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## Book reviews

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with the controlling account in the general ledger. If the detail is either in excess of or less than the balance of the controlling account that fact should be commented upon, unless the concern is very large and the discrepancy comparatively small, in which case we usually know that the matter is being properly taken care of by the office employes.

(To be Continued)

### An Anniversary

The New York State Society of Certified Public Accountants, of which Mr. Howard B. Cook is president, commemorated the twenty-fifth anniversary of its foundation by a banquet on the evening of April 10, 1922, at the Waldorf-Astoria, New York City. The occasion called together a notable gathering of members of the profession, including many of the Council of the American Institute of Accountants, and the presidents of state societies. The toastmaster of the evening was Dean Joseph French Johnson of New York University. Speeches were made by Messrs. Edward L. Suffern, Edward E. Gore, Bruce Barton, Senator William M. Calder and Theodore H. Price.

We announce the appointment, effective April 1, 1922, of Mr. L. E. Palmer as assistant manager of the New York 39th Street Office.

We note with pleasure that Mr. E. C. Gause has recently received a C. P. A. certificate issued by the State Board of Accountancy of Delaware. Apropos of this degree, Mr. Gause writes under date of March 16:

"I value this certificate because it is the first one issued by the Board under the reciprocal clause and also because Delaware is the state of my birth and early life."

Mr. Gause also holds C. P. A. certificates of the states of Pennsylvania, Ohio, Missouri, Colorado, and Oklahoma.

Mr. J. N. Casella, of the Denver Office, has our congratulations upon his success in passing the C. P. A. examinations held by the State Board of Accountancy of Colorado in November, 1921.

### Book Reviews

Willard, Raymond D. *System Building and Constructive Accounting*. (New York, McGraw-Hill Book Company, Inc., 1922. 307 p.)

This book, so far as is known, is the first one to treat, comprehensively or otherwise, the principles of system work. There are numerous books on the market which deal with systems for one line of business or another, but it has been difficult in the past to find any one source where the general principles underlying system work have been discussed as such. It is, therefore, pleasing to have the subject presented in an organized manner.

The first seven chapters are devoted to such subjects as the importance of system work in connection with business activities; the various steps incident to designing and installation; detail of, and programs to be followed in, investigation preliminary to system installation; the importance of system reports; and general outline to be used in preparation thereof.

While thanks are in order for such generalizations as the author has offered—and the material which he presents bristles with information—there is much too little of it to suit the student who is interested in the philosophy underlying system building. While it is hardly fair to criticize the author for having given so much relative space to commercial papers and ruling and printing, there is an echo of past activity on the part of a Boston contemporary who, while entitled to credit for the pioneer work which he did in system building, has stressed to an exagger-

ated degree the part which special forms play in system work. It must be said that accountants who have occasion to undertake system work might use to advantage and to a much greater extent than at present, standard forms and books available from commercial stationers.

Lest the reviewer be accused of placing undue emphasis on this phase of the book under review, it should be said that this minor defect, which may or may not be a defect according to opinion, is entirely overshadowed by the large number of systems presented by the author, which occupy probably 99 per cent. of the space in the book. These systems embrace an automobile sales company, a grocery company, a club, a leather company, and a hospital.

The book is well written, and should be favorably received by all who are interested in the literature of accountancy.

Wall, Alexander. *Analytical Credits*. (Indianapolis, The Bobbs Merrill Company, 1922. 258 p.)

The ordinary revolutionist is as a rule far from popular. The author of this book, having the courage of his convictions, has blazed a trail through a dense wood of fear and scepticism, which entitles him to high commendation. He may be wrong in some of his conclusions. He undoubtedly is wrong in some of the statements which he makes; but he has on his side the fact that the conclusions to be drawn from some of the statistical data which he advocates stimulate and promote conservative rather than liberal action.

Any accountant who is interested in bank credits and the relation which bank credit work has to accountancy, should obtain a copy of this book and live with it for several months. One of the most severe criticisms which may be made of the public accountant is that he has not

yet taken the time necessary to make a study of the uses, from a point of view of information, to which financial statements may be put. The author of this book through its pages stands ready to teach the public accountant a lesson which, if it means nothing to him as a matter of education, will substantially add to his bank account, through the increase of his practice, and the improvement in the service which he renders to clients.

The public accountant is too much a compiler of figures, a maker of statements, and he has not yet begun to enter into his full usefulness to clients because he has not appreciated the importance of interpreting the statements for the benefit of his clients.

Fitting acknowledgment should be made to the author of this book for the fearless, assertive manner in which he has attacked this problem, so long shunned by the public accountant. This is indeed an indictment of the public accountant, but it is merited.

While there are doubtless certain chapters in the following table of contents which may not be of particular interest to accountants, chapters 6 to 16 contain enough meat to warrant not only careful perusal but thorough study and absorption by everyone who claims accountancy as his profession or accounting as his vocation.

#### Chapters

1. The Genesis of Credit.
2. Sources of Credit Information.
3. A Word on Collections.
4. Collection Letters.
5. Acceptances.
6. The Financial Statement.
7. Comparative Statement Analysis.
8. Analytical or Internal Analysis.
9. Analytical or Internal Analysis, Continued.
10. Type Analysis and the Application of the Law of Averages.
11. Construction of a Barometric.
12. A Critical Analysis.
13. A Constructive Analysis.
14. A Borrowing Limit.
15. Commercial Paper.
16. General Miscellaneous Items.