

University of Mississippi

eGrove

Haskins and Sells Publications

Deloitte Collection

1924

Book review [News items]

Anonymous

Follow this and additional works at: https://egrove.olemiss.edu/dl_hs



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

Haskins & Sells Bulletin, Vol. 07, no. 12 (1924 December), p. 95-96

This Article is brought to you for free and open access by the Deloitte Collection at eGrove. It has been accepted for inclusion in Haskins and Sells Publications by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

American capital has an equal opportunity with that of any other nation in the development of business in China. The Chinese business man has no preference as far as his business relations with other nationals are concerned. He is ready to consider any business proposition; and if it is a matter of competition he will invest his capital wherever he can get the most for it. Therefore, it should be borne in mind by the American business man that, whatever his proposition, it should be equal to, if not more attractive, than that offered by his competitors. It is needless to say that the Chinaman is entitled to and expects the same degree of business courtesy and honesty that any one else receives. Some "sharp practices" in the past have had a very serious effect upon the progress of American business in China, and orders have been lost because the salesman failed to realize that he was dealing with a business equal and not a Chinese coolie.

A recent review of business in China revealed the fact that twenty-three million dollars of American capital have been lost or abandoned in business operations during the past ten years. A large portion of this undoubtedly represents capital invested during the great war, which, by reason of the chaotic conditions following the armistice, the fluctuation of exchange and the inexperience of the representatives in China, failed to earn profits. Losses from operations were incurred, the organizations were withdrawn, and in addition, capital invested which could not be readily recovered was abandoned. These facts should serve as a warning to prospective investors and careful study should be made of the causes which were responsible for the losses before entering the field.

There are some other matters to which consideration should be given if American business is to continue and prosper in China. In so far as it is possible, everything should be done to put American business on an equal basis with that of

any other nation. At present there is a handicap imposed by the United States income tax laws. No taxes are paid to the home government by business interests or individuals of any nationality, other than American, operating in China. It was expected that this condition would be remedied under the provisions of the China Trade Act; but the indifference displayed by Congress toward any legislation touching on foreign trade indicates that nothing will be done along this line in the near future.

American banking facilities are inadequate and those in existence are not operated along the broad lines adopted by the banks of other nations. The tendency of the American merchant to insist upon our methods of business in dealing with the Chinaman will have to be overcome. The rules and customs governing business have been established in China for centuries and the American merchant should not expect to have them altered for his exclusive benefit.

Forgetting the present unsettled affairs in China and other conditions that may appear as unfavorable, there is no better field in the world for those interests which seek foreign business than that offered by China and her neighbor to the north, Siberia, as soon as that country is opened to trade.

Book Review

Kohler, Eric L., and Pettengill, Paul W., *Principles of Auditing*. (Chicago, A. W. Shaw Company, 1924. 227 p.)

The authors of this book—men of wide experience in the profession as teachers and practitioners—have endeavored to present to the novice "the actual working procedure" in auditing. The work consists of about 175 pages of text, followed by some two hundred questions and problems on auditing, and a reproduction of a complete set of audit working papers.

The major portion of the text matter is concerned with a description of the procedure involved in the verification of assets and liabilities, and a very meagre treatment of profit and loss accounts. Prominence is given throughout the discussion to the preparation of working papers. There is good description of various matters of routine in a professional auditor's office, such as taking an engagement, preparing a report, etc.

The book contains little exposition of accounting principles, which is perhaps an excusable omission in a treatise on auditing. There are, however, certain cases where audit procedure covers a review of the accounting methods in use as well as the results recorded; and because of such cases it seems desirable that a work on auditing should contain a satisfactory discussion of the accounting involved. An amplification of the present text in this respect would add to its usefulness.

The questions following the text matter are arranged by chapters, and cover a variety of subjects. Some are taken from C. P. A. examinations, and others based upon hypothetical cases. The working papers appended are adapted from an actual engagement. Although they are models of clarity, they seem at times too all-inclusive. A lengthy problem with solution is designed to accompany the book.

Like other recent works on the subject, this book is different in type from any of its predecessors. Where others have emphasized procedure through discussion, the present volume attains emphasis through illustration. In this respect it is more comprehensive, especially as to working papers, than any other book not devoted exclusively to that subject. Thus it will fill a long-felt want in the educational field for a general text on auditing that deals adequately with the record phase of auditing procedure.

Announcement has been made of the opening as of November 1, 1924, of an

office in Berlin in the Reichskredit Gesellschaft Building at 53 Franzoesische Strasse, with Mr. Edward A. Kracke temporarily as resident partner and Mr. Arthur M. Lovibond as manager.

Mr. H. B. Davies, formerly assistant manager of the Los Angeles office, has been appointed manager of the San Diego office, effective December 1, 1924.

Mr. J. R. Wildman has been appointed Chairman of the Committee on Education of the American Institute of Accountants, to serve for the current fiscal year.

Mr. F. J. Duncombe and Mr. R. A. Gallagher, of the Chicago office, have been admitted to the American Institute of Accountants, and both have also become members of the Illinois Society of C. P. A.'s.

Mr. C. M. Martin, of the Chicago office, has been successful in passing the C. P. A. examinations of the State of Illinois.

We regret to announce the sudden death of Mr. O. A. Gifford, which occurred on November 9. Mr. Gifford was attached to New York Broad Street, Newark, and New York Thirty-ninth Street practice offices at various times during the last few years.

Colonel Arthur H. Carter and Mr. John F. Forbes have been appointed as members, respectively, of the Committee on Public Affairs and the Special Committee on Co-operation with Bankers, of the American Institute of Accountants.

We were very sorry to be advised of the death of Mr. H. B. Cavanaugh, who was attached to our Cleveland office for nearly six years. Mr. Cavanaugh passed away on November 6, after an illness of six months.