

11-1920

## Announcements

American Institute of Accountants

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### Recommended Citation

American Institute of Accountants (1920) "Announcements," *Journal of Accountancy*. Vol. 30: Iss. 5, Article 9.

Available at: <https://egrove.olemiss.edu/jofa/vol30/iss5/9>

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## *The Journal of Accountancy*

bureau must constantly engage in the valuation of properties owned on March 1, 1913, for the purpose of determining profit or loss on the sale thereof, and it is the consistent rule to fix such values, even though no appraisals were made on or about March 1, 1913, by the best evidence which can be arrived at and upon "any evidence which will reasonably and adequately make it appear." (Article 1561, regulations 45.) The method used by the appraisal company was to ascertain from data in their possession the reproduction cost on March 1, 1913, of the equipment under consideration and to accept that, less depreciation from original acquisition, as the true value of that date. This appears to the committee to be a fair and reasonable method of determining value of equipment and to establish such value as nearly as it is possible now to do. In the absence of any evidence, therefore, showing that the values so established were not fair values as of that date, the committee recommends their acceptance.

There is a question, however, in this connection not raised by the unit to which its attention is invited. To the extent that such items of equipment were charged to expense during the years from 1909 to 1912, inclusive, such charges were erroneous, and the income as reported for purposes of the excise tax act of 1909, was incorrect. The company should, therefore, be required as a condition to acceptance of these values to readjust its returns for those years by the inclusion in income of the cost so ascertained of all articles here authorized to be treated as capital from March 1, 1913.

The committee therefore recommends, in the absence of evidence tending to controvert the values stated, that the appraisals of 1912 and 1920, as of March 1, 1923, be accepted as fixing values of equipment on March 1, 1913, for purposes of subsequent depreciation, and that the returns for 1909 to 1912 be adjusted along the line above indicated.

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### Association of Certified Public Accountants of West Virginia

At the annual meeting of the Association of Certified Public Accountants of West Virginia, held at Charleston, August 19, 1920, the following officers were elected for the ensuing year: president, S. C. Board; vice-president, David A. Jayne; secretary, William T. Green.

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W. B. Castenholz draws attention to an error in the announcement relative to his firm in the October issue of *THE JOURNAL OF ACCOUNTANCY*. Offices of the firm are in Chicago, New York, Kansas City, Tulsa and Houston.

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William Dolge announces that he has admitted to partnership Benjamin H. Hicklin and George E. H. Satchell. The firm name will be William Dolge & Co., 311 California street, San Francisco, California.

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H. Braverman and W. I. Smith announce the formation of a partnership, with offices in the Kinney building, Newark, New Jersey, and the Bankers Trust Company building, Norfolk, Virginia.

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S. W. Park announces the opening of an office at 3412 Woolworth building, New York.

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But these effective principals are too large, as shown by the fact that there is a remainder of \$11,747.32 at the end of the twenty-eighth period. This excess increased in an approximate arithmetical progression from beginning of

First period .....	0	
Twenty-ninth .....	\$11,747.32	
Total .....	11,747.32	
Multiply by ½ of 29.....	14½	\$170,336.14
Estimated sum of effective principals.....		<u>\$9,272,506.14</u>

Then  $167,666.67 \div 9,272,506.14 = 1.8082\%$ .

Trying 1.81%, there is a remainder or over-amortization of \$9.24 at the end of the twenty-eighth period. This discrepancy is so small that for most purposes there would be no object in computing the rate to a greater degree of accuracy. If necessary, the above method can be applied again as follows:

Sum of effective principals in table of amortization at 1.81%.....		\$9,263,861.23
Over-amortization at 1.81%.....	\$9.24	
One-half thereof .....	4.62	
Multiply 4.62 by 29, and deduct the product.....		133.98
Estimated total of effective principals.....		<u>\$9,263,727.25</u>

Then  $167,666.67 \div 9,263,727.25 = 1.809926 + \%$ , the effective rate per month.

### Illinois Society of Certified Public Accountants

At the annual meeting of the Illinois Society of Certified Public Accountants, September 14, 1920, the following officers were elected: president, C. R. Whitworth; vice-president, G. W. Rossetter; secretary-treasurer, John K. Laird; directors, Andrew Sangster, John Medlock, Frank M. Boughey and W. B. Castenholz.

Lybrand, Ross Bros. & Montgomery announce the opening of an office in the Book building, Detroit, Michigan, under the supervision of T. B. G. Henderson, and under the direct management of Richard Fitz-Gerald and Conrad B. Taylor.

Dennis & Young announce dissolution of partnership. W. H. Dennis announces that he will continue in practice at 87 Nassau street, New York.

Thomas J. O'Brien, Jr., announces the opening of offices in the Liberty Bank & Trust building, Savannah, Georgia.