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An article in a recent number of *The Accountant* contains the thought-provoking statement: "Figures are in themselves a language * * * the true purpose of figures is to convey to us a correct appreciation of the facts." Looking over published balance-sheets with this in mind it strikes one that if figures may be likened to words may not sequence and grouping be said to parallel phrases and paragraphs—that *arrangement* of the figures is fundamental to comprehension.

A study of the balance-sheets of seventeen prominent corporations finds the main groups of assets listed in eight and liabilities in six, different orders and makes one wonder why a profession based on alertness should tolerate so palpable a flaw in its public output. Perhaps it is because the subject involves so many points: sequence of main groups; contents of each group; sequence within each group; condensation; terminology; arrangement for a going concern, for realization, as a basis for credit.

It is truly a monumental undertaking to conform and agree upon all this and only time may accomplish it. But might not a start be made by agreeing upon one thing—sequence of the main groups, for example, as perhaps the least difficult and at the same time the most important, inasmuch as that sets up a frame-work on which to hang the rest?

As a suggestion, subject to any modification and with the understanding that it is here intended only to distinguish—not name—the main groups for a going concern and not to involve any other point, taking the items as they appear on those seventeen balance-sheets, uniform adherence to some such main group-order as the following would have an intelligibility value which readers of balance-sheets would appreciate:

On the asset or resources side:

Group 1—Comprising the lasting physical assets less any decrement. Those which are natural resources (land; mines; oil lands; timber lands; deposits—less portion converted to other forms, such as stumpage; depletion actually sustained) and those which might be termed artificial (buildings; plant; machinery; equipment; apparatus; tools; fixtures; furniture; long time expenditure such as development, stripping, improvements on leased property—less proportions disappeared by lapse of time or in operations, such as depreciation actually sustained, expenditure written off).

Group 2—Comprehending those assets which are in the nature of vested rights (goodwill; patents; franchise; trade-mark; trade-name; copyright; lease; organization expense).

Group 3—Containing investments of a permanent nature. Those controlled (subsidiary, affiliated, constituent or auxiliary businesses, including permanent advances to such and less permanent liabilities thereto) and those not controlled but in related or connected industries (usually held for business purposes, including permanent advances to such).

Group 4—Such assets as are set aside in the form of funds for a specified purpose (insurance; pension; depreciation; special funds in trust; contingent).

Group 5—Covering those assets which, converted from cash, are absorbed in the ordinary course of business in future operations. Those which exist physically (material; supplies) and those which represent a service rendered or to be rendered (insurance, taxes and interest prepaid; advances on contracts; advanced royalty; bond expense).

Group 6—Embracing cash and such assets as are in the ordinary course converted into cash. Those which consist of claims against others (unpaid subscriptions to capital stock; interest accrued; dividends receivable; call, demand or time loans; accounts receivable) and those which are physical (inventories; notes receivable; government and marketable securities; cash).

On the liability or equities side:

Group 1—Those representing ownership—in the parent company (capital stock, less non-effective portion in treasury or acquired for permanent holding and less encroachments thereon, i.e., deficit) and in subsidiary companies (minority interest in stocks, bonds and surplus of consolidated subsidiaries).

Group 2—The residual or balancing figure (earned, free, paid-in, capital or appropriated surplus).

Group 3—Provision, more or less voluntary, made in the form of reserves and as a precautionary measure (fire insurance; employers' liability; renewals and replacements; pensions; employes' benefits; obsolescence; depreciation not actually sustained; contingencies).

Group 4—Covering liabilities arising in a sort of fiduciary capacity and usually offset by like amounts on the asset side (special funds held in trust).

Group 5—Borrowed capital—fixed (bonds; funded debt, less non-effective portion such as unamortized discount; sinking fund) and temporary (bonds assumed; purchase-money obligations; notes payable; loans).

Group 6—Embracing those more or less immediate obligations which continuously arise in the normal conduct of the business—those of which the amounts are estimated or approximated (employers' liability; workmen's compensation; renewals and replacements; taxes; unpaid charges) and those of which the amounts are fixed (notes payable; loans payable; unclaimed dividends; customers' deposits; services billed in advance; amounts temporarily due to subsidiary companies; accrued rent; interest and taxes; accounts payable; wages payable).

It can be done. Some associations have already progressed far, and a few have accomplished much, in this direction. Is it too much to expect of accountants? And, if so, why?