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## Book Reviews

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## Book Reviews

INVESTMENT BANKING IN ENGLAND, by BRADLEY D. NASH. *A. W. Shaw Company*, Chicago. Cloth, 114 pages.

THE INVESTMENT TRUST, by LAWRENCE M. SPEAKER. *A. W. Shaw Company*, Chicago. Cloth, 112 pages.

These two monographs were awarded the 1924 first and second prizes, respectively, offered by the Chicago Trust Company "for research relating to business development and the modern trust company." Both authors have made an intensive study of the field, and have presented clearly and concisely the results of their study. For the accountant or business man who has time to study only the major relations of these phenomena to our complex business life these books should have an appeal; either book may be read in two or three hours and yet give the reader a real grasp of the subject.

Mr. Nash in his monograph describes the methods and procedure by which the surplus funds of the British are collected and made available to governments and to business enterprises. After defining investment banking, he traces the development of the investment banker to the companies act of 1862, discusses that important piece of legislation and describes its effect both upon the lending agencies and upon investors. The English system of investment banking is briefly contrasted with that in America and that in Germany. The author then describes the issue house and the promoter—outlining the functions of each—the various avenues of investment, and, finally, the investment trust in British financial life. Mr. Nash, so we are told, secured his information directly from London bankers and other original sources. He has presented it to us in a thoroughly interesting manner.

The investment trust, of which Mr. Speaker writes, is of comparatively recent origin in the United States, though it has existed in its present form in Great Britain since 1862. This form of investment medium originated in Great Britain and has been one of the principal methods utilized for directing English capital abroad. The function of the investment trust is to secure, by means of widely diversified investments, relatively high yields for the small investor with a minimum of risk. After discussing its nature and historical development, Mr. Speaker considers the characteristic features of the British investment trust. He next describes its operation and the economic services performed by it. His discussion of the investment trust in the United States includes the federal land banks and the proposed Edge law banks. Its use in American investment abroad is also considered. Because the United States has been until recently a borrowing nation the investment trust has not played any important part in our economic or financial life. Mr. Speaker points out that it performs its greatest service "when the annual savings of the people of a country or region exceed the capital requirements of their domestic industries. Such a condition leads to poverty of home-investment opportunity accompanied by very low interest rates. In such circumstances capital tends to become adventurous and seeks more remunerative employment away from home. Since such a movement is many times accompanied by great risks, the investment trust appears as a convenient device for securing higher yields with a minimum of risk."

I have enjoyed reading both of these little books and recommend them to accountants throughout the country.

J. HUGH JACKSON.

RETAIL MERCHANDISING PLANNING AND CONTROL, by JAMES L. FRI, M.B.A. *Prentice-Hall, Inc.*, New York.

Until a comparatively short time ago few books were available dealing with the field of retailing. Many have been published recently, particularly during the past two or three years. The present volume is a welcome addition to the list.

This book does not deal primarily with accounting, although comprehensive chapters are devoted to the retail method of inventory (used by a large percentage of department stores), the classification and distribution of expense and the taking of physical inventories. After first comparing the various types of retail establishments, such as department stores, specialty stores, mail-order companies, coöperative stores, department chains, etc., the general scheme of organization is taken up and the relative expenses and profits of the various types of enterprises are discussed. Chapters are devoted to stock turn, the merchandise budget, merchandise control, merchandise policies, merchandise statistics, the sales force and advertising.

The book is written, in the main, from the point of view of the large department store, although a great deal in it applies to other types of retail organizations. Many of the forms presented are in actual use in the larger stores. Statistics compiled by the bureau of business research of Harvard University relating to sales, expenses and profits of department stores, shoe stores, grocery stores, and jewelry stores are used in the comparisons, as well as a number of well-prepared charts.

In the preface of the book the author states: "This book is written with the idea of helping the reader recognize and understand sound principles underlying the successful operation of a retail store. It is meant to appeal to those interested in the problems of merchandising, whether they be in the classroom or in the store. It is felt that successful retail-merchandising practices can be analyzed and the underlying principles presented in such a way as to make it more nearly approach a science."

A reading of the book will convey just the impression the author intended. It is written in a broad or general manner. It will be found clear and interesting. It should be valuable to the public accountant who is attempting to get a general view of the field of retail merchandising. It should be particularly valuable to store employees who in their daily tasks may not get an opportunity to learn from personal contact as much as they would like about the operations of other phases than their own of the work of the retail store.

J. P. FRIEDMAN.