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Book Reviews

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Book Reviews

RETAIL ORGANIZATION AND ACCOUNTING, by PHILIP I. CARTHAGE. *D. Appleton & Co.*, New York. 350 pp.

Retail Organization and Accounting Control, written by a man who has had twenty years' experience in retail as buyer, sales promoter, comptroller and office manager, should prove a handy manual to the retail executive or accountant who is forced to provide for the needs of an expanding trade. "Theory," as the author says in his preface, "is entirely eliminated." It is, in fact, a detailed description of the methods of organizing a retail department store and of recording the financial operations from the original receipt of merchandise to the final profit and loss statement and balance-sheet—all the result of actual practice and experience. Public accountants will find little that is not covered by standard textbooks in the way of general principles, but as supplementary reading the book will furnish many hints and suggestions to those who are not familiar with department store accounts.

Strong exception must be taken, however, to the provision (p. 171) that consigned goods should be taken on the same basis as purchased goods and added to the inventory. It is not good accounting practice, and in many states is absolutely contrary to law, since it has the result of merging the goods, accounts receivable and funds of a principal with those of an agent. It also conflicts with the provisions of the federal income-tax inventory certificate, which require the title of all goods in the inventory to be vested in the taxpayer.

We presume it may be considered a sign of the times that the author uses the term "co-worker" in place not only of the old-fashioned "employee" but also apparently to embrace all the members of the establishment from the president or owner down to the humblest scrub-woman. (See p. 38). It reads somewhat oddly, and even the author shows by occasional lapses into the old terminology that it has not yet become habitual.

It is a pity that a book showing so thorough and practical a grasp of a complex subject should be marred by slovenly English, in places making the author say exactly the opposite of what the context shows that he means.

W. H. LAWTON.

PRINCIPLES OF ACCOUNTING, by A. C. HODGE AND J. O. MCKINSEY.

In the review of *Principles of Accounting* in the December JOURNAL OF ACCOUNTANCY, mention was made of the lack of an index. Since then the publishers have supplied the missing index and also the prefaces which were inadvertently left out. The index naturally facilitates the study of the book and appears to be ample and complete. The prefaces confirm the doubts of the reviewer as to the practical usefulness of the book to the man who seeks to make accountancy a profession. The authors state specifically that the aim of the text is to give prospective business managers "a fairly definite idea" of the service which should be provided by accounting, "a working knowledge" of fundamental principles and "an elementary knowledge" of the technique of accounting. Without expressing any opinion as to whether this programme will succeed in developing successful business managers or not, the reviewer still doubts whether it will produce the careful, exact and logical type of men fitted to become public accountants. The student who has only a "fairly definite idea" of accounting is the man responsible for the discouraging percentage of failures shown in the accounting examinations.

W. H. LAWTON.