Valuation of public service corporations; legal and economic phases of valuation for rate making and public purchase, with Supplement. 2 v. New York, The Banks Law Publishing Co., 1919 (c1912). 798 p.

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