

7-1971

Woman CPA Volume 33, Number 4, July, 1971

American Woman's Society of Certified Public Accountants

American Society of Women Accountants

Follow this and additional works at: <https://egrove.olemiss.edu/wcpa>



Part of the [Accounting Commons](#), and the [Women's Studies Commons](#)

Recommended Citation

American Woman's Society of Certified Public Accountants and American Society of Women Accountants (1971) "Woman CPA Volume 33, Number 4, July, 1971," *Woman C.P.A.*: Vol. 33 : Iss. 4 , Article 6.

Available at: <https://egrove.olemiss.edu/wcpa/vol33/iss4/6>

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Woman C.P.A. by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

the WOMAN CPA

UNIVERSITY OF
MISSISSIPPI

JUL 9 '71

WOMEN ACCOUNTANTS IN
OTHER COUNTRIES

LIBRARY

By Eunice E. Stockman

DEPARTMENTS

- *Editor's Notes*
- *Theory and Practice*
- *Tax Forum*
- *Reviews*

JULY 1971

Official publication of the American Woman's Society of Certified Public Accountants and the American Society of Women Accountants.

Material presented is believed to be reliably correct but represents opinions of editors or contributors for which liability is not assumed.

AMERICAN WOMAN'S SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

President

MARY B. SOMMER, CPA
Marine Midland Bank—
Western
P. O. Box 643
Buffalo, N. Y. 14240

Secretary

BARBARA I. RAUSCH, CPA
Peat, Marwick, Mitchell
& Co.
100 East Broad Street
Columbus, Ohio 43215

MYRA A. SWICK, CPA

Ernst & Ernst
150 South Wacker Drive
Chicago, Illinois 60606
(Membership)

Vice Presidents

VERA B. COULTER, CPA
North Am. Rockwell Corp.
1700 East Imperial Hwy.
El Segundo, Calif. 90245
(Publications)

Treasurer

DORIS A. WELCH, CPA
Calif. Community Colleges
825-15th Street
Sacramento, Calif. 95814

NORMA L. WEISS, CPA

31451 7th Place S.W.
Federal Way, Wash. 98002
(Budget and Finance)

SALLY J. SELF, CPA

Neiman Marcus Co.
Main & Ervay Streets
Dallas, Texas 75201
(Legislation)

Directors

HELEN W. ADELMAN, CPA
Haskins & Sells
100 Biscayne Tower,
Suite 3007
Miami, Florida 33132
(Publicity)

MARJORIE JUNE, CPA

Touche Ross & Co.
111 East Wacker Drive
Chicago, Ill. 60601
(Policy and Procedure)

KATHERINE M. WEST, CPA

Brooklyn Col. of City Univ.
of New York
Bedford Ave. and Ave. H.
Brooklyn, N. Y. 11210
(Education and Research)

Committee Chairman

EMILY L. STAFFORD, CPA

Peat, Marwick, Mitchell
& Co.
P. O. Box 10446
Raleigh, North Carolina
27605
(Central Register)

AMERICAN SOCIETY OF WOMEN ACCOUNTANTS

President

MADELINE DRAHEIM
42-49 Coldern St.
Flushing, N. Y. 11355

Secretary

CAMILLE S. LO CURTO, CPA
24 Preston Avenue
Sea Cliff, New York 11579

BEVERLY R. JOHNSON, CPA

2614 Rucker, Apt. 11
Everett, Washington 98201
(Chapter Development)

President-Elect

MADELINE GUIMOND
5308 Central Ave.
Riverside, Calif. 92504
(Advisory)

Treasurer

JEAN HUNT, CPA
Dudley, Hopton-Jones, Sims
and Freeman
Suite 312
2101 Magnolia Ave. So.
Birmingham, Ala. 35205

ESTHER RUSSELL

9900 East Ohio Street
Denver, Colorado 80222
(Award)

Vice Presidents

MARY E. COLLIER, CPA
747 N.E. 61st St., Apt. 111
Miami, Fla. 33137
(Program)

Directors

ELIZABETH R. BALKE
4925 Holly
Kansas City, Missouri 64112
(Membership)

PHYLLIS N. T. SHEA, CPA

Wong & Shea
1575 Beretamia St.
Room 206
Honolulu, Hawaii 96814
(Publicity)

PEARL J. MULLVAIN
1015 E. San Miguel Ave.
Phoenix, Ariz. 85104
(By Laws)

ANNE N. HAMILTON, CPA

5152 Ridgewood Road
Jackson, Mississippi 39211
(Student Activities)

MARGARET G. WILHELM

Apt. H
4912 Crenshaw Ave.
Baltimore, Maryland 21206
(Public Relations)

ELIZABETH A. REID
305 Park Ave.
Arlington, Mass. 02174
(Bulletin)

IRIS F. HARMON, CPA

Shell Oil Company
HDSO, Box 20329
Houston, Texas 77025
(Education and Legislation)

ANTOINETTE M. PETERS,

CPA

Arthur Young & Company
Central Trust Tower
Cincinnati, Ohio 45202
(Policy and Procedure)

NATIONAL HEADQUARTERS, BEATRICE C. LANGLEY, Executive Secretary

327 South LaSalle Street, Chicago, Illinois 60604

THE WOMAN CPA, published bi-monthly and copyrighted, 1971, by the American Woman's Society of Certified Public Accountants and the American Society of Women Accountants, 327 South LaSalle St., Chicago, Ill., 60604. Subscription rates per year—members, \$1.50; students and libraries, \$2.25; all others, \$3.00; outside the United States, 50¢ higher; single copies, 60¢. Second-class postage paid at Chicago and additional mailing offices. Change of address notices must be sent to Business Manager giving four weeks' notice and both old and new addresses including zip code number.

DEPARTMENTS

Editor's Notes
Theory and Practice
Tax Forum
Reviews

EDITORIAL STAFF

Editor

PHYLLIS E. PETERS, CPA
Touche Ross & Co.
1300 First National Building
Detroit, Michigan 48226

Associate Editor

ULA K. MOTEKAT, CPA
School of Business Administration
University of Massachusetts
Amherst, Massachusetts 01022

Special Editor

EILEEN T. CORCORAN, CPA
Arthur Young & Co.
111 West Monroe Street
Chicago, Illinois 60603

Tax Editor

ANNE D. SNODGRASS, CPA
5835 E. University Blvd.
Dallas, Texas 75206

Reviews Editor

DR. MARIE E. DUBKE, CPA
College of Business Administration
Memphis State University
Memphis, Tennessee 38111

Editorial Board

CONSTANCE T. BARCELONA
5677 Whetsel Road
Cincinnati, Ohio 45227

MARY E. BENITEAU, CPA
1810 Durham
Brownwood, Texas 76801

KAREN S. CHAMPLIN, CPA
Touche Ross & Co.
780 Northstar Center
Minneapolis, Minnesota 55402

PATRICIA L. CLARK
606 Butler Street
Pittsburgh, Pennsylvania 15223

LOUISA E. DAVIS
5722 Brouse Avenue
Indianapolis, Indiana 46220

JULIA J. KAUFMAN
719 Caxton Building
Cleveland, Ohio 44115

RUTH REYNOLDS
508 Dowell Building
1579 East 21st Street
Tulsa, Oklahoma 74114

DOROTHY G. WILLARD, CPA
79 Whittier Road
Needham, Massachusetts 02192

MARY F. WILLIAMS, CPA
Arthur Young & Company
2100 Bank of the Southwest Bldg.
Houston, Texas 77002

Business Manager

BEATRICE C. LANGLEY
327 South LaSalle Street
Chicago, Illinois 60604

Advertising Manager

PEARL J. MULLVAIN
1015 E. San Miguel Ave.
Phoenix, Arizona 85014

JULY 1971

MAJOR ARTICLES

WOMEN ACCOUNTANTS IN OTHER COUNTRIES

Eunice E. Stockman

Page

5

"Only seventy years ago, girls were refused admittance to many educational establishments, particularly grammar school and universities. Women's present right to equal education and training (in Germany) has been laboriously acquired. In practice, however, a similar standard of education has not yet been fully achieved, although in certain points the development is satisfactory."

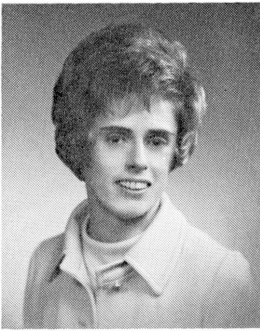
"The Embassy of Lebanon at Washington indicated that, in general, Lebanese women constitute only a minor percentage in the field of accountancy but Lebanese women occupy a large portion of positions in other sectors of both public and private enterprise."

"It is possible that the political atmosphere in some of the nations may be a deterrent to women entering a career in which men predominate."

EDITOR'S NOTES

The publishers of this magazine, ASWA and AWSCPA, present below the two women who will guide them in the coming year. Supporting the new presidents will be 25 women accountants who bring dedication, talent, and a wealth of experience in their own professional life and in the lives of the two societies. (The addresses and assignments of all the officers and directors are shown on the inside front cover of this issue.)

Presenting the Presidents 1971-1972



Mrs. Sommer, AWSCPA



Miss Draheim, ASWA

Mary B. Sommer, CPA, President of the American Woman's Society of Certified Public Accountants, is an Assistant Vice President of Marine Midland Bank—Western in Buffalo, New York. As Manager of the Financial Reports Analysis Division, Mrs. Sommer is responsible for the preparation, review, and analysis of all financial reports of the bank.

Mrs. Sommer received a B.S. with distinction from the University of Buffalo and passed each part of the CPA exam as she became qualified to sit for it. Her career began with a Buffalo accounting firm, Phillips, Wertman and Co. She was a partner in that firm when she left to enter the banking field.

The new president has served AWSCPA as director, secretary, and vice president. In addition, she has been president "and almost everything else" of the Buffalo Chapter of ASWA. She is also a member of AICPA, New York Society of CPAs, NAA, National Association of Banking Women, Accounting Careers Council, and American Institute of Banking.

During this next year, President Sommer

(Continued on page 19)

Madeline Draheim, the President of the American Society of Women Accountants, is Administrative Assistant to the President and Chairman of the Board of F. S. Smithers, Inc., New York City. In her position with this firm of investment bankers, Miss Draheim is responsible for the portfolio management of the accounts of her clients as well as those of the President/Chairman of the Board.

President Draheim attended New York University and New York Institute of Finance. She was corporate secretary for fibre importers for a number of years. A hobby of following and charting the stock market finally developed into a vocation—and she switched to the securities industry. She is registered with the S.E.C. as an investment advisor and is a registered representative with the New York and American Stock Exchanges.

Miss Draheim is a member of the Association of Investment Brokers and NAA and is on the speakers bureau of the New York Stock Exchange. She has served as president of the New York Chapter of ASWA and, on the na-

(Continued on page 18)

WOMEN ACCOUNTANTS IN OTHER COUNTRIES

A report on the progress of women in the accounting profession in many nations around the world—updating an account in the September 1953 issue of this magazine.

Eunice E. Stockman
Los Angeles, California

In 1952, the Research Committee of the Los Angeles Chapter, American Society of Women Accountants, conducted a survey to determine the status of the woman accountant in other countries. Letters were addressed to personnel in 47 countries; 24 replied with sufficient information to compile a report that was published in *THE WOMAN CPA*.¹

In 1970, it was decided to update the information to learn whether the women had made any progress in the accounting profession in these countries and in other nations. Letters asking for information similar to that requested in 1952 were forwarded to embassies, consulates, labor ministries, universities, accounting organizations and international accounting firms. In many instances, replies received referred us to other sources. In all, about 150 inquiries were made to 48 nations and replies were received from 30. Information was obtained in 1970 from some countries that had not replied in 1952; some countries that participated in the survey in 1952 did not submit data in 1970. Colombia, India, Pakistan, Panama and the Philippines were in this group.

The Survey

The questions asked were designed to develop statistics on the total number of women engaged in accounting in the country, the number who were "certified" (similar to the American certificate or the English charter) and whether educational facilities were available.

In order to provide a "standard of measurement" with the accounting profession as practiced in the United States, we referred to "Pro-

fessional Accounting in 25 Countries" published in 1964 by the AICPA Committee on International Relations, which describes the accounting profession in certain countries. It is noted that selections relating to the accounting profession in a particular country were submitted by the Institute Committee for review by professional accountants in the specific country.

Around the World

Comparison of the results of the survey conducted in 1970 with the facts reported in 1952 are summarized by country. The 1952 facts² are shown, briefly, for ready reference.

Argentine

1952: Information was given for Federal District of Buenos Aires only. 196 women were registered with the Professional Council which issued licenses to practice the accounting profession in Buenos Aires. Only two of those registered were practitioners, the others were employed in teaching, governmental or commercial positions. Accounting education was available to women.

1970: Again, information covered only the Federal District of Buenos Aires. Registered women accountants in Buenos Aires numbered 1,384 out of a total of 11,500. In order to gauge the importance of this information, it is noted that accountants registered in Buenos

¹Lois Williamson Smalley, CPA, "The Progress of Women in Accounting in Other Countries", *The WOMAN CPA*, September 1953, Page 4.

²*Ibid.*



EUNICE E. STOCKMAN is Secretary of AWSCPA Educational Foundation and a retired supervisory auditor for one of the largest U. S. government audit agencies.

A graduate of St. Louis University, Miss Stockman has done graduate work at UCLA, Northwestern University, and St. Sophie, Tokyo.

Miss Stockman is a former National Director of ASWA and a member of NAA and the Federal Government Accountants Association.

Aires represent about 70% of existing CPNs. Registered accountants are those who hold the degree Contado Public National (CPN) conferred by an Argentine National University upon completion of a five year course.³

At the University of Buenos Aires, where approximately 15,000 students are registered for studies leading to an accounting degree, 30% are women. However, academic mortality is very high and only about 400 students graduate each year. About the same percentage (30%) of these are women.

Women accountants participate freely in the Institute and the Professional Councils. Information received indicated that very few women accountants have reached positions of leadership in the profession. However, according to our informant, this is not for reasons of incompetence or of discrimination in any sense.

Australia

1952: The Institute of Chartered Accountants in Australia reported that 15 women qualified for a charter but relatively few women made public accounting a life work. Many women are engaged in bookkeeping and accounting for business firms. The main coaching schools for accountants are privately run. Accounting is one of the subjects offered to undergraduates in the commerce and economics field at the universities.

1970: The Institute indicated that approximately 40 women members were actively engaged in the accounting profession and that most of them were employees of public accountants. The Australian Society of Accountants reported that 157 women members were employed in the accounting profession. It is not considered that any of these women would be registered with both organizations.

The work of the chartered accountant in Australia is similar to that of the chartered accountant in the United Kingdom and, accordingly, the Australian CA engages in certain activities such as company secretarial and shares registrar work which are not customary in the United States.⁴ Governmental control is through the Uniform Companies Act and Companies Auditors Board. One of the requirements for registration as a company auditor is membership in either the Institute or the Society.⁵

Educational facilities are available in technical colleges and universities. The Institute and the Society conduct examinations to determine whether accountants may be qualified for membership. The Institute's standards are high and experience in public accounting is required for membership. The Society is active in raising the standards and status of com-

mercial accountants but does not require experience in public accounting for membership.⁶

Austria

1952: No report

1970: There are three types of accountants in Austria, the "Wirtschaftspruefer" or "Buchpruefer" who are certified public accountants, the "Steuerberater" who renders advice on tax matters and the "Befugnisinhaber" who is a free tax advisor. In the certified public accountant and tax expert categories are 64 women, of whom 63 are in independent practice and one retired. 309 women are considered tax experts—289 are engaged in independent practice, 8 are retired and 12 are employed by commercial firms. "Free tax advisors" number 11—3 retired and 8 in independent practice.

Accounting is offered in trade schools and universities. The Austrian law generally requires a university diploma to obtain a license to practice as a "Wirtschaftspruefer" or "Buchpruefer."

Belgium

1952: No report

1970: In 1964, the designation "Expert Comptable" (accountant) was not protected by law and anyone could use it. Government representatives indicated at that time that legal status would be given to the "expert comptable."⁷

The Collège National des Experts Comptables was formed in 1950 by grouping some twenty-four representative organizations existing in Belgium. In 1964, its membership comprised about 1,500 accountants, of whom about one third were in public practice and the others were employed in private enterprise or by accounting firms.⁸ The Collège now has 15 women members who are accountants and 6 women "stagiaires" who are not yet eligible as they are still undergoing practical training with an accountant.

The Collège advises that accountancy is offered in trade schools and universities.

Brazil

1952: No statistics as to number of women in accounting were available. Most women who obtained a university degree of "guardalivros" (bookkeeper) and "contador" probably entered federal and state departments. Accounting ed-

³"Professional Accounting in 25 Countries", AICPA Committee of International Relations, AICPA, 1964, Chapter 3, Page 8.

⁴Ibid, Chapter 21, Page 9.

⁵Ibid, Chapter 21, Page 12.

⁶Ibid, Chapter 21, Page 10.

⁷Ibid, Chapter 10, Page 10.

⁸Ibid, Chapter 10, Page 11.

**ANNUAL MEETING
AMERICAN WOMAN'S SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

In accordance with Article V, Sections 1 through 4, of the Bylaws of the American Woman's Society of Certified Public Accountants, notice is hereby given that the Annual Meeting of the Society will be held at 9:00 a.m., Saturday, October 9, 1971, in the Detroit Hilton Hotel, Detroit, Michigan.

Sally J. Self, CPA
Secretary, 1970-1971

ucation was available to women in the universities.

1970: The fundamental rules of the accounting profession in Brazil were established in December 1958 by a resolution executed by the Federal Council of Accounting. The Brazilian Federal Constitution determines that no distinction of sex will exist and that the exercise of any profession is free, subject only to limitations established by law.

The actual number of women who are engaged in accounting in Brazil is not available. Accounting is offered in trade schools and universities. University statistics show that in 1961 only 257 of 9,284 graduates were accounting graduates, although the number of accounting students has been increasing. While women occasionally take some courses, there are no known women practitioners engaged in public accounting in Brazil.

Denmark

1952: Of the three women from a total of 400 state authorized accountants, two were practicing as auditors and one was employed by the government. Education was available in commercial schools only.

1970: It is estimated that now about 4,000 women serve as bookkeepers, clerks, etc. in the accounting field but very few reach a high level in the profession because the required education is lengthy and expensive and the necessary examinations are very stringent. The Society of Independent Accountants advised that, of about 2,000 independent accountants in the country, 400 are members of the Society, having passed the examination required by the Society. Eleven are women, about 3%, and the Society estimated a similar ratio would apply to the 1,600 independent accountants who are not members (membership is not compulsory). Thus, perhaps 60 women in Denmark are engaged in accounting at a higher level. The Institute of State-Authorized Public Accountants advised that there are 850 state-authorized public accountants. Four of them are women—two practitioners, one retired practitioner and one employed by the government. In the last years there has been some increase in women students in accountancy, but they have not yet passed the final examination.

Business education in general is available in schools run by commercial organizations and approved by state authorities. However, only two schools in Denmark offer theoretical training in accounting. Accounting is not offered in the three Danish universities.

France

1952: No report

1970: The Minister of Education provided statistics on women in the accounting profession. The diploma of "Expertise Comptable" is the certificate granted for the highest training in accountancy. It is conferred only after many examinations. A period of three to five years of practical training under an "Expert Comptable" is required. In the 1962 census, out of 266,600 recorded accountants, 46% or 122,280 were women. By 1967, diplomas as "Expert Comptable" had been granted to 2,283 individuals, of whom 71 were women. At the time, 162 women "stagiaires" (total 1,691) were gaining experience under "Experts Comptables." In the 1968 and 1969 "sessions" (examinations), 27 women received the "Expert Comptable" diploma from a total of 297 admitted to the "sessions."

Studies in accounting are open to women in almost all the undergraduate schools and in all the universities.

Germany

1952: No report

1970: The "Wirtschaftspruefer" (WP) classification most closely resembles a certified public accountant in scope of services, professional standards and ethics, educational and other requirements.⁹ The "Institute der Wirtschaftspruefer" furnished information that 68 women WPs are appointed (certified) from a total of 2,912 members of the Institute.

Only seventy years ago, girls were refused admittance to many educational establishments, particularly grammar schools and universities. Women's present right to equal education and training (in Germany) has been laboriously acquired. In practice, however, a similar standard of education has not yet been

⁹Ibid, Chapter 13, Page 5.

fully achieved, although in certain points the development is satisfactory. A great many girls are content with taking an examination at the end of the "Upper Fifth Form" so that they can embark immediately on their vocational training. Every subject in universities and colleges is open for study by women, but something like half of all the women students want to become doctors or teachers. Only economics has become more prominent as a branch of study in the last fifteen years.¹⁰ Graduation from a university with a major in law, economics, business or engineering is required for appointment as a "Wirtschaftspruefer."¹¹

Great Britain

1952: Institute of Chartered Accountants in England and Wales reported 160 women were qualified members. Information on the total number of women engaged in accounting was not available. Courses in accounting were available at certain universities.

1970: The Institute of Chartered Accountants of England and Wales estimated that about 625 women are members of the Institute (total membership is 45,500). About 125 are practitioners and 80 are employed in the profession. Only 30 women are employed in commerce, and 110 are not actively engaged in accounting (married or retired). There is no indication of business affiliation for 280 of the Institute's women members; into which categories they fall is open to conjecture.

Admission to the Institute is by examination after a period of practical training of from three to five years. This training is obtained by serving in the office of a chartered accountant under "articles," the terms of which are subject to rules and supervision of the Institute.¹² About 200 women enter training each year. The "articled clerks" study and attend lectures on accounting at student societies and also attend courses offered by specified schools and colleges approved by the Institute. These educational facilities are available to women, and enrollment has been increasing slightly. In June 1967, out of a total of 3,850 articled-clerk registrations at colleges, 184 were women. In June 1968, total registrations were 4,039 and women enrolled numbered 241.

The Women's Chartered Accountants' Dining Society, although purely social, conducts career talks with women students, describing their work in commerce, industry, education and management. All the members of the Women's Chartered Accountants' Dining Society are "Fellows" or "Associates" of the Institute or the Society of Accountants and Auditors.¹³

Greece

1952: Accounting courses are available in commercial schools. The number of women in accounting is not known.

1970: There are no available statistics on the number of women actively engaged in accounting.

Generally, licenses similar to the American certificate or the English charter do not exist in Greece. The Institute of Certified Public Accountants in Greece was founded by law as a quasi-governmental institution. At the time of its inception in 1955, there were few Greeks with a high standard of experience in auditing and the organization and training of a body of professional accountants was considered an important task of the Institute.¹⁴ There are a few foreign firms of practicing accountants in Greece offering services to foreign clients and a number of small practitioners offering bookkeeping and tax service. There are no independent public accounting firms—auditing is performed by members of the Institute of Certified Public Accountants in Greece. In 1964, the Institute consisted of 111 members, representing 15 CPAs of Greece, 18 assistant CPAs and 78 articled clerks.¹⁵ To our informant's knowledge, no woman is a member of the Institute.

Accounting education is offered by commercial schools and universities, although accountancy as such has not yet reached an important status. Apparently, most women are employed mainly in bookkeeping functions.

Guatemala

1952: No report

1970: There are two groups of accountants in Guatemala. The "Public Accountant" has studied through what would be comparable to high school in the United States. The CPA has completed the equivalent of four years of university studies.

It is estimated that approximately 400 women, both public accountants and CPAs, are engaged in all phases of accounting (public, private, government, academic), of which

¹⁰"The Woman in Family, Profession and Society", Press and Information Office of Federal Government of Germany, Page 29.

¹¹"Professional Accounting in 25 Countries", Chapter 13, Page 5.

¹²Ibid, Chapter 19, Page 7.

¹³"Women Students Hear about Career Prospects", THE ACCOUNTANT, Institute of Chartered Accountants in England and Wales, May 31, 1969, Page 789.

¹⁴"Professional Accounting in 25 Countries", Chapter 14, Page 9.

¹⁵Ibid, Chapter 14, Page 7.

probably less than ten are engaged in public accounting as practiced in the United States. Records of the Guatemalan "Colegio," similar to the AICPA, indicate that seven women have graduated as CPAs; six of them are members of the "Colegio" and three are engaged actively in accounting.

At present, two universities offer courses leading to a CPA degree; inquiry indicates about 85 women are enrolled as accounting majors in the two universities.

Hong Kong

1952: No report

1970: Although a large number of women are involved in the lower levels of accounting work in Hong Kong (actual number is not available), the Association of Chartered Accountants in Hong Kong does not include any women members.

It is not possible to attain the status of certified public accountant or chartered accountant in Hong Kong itself. In order to qualify, a person would need to study in either the United States or England. However, accountancy is offered in technical schools and universities.

Iran

1952: No report

1970: The Iranian Minister of Labor supplied the following data concerning the number of women and girls studying in various institutes in 1969-70:

Teheran Accounting Institute	31
Accounting institutes related to National Iranian Oil Co.	65
Teheran University Faculty of Economic and Political Science	28
Accounting and Administrative and Financial Affairs branch of Teheran High School for girls	283
Accounting branch of the Faculty of Administrative Affairs and Management	20

Israel

1952: Accounting is available in evening schools in large cities of Israel. The accounting profession is not controlled by national or state bodies; no information was available regarding the number of women in the accounting profession.

1970: Although statistics as to the total number of women in accounting is not maintained, the number of women students in accountancy has risen in recent years.

The profession is regulated by the Auditors' Law of 1955. Under that law, an Auditors' Council is appointed by the Minister of Justice

to conduct examinations, register service under articles, grant licenses to practice and deal with complaints from the public or members of the profession involving breach of professional conduct. The Institute of CPAs in Israel attends to the educational, technical and social aspect of the profession. Membership in the Institute is voluntary and is open to all those who qualify through the Auditors' Council. Presently, 26 women have obtained licenses in Israel, and 23 of these are members of the Institute (out of a total membership of 800).

Courses for the Auditors' Council examinations are conducted by the Universities of Tel Aviv and Haifa and in a technical college in Jerusalem.

Italy

1952: No report

1970: In Italy, many of the functions fulfilled by CPAs in the United States are carried out by bookkeepers (ragionier), commercial consultants and by officially registered university graduates in commercial law (dottori commercialisti). Bookkeepers and commercial consultants have completed specialized studies corresponding to the second year of college. A "Dottori Commercialisti" has been accorded a degree at the university level. "Ragioneris" and "Dottori Commercialisti" must be registered in order to perform the functions of an auditor. This official registration is set up as a part of the Ministry of Justice and is under complete control of that office.¹⁶ Information as to the number of women so registered is not available.

The Istituto Italiano di Cultura furnished data on the number of women enrolled in technical commercial institutes in the country for year 1966-67:

	<u>Total enrolled</u>	<u>Women</u>
First year	63,123	28,720
Second year	45,490	20,743
Third year	37,823	18,085
Fourth year	30,070	13,294
Fifth year	33,404	14,081
Final examination	37,054	15,348
Diploma awarded	30,426	12,506

The diploma is the "diploma di abilitazione tecnico commerciale."

Enrollment at the University School of Commercial Science (1966-67) was 60,704, of whom 11,612 were women. Of more than 3,300 graduates, only 429 were women.

¹⁶Requirements and Qualifications Necessary for the Certification of Public Accountants in Italy", Istituto Italiano di Cultura, "Occasional Papers, No. 11", March 1968.

Courses in accounting, mathematics, business law, etc. (but not auditing) are offered in universities and colleges.

Japan

1952: Two women "Konin Kaikeishi" (CPA) were on the staff of a leading CPA firm. Forty women were among the 5,274 CPAs who were required to re-register after the war; only a few are practitioners. Accounting is taught in universities and in six colleges of commerce in Japan.

1970: The 1965 population census showed that there were about 843,000 women accounting clerks and bookkeepers in Japan. As of September 1969, CPA licenses had been issued by the National Examination Board to 26 women out of a total of 4,480 CPAs. The Japan Institute of CPAs indicated that 23 of these CPAs are members, but the Institute is not sure that all of them are actively engaged in the profession at this time.

Accounting instruction is offered in universities, colleges, trade schools and commercial senior high schools and accounting institutes. Although not a prerequisite, most successful candidates in the CPA examinations are university graduates from an accountancy institute after passing the "junior CPA" examination which is the intermediate examination required.

Lebanon

1952: No report

1970: Information as to the number of women in accounting or those who have obtained a license is not readily available. The Embassy of Lebanon at Washington indicated that, in general, Lebanese women constitute only a minor percentage in the field of accountancy but Lebanese women occupy a large portion of positions in other sectors of both public and private enterprise.

Mexico

1952: Twenty-three women had obtained licenses to practice as CPAs but only six were actively engaged in public accounting. Schools of business administration exist in three major universities as well as a number of private commercial schools.

1970: In December 1969, thirty-three women are members of the Mexican Institute of Public Accountants. It is not possible to determine whether all these women are active practitioners. A leading CPA firm in Mexico indicated that women accountants had been on their staff from time to time; in December 1969, nine were employed, one of whom had obtained her certificate.

The equivalent of an American certificate is the Contador Publico (CP) certificate which is only obtained after graduation from a university in Mexico. Before granting the CP certificate, preparation of a thesis is required along with an examination which is partially oral and partially written. The oral portion is held before a jury of public accountants whose questions usually concern the thesis and theories supporting solution of problems in the written part of the examination. Our informant said that the oral presentation is always an interesting experience for the individual seeking a CP certificate.

Netherlands

1952: Education facilities in accounting are available in several universities and in evening courses organized by the Netherlands Institute of Accountants. Six women are licensed, four of them are engaged as professional accountants.

1970: Twelve women have qualified for the Register as set up by the Registered Accountants Act that came into full operation in April 1967. Seven are in public accounting, two are in governmental service and one is employed by a commercial firm. Two have retired. Total members of the Netherlands Institut van Registeraccountants is 2,800.

Education in accounting is available at universities and the Institut. Accountancy study at the universities is post graduate work following a doctoral degree in economics. The Institut offers courses in the evenings and Saturdays which may be completed in eight years.

Anyone can call himself an accountant and carry on any kind of accounting or tax work for which he can find clients.¹⁷ The title "Regis-

¹⁷"Professional Accounting in 25 Countries", Chapter 18, Page 5.

ANNUAL MEETING AMERICAN SOCIETY OF WOMEN ACCOUNTANTS

In accordance with Article XI, Section 1, of the National Bylaws of the American Society of Women Accountants, notice is hereby provided that the 31st Annual Meeting of the Society will be held in conjunction with that of the American Woman's Society of Certified Public Accountants at the Detroit Hilton Hotel, Detroit, Michigan, October 6-9, 1971. The Annual Business Meeting of the American Society of Women Accountants has been called for 9:00 a.m., Friday, October 8, 1971.

Anne H. Tabar
National Secretary, 1970-1971

teraccountant" will be protected, but anyone may still call himself an accountant. However, the practice of professional public accounting is highly developed in the Netherlands, comparable to the profession in other highly industrialized countries. This progress is due largely to the Netherlands Institute of Accountants and members of the Institute are recognized as belonging to a highly respected profession.¹⁸

New Zealand

1952: Data on the total number of women in accounting was not available. There were 143 women included in the total membership (5,500) of the New Zealand Society of Accountants. The Society is equivalent to our State Boards of Accountancy. Universities provide courses in accounting and also conduct examinations for admittance to the Society.

1970: As of June 1969, there were 193 women members of the New Zealand Society of Accountants (total membership 8,547). We quote from a pamphlet furnished by the Society, "Throughout the world, in practically every sphere of business and professional activity, suitably qualified women are holding responsible positions. And in this country, there is a growing appreciation of the contribution they can make to the future of the accountancy profession. Past experience suggests that many women would find a rewarding and interesting career in accounting and the opportunity to engage in responsible work should serve to encourage more young women to enter this field."¹⁹

Accountancy courses are offered at technical colleges and polytechnics, commercial correspondence schools, accountant student societies and universities.

Nicaragua

1952: No report

1970: Data on the total number of women engaged in accounting is not available. No women have been licensed in Nicaragua as CPAs. Trade schools and two universities offer accounting courses and several women are presently enrolled for the courses.

Norway

1952: Survey of 1946 indicated 6,606 women were working as accountants or bookkeepers. Instruction in accounting is given by a number of business and trade schools as well as by universities of Oslo and Bergen.

1970: The pamphlets and books furnished by the Norwegian Information Service contained no specific information concerning women in the accounting profession. A report of

the Status of Women in Norway includes statistics which may be of interest.²⁰

2.8% men and 0.3% women completed universities and received a degree (1960 census).

22% men and 1% women were in positions of leadership in office work.

23% men and 17% women performed qualified office work.

8% men and 29% women were engaged in routine office work.

18% of all women gainfully employed were in the subordinate office work category.

Portugal

1952: There was no organized accounting profession and it was unusual to employ women in business offices in Lisbon. No women were engaged in accounting. Licenses, as such, do not exist in Portugal. Accountancy is taught in both the universities and the technical colleges.

1970: Public accounting is not a recognized profession as yet and there is no institute or regulatory body. Accountants in commerce and industry are considered as office employees. However, they may join the Sociedade Portuguesa de Contabilidade (SPC) which presently has some 500 members and exists mainly for the purpose of holding meetings to discuss current accounting and tax matters. The incidence of women in business as commercial accountants has increased in recent years but very few have joined the SPC.

The revised company tax law of 1963 required that financial statements of corporations must be signed by a "tecnico de contos" who would be responsible for the accuracy of the statements. A register of these "tecnicos" who were accepted as qualified economics graduates, law graduates and holders of the Commercial Institute diploma is kept by the Minister of Finance. Presently, this register includes 152 women, of whom 12 hold a university degree in economics and finance.

Accounting courses are offered in universities and the Commercial Institute.

South Africa

1952: The South African government information office reported that there is no restriction on women entering accounting but they

¹⁸Ibid, Chapter 18, Page 6.

¹⁹"Accountancy as a Career", Council of the New Zealand Society of Accountants, Wellington, New Zealand, 1969.

²⁰"The Status of Women in Norway", Betty Selid, Royal Norwegian Ministry of Family and Consumer Affairs, Oslo, 1966.

knew of no women practicing accounting. Many women are engaged in bookkeeping but data was not furnished on the number of women so employed.

1970: There are 5,500 chartered accountants in South Africa, 20 of whom are women. One of the women accountants retired from public practice after 50 years and was made an associate life member of her provincial society of the National Council of Chartered Accountants (SA).

Education facilities for an accounting career are available in South African universities but not in trade schools.

Spain

1952: Many women are engaged in accounting for business firms but no statistics were available. Accounting is taught in commercial schools but apparently not in Spanish universities.

1970: The Spanish Embassy in Washington advised that apparently there is no accountants' union or association in Spain. The Government offices in Spain are not able to furnish any information.

Sweden

1952: No report

1970: The total number of women engaged in accounting was not available. However, it was the opinion of our informant that women would form a small minority among auditors and accountants.

The Swedish equivalent to the United States certificate is "Auktoriseriad revisor" (Authorized Public Accountant). The total number of Authorized Public Accountants in Sweden is 425, of whom 7 are women. "Authorization" is granted by the Swedish Chambers of Commerce and membership in the Institute is not compulsory. In Sweden, the Chambers of Commerce are private organizations, authorized by the Crown.

Accounting courses are offered in universities and junior colleges of commerce. An academic economics degree of a specialized nature (must include accounting, auditing and business law) from one of three schools of Economics in Sweden is required, as is five years practical training in auditing, before an authorization is granted.

Switzerland

1952: No women are practicing as public accountants at this time but the law does not prevent women from qualifying. Degrees in economic science are offered by Swiss universities and a degree in commerce is offered by the St. Gall Business College.

1970: There are not yet many women accountants in Switzerland. Since 1935, almost 2700 persons have passed an examination for Swiss bookkeepers; only 41 women are holders of such "diplomas." The profession of an accountant, however, is practiced also in business by professionals who have finished a commercial apprenticeship, served as an administrative employee or attended a business college. In 1968, almost 4,000 women sat for the final examinations for administrative or business apprenticeships. The number of these women who are working in the accounting field is not known.

The Swiss Chamber of Auditing is the principal body of the accounting profession in Switzerland. The Swiss Society of Certified Accountants is one of three basic groups within the Chamber. No more than five women are associate members of the Society of Certified Accountants although it is estimated that about twenty women are practicing accounting.

The University of St. Gallen has a branch for students of auditing and the Commercial Association of Switzerland offers courses in accounting. Other universities and colleges do not include accounting in their curricula.

Syria

1952: The accounting profession does not seem to have much appeal for women in Syria.

1970: There is generally no change in the status of women in accounting in Syria. Accounting is not listed as a university subject.

Thailand

1952: Apparently very few women were practicing accounting. Up to this time, 266 women had graduated in commerce and accountancy from Chulolongkorn University in Bangkok. Accounting is taught in government and private schools.

1970: The number of women graduated from Chulolongkorn University in Commerce and Accountancy from 1941 through 1969 total 1,603. As of December 31, 1969, licenses to practice public accounting have been issued to 1,012 women, some of whom may not be in actual practice.

It is interesting to note that most of the students in the accountancy division of the Chulolongkorn University are women. In one class of 115 graduating several years ago, only 9 were men. The high ratio of women in accountancy supports the large number of those licensed to practice public accounting. In addition to a degree from the university, two years practical experience with a public accountant is required and the applicant must

sit for an examination before the certificate is granted by the Ministry of Economic Affairs.

Educational facilities where accounting is offered are available in trade schools, technical colleges and universities.

Uruguay

1952: No report

1970: The title of Contador Publico is a university degree obtained after studying various accounting and economics subjects and passing university examinations in the courses. There is no official control in the public accounting profession.

Of over 900 students who have received the title of "Contador Publico" from the university, 165 are women. About 100 men (and only one woman) are practicing as independent accountants.

Women chief accountants in industry and commerce are quite common, most of them being "Contadoras Publicas." Approximately 30% of the working women public accountants carry out independent work at home preparing tax returns or doing writeup work. None of these, however, perform any audit work.

Venezuela

1952: There are a number of women doing bookkeeping and accounting work in private firms but statistics were not maintained concerning the total number so employed. One or two women were actively engaged in public accounting. Educational facilities were limited to bookkeeping courses.

1970: In recent research, the National Institute of Education Cooperation sponsored by the Venezuelan Department of Labor indicated that of 53,695 office employees, 3,994, including 731 women, were bookkeepers.

In 1964, there were no laws governing the public accounting profession in Venezuela and anyone would be permitted to practice as a public accountant.²¹

In Summary

The accounting organizations in the various nations supplied the data at the top of the next column on the number of women "certified."

Since we have learned that most countries, including the United States, do not compile statistics regarding the total number of women working in the accounting field, perhaps we could assume that the data on the women "certified" could be representative of the progress made by women, generally, in the accounting profession in other countries.

Number of Women "Certified"

	1952	1970
Argentina (Buenos Aires only)	196	1,384
Australia	15	40
Austria	(A)	64
Belgium	(A)	15
Denmark	(A)	4
France	(A)	98
Great Britain	160	625
Guatemala	(A)	7
Israel	(A)	26
Japan	12	26
Mexico	23	33
Netherlands	6	12
New Zealand	143	193
South Africa	(A)	20
Sweden	(A)	7
Thailand	(A)	1,012

(A) Statistics not available.

An Analysis

From facts acquired in the 1970 survey, conditions that tend to restrict the advancement of women in accounting in some countries have not changed materially in the eighteen years since 1952. In only a few nations has there been any major increase in the number of women in the accounting field, if we use the women "certified" as criteria.

It is possible that the political atmosphere in some of the nations may be a deterrent to women entering a career in which men predominate. It is a fact that in some countries women still do not have the right to vote or this right is restricted in some manner. Even in countries where women do have equal political rights, some of the obstacles that seem to hinder women from exercising them are the apathy of the women themselves, traditional attitudes and customs, tendency of women to confine themselves to social work, the diffidence of many women to assume responsibility—which tends to discourage them from full participation in public life—and the multiplicity of tasks women are frequently called upon to assume. Education is a most important factor in making women aware of their rights and responsibilities and encouraging them to play a more active role.²²

Although almost all the nations reporting indicated women have an equal opportunity to enter the accounting profession and educational facilities are available to them, women in

²¹"Professional Accounting in 25 Countries", Chapter 9, Page 7.

²²Newsletter on the Status of Women, Number 40, June 1970, Political Rights of Women, Page 10.

(Continued on page 15)

THEORY AND PRACTICE

Current Studies and Concepts

EILEEN T. CORCORAN, CPA, Special Editor
Arthur Young & Company
Chicago, Illinois



The Committee on Auditing Procedure of the American Institute of Certified Public Accountants has issued for comment an exposure draft of its proposed statement on piecemeal opinions. Because of the widespread effect that this statement would have on current practice, it has been issued for comment to all members of AICPA rather than just state societies of CPA's and other interested individuals which is the common exposure practice for such statements. The purposes of the statement are to identify the circumstances in which a piecemeal opinion is appropriate, to clarify the scope of an examination necessary to support a piecemeal opinion, and to clarify the precautions which should be taken when a piecemeal opinion is expressed.

Piecemeal opinions occur when the certifying accountant must for some reason issue a disclaimer of opinion or an adverse opinion on the financial statements taken as a whole although the certifying accountant is in a position to express an opinion on certain specific items in the financial statements.

For example, the scope of the certifying accountant's examination might exclude confirmation of receivables, the significance of which is so material in relation to the financial statements that the certifying accountant believes a disclaimer of opinion must be issued on the financial statements. At the same time the certifying accountant may believe that this scope limitation does not prevent the obtaining of satisfaction as to property, plant and equipment or payables.

In these circumstances the certifying accountant may issue a piecemeal opinion on the items the certifying accountant believes are fairly presented in addition to a disclaimer of opinion on the financial statements taken as a whole. The position of the Committee would considerably restrict the issuance of a piecemeal opinion under these circumstances.

Other examples would involve situations such as where (1) a certifying accountant could not obtain satisfaction as to the recoverability of deferred development costs or (2) a client carries its investment in property, plant and equipment at current market value rather than acquisition cost. The exposure draft does

not restrict the issuance of piecemeal opinions under these circumstances.

The statement brings into focus the fact that the expression of a piecemeal opinion with respect to specific items included in financial statements usually requires a more extensive examination of such items than would ordinarily be required if the certifying accountant were expressing an opinion on the financial statements taken as a whole. It states that three basic factors influence the sufficiency and competence of evidence necessary to support a piecemeal opinion as to specific items in financial statements:

1. Client-imposed restrictions on scope limit the certifying accountant's freedom to select procedures and examine evidence.
2. Many items within financial statements are interrelated.
3. The materiality threshold for financial statement items considered separately is lower than for such items considered as components of financial statements taken as a whole.

The statement provides that if, because of restrictions imposed by the client (such as not being permitted to examine a sufficient number of subsidiaries of a holding company, not being permitted to observe physical inventories, etc.), the certified accountant is unable to examine evidence supporting financial statement items or is prevented from applying auditing procedures believed necessary to support an unqualified or qualified opinion on the financial statements taken as a whole, a piecemeal opinion should not be expressed. It states that exceptions to this general prohibition can be made only in the following special circumstances:

1. When the report on the client's financial statements is intended for internal use of the client's management only and the auditor specifies in the report that its distribution is to be so restricted.
2. When the report is issued pursuant to agreement between a prospective buyer and seller of a business and the auditor

specifies in the report that its distribution is to be restricted to the parties involved.

It also states that, in these special circumstances, the readers normally would be fully aware of the nature and significance of the scope limitation and would be unlikely to misinterpret the disclaimer of opinion and the piecemeal opinion.

The statement states that a piecemeal opinion should be carefully worded so as not to contradict or overshadow the disclaimer of opinion or adverse opinion with regard to the financial statements taken as a whole. It also states that a piecemeal opinion should clearly indicate that no opinion on financial position or results of operations is intended. It states that the report should identify the specific accounts covered by the piecemeal opinion, such as "cash, accounts receivable, and securities" and that in some cases, when there are only a few accounts not covered by the piecemeal opinion, clear identification may be accomplished by reference to the excluded accounts, such as "assets other than inventories." It prohibits use of broad phrases, such as "in all other respects," because it believes that their use could lead users of the report to believe that the opinion applies to items other than those intended.

The following example of an opinion is included in the statement. This type of opinion can only be issued when the items covered by it are significant to the financial statements.

(Scope paragraph—standard wording)
(Middle paragraph)

Deferred development costs of \$ relate to the development of computer programs

and educational films and books. The recovery of such costs is dependent on successful development of these projects and the company's ability to sell the related products profitably in the future. (See note X to the financial statements.) Also, as indicated in note Y, the company is defendant in a legal action wherein the plaintiffs are claiming damages of \$ and the company is counterclaiming \$ against the plaintiffs. The ultimate outcome of this litigation is uncertain.

(Opinion paragraph)

Because of the possible material effect of the uncertainties described in the preceding paragraph on the determination of financial position and results of operations, we do not express an opinion on the financial statements taken as a whole. In our opinion, however, the following items in the accompanying financial statements are presented fairly at December 31, 197. . . and for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year: cash; trade accounts receivable; inventories; prepaid expenses; property and equipment; notes payable to banks; long-term debt; capital stock; sales; selling, general and administrative expenses; and interest expense.

Statements on Auditing Procedure generally are effective at the time of their issuance. However, because the restriction on expression of piecemeal opinions in client-imposed scope limitation situations changes practice which has heretofore been considered acceptable, the statement provides that such restriction shall not be effective with respect to reports on financial statements for periods ending on or before November 30, 1971.

OTHER COUNTRIES

(Continued from page 13)

other countries seem hesitant to participate in the usually highly respected profession of accountancy. Coeducation at all levels may help to overcome this hesitancy. A report prepared by UNESCO for the Commission on the Status of Women, included this comment:

“. . . Co-education, furthermore, should mean not only equal access to educational institutions but also equal access to all types of curricula and examinations. It was also pointed out that the unequal access of girls and women to the same curricula had contributed to the division of work into 'men's work' and 'women's work'. It was noted, for instance, that women in general were

limited to the nursing, teaching and social welfare professions and were not encouraged to pursue careers in areas generally considered as belonging to men, such as the sciences, mathematics, finance and development planning. Some representatives pointed out that co-education could present social problems and that the particular traditions of a country had to be taken into consideration in establishing a system of co-education.”²³

Those who conducted this survey believe that the opening of education at a lower level and at all levels will be an encouragement to young girls to continue with college work and to become interested in accounting as a career.

²³Ibid., Access of Women to Education and Training: Co-education and Literacy, Page 19.

TAX FORUM

ANNE D. SNODGRASS, CPA, Editor
Dallas, Texas



Under the pre-1969 tax laws a number of tax breaks were available to corporate taxpayers engaged in activities which could be conveniently split into several corporate entities. The most obvious of these advantages was the use of a number of surtax exemptions. Corporate income is taxed at two levels. All corporate income is subject to a normal tax at the rate of 22 percent, and that income in excess of the first \$25,000 is subject to an additional tax of 26 percent.

It does not take an astute tax practitioner to figure out that if a corporation with taxable income of \$2,500,000 could divide itself into 100 corporations each earning equal amounts of \$25,000, the tax bite is going to be minimized by a healthy percentage. However, Congress did not wait until 1969 to catch up with this simple ploy, so various measures have been enacted to discourage the use of multiple corporations for the sole purpose of avoiding higher tax rates. There are various sections of the Internal Revenue Code which limit the extent to which a business can divide itself. In the case of a "controlled group" of multiple corporations, Section 1561 limited the use of multiple surtax exemptions.

Prior to the 1969 amendments to the Internal Revenue Code, a controlled group of corporations had two choices. Under Section 1561, separate returns could be filed—but the group was entitled to only one surtax exemption which had to be either split up equally or apportioned among the members of the group in accordance with an election consented to by all members of the group. There was one other alternative provided in Section 1562. Each member of the controlled group could claim its separate surtax exemption if all so elected, but an additional six percent income tax had to be paid on the first \$25,000 of taxable income of each of the members.

It is the election under Section 1562 that the Tax Reform Act is now gradually eliminating over a period of six years beginning in 1970 and ending in 1975.

Other benefits available to corporate groups are also eliminated under the Tax Reform Act. These include the provision allowing a corporation to accumulate \$100,000 of earnings without being subject to the accumulated earn-

ings tax, the provisions relating to investment credit limitations, and the provision setting forth the maximum first-year depreciation limitation. Several other provisions affect only certain types of business.

The House Ways & Means Committee was of the opinion that large corporations operating through multiple entities were still able to obtain substantial benefits which were designed primarily to help small business. The new provisions affecting multiple corporations were designed to close the gap and effectively eliminate any opportunities still available to the multiple corporate group owned by substantially the same interests. The real thrust of the new provision is not so much in the phase-out of the Section 1562 election as it is in the new definition of a controlled group of corporations. Under these rules, corporations which had not in the past been subject to any restrictions in the use of surtax exemptions and other multiple corporate benefits are suddenly finding they have become members of a controlled group. It is this question with which this column is primarily concerned.

The definition of a "controlled group" is included in Section 1563. There are two basic types of "controlled groups": a parent-subsidiary group and a brother-sister group—or there can be a combination of the two.

A parent-subsidiary group results where one or more chains of corporations are connected through stock ownership with a common parent corporation. At least 80 percent or more of the voting power or value of the stock of each corporation in the group other than the parent must be owned by one or more of the corporations in the group. Also, the common parent must own at least 80 percent of the voting power or of the value of the stock of one of the other corporations. So the parent corporation need not own 80 percent of each of the subsidiaries in order to constitute a controlled parent-subsidiary group. If P company owns 80 percent of S and S owns 80 percent of T, such a group is established. The same result occurs if P owns 80 percent of S and 30 percent of T, and S owns 50 percent of T. The definition of a parent-subsidiary group was not changed by the Tax Reform Act.

The second type of controlled group is the

brother-sister group. The rules defining these groups have been substantially broadened under the new 1969 law. Under the old law a brother-sister group existed only where an individual, estate, or trust owned 80 percent of the voting power or value of each of two or more corporations. For taxable years ending on or after December 31, 1970, a controlled group exists where five or fewer persons own at least 80 percent of the voting stock or value of shares of each corporation, and where these same five or fewer individuals own more than 50 percent of the voting power or value of shares of each corporation. For purposes of the 50 percent test, each of the five persons' stock is considered only to the extent it is owned identically in each corporation. So, if A owns 50 percent of the S company and 30 percent of the T company, he is considered to own identical interests in each only to the extent of 30 percent.

At first glance this new rule appears to be relatively uncomplicated and straightforward. Much of the Tax Reform Act literature published during the past year glosses over the problem with simplified examples using two unrelated stockholders and two corporations with one class of stock each, such as the following:

Individuals	Corporations		Identical Ownership
	ABC	CBA	
A	75%	25%	25%
B	25%	75%	25%
Total	100%	100%	50%

Here the 80 percent test is clearly met—100 percent is owned by five or less stockholders. Also, the 50 percent test is also met. Each of the shareholder's identical interests are 25 percent and the two together are at least 50 percent of the total value or voting power of the total stock.

But, suppose the same example looked like this:

Individuals	Corporations		Identical Ownership
	ABC	CBA	
A	75%	25%	25%
B	25%	-0-	-0-
C	-0-	75%	-0-
Total	100%	100%	25%

Here the 80 percent test is met, but not the 50 percent test. B and C do not own identical shares in the two corporations, so they can't come in for the count on the 50 percent test.

As practitioners worked under Section 1563 during the 1970 filing season, they discovered

many combinations which did not quite fit the over-simplified approach. On March 19, 1971, the Treasury Department published Temporary Regulations §13.16-1 which attempt to solve some of the mystery but still leave some room for conjecture.

The new Regulations set forth the following examples:

"Example (1). The outstanding stock of corporations P, Q, R, S, and T, which have only one class of stock outstanding, is owned by the following unrelated individuals:

Individuals	Corporations					Identical Ownership
	P	Q	R	S	T	
A	60%	60%	60%	60%	100%	60%
B	40%					
C		40%				
D			40%			
E				40%		
Total	100%	100%	100%	100%	100%	60%

Corporations P, Q, R, S, and T are members of a brother-sister controlled group.

Individuals	Corporations		Identical Ownership
	U	V	
F	5%		
G	10%		
H	10%		
I	20%		
J	55%	55%	55%
K		10%	
L		10%	
M		10%	
N		10%	
O		5%	
Total	100%	100%	55%

Corporations U and V are not members of a brother-sister controlled group because at least 80 percent of the stock of each corporation is not owned by the same five or fewer persons."

Analyzing these rather brief statements a little further, it appears that in example (1) both tests are met because no more than five stockholders are involved. It is not necessary that each of the five have stock in each of the corporations. In example (2) the situation is quite different. The 50 percent test can be met by considering the stockholdings of only one individual. But, in order to meet the 80 percent test, the stock ownership of at least six individuals must be considered.

Unfortunately, these examples fall far short of covering every possibility. There is an example in the January 1971 issue of *The Tax Advisor* at page 43 that is interesting to reconsider under the Temporary Regulations.

<i>Individuals</i>	<i>Corporations</i>			<i>Identical Ownership</i>
	<i>X</i>	<i>Y</i>	<i>Z</i>	
A	45%	24%	29%	24%
B	45%	24%	29%	24%
C	10%	3%	1%	1%
D	-	49%	-	-0-
E	-	-	29%	-0-
F	-	-	12%	-0-
Total	100%	100%	100%	50%

Although there are six individuals involved in this example, it is not really necessary to include individual F in meeting the 80 percent test for corporation Z. Therefore, it would appear that X, Y and Z will be deemed to be a brother-sister controlled group.

Another complication comes into play when a group of commonly owned corporations cannot meet both tests when considered in total, but make up several controlled groups with interchangeable memberships. Referring to the first example quoted from Temporary Regulations §13.16-1, imagine the possibilities if corporation T was partially owned by a sixth individual, as follows:

<i>Individuals</i>	<i>Corporations</i>				<i>Identical Membership</i>	
	<i>P</i>	<i>Q</i>	<i>R</i>	<i>S</i>	<i>T</i>	
A	60%	60%	60%	60%	60%	60%
B	40%	-	-	-	-	-
C	-	40%	-	-	-	-
D	-	-	40%	-	-	-
E	-	-	-	40%	-	-
F	-	-	-	-	40%	-
Total	100%	100%	100%	100%	100%	60%

The 80 percent test cannot be met by the entire group because 80 percent of the stock of each corporation is not owned by five or fewer people, but there are now five controlled groups as follows:

- (1) P, Q, R and S
- (2) Q, R, S and T
- (3) R, S, T and P
- (4) S, T, P and Q
- (5) T, P, Q and R

MISS DRAHEIM

(Continued from page 4)

tional level, has been a director, vice president, and president-elect.

ASWA, according to its new president, "needs to Know, to Show and to Grow." During her presidency, she hopes to find more ASWA members in existing chapters and to increase attendance at all meetings—from the local chapters to joint annual meetings. She

The Temporary Regulations provide that, where there are overlapping brother-sister controlled groups, any corporation that would be a component member of more than one group shall be treated as a member of only one group. The corporation may file an election designating the group in which it elects to be included; or, if no election is filed, the district director with audit jurisdiction will make the determination.

There are also rules for determining ownership and control of stock in controlled groups which are pertinent in establishing whether or not a controlled group exists. For the purpose of the 80 percent and 50 percent tests applied to brother-sister controlled groups, non-voting preferred stock, treasury stock, and certain other "excluded stock" specified in Section 1563 (c) (2) are not counted. Furthermore, option holders are treated as though they already owned the stock under option. Stock owned by partnerships, trusts, or other corporations will be attributed to individuals with substantial interests in such entities under specific circumstances. And stock owned by spouses and minor children is under certain circumstances attributed to controlling stockholders. The attribution rules under Section 1563 are not as broad as those under other sections of the Code, but should be carefully considered in working out controlled group determinations.

Parent-subsidiary groups frequently also meet the definition of an affiliated group which is entitled to file a consolidated return. Although only one surtax exemption is available to a group filing a consolidated return, elimination of inter-company transactions will effectively reduce the total taxable income of the group.

In the case of brother-sister groups owned by non-corporate interests, the new rules leave little opportunity for minimizing tax liabilities through the use of multiple entities. Where the new rules result in damaging tax consequences, reorganizations may be required to either establish an affiliated group status or to avoid the brother-sister controlled group classification.

hopes to see "ASWA continuing to develop the potentials of its members and continuing to offer its membership the opportunity to keep pace with changing techniques and new ideas through study sessions and technical programs."

As befits an ASWA president, Miss Draheim loves to travel—a newly acquired interest in bicycling will probably not be utilized for trips between her home and ASWA's almost 90 chapters!

REVIEWS

Writings in Accounting

DR. MARIE E. DUBKE, CPA, Editor
Memphis State University
Memphis, Tennessee



"The Tax Reform Act: A Manual for Tax Practitioners," Sidney Kess; Hanover Lamont Corporation, Boston, Massachusetts; 1970, 339 pages, \$17.50.

Sidney Kess, author and teacher of several professional development courses on taxes for the American Institute of Certified Public Accountants, has written an excellent book strictly for tax practitioners and those already familiar with the tax laws. It is not a textbook on federal income taxes, but rather discusses the 1969 tax law changes as they affect individuals, corporations, trusts and charitable foundations.

The book is written in three parts. It may be desirable to read Part II first. Part II, Chapter 34, is a brief review of the tax law.

Part I is the major portion of the book. A chapter is devoted to each major change in the law, such as the complexities of maximum and minimum taxes, capital gains and losses for individuals, charitable contributions for individuals, low-income allowance, and real estate depreciation and recapture of depreciation. The thirty-three chapters, each a separate topic, cover 280 pages.

Two interesting features appear at the end of each of these chapters. A short quiz gives depth and additional understanding to the material read—and the answers are given. Thus, this book would make an excellent manual for self-instruction or staff training. A second feature is a short synopsis of tax planning. This part seems too short. However, Chapter 35 of Part II discusses year-end tax planning.

Glenda E. Ried, CPA
The University of Toledo

"The Impact of Technology on Job Enrichment," by John W. Anderson, Personnel. Volume 47, No. 5, Sept/Oct. 1970.

Although it has been many years since Douglas McGregor wrote of job enrichment as a concept, job enrichment as an actual program for job redesign is relatively new. In 1955, Davis, Canter, and Hoffman found that the vast majority of companies designed jobs to minimize training costs through worker specialization. Mr. Anderson states, "It seems clear that fifteen years ago job design to better motivate workers was not even a consideration, and even today there is a limited number of actual job enrichment experiences in industry."

In this article, Mr. Anderson reports on his study of job enrichment at ten companies that had made efforts extensive enough to lead to some generalizations. At the outset he defines job enrichment as the systematic attempt to restructure jobs with the objective of obtaining improved worker motivation. Frederick Herzberg believes that important elements in a job that has been enriched include responsibility, achievement, recognition, advancement and growth. Dale Smith believes an enriched job is one that offers autonomy, challenge, and task identity, while Edward Lawler states an enriched job has the dimensions of autonomy, feedback, variety, and task identity.

Mr. Anderson's study led him to conclude that we need much more study of the job enrichment process before a full model can be built. Unsettled problems are the question of worker participation, compensation, the role of the union, and the relationship between job enrichment and organization development.

Dr. Patricia L. Duckworth, CPA
Metropolitan State College, Denver

MRS. SOMMER

(Continued from page 4)

hopes to encourage women accountants in their professional advancement by involving them more actively in AWSCPA and by urging them to devote their time and talents to their state societies and to other technical accounting organizations.

Mrs. Sommer has been an instructor in accounting for the American Institute of Banking and has been a speaker at ASWA-AWSCPA joint annual meetings in Detroit, Miami, and Los Angeles. She has also been an instructor in accounting seminars held for persons taking examinations for certificates in data processing.

Mrs. Sommer and her husband, Alan, are active and ardent golfers and sailors.

Over 10,500 successful CPA candidates
have been coached by
International Accountants Society, Inc.

Donald R. Morrison, CPA,
President of IAS, says:



"If you don't pass your CPA examination after our CPA Coaching Course, we'll coach you without additional cost until you do!"

Any CPA will tell you it takes more than accounting knowledge and experience to pass the CPA examination. You must know the quick, correct way to apply your knowledge, under examination room conditions.

How you budget your exam time, for example—how you approach each problem or question—how you decide, quickly, the exact requirements for the solution—construct an acceptable presentation—extract relevant data—and use accounting terms acceptable to the examiners.

That's where the International Accountants Society can help you. As of June 1, 1969, 10,559 former IAS students who had obtained all or a part of their accounting training through IAS had passed CPA examinations. Our CPA Coaching Course is proven so effective we can make this agreement with you:

"If any IAS CPA COACHING COURSE enrollee fails to pass the CPA examination in any state after meeting all the legal requirements of the state as to residence, experience, preliminary education, etc., IAS will CONTINUE COACHING WITHOUT ADDITIONAL COST until the enrollee is successful."

The IAS CPA Coaching Course is designed for busy accountants. You train at home in your spare time, at your own pace. Most important, every lesson is examined and graded by one of our faculty of CPA's, who knows exactly the problems you'll face in your CPA examination.

If you need refresher training in certain areas, IAS will supply, at no extra cost, up to 30 additional elective assignments, complete with model answers, for brush up study.

You may be eligible for GI Bill benefits.

If you qualify, you may be eligible for GI Bill benefits. You may start the IAS CPA Coaching Course, or the full IAS accounting curriculum any time you please—there are no classes, no fixed enrollment periods. So you can make maximum use of the time available, starting as soon as you enroll and continuing right up to the examination dates.

Send today for free report

To get the complete story on how you (or some member of your staff) can benefit from the proven IAS CPA Coaching Course, just fill out and mail the coupon below. No obligation.

International Accountants Society, Inc.
A Home Study School Since 1903
209 W. Jackson Blvd.
Chicago, Illinois 60606
Att: Director of CPA Coaching



Please send me your new report on the IAS CPA Coaching Course. I understand there is no obligation. 4F1-228

Name

Address

City

State Zip

Employed by

Check here if entitled to GI Bill benefits.
Accredited Member, National Home Study Council.