Announcements

American Association of Public Accountants

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Board of Trustees Meeting

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Wisconsin Association of Public Accountants Fellows
Shepard J. Barny

California State Society of Certified Public Accountants Associates
R. W. Bowes, C. P. A.
E. W. Phipley, C. P. A.

The Resolution was adopted that Secretaries of the several societies be informed that whenever the name of an applicant who is a resident of another state in which an association exists be presented, the consent of such Society be first obtained as a preliminary to the presentation of the name of applicant for membership.

Announcements

Charles C. Carson and J. Gordon Hill, Certified Public Accountants, have announced that they have formed a partnership for the practice of public accounting under the firm name of Carson & Hill, with offices at 717 Walnut Street, Philadelphia.

The Fourth National Bank of the City of New York has announced that Mr. Chas. E. Meek, Secretary-Treasurer of the National Association of Credit Men, has been appointed an assistant cashier of the bank. Mr. Meek will enter upon his new duties immediately after the annual meeting of the Association, June 13-16, 1911.

Reynold E. Blight, Certified Public Accountant, has announced that he has opened an office at 507 Union Trust Building, Los Angeles, Cal., for the practice of public accountancy.

Willis S. Whittlesey and George W. Myer, Jr., Certified Public Accountants, have announced the formation of a partnership for the general practice of accounting, with offices in the Transit Building, 7 East 42d Street, New York.
usefulness is judged by its effect upon the firm's commercial efficiency. It is not only the machine or tool as such that he describes, but it is the equipment as a profit producing factor in the business.

Part Three, Machine Shop Management, arouses the reader's curiosity to know in what manner its treatment will square with those modern ideas advanced by Mr. Brandeis, Mr. Going, Mr. Gantt, Mr. Church and Mr. Day. The reader is not left long in doubt, for the first paragraph shows the author to be abreast of all modern ideas which may help the machine shop achieve its highest efficiency. "There is no truer illustration of the statement," says Mr. Perrigo, "that 'old things have passed away and all things have become new,' than is shown by the modern methods of the management of the manufacturing enterprises of the present day. The days of the one-man engagement have passed away and in their stead have come the management by a system of divided and properly distributed responsibility, whereby the real head of the establishment takes up only the consideration of the larger, broader, and more comprehensive questions of importance in management, leaving to his able assistants the questions of the next grade of importance, and in their special spheres, while they, in turn, divide the next grade of lesser responsibilities with their assistants, the foremen, and so on down through the several grades of less importance to the operators or workmen."

It is not surprising, then, to discover further that the problem of apportioning the fixed charges is solved somewhat after the methods of "production centres" and a "supplementary rate" advocated also by Mr. Church, although the author here does not attempt to discharge so many different and independent "incidences" of expense into the one element of "Machine Rate" as is done by Mr. Church. Mr. Perrigo keeps to the older classification of fixed charges. This chapter on costs and the following one on the tool and stock room will prove to be exceedingly suggestive to the accountant since not only the general principles of arrangement are treated of but many forms are printed showing how the records are made and kept in accordance with the author's system of development.

The Journal is glad to note the recent appointment of Mr. William Plender, of the firm of Deloitte, Plender, Griffiths & Co., London, England, President of the Society of Chartered Accountants of England, to a very important committee recently appointed to ascertain and consider, among other things, the existing financial relations between Ireland and the other component parts of the United Kingdom. Among the other members of the committee are Sir Henry Primrose, ex-Chairman of the Inland Revenue; Chairman of the Committee, The Most Rev. Denis Kelly, Bishop of Ross, and Lord Pirrie.

This recognition of the Accounting Profession in England will be of interest to accountants everywhere.
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set aside or correct a judgment. Nor did the fact that the judgment was on appeal enhance the power of the court. Till the judgment should be reversed it was a finality like other judgments. But while the respondent was in error in his belief that this was a proceeding in the action and in entitling it as such, still his mistake in nomenclature should not affect his rights. He proceeded by petition, and in cases of trust it appears to be within the discretion of the court whether to entertain an application for relief by petition or to require an action to be brought for the purpose (Matter of Foster, 15 Hun., 387). Therefore, in reality, this is a special proceeding by petition and the order appealed from is a final order therein. The position of the appellants that they may either seize on execution the income due the respondent or set off their judgment for costs against such income is based on the claim that the trust to pay over the income quarterly to the beneficiary does not fall within the provisions of section 15 of the Personal Property Law relating to trusts to apply the income “to the use of any person,” and was therefore alienable, can be summarily disposed of. Over fifty years ago it was held by this court that a trust to pay over income to a beneficiary was a trust to apply the income to the use of such person within the meaning of the statute (Leggett v. Perkins, 2 N. Y., 297); and as late as the case of Cochrane v. Schell (140 N. Y., 516) it was held that a trust to pay over a specific sum yearly fell within the statute and was not assignable by the beneficiary. The only way such income could be reached by the appellants as judgment creditors was by an action in equity to impound the surplus beyond the requirements of the beneficiary for his support or by a special execution under section 1391 of the Code. But though the judgment for costs was not available to the appellants as a set-off to the respondent's claim, they were or may have been entitled to indemnity out of the trust estate for expenditures made in the defense of the trust (Ferry on Trusts, sections 910 to 913). If these expenses were rendered necessary by the unwarranted action of the life tenant, they should not all be charged against the corpus of the estate, but should, in part or whole, be charged against the life tenant, whose act had occasioned the expenses. Though the beneficiary of a trust, such as the one before us, may not alienate or assign it, still he may subject it to a claim for legal services to enforce his rights (Matter of Williams, 187 N. Y., 286); so, also, his wrongful conduct may result in affecting that income. Therefore, the application should not have been decided by the court without giving the appellants an opportunity to prove their expenses and the circumstances under which they were incurred, when it would be for the court to determine on the facts of the case what part, if any, of such expenditures should be allowed to the appellants and charged against the life tenant and what part against the corpus of the estate.

The orders appealed from should be reversed, with costs to abide the final award of costs, and the application remitted to the Special Term for further hearing.


Orders reversed, etc.

In the recent C. P. A. examinations, conducted by the New Jersey State Board of Public Accountants, the following men passed successfully and were granted certificates as Certified Public Accountants in the State of New Jersey:

Mr. Hamilton M. Ross, 36 Irving Place, Passaic, N. J.
Mr. Ira C. Nichols, 638 East 25th Street, Paterson, N. J.
Mr. W. R. Basset, 9 Midland Avenue, East Orange, N. J.
Mr. John Hall Bowman, 32 Union Avenue, Clifton, N. J.
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COMMENTS

In a previous number of the Journal we have already commented on the general make-up of the problems. The wording in the case of the third problem in Part I is not quite clear. It is stated that "... the insured claims his loss is 42½% of the Prime Cost of his goods ... the percentage claim is adjusted at that figure." It would be a rather difficult task to determine the total Prime Cost in this case and, if determined, it would not be equal to the percentage given (42½%). The only possible interpretation of the meaning of Prime Cost in this case, is that it embraces in addition to the usual elements of Prime Cost—Raw Materials and Productive Labor—also Manufacturing Expenses. It is on that basis only that the problem can be solved, and that is the method adopted in the solution.

Contrary to ordinary procedure, in order to determine the cost of the three elements, mentioned above, used up in the goods actually sold, the figures for the three previous years must be taken into consideration.

Another element which the problem does not mention is that of depreciation. As no provision has been made for that item, we take the arbitrary percentage of 10% on the declining balance, and by means of this determine the amount of the adjusted loss.

In solving Problem IV (Part II), the interpretation is based on the wording of the problem. As there are only eight subscribers to the Capital Stock of the Company, a controlling account under the heading, "Subscribers," is debited for the full amount of the subscribed stock, and the Capital Stock account is credited. It will be noticed that the initial memorandum dealing with the legal existence of the Company, etc., is embodied in the explanatory matter to the opening entry in the Journal of the United Manufacturing Company.

No other entries are given affecting the United Manufacturing Company that cannot be properly called opening entries. Thus it will be seen that while Accrued wages and Dividend payable appeared on the liability side of the Balance Sheet of the United Manufacturing Company, no entry was made to provide for that.

The Consolidated statement is so arranged as to prove and agree with the results shown in the Balance sheet.

The percentage table is prepared after adjusting all possible inventories, etc. In other words, as the heading indicates, consumption is the basis.

Three men were successful in passing the examinations of the State Board of Public Accountants in Maryland recently. The following were the successful candidates: Ernest E. Wooden, Edgar T. Wagner, Robert C. Marrow.

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