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Book review

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After the completion of the bank credit program the meeting continued throughout Saturday evening, the time being taken up chiefly in a discussion of a report presented by a committee of which Mr. Dunn was chairman, and which report dealt with a revision of expense allowances. The report was amended so as to permit of some wider latitude than that recommended by the committee, in an attempt to provide a schedule which will prove fair, both to clients and to accountants who are obliged in the course of service to incur certain expenses. The meeting adjourned at eleven-forty-five, daylight saving time.

Monday following about twenty-five of those present played golf at the Garden City Country Club through the courtesy of Mr. Ludlam. Low gross prize was won by Mr. Morris; low net by Mr. Ludlam; "duffer's" prize by Mr. Foye.

Tuesday saw various individuals starting on the journey back to their respective posts, with all enthusiastic over the benefit derived from getting together and talking over problems and matters of mutual interest.

We are pleased to announce the appointment of Mr. W. L. Chaffee as manager of the Atlanta office and of Mr. A. B. Turner as assistant manager of the New York 39th Street office, effective October 1, 1922.

Book Review

Finney, H. A. *Consolidated Statements for Holding Company and Subsidiaries*. (New York, Prentice-Hall, Inc., 1922. 229 p.).

There is so much of intricacy involved in consolidated statements that one must needs observe care in passing judgment on

a book of this kind without having examined it most critically. One thing is certain, namely, the book fills a long felt want.

On general examination, it appears to cover the subject well, and in an interesting manner. It is so filled with figures that only through a careful study of the contents with the significance indicated by the figures may the full value of the work be obtained. The chapter on unrealized inter-company profits stands out as one of the best chapters in the book, the discussion of this complicated subject being unusually clear. While it is probably irrelevant to mention it, the fact remains that one continues to wish for some suggestion as to an easy method of determining the amount of inter-company profit involved in any given situation. The author, like all others, assumes an amount of profit for purposes of illustration. The accountant, in practice, has to scratch his head many times in order to determine the amount of profit involved.

A valuable point brought out in the book has to do with holdings of no par value stock. On this subject the author says: "The method of making eliminations is not affected by the fact that the subsidiary's stock has no par value. The book value of the holding company's ownings is determined by ascertaining the per cent. of subsidiary stock owned, and by eliminating this percentage of the subsidiary's stock and surplus accounts."

In addition to matters usually discussed in a treatment of this subject there are the following miscellaneous topics: book value at acquisition in excess of cost; minority interest in a subsidiary with a deficit; stock acquired by subscription from subsidiary; subscription rights; holdings of both in a preferred stock; stock dividends; arbitrary entries in investment account.

In order to make the book adaptable for instruction purposes, there are review exercises and problems.