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## Book reviews [News items]

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papers illustrates the opportunity for fraudulent practice which is offered in unscientific laws dealing with technical subjects like finance, accounting, and business procedure. A certain company is said to have advertised that it would issue "Christmas checks to such of its stockholders as had paid the full amount due on stock subscriptions before December 1." These checks were to be for an amount equal to the first dividend on such payments, and were to be dated December 25. The distribution was proposed, although there had been no operations from which profits might have been derived. The presumption, according to the newspaper report, is that the appropriation for distribution was to be made out of so-called "capital surplus" created by partitioning the proceeds derived from the sale of capital shares having no par value. Fortunately for the New York public, on motion of the Attorney General of New York, a Supreme Court Justice issued a permanent injunction restraining the corporation from making further sales of stock in New York State.

It should be observed in cases concerning New York corporations that questions as to capital and dividend declarations must be considered in the light of laws in effect at the time of incorporation. The laws affecting New York corporations having shares without par value has changed four times in the last few years. Fine questions of capital and of dividends might necessarily be decided differently, depending upon the laws in force at the time the particular corporation in question was organized. The "*ex post facto*" principle of law would ordinarily prevent new provisions from becoming retroactive unless otherwise specified. But in the case of the latest New York amendment all doubt on this point has been removed as follows:

"Article 12, Section 5. This act shall

not affect or impair any act done, offense committed or right accruing, accrued or acquired, or liability, penalty, forfeiture or punishment incurred prior to the time this act takes effect, but the same may be enjoyed, asserted, enforced, prosecuted or inflicted, as fully and to the same extent as if this act had not been passed."

## Book Reviews

Couchman, Charles B. *The Balance Sheet*. (New York, The Journal of Accountancy, Inc., 1924. 288 p.)

The essentials of a good book on accounting are that it shall contain an adequate discussion of the subject held out by the title; that the exposition shall be clear, the arguments and theories reasonably sound, the type sufficiently large to make reading easy; and that the book shall have an index which facilitates the use of the information which the book contains

The book under review herein meets all of these requirements; hence it may be adjudged a good book. But a general endorsement of this character is scarcely sufficient to put the reader in a position to decide whether or not the book is worth having.

Many books on accounting have been written during the past decade. All of them have had pages and pages devoted to a discussion of the balance sheet. None of them contains a discussion at once as clear, terse, and convincing as the book now being considered. Anyone who knows the author and has heard him talk cannot have failed to be impressed with his clear, forceful manner of expressing his thoughts.

In this book on the balance sheet the personality of the author speaks through every line. His clear expression is but the evidence of his clear thinking. But withal the book suggests more the setting down of thoughts arising in the mind of a practical accountant rather than an attempt at scien-

tific book-making. For this reason the volume is extremely readable and satisfactory.

Not only does the author cover thoroughly the topics related to the balance sheet but, with perhaps one or two exceptions, each topic is covered thoroughly without any unnecessary verbiage. After concluding the treatment of the various aspects of financial condition, chapters are devoted to comparative balance sheets and consolidated balance sheets. There is also a chapter on certifications, and one on the balance sheet for credit purposes. The text, although free of forms of balance sheet, is supplemented by an appendix containing ten specimen forms, the dignity and serious purpose of which have been somewhat impaired by the introduction of fictitious appellations, evidently suggested to the author by his interest in golf. Let us however, forgive him for this error in judgment, and be grateful for the scholarly discussion of the subject matter, which is a contribution beyond doubt.

Parsons, Floyd W. *Everybody's Business*. (New York, Doubleday Page & Company, 1923. 503 p.)

Try this test sometime. When you happen to be standing beside a library table and have picked up the book or magazine which most suited your fancy at the moment—classify it. Does it fall in class of fiction? Is it technical, inspirational, or something else? Would you, through free choice, meaning thereby that there is no pressure of conscience even, select the magazine of the *National Geographic Society*, *Saturday Evening Post*, *Babson's Fundamentals of Business*, or *Bliss's Financial and Operating Ratios in Management*?

There is a strong tendency today toward technical business reading. The fact is cause for much rejoicing. But balance in reading is important. It makes for sustained and at the same time pleasant effort.

It is necessary also to insure a broadened outlook needed especially by accountants who are inclined to allow their vision to become warped by the technical aspects of their subject.

*Everybody's Business* is a book subtle in conveying information, but none the less informative. It tells what our country has in minerals, timber, energy resources, agricultural assets, and manufacturing facilities in the form of an interesting and romantic story of American business. The book is well written, refreshing to the technical mind, and one would be narrow indeed who would not derive inspiration from its reading.

Forty essays were received in competition for the prizes offered on the subject of "How May We Improve the Quality of Our Service to Clients?" These essays are now being read by a committee. All essays will be read. We hope to be able to announce the names of the successful competitors in the April number of the Bulletin.

We have pleasure in announcing that Miss H. C. Haines, of the New York Report Department, has been notified of her election as associate member of the American Institute of Accountants.

Mr. F. C. Rohwerder has been appointed assistant manager of the New York 39th Street office, effective January 1, 1924.

The New York State Society of Certified Public Accountants has appointed Mr. P. P. Rossman, of the New York Broad Street office, as a member of the Committee on Accountants' Office and Staff Management.

Our congratulations are extended to Messrs. Harlan Johnson and O. H. Gawthrop, of our Baltimore office, upon their success in passing the Maryland C. P. A. examinations.