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Book Reviews

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MERCANTILE CREDITS AND COLLECTIONS, by CHARLES A. MEYER, *The MacMillan Co.*, New York.

A manual for the guidance of credit men and collection departments written from the practical experience of the author. "Practical" is the best word to describe the book, as little space is given to theory or psychology. Part I gives advice to the credit man and part II to the collection department, as to the methods the author has found most useful. Part III contains the United States bankruptcy law. An appendix contains the requirements of each state as to conditional sales contracts, a section probably of more value to public accountants than any other part of the book. There is a good index.

The old saw, "tricks in all trades," is somewhat forcibly brought to mind by the reading of chapter VI, *Your Own Collection Agency*. The idea of forming a dummy corporation of your own for the purpose of scaring the debtor into paying by carrying out the threat of putting his account into the hands of a collection agency may be pretty well known in business circles, but it is astonishing to find the scheme recommended in so public a form. It will also be displeasing news perhaps to a victim of this mild form of deceit to learn that it is even possible that he has contributed indirectly to help swell the profits of his creditor through the dummy corporation's share of the collection fees. Of course, no honest debtor should ever find himself subject to this peculiar form of mulcting, and equally of course there is no law to prevent it, but nevertheless this whole chapter has an unpleasant ring.

W. H. L.

HOW TO ANALYZE INDUSTRIAL SECURITIES, by CLINTON COLLVER, *Moody's Investors Service*. New York.

Such a competent little handbook as *How to Analyze Industrial Securities* if widely distributed among investors would increase public demand for high standards of analytical ability on the part of public accountants. The day is coming when stockholders and investors will insist upon reading not only the auditor's certificate but his entire report. What this will mean in increased responsibility for the public accountant is obvious. It will call for the exercise of such keen observation, sound judgment and severe logical reasoning that one foresees a long and arduous apprenticeship for the future aspirant to the front ranks of the profession.

We confess that we took up this book of Mr. Collver's in a somewhat flippant frame of mind. We have seen too many of the "how-to-get-rich-quick-on-Wall-St." type of booklet. After reading with particular interest

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parts IV and V, however, we "remain to pray"—that some happy day in the future may see the elimination of the unflattering opening of chapter XVI—

"Too much reliance has been placed upon the indorsement of public accountants of income accounts and balance-sheets," and further—

"Two of the largest firms, whose certificates are found on many large corporations' reports, do not enjoy a good reputation among accountants."

A bit of qualifying consolation is found in the next sentence—

"On the other hand the writer has been employed by two of the largest firms in the country whose standing is above suspicion."

Quis custodiet custodiet? If the public is warned not to place too much reliance upon our certificates, whom may it rely upon? What is more to the point, whose fault is it? We take it that Mr. Collver means not to impute moral turpitude (a matter with which the American Institute of Accountants is amply able to deal) so much as lack of training and ability. And that is most emphatically a matter for the serious consideration of every member of the profession.

Though modern accountancy writers touch more or less upon the importance of good analyses of accounts, we do not know of anyone who goes into it so thoroughly and practically as Mr. Collver. We think this book—handy for the pocket, concisely and clearly written, well indexed—a most useful addition to any accountant's library, and particularly adapted as a manual for juniors with ambition.

W. H. L.