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Choosing a Profession—Accountancy

By J. HUGH JACKSON

To one of the greatest of American psychologists is attributed the statement that there is within every individual a responsive chord—an unknown power—which only some great interest or opportunity can awaken and call forth. Because this interest is never awakened or the opportunity seemingly never comes to some men, many go throughout life without knowing of that power within them.

Thus, in each individual life there are certain lines of activity which interest or appeal more than other activities and tend to bring out the very best in that life. For some accounting offers the greatest appeal, and for these accounting is the most interesting and the greatest game in the world. Yet it is undoubtedly true that of the many who think themselves called only a few will be chosen, and many men and women who think themselves fitted to undertake the work of an accountant are entirely unfitted, both by training and by temperament, to do that kind of work. Accounting requires the ability to think straight, to analyze clearly difficult business situations, to express concisely one's thoughts; and yet the accountant must possess a vivid imagination—he must be able to visualize probable conditions where many facts are lacking and thereby to explain such facts as may be found. But imagination and power of analysis are rarely found together—hence the scarcity of first-class accountants.

That there is keen interest in accounting cannot be doubted. It was estimated recently by a well-known business educator that during the autumn of 1920 between ten and fifteen thousand individuals in greater Boston were studying bookkeeping and various grades of accounting, but all were enrolled in so-called "accounting" courses. Many of these students had no intention

of qualifying for professional accountancy, but merely desired a knowledge of bookkeeping to aid them in their daily problems in business. But, all told, only about two hundred individuals could qualify for the November, 1920, Massachusetts C. P. A. examinations, and perhaps less than a score were successful in the examinations. Accounting is not the mediocre profession that many would believe it to be, and it has no place for those who advertise themselves as "accountants" to do simple bookkeeping or clerical work at perhaps twenty dollars a week. Accounting is a science of business and calls for a high degree of technical knowledge and academic training, as well as of professional experience.

The question naturally arises, then, what is an accountant? An accountant has been defined as "one skilled in business and finance," and if the accountant is to make the most of his profession he must be well trained in business organization, in industrial finance, in marketing and labor problems, and in all the essential phases of business, as well as being skilled in determining unit costs, financial profit and loss for the period under consideration and the net worth of a business as revealed by its balance-sheet. In Reynolds and Thornton's *Duties of the Junior Accountant* it is stated that the accountant should appear "an intelligent, educated, trained man, utterly dispassionate and disinterested, conservative, able to express clearly his opinions, unshakable in his intention to speak the truth as he sees it, and not particularly anxious to please anyone at the expense of giving prominence to selected facts."

This brings us to the general consideration of what should be the training of the man entering accounting. The accountant is not, as is sometimes supposed, a figuring or calculating machine, and unless the prospective accountant understands more than the mechanical rules of debit and credit, of journal entries and of trial-balances, it were better for him and for the profession he proposes to enter that he remain out of it. The accountant needs a knowledge of all phases of business, for there is no individual within a business organization who has so great an opportunity as the accountant to see and to understand all the operations within a business. A prominent New York attorney, in lecturing recently before the Harvard graduate school of business administration, stated that in his opinion accounting

was the finest possible avenue by which a young man may successfully enter an executive position in business. But that is true only if that young man has, in addition to his technical accounting knowledge, a knowledge of such fundamental subjects as business organization, industrial finance, marketing and all the basic subjects offered in such a school.

From the technical standpoint, the training of a man entering accounting should include, in addition to his training in accounting, a thorough training in business law, in business and scientific management, and in the workings of the income tax. In a broad way at least, all accounting may be divided into two groups: first, what we shall term investigational accounting and including auditing, investigations relative to financing or reorganizations, income-tax accounting, estate and bankruptcy accounting and similar fields, and secondly, cost and industrial accounting. In the former group the accountant needs, in addition to his highly specialized training in accounting, a thorough knowledge of the law, of business organization and finance and of the income tax. In cost and industrial accounting he needs to combine with his technical knowledge a thorough understanding of management and of all kindred subjects. In very few cases will a knowledge of accounting alone suffice, and the greatest success in the profession can come only from a well-rounded training and experience.

In addition, the accountant *must have* a thorough training in English for it is the almost universal opinion of men at the top of the accounting profession that a young man entering accounting can rise just as high as he has the ability to express himself in his reports to his firm or to his clients. Some accountants may feel that English is non-essential, but these usually are the men who never have been and perhaps never will be known as leaders in their profession or as men who are able to impart most satisfactorily to their clients information concerning the business of clients. Only recently a well-known Boston business man made the statement that it was a pleasure to have a certain accountant do his work, because that accountant was able to talk to him about his business in terms other than figures alone.

Having completed his training, the man taking up accounting must choose the field of accounting he will enter. The fields open are, for the most part (a) public accounting, (b) private

employment with a corporation or other type of business organization, and (c) university teaching. One of the greatest difficulties that seems to confront the young man desiring to enter public accounting is that of obtaining employment. Yet it is the experience of most large university schools of business, I believe, that their graduates not only are placed, but oftentimes the demand exceeds the supply. Experience is not only valuable but absolutely essential to successful work in public accounting, and every young accountant should strive to obtain that experience as rapidly as possible. The young accountant should also seek that recognition which comes from receiving the certificate of a certified public accountant from such leading states as New York, Massachusetts, or many of the other states of the country, or from being granted a certificate by the American Institute of Accountants. This latter certificate will probably in the future mean even more to the man entering public accounting than the C. P. A. certificate from the best of the states.

The opportunities for service in public accounting are manifold, and during the recent war valuable services were rendered by many leading public accountants who filled important positions in the internal revenue and treasury, war and navy departments and in other capacities. In Great Britain so valuable were the services rendered by public accountants during the war that in a single firm five of the eight London partners were knighted. Furthermore, someone has recently computed that of the published corporation reports in leading financial manuals only about six per cent. were certified by public accountants, so the development in this field may be said to be almost unlimited. Any man, therefore, who enters the profession of public accounting with a desire to be of service either to his clients or to the public will find unbounded opportunities.

The financial rewards are largely what the man has the ability and inclination to make them. The beginning junior may consider himself fortunate to receive \$100 to \$150 a month, and the latter figure will mean very special training for his work. By the time he obtains his American Institute or C. P. A. certificate, he can probably count on an income of three to five thousand dollars, and in some cases perhaps more. The figures, then, run anywhere from these to the estimate recently made by THE JOURNAL OF ACCOUNTANCY that there were one hundred or more

public accountants in the United States each of whom has an annual income of more than one hundred thousand dollars. Undoubtedly some of these incomes amount to several times that figure. The profession is not without its financial reward, though its greatest reward is the satisfaction which comes from doing well one's chosen work and in serving the community about one.

In private employment as a corporation accountant there is a wonderful opportunity, as stated previously, for anyone who knows more than figures. For the man who can rise to a controllership or to a treasurership, who has the ability and the fundamental knowledge of business conditions to swing the job, the opportunities are unlimited. Many present corporation controllers and treasurers were trained as public accounting men, but whether the training is received within or without the corporation is largely immaterial—the essential thing is that the knowledge of accounting be combined with a working knowledge of all the fundamental phases of business, its organization and its management.

The appeal to the accounting man in university teaching arises, for the most part, through the associations resulting from academic affiliation and in the opportunity for service. Ordinarily, also, the university teacher of accounting has a very considerable opportunity for outside professional work of the choicest kind. Thus, several accounting graduates who have gone into university teaching have been very successful in the work they have done in a professional way, and they have had a type of professional work come to them quite quickly which otherwise they might not have had for a number of years. Probably the teacher will never make the money that either the public accountant or the accountant in private employment will make, but his total remuneration will consist, ordinarily, not only of his university salary, but also of royalties which he will receive from books or courses he may write for publication and of income from outside practice.

It is quite immaterial, therefore, through which channel the man who desires to take up accounting as a life work shall enter the profession. The essential thing is that he realize that his technical training in accounting is only one of the things necessary for his greatest success, either professionally or financially. He must have, of course, his technical training in accounting—that is taken for granted. But he must also be trained in business law,

in factory organization and scientific management, in the income tax and in all those subjects which relate directly to and are constantly used in the practice of his profession. But beyond these he must have, if he is to be most successful as the accountant of the future, a knowledge of all the fundamental problems of business. He must understand the employment and labor problem, he must be so familiar with industrial finance that he can assist intelligently in the reorganization of great corporations, and his greatest success demands, perchance, that he be able also to lay out constructively the marketing and selling programme for the client whom he is serving. He must be able to coördinate the functions of production, of financing and of selling and to provide for the busy executive the means of controlling successfully these functions.

If the man entering accounting is trained to do these things, his success, both professionally and financially, is adequately assured. We may even say to him, in the words of Kipling's *If*,

"The world is yours, and everything that's in it,
And what is more, you'll be a man, my son."