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Business and libraries

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sold whereas it really represents a loss on goods which have not been sold. The effect is bound to be reflected in the gross profit and may be sufficient in some cases to throw them out of line for comparative purposes.

It would be preferable then presumably to price the closing inventory at cost for closing purposes thereby showing the correct cost of goods sold and gross profit, and after establishing the loss due to the difference between cost and market, show it in the profit and loss section of the income statement as a loss due to inventory adjustment. The complementary credit

would appear as a reserve in the balance sheet, thereby establishing the correct asset valuation of the inventory.

Objection may be raised to this procedure on the ground that it involves two calculations of the inventory. The objection may be well taken if it follows the facts, yet it is questionable if the amount of work involved should be allowed to stand in the way of bringing out clearly so important a situation. Incidentally, a double calculation may not be necessary if index figures are used and the market decline is approximated.

Business and Libraries

THERE was a time, now happily past, when the juxtaposition of these two words was not an accepted fact. To-day business and libraries are in partnership. The rapid and beneficent progress of business education has developed a type of business man whose mind is trained to the processes of research and whose experience has taught him the practical value—indeed, the imperative necessity—of exact information.

These are troublous times for the man of business who is not informed. To-day's world is not the world of yesterday; each day brings new problems. National boundaries, from the business point of view, no longer exist. We are to-day forced to think in international terms and speak a world-wide economic language. At all times, and particularly in a time of uncertainty and transition such as the present, business needs knowledge, exact, varied, and extensive.

To meet this necessity for adequate information there has arisen a large and valuable body of business literature. Most of it has been produced in the last twenty-five years and bears witness to the tremendous development of business and finance throughout the last quarter century. A

survey of this literature takes the student through the most minute processes of production and organization, to the wider problems of international finance. Much of it is written, not from the purely academic standpoint, which so often in the past expressed the theories of the so-called professional economist, but as the fruit of long and ripe experience in the actual conduct of business.

Where there is literature there are libraries. This body of information must be housed, cared for, and used. The word "use" carries an almost unlimited application. To the executive the library may serve as a pilot guiding him through surrounding fogs or breakers ahead; to a young man or woman climbing the successive steps of a business career, it furnishes the means of accomplishment; while to still another it may afford the first impetus toward a productive life.

But however applied and administered, the business library is now established. Financial institutions and manufacturing corporations, as well as the professions, have long since realized the necessity for a large and active library.

Among these are the well-known libraries of the National City Company, Guaranty

Trust Company, Yale & Towne Manufacturing Company, United States Rubber Company, New Jersey Zinc Company, and many others whose libraries are not only the corner stones of their work and influence, but who perform a notable public service in offering to their employes the means to a useful, intelligent, and happy national life. Here "americanization" is not an empty abstraction.

To the accountant, who must of necessity be a close student of business life and tendencies, it is somewhat superfluous to point out the benefits of his library. For him it has always been indispensable. In these latter days, moreover, the need for intensive study as well as a broad knowledge was never so apparent. The library is now more than a handmaid to business; it is, or should be, a loyal ally and a practical asset.

It is with profound sorrow that we announce the death in Buffalo on January 30, 1921, of Mr. H. S. Champlin, manager of the Buffalo Office. Mr. Champlin recently underwent an operation at the Homeopathic Hospital which he did not survive.

Mr. Champlin was a native of Buffalo, where his business interests were concentrated and where he enjoyed a wide acquaintance and the highest standing among business men. Prior to the consolidation of his practice with that of Haskins & Sells, on June 1, 1920, he had been engaged in professional accounting in Buffalo for twenty years.

His loss will be deeply felt not only by us, but by the community in whose life he had so honorable and distinguished a part.

The building occupied by our Saint Louis Office, hitherto known as the Third National Bank Building, has recently

undergone a change of name, its new designation being the Liberty Central Trust Company Building.

Mr. R. J. Leo, of the San Francisco staff, has been appointed manager of the practice office recently opened in Portland, Oregon. Mr. Leo is a C. P. A. of Oregon and of California.

Our office at Paris has removed, under date of February 1, 1921, to new quarters at 2, Rue des Italiens.

Book Reviews

Hodge, A. C., and McKinsey, J. O. *Principles of Accounting*. (Chicago, The University of Chicago Press, 1920. 389 p.)

This familiar title serves to describe a typical text for first year students in a school of commerce of university grade where preparation for the accountancy profession is not the prevailing objective.

The authors recognize three classes of students, however, in planning the book. The first falls in the group which is primarily interested in the relation of government to business; the second, in preparing for public accounting; the third and largest, that group the members of which aim to become business executives or to devote their efforts to accounting of a non-professional nature.

While the book is of a high class, the exposition extremely clear, and the style good, it appears not to contain anything particularly new in content, arrangement, or method.

The first chapter is, from certain points of view, the best in the book since it presents an unusually good conception of accounting. It stresses accounting as an instrument of business control and shows