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Editorial

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The JOURNAL of ACCOUNTANCY

Official Organ of the AMERICAN INSTITUTE of ACCOUNTANTS

A. P. RICHARDSON, *Editor*

EDITORIAL

What Is Accountancy?

From time to time it is the practice of this magazine to draw attention to advertisements which indicate a lack of knowledge of what constitutes accountancy. We are particularly interested in advertisements of educational institutions.

For example, the *New York Times* of July 25th contained an advertisement in which the following appeared:

“Register now to become a junior accountant by December, 1922. Salary range, \$35 to \$50 per week, and
“Senior accountant by June, 1923. Salary range, \$50 to \$200 per week.”

The advertisement appeared on July 25th. This would have given the applicant if he had applied at once a little over four months in which to become a junior accountant and demand a salary of \$35 to \$50 a week. This might happen. It is conceivable that a bright young man or woman could receive enough training in that length of time to merit employment as an extremely junior junior. If the firm were generous the salary might be paid.

The real feature of the quotation, however, is the thought that in less than a year one may become a senior accountant and demand a salary of from \$2,600 to \$10,400 a year.

We have a fairly wide range of acquaintance among accounting firms. It is known to everyone that occasionally a man may be engaged as a senior and be paid a fair salary without proper investigation as to his ability. We maintain, however, that the accountant who would offer even \$50 a week to an applicant who had had less than a year's training or experience would be either a philanthropist or a fit subject for observation in the psychopathic ward.

And yet, no doubt, there are scores of young men and women who would be encouraged by such an advertisement and would be quite properly disappointed at the end of the time to find that the promises could not be made good.

Mail-order Prices

A few days ago we received copy of a circular issued by a concern representing itself as an investment brokerage house describing in a great deal of detail and with the usual optimism an issue of bonds of a corporation supposed to be engaged in the production of an important commodity.

The circular had been sent to a physician in a country town who called up the office of this paper to obtain some information in regard to the corporation and to the brokerage house.

Neither of the subjects of inquiry was known to us, but investigations were made. It was discovered that the brokerage house apparently had desk-room in another office, and it was further discovered that there was such an issue of bonds by the corporation which had been mentioned.

There is nothing absolutely thrilling in the recitation of events so far, but when it is explained that the brokerage house was offering these bonds at 105 and that they could be bought on the street for 67 the matter begins to be interesting.

Upon inquiry it appears that there may be nothing absolutely illegal in the actions of the so-called brokerage house. Under the doctrine that the buyer should beware there is perhaps no cause for complaint in such a case as this. But there is a great deal to be said on the ground of common honesty.

Of course, no one can have much sympathy with an investor who will deal with an unknown house in unknown securities. It is the existence of many gullible persons which is responsible for the great number of unethical if not absolutely illegal transactions daily conducted. Of recent years, however, there has been a tendency to protect the buyer against himself, and it is increasingly difficult for wild-cat stocks and bonds to find a market. But so far there is nothing except public opinion to prevent a dealer in securities from charging his unsuspecting customer any price which the customer will pay.

Here is a field for investigation and the suggestion of protective legislation. It seems to us that it would be possible to enact a law preventing public offering of securities at any price varying more than a few points from the legitimate market.

Annual Meeting of American Institute

Attention of our readers is drawn once more to the annual meeting of the American Institute of Accountants which is to be held in Chicago, September 19th and 20th. The programme includes papers of exceptional interest and there are to be many matters of professional importance under discussion.

Beta Alpha Psi

Accounting instruction has reached such a high scholastic plane in some of the universities of the country that the students have sought recognition for their efforts through an honorary professional fraternity known as Beta Alpha Psi.

Membership in this fraternity is obtained by invitation only and is based on a high scholastic standing in accounting courses pursued in the university, good moral character and an expressed interest in the accounting profession. One of its main purposes, as stated in the constitution, is to encourage and foster service as the basis of the accounting profession and to secure the highest ethical ideals in the practice of accountancy. The members of the several chapters hold regular meetings at which they discuss accounting subjects and listen to articles prepared and read by the members. These meetings afford excellent opportunities for the discussion of interesting topics that cannot be included in class-room schedules because of lack of time. In the institutions where this fraternity has chapters the members have a reputation for doing things. They seem to take more interest in the work of the organization than do the members of a great many other honorary or professional fraternities.

At present there are chapters at the University of Illinois (where the fraternity was founded), Northwestern University, University of Washington, University of Oregon and Oregon Agricultural College.

Such an organization as this should be a source of inspiration for the young accountants who hope to be the leaders of the profession in the future. It should be a distinguishing mark for the accounting student as Beta Gamma Sigma is for the commerce student in general or Phi Beta Kappa for the student of literature and arts.