Examinations and Their Bearing on National Efficiency

P. J. Hartog
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The following passages from *The Incorporated Accountants’ Journal* for March, summarize a recent lecture by P. J. Hartog, M.A., B.Sc., a well-known English authority on commercial education, and give the views of some of the English accountants:

“Mr. Hartog showed that an investigation of examination tests would reveal that they may be classified into (1) ‘Knowledge or Memory Tests,’ which test the power of restating facts and arguments, and, may we add, principles—e. g., ‘Under what circumstances may an agent delegate his authority to a subagent, and state the principle of law involved?’ and (2) ‘Capacity Tests’ which call forth candidates’ powers of doing something and of applying to particular problems the facts and principles which should have been assimilated in the course of preparation—e. g., ‘From the following particulars draw up trading and profit and loss accounts and balance-sheet.’

“It will be readily conceded that accountancy in its more technical aspect is concerned with the application of certain facts and more or less well-defined principles to the circumstances of business life. For instance, the accountant has often to advise a client in regard to his accounts—what shall or shall not be done in regard thereto or stated therein, either because the law says that certain things shall or shall not be done or stated therein, or because, having regard to certain recognized principles, it is not expedient that they should be; and he would be a poor accountant who is not well versed in those facts and principles which are dealt with in the examination by way of knowledge or memory tests. We do not, for one moment, presume that an accountancy examinee is infallible and does not, like other students, forget at least something of what he has ‘got up’ for his examinations, nor do we overlook the fact (as Mr. Hartog reminds us) that the number of books of reference nowadays is legion; but despite the probability that candidates will forget something, perhaps a great deal, of what they have learned, there can be no doubt that during preparation they have not only assimilated important facts and principles, but have found out where to look for information and how to deal with it—faculties which cannot be regarded as other than important.

“Turning to the question of capacity tests, we may say that theoretically the ideal accountancy examination should be a perfect microcosm of an accountant’s practice. Like most ideals, it is impossible of realization—candidates cannot be sent to audit a set of books, to liquidate a company, or to wind up a bankrupt’s estate—but, nevertheless, this ideal is not lost sight of, as the questions are largely based upon practice and, so far as the accountancy portion of the examinations is concerned, the papers are set by practicing accountants. Further, an accountant’s practice is more efficient and remunerative when, *ceteris paribus*, work is done quickly than when it is done slowly, and therefore the tests which the examiners put to candidates to do certain work in a definite time are, from the practical point of view, of considerable value.
"There does not, therefore, seem to be anything in these two tests which is inconsistent with the practice and profession of an accountant. At the same time we do not desire to minimize the effect of what Mr. Hartog terms 'the hygiene of the examination room,' which prevents candidates from being in a normal condition of mind and body when under examination influence. This influence exerts itself in varying degrees with different people, but it is not unreasonable to assume that the better prepared and trained a candidate is (and by this we do not mean 'crammed') the less power will it have over him when he enters the examination room. The extent of its effect is largely determined by personal temperament, but the lack of authoritative information on the point makes it impossible to assign anything like definiteness to its working; hence we cannot form an accurate opinion in regard thereto. This much, however, is certain, that candidates not infrequently present themselves at the examination room only to find that their minds are completely blank, or to break down from physical and nervous exhaustion before their task is completed. On the other hand, it is conceivable that the excitement and pressure of the examination braces others up so that the best that is in them is reflected in the answers which they give. While on this matter, it might be mentioned that even the final examination lasts only three days, and it cannot be claimed that the physical strain on candidates is excessive, having regard to the fact that other advanced examinations often extend over six days.

"Reviewing the matter, as a whole, it can be fairly claimed that professional accountants' examinations are not indeterminate, and that the object in view is achieved, in large measure at all events. This is contrary to the general statement laid down by Mr. Hartog, but in fairness to him it should be pointed out that he did not treat his subject dogmatically, and emphasized the importance of dealing with each case on its own particular merits. And the distinctive merit of accountancy examinations is this, that they only constitute one of the elements in the scheme prescribed for aspirants to recognized professional status. The by-laws make it a condition precedent that all candidates for examination must have practical training and experience in professional accountancy, and although it cannot be confidently asserted that because a man passes his examinations it necessarily follows he will make a successful accountant, yet experience in this matter gives good ground for believing that in nine cases out of ten the man who appears in the honors list eventually occupies a position in the accountancy world consistent with his academic qualifications.

"There is now left for us to consider what may be termed the 'moral' effect of this system of training and examination to which the accountant must conform. Has it not taught him the value of application and the power of mental discipline, that accountancy is a learned as well as a practical profession, and that knowledge is an organism which must continue to grow and cannot remain stationary? The world is, perhaps, a little too ready to undervalue the power of application and to overestimate the value of pure ability divorced from perseverance; and the picture of the genius, who passes his examinations with comparative ease, being
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outstripped in after life by his less gifted but more diligent brother is no mere effort of the imagination. The latter has appreciated all that his examinations have had to teach—that his work has only just commenced, and that his application must be never ceasing to keep his knowledge both alive and up-to-date. The profession has not failed to realize that the accountant of the future must do more than conform to that minimum standard which has been laid down in the way of training and study, and the existence of Student Societies and Accountancy Journals bears testimony to the necessity of disseminating professional knowledge. There is, however, we fear, a disposition among the younger generation of accountants to show less of that faculty of application and enthusiasm than would be wished for, and for that reason we venture to urge more active support to the Student and District Societies to be found in our large commercial centers.

"Like most things, examinations change their shape by a gradual process of evolution, and signs are not wanting that the tendency of professional accountants' examinations is in the direction of increasing the general culture of the candidates, as far as it is possible for examinations to do so. An illustration of this may be found in the recent action taken by the council of the Society of Incorporated Accountants and Auditors in redrafting the syllabus of the preliminary examination and revising and codifying the by-laws in regard to exemption therefrom.

"After considering what Mr. Hartog has urged, we see nothing to lead those responsible for the organization of the profession to alter the present policy of requiring professional training and experience with the passing of sound examination tests as the qualifications of those who would join its ranks; nor, having regard to the state of knowledge at the present time upon this important matter, is there anything to commend a fundamental alteration in the existing scheme."

International Course of Lectures on Commerce

From England comes the news that a course of lectures on commerce is being organized by the International Society for Promoting Commercial Education, and will be delivered in London, in July, 1911. They are intended primarily for commercial men and teachers of economics from continental schools and universities, in order that they may become acquainted with the history and practical working of English commerce and industry.

Courses of lectures of similar nature have been held in various continental countries: in Germany in 1908, in France in 1909, and in Austria in 1910. It would seem logical that the United States should provide a course of this kind in the near future, since the results of the courses thus far are stated to have been extremely beneficial.

The English course is in the hands of an influential committee, and it is expected that the course will be of a high order of excellence. Full particulars of it may be obtained from Mr. Ed. Cleveland-Stevens, London School of Economics and Political Science, Clare Market, London, W.C.