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## Book reviews [1976, Vol. 3, nos.1-4]

Hans Johnson

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## BOOK REVIEWS

*Hans Johnson, Editor*  
UNIVERSITY OF TEXAS AT SAN ANTONIO

Arthur Lowes Dickinson, *Accounting Practice and Procedure* (Reprint ed., Houston: Scholars Book Co., 1975, pp. 315, \$10, \$8 for educators, quantity discounts are available).

Reviewed by Jack L. Krogstad  
The University of Texas at Austin

Professor Sterling and the Price Waterhouse Foundation are to be commended for re-exposing Dickinson's historical classic. *Accounting Practice and Procedure*, first published in 1914, contains a comprehensive synthesis of the state of the art in the United States during the early years of the 20th century. The book's great value stems largely from the professional experience, intellectual stature, and moral commitment of its author. Dickinson's ambitious objective is to compress his "twenty-five years of practice on both sides of the Atlantic" into a useful compilation of accounting principles and methods (preface). He attempts to avoid technical discussion of accounting matters yet to supply the essential theoretical reasoning which underlies accounting principles and methods. His genuine appreciation and high respect for the accounting profession flavor the book with refreshing moral and ethical dimensions.

The introductory chapter presents a review of bookkeeping fundamentals to provide the basis for understanding accounting principles. Chapter II gives an overview of the balance sheet. Dickinson depicts the balance sheet as presenting financial condition in terms of present values. This statement is viewed as the cornerstone of accounting. Correspondingly, the remainder of the book is organized around the balance sheet format presented in Chapter II (pp. 34-35). Chapter III, explores the nature and principles guiding preparation and presentation of the profit and loss account. This account is viewed as an important extension of the balance sheet and "true profit or loss for the period" is determined by comparison of values contained in beginning and ending balance sheets (p. 74). The detailed attention accorded profit and loss accounting is noteworthy. The format of the account presentation (pp. 64-65) is con-

sidered the forerunner of the modern income statement (forward to the reissue). The next four chapters (IV-VII) elaborate upon the overview of the balance sheet provided in Chapter II. Chapter VIII presents a brief, perceptive discussion of consolidated statements with emphasis on the balance sheet. Cost accounting is the subject of Chapter IX and also is discussed in Chapter V (pp. 99-108). The final chapter deals with the duties and responsibilities of public accountants in activities connected with (1) prospectus preparation, (2) annual audits, and (3) liquidation and reconstruction.

An appendix of eight sections (43 pp.) contains excerpts from English and Canadian laws related to accounting, forms of balance sheets prescribed by the Interstate Commerce Commission, and forms of statements required from national banks and from insurance companies.

Dickinson's book is a rich source of accounting history. Its breadth, depth, and style give it unusual appeal for teachers, students, and practitioners alike. It provides historical perspective for a number of contemporary issues challenging the accounting profession today. For example, the book addresses issues such as adequate disclosure, uniformity in financial reporting, interim financial reports, estimates of future earnings, fluctuations in foreign exchange, and duties and responsibilities of auditors. The book also reveals the evolutionary nature of many currently accepted accounting principles and practices. For example, depreciation accounting is shown to have evolved from needs for creditor protection and dividend payout restrictions. Dickinson's accounting experience in both England and the United States enables him to span cultural factors and contrast unique environmental considerations germane to the development of accounting in the respective countries. The impact of English practice and English laws on United States accounting is both highlighted and judiciously documented.

One section of the book deserves additional comment. Chapter X, "The Duties and Responsibilities of the Public Accountant," (37 pp.) provides an excellent summary of many key issues previously discussed in some detail. A reader would do well to carefully examine this chapter before reading the remainder of the book. In fact, reading this chapter alone is an informative, provocative intellectual experience.

The remainder of the book is of more diluted value. Specific interests might lead to examination of sections dealing with topics such as cost accounting, depreciation, or consolidated statements. However, other sources provide more exhaustive treatment of the

historical aspects of these topics. Furthermore, the discussion of specific issues like valuation, depreciation, and ethics, tends to be scattered throughout the book and is thus not readily available for convenient reference. The inclusion of a detailed subject index (21 pp.), however, facilitates accessibility to such material.

(Vol. 3, No. 1, p. 2, 1976)

Institute of Chartered Accountants in England, *Historical Accounting Literature* (London: Mansell Information/Publishing Limited, 1975, pp. 360, £20.00 net; U.S. \$40.00).

Reviewed by Adrian L. Kline  
The University of Texas at San Antonio

This book, *Historical Accounting Literature*, comprises a catalogue of the early works on bookkeeping and accounting included in the library of the Institute of Chartered Accountants in England and Wales. Also included is a bibliography of literature on these subjects published before 1750, but not included in the Institute Library.

An accounting history buff or serious researcher will find this book to be interesting and useful since it is compiled in a manner which greatly facilitates a rapid review of the contents. The main content of each entry is a "literal" copy from the publication's title page. A great majority of the entries appear in the section on bookkeeping and accounting, which is chronologically arranged under each of eighteen different languages. The breadth of information and chronological arrangement by language enable the reader to quickly gain a working knowledge of the literature as it unfolds through time by country of origin. Other notable features include an introductory essay on the development of accounting literature by Basil S. Yamey, who has also compiled and included select bibliographies on Luca Pacioli and Edward Thomas Jones. An author index with appropriate cross references was also included.

In addition, entries are arranged under the following headings: histories, bibliographies, bookkeeping and accounting, accounts, public accounts, account books, commercial law, commercial arithmetic and various mathematical tables, actuarial science, calligraphy and lithography, and, finally, a list of illustrations from early books in the Institute Library.

Increasing interest in the field is facilitated by the recent issue in microform of the more important and rarer books in the Institute Library by World Microfilms Publications.

It is difficult to make a catalogue of this nature both useful and interesting, but the Institute and their publisher (Mansell) have succeeded. Yamey's introduction entitled "Four Centuries of Books on Bookkeeping and Accounting," sets the stage in a professional manner and then the publication description methodology used holds one's interest, e.g., the entry for James Peele's work in 1553 states:

The manner and fourme how to kepe a perfecte reconyng, after the order of the moste worthie and notable accompte, a debitour and creditour, set foorth in certain tables, with a declaracion thereunto belongyng, verie easie to be learned, and also profitable, not onely unto suche, that trade in the facte of marchaundise, but also unto any other estate, that will learne the same.

The fringe benefit of watching the accounting vernacular of four centuries ago change through time is in itself a worthwhile and enjoyable exercise, e.g., *accountantship* to *accountancy* and *marchaundise* to *merchandise*.

It is also interesting to visualize the apprenticeship system then practiced in England by young aspiring accountants and how *accountancy* of that day was combined with other practical pursuits; George Fisher's work in 1750 states:

The instructor: or, young man's best companion. Containing spelling, reading, writing, and arithmetick. . . . Instructions to write variety of hands. . . . Also merchants accounts, and a short and easy method of shop and book-keeping. . . . To which is added, the family's best companion . . . and a complete treatise of farriery. . . . Also some useful interest-tables.

One of the entries was a particular eye-catcher as it exemplified an accounting do-it-yourself kit with a much wider application than we attempt to package today; Mathew Quin's 1774 entry states:

Quin's rudiments of book-keeping; comprised in six cases, and attainable in as many days, without the help of a teacher. Calculated for persons of either sex, grown to maturity. With an essay on the fit manner of initiating youth in the rules of temperance and moral rectitude, by an easy arithmetical scale.

This book is an appropriate choice for a researcher interested in accounting history originating outside the U.S. Naturally it is especi-

ally rich regarding English and Welsh sources, but also includes sources who speak seventeen other languages. The liberal descriptions of the catalogue entries will greatly facilitate the researcher's task.

(Vol. 3, No. 1, p. 3, 1976)

Arthur H. Woolf, *A Short History of Accountants and Accountancy* (London: Gee & Co., 1912, Reprint ed., Osaka, Japan: Nihon Shoseki, Ltd., 1974, pp. 254, \$21.50).

Reviewed by Kenneth O. Elvik  
Iowa State University

*A Short History of Accountants and Accountancy* is a reprinted collection of Arthur H. Woolf's revised articles, which were first published in the journal, *The Accountant*, and later published in book form by Gee & Co., London. The author proposes, as a central concept, that accounting reflects the level of sophistication of the society in which it exists, and builds the content of his book around that idea. Since the book is divided into four parts, I shall discuss each part separately.

In Part I, the author examines the attempts which were made to organize commercial data in ancient Egypt, Babylonia, and among other Near Eastern peoples, including the Hebrews. The scribe is identified as the "accountant of the ancient world." Present-day researchers will be interested in the citations from history texts and ancient records, including those of the Greeks and Romans to 476 A.D. The author concludes that there is no ground for suggesting that these ancients understood double-entry bookkeeping. He considers the Dark Ages "singularly barren and uninteresting" and sees Charlemagne's administrative controls as a direct predecessor to those of the English manors of the thirteenth century. The administration of the Royal Treasury, or Exchequer, is regarded as the first effort toward "scientific accounting" in England. There are numerous and interesting attempts made in the book to find derivations and uses for such terms as the "Pipe Rolls" and "Account of the Comptroller of the Royal Wardrobe." He refers to surveys both before and after the Domesday Book, and the role of keeping accurate records in the management of manors is illustrated by quotations from thirteenth century treatises on the subject and by references to specific records. The author is understandably perplexed by an inability to find anything but the most rudimentary accounts of German

merchants, particularly in view of their relatively advanced mercantile achievements. He finds accounts in France very orderly, but notes that Italy provides the more significant developments.

In Part II the author mentions a book by Benedetto Cotrugli, which was supposedly completed, but not published, before that of Paciolo. He devotes eight pages of this section to quoting Paciolo's text. A number of sixteenth century Italian texts are noted, and attempts are made to trace the adoption of Italian methods by German and Dutch authors. Paciolo's methods are then traced to England. Woolf concludes that English and American accountants were free to develop their systems to match the growing sophistication of commerce due to a lack of "legislative enactments," which in other nations forced a conformity in keeping "specific books in a prescribed form."

Part III, entitled "Origin and Progress of Auditing," consists of a single, brief chapter referring mainly to earlier chapters.

"Rise and Progress of Professional Accountants" is the title of Part IV. Here the author attributes the failure to identify accountants in the Italian census to the possibility that they were included with mathematicians. He describes an early association of accountants (ca. 1581) and its accomplishments in Venice, and traces the history of accountants in Scotland and England. Associations in the colonies and in the United States are also briefly mentioned. According to Woolf, the Companies Act of 1862 was spoken of as "the accountants' friend." In the final chapter of the book, Woolf sees the exclusion of "undesirables" from the profession as the foremost problem in the field of accounting. Woolf's remedy is legislation, and he reflects disappointment at the failure of a bill in the House of Commons. He is also concerned about the relatively low status of accounting in educational institutions and suggests that a "School of Accounting" be started at the University of London with offerings similar to those of the University of New York. The author sees a need for a code of ethics similar to that of the bar association. Other concerns include a hint at the identification and perseverance of independence.

There are two appendices. Appendix A is a quote from the "First Report of the Commissioners of Public Accounts," dated October 8, 1831. Appendix B identifies court recognition of the professional accountant in Uruguay, as early as 1825, and some instances of early legislation. There is a bibliography of material available at the Institute library and other identified locations and a fourteen-page index.

The book should be useful to researchers interested in the history of accounting and contains views on topics still under discussion today, e.g., accounting relative to its environment (developing nations) and schools of accounting.

(Vol. 3, No. 2, p. 2, 1976)

Osamu Kojima, *Historical Studies of Double Entry Bookkeeping (Bokishi Kenkyu)* (Kyoto, Japan: Daigakudo Shoten Limited, 1975, pp. 305, 4500 Yen. \$15.00).

Reviewed by Richard H. Homburger  
Wichita State University

This book is a collection of articles on various aspects of the history of bookkeeping, written by several well-known Japanese scholars. The articles were previously published; but most have been revised for this edition. This is a text written in the Japanese language, followed by a rather detailed and comprehensive English summary.

While presenting a variety of special interests and points of view, the volume in its entirety reflects the universal outlook of its editor and chief co-author, Osamu Kojima. Kojima, Professor of Accounting at Kwansai Gakuin University, has been a pioneer in promoting in Japan the kind of historical research which goes to the original documents for critical analysis rather than digests the findings of others. The author of several books, Kojima has traveled widely in Europe and North America to build a collection of slides from a variety of sources. He has initiated and supervised the recent reproduction in Japan of such rare works as the full original text of Luca Pacioli's *Summa* and of the original English translation of Jean Ympyn's *New Instruction* ("A Notable and very excellent woorke") whose only extant original copy is presently housed at the Lenin Library in Moscow.

The book is divided into two parts. The first part contains three articles written by Wasaburo Kimura and Katsuji Yamashita which deal with the basic features of bookkeeping development, such as the conceptual difference between double entry *per se* (the balance of accounts) and its application to business, i.e., concepts of revenue and cost and related closing procedures. Differences of transaction profits and total profits, and their integration, are emphasized. The second, more specialized part of the text highlights the most significant contributions made over the centuries to European bookkeep-



ing development in ten topical articles, four of which were written by Kojima, with the others by Katsumi Izutani, Etsuzo Kishi, Sadao Takatera and Chozo Muto. Coverage includes the early Italian account books of Florence, Genoa and Venice, the sixteenth century records of Christopher Plantin's printing establishment, and the particular contributions to bookkeeping development made by Pierre Savonne, Simon Stevin, Mathieu de la Porte, and Edward Thomas Jones. A discussion of early British balance sheets and of the earliest Italian text translated into the Dutch language, imported into Japan around 1847, round out the text. The Italian text came to Japan 26 years prior to the first Japanese edition of Bryant and Stratton's book.

Distinguishing characteristics of all the articles presented are the emphasis on bookkeeping procedures and their evolution rather than on accounting theory, the scholarly thoroughness and originality of thought, and the attention to detail with which all topics are treated. As an example, the discussion of the Massari Pepper account (presented in the original Latin as well as in translation) explains in great detail the mechanics of using a loss in merchandising as a device to conceal interest charges. In connection with early Italian accounts the different geographical origins of bilateralism (Venice) and double entry (Florence) are discussed. For Jones' "English System of Bookkeeping" the advantages as well as the disadvantages of the system are presented. Similar thoroughness is evident in discussing Savonne's treatment of merchandise accounts, Stevin's closing procedures, and de la Porte's development of special journals. The author of the chapter on British balance sheets searches with great care for the origin of the reversal of debit and credit sides in some English balance sheets and traces this practice back to the East India Company.

In this reviewer's opinion, the text represents a very worthwhile addition to the library of the western accountant even though he is not familiar with the Japanese language. The English summary alone provides very easy and stimulating reading as well as a convenient guide to the fuller and more detailed Japanese text. The text itself is interspersed with many interesting reproductions of old accounts in various European languages which can be studied for their own merit. The careful selection of topical material and the concise treatment of selected important aspects in the development of bookkeeping procedures make this book appear unequaled in any language at the present time.

(Vol. 3, No. 2, p. 3, 1976)

Wilmer L. Green, *History and Survey of Accountancy* (Brooklyn, N.Y.: Standard Text Press, 1930, Reprint ed., Osaka, Japan: Nihon Shoseki, Ltd., 1974, pp. 288, \$25.00).

Reviewed by Horace R. Givens  
West Virginia University

This reprint of Green's *History and Survey of Accountancy* is a welcome addition to the growing list of reprinted accounting classics. Green's book was one of the three early attempts, along with Littleton and Brown, to describe the historical development of accounting theory and practice. The fact that some four decades have passed since its initial publication makes the book of interest to accounting historians not only for its content, but also as an object for study in the evolving historiography of accounting.

The first half of the book is devoted to a broad survey of record-keeping beginning with the Babylonians and extending to modern times. The history of bookkeeping, with heavy emphasis on double entry, is presented covering the period from the 13th century to the 20th century. Green used a geographical approach, and discussed separately the developments in a number of different countries. For most of these, the emphasis is on developments of the 19th and 20th centuries.

The same country-by-country approach was followed in the discussion of regulatory legislation for the accounting profession. This section also deals primarily with the 19th century and later and contains a delightful bit of accounting trivia—that Uruguay “was the first country in the Western Hemisphere to legally recognize and regulate accountancy. This recognition occurred in 1825” (p. 153). The history of legislation in the United States received most of Green's attention; here he treated many of the individual states separately. The history of education for accountancy is surveyed, again with most attention given to the United States, although a number of other countries are mentioned.

Turning to the development of accountants' associations, Green discussed the Institute of Accounts, the American Association of Public Accountants, the American Institute of Accountants, the American Society of Certified Public Accountants, the American Association of University Instructors in Accounting and the National Association of Cost Accountants. The various purposes and services of a number of these groups are briefly mentioned. The professional societies of a number of other countries are also men-

tioned, with most emphasis given to Great Britain. In his chapter on ethics Green cites from the various codes developed by several of the American organizations.

Finally, Green provides a synopsis of the requirements for certification as certified public accountant in each of the jurisdictions in the United States. This last is of interest to historians concerned with the evolution of professional licensure for accountants.

The major criticism to be applied to Green's book is the superficial treatment accorded to virtually all the topics discussed. This superficiality is obvious from the size of the work and the long list of subjects included. For example, the "history" of accounting in Austria, Norway, Finland, Switzerland, Czechoslovakia, Poland, Sweden, Belgium, Denmark and France is covered in a grand total of five pages in Chapter II. In similar fashion the history of legislation for the accounting profession in 26 separate countries of the world is discussed in the space of 16 pages. The same superficial treatment was accorded to the bibliography. In addition to being brief, the bibliography lists only book titles and/or author names in many cases. Periodicals are listed only by title. There is little help here for a researcher.

One very favorable point to be made about the book concerns the illustrations. Some thirty of these are provided, of excellent quality, ranging over the history of record-keeping, from cuneiform tablets to George Washington's expense account. While many of these illustrations, or similar ones, may be found elsewhere, it is pleasant to have so many of varying types conveniently gathered together in one volume. I suspect that many accounting historians find themselves, as I do myself, spending a great deal of time reading modern analyses of past events and artifacts. I think there is an undesirable sterility to such activity. So, if we cannot all handle a cuneiform tablet or a *libri segreti* now and then, at least it is pleasing to have a picture at which to look.

The book deserves a place on the accounting historian's bookshelf both because of its content and its position as a period piece. It can be read in a sitting or two and as such is a useful supplement to reading lists for courses in business or accounting history. Despite the passage of time, it will still give the interested reader a "survey" of the history of the accounting field.

(Vol. 3, No. 2, p. 5, 1976)

Doris Langley Moore, *Lord Byron Accounts Rendered* (New York: Harper & Row, Publishers, 1974, pp. 511, \$17.50).

Reviewed by Hans Johnson  
The University of Texas at San Antonio

Lord Byron is remembered today for his literary genius and controversial life style. *Lord Byron Accounts Rendered* is the author's second biographical study of the poet. In her latest effort, Moore has tapped a previously unused wealth of documentary evidence pertaining to Byron's financial affairs. Antonio Lega Zambelli, Byron's trusted aide, kept meticulous records of incomes and expenditures. Zambelli's records were passed on to his heirs upon his death in 1847 and eventually were acquired by the British Museum. Such is the volume of documentation that author Moore comments, "we have Byron's domestic economy so minutely yet unconsciously reflected that there can scarcely be anything comparable in the annals of famous men."

Zambelli's ledgers were written in Italian and contain monetary amounts listed in several currencies. Due to her "total ignorance of bookkeeping," the author was reluctant to take on the task of wading through the mass of detail. But after a couple of days of "plodding," a change of perspective was experienced. Recollections of important events in Byron's life took on new dimensions. Moore discovered that there is little "in Byron's life or any other which is not linked up with some financial story." Problems of translation of foreign currencies and "approximation to modern values" were not allowed to impede Moore's study as she decided early upon an approach which "would give the reader occasional reminders and standards of comparison, and not attempt arithmetic beyond [her] capacity."

Accounting historians interested in the biographical use of personal financial information will find the book beneficial as an example of research technique and synthesis of complex evidential material. Moore's approach is chronological with interpretation of important events and personalities based upon her study of the Zambelli records. The author, being very knowledgeable on the life of Lord Byron, carefully weaves personalities, places and events together with monetary exchanges in such a manner as to reveal interesting new insights. As one illustration, although it is commonly believed that Byron did his best work after imbibing heavily, Moore concludes, after carefully analyzing his liquor expenditures over a period of time, that "it is difficult to believe, even when he himself

tries to persuade us, that such works as *Don Juan* and *The Vision of Judgement* were composed in a befuddled state.”

The first five chapters of the book pertain to the early years of life before Byron departs from London. The remaining eight chapters trace his European adventures until his untimely death in 1824. Byron died at age thirty-six from an illness contracted while in Greece attempting to aid the Greeks in their revolutionary struggle against the Turks.

Byron's financial difficulties began at age three when his deceased father left a will which bequeathed him all his father's debts and funeral expenses. Lady Byron, his mother, was more kind and in fact deprived herself of most of the amenities of life so that he could obtain the best possible education. Byron never forgave her, however, for calling him a lame brat; he was born with a distorted right foot. Lady Byron failed to inculcate in him the virtue of frugality for when Byron came of age in 1809, he owed debts totaling 12,000 pounds. Nevertheless, he did acquire his mother's ability to carefully scrutinize household bills.

Lord Byron soon began getting his works published and took his seat in the House of Lords. He left London in 1816 after a highly publicized divorce. In Europe he met and acquired the services of Antonio Lega Zambelli. Zambelli became Byron's bookkeeper and caretaker of his worldly goods. Byron insisted on a weekly accounting of all transactions and Zambelli zealously complied. One of the most difficult problems experienced by Zambelli was recording transactions in the different currencies encountered during Byron's visits throughout Europe.

Lord Byron's lifestyle is closely revealed by the household accounts. A connoisseur of fine foods, he often gave exquisite dinner parties for his friends. Subsequently, he would go on a prolonged diet of biscuits soaked in fresh vinegar. His favorite pastime activities included rifle and pistol shooting and caring for his pets. The pets included monkeys, dogs, various birds, and, at times, up to ten horses. From the accounts it appears that the pets were “in general provided for more liberally than their master.” Although Byron was a romantic figure, the minutely detailed accounts do not disclose any payment for sexual favors.

Two tragic personalities appear in Moore's book. They are Byron's daughter Allegrina and, as you may have guessed, Zambelli the bookkeeper/caretaker. Allegrina was born out of wedlock, was despised by her mother, neglected by her father, and sent off to a convent. There she died from a fever at age five. Zambelli, trustworthy and faithful to the end, followed Byron to Greece despite

the fact that his beloved Italian mistress was desperately ill. Upon Byron's death, he accompanied the body to London and wound up his master's financial affairs (the undertaker's fee was 1101 pounds) only to later discover that Byron had neglected to leave a will. Author Moore states that this "had come upon him as a blow."

Eleven appendices ranging from such diverse subjects as Byron's experiences with sodomy to his expenditures for linen and household furniture are included at the end of the book. Also scattered throughout the book are fifteen reproductions of family portraits and various financial papers. The publisher has done a masterful job of printing Moore's work. The book would be a beautiful addition to anyone's library.

(Vol. 3, No. 3, p. 2, 1976)

Arthur Andersen & Co., *The First Sixty Years 1913-1973* (Chicago: Arthur Andersen & Co., 1974, pp. 189).

Reviewed by S. J. Lambert  
University of Nebraska

*The First Sixty Years* is a history of Arthur Andersen & Co. (AA) from 1913 to 1973. It represents a thorough revision and reorganization of an earlier history of the firm, *The First Fifty Years*, as well as an updating of the firm's history for the period 1964 through 1973. *The First Fifty Years* comprised nine chapters in 201 pages. *The First Sixty Years* comprises thirteen chapters in 189 pages. The revision was shortened by eliminating about sixty pages which had listed various personnel in the AA organization. In its place are detailed biographical sketches of the four chief executives of AA from 1913 to 1973: Arthur Andersen, Leonard Spacek, Walter Oliphant, and the current chief executive, Harvey Kapnick. A brief biographical sketch of some of AA's other key personnel is also included.

The foreword states that material for the period prior to World War II is included almost verbatim from the earlier publication. Material subsequent to World War II has been integrated with the new material from the 1964-1973 period.

The firm's history begins with the birth of the firm in 1913 when Arthur Andersen and Clarence M. Delany acquired the net assets of The Audit Company of Illinois. The first six chapters trace the growth of AA from its birth through 1973. Critical events which helped the firm grow include, for instance, the work during the

twenties in financial investigations and the firm's efforts in successfully rehabilitating the companies in the Insull public utility empire.

Chapter seven briefly traces the development of AA as a worldwide organization through three separate phases. AA began operating worldwide through representation arrangements, followed by joint undertakings, and finally established their own offices throughout the world.

Chapter eight analyzes the development of the three divisions of AA's practice: auditing, taxes, and administrative services. Auditing is treated here only briefly since the development of the firm as discussed in other chapters is related primarily to auditing. It is interesting to note from the discussion of administrative services the impact that World War II had upon systems work. From their wartime experiences businessmen brought back an increased appreciation of accounting data for decision making as well as a favorable attitude toward mechanizing accounting and clerical routines. Thus a new area of development for accounting was opened into which AA successfully expanded.

Chapter nine discusses the evolution of the firm's administrative structure, significant aspects of which occurred after 1963 and hence were not included in the earlier history.

Chapter ten, "Foundations of Professional Competence," draws heavily from material in the earlier publication. AA's emphasis on a "one-firm" concept is discussed along with the firm's policy of speaking with one voice on professional matters. The history of the firm's committee on accounting principles and auditing procedures is also mentioned. AA's approach to maintaining effective communication within the firm through their "subject file," *The Chronicle*, and periodic meetings, plus the firm's position toward "new patterns of litigation," is also covered in chapter ten.

Chapter eleven entitled, "The Development of People" discusses the transition from the use of temporary staff during the busy season to permanent career-oriented professionals. With career-oriented professionals came a new emphasis on recruiting and professional training and development.

Chapter twelve on "Leadership in the Profession" discusses speeches and articles by the firm's chief executives and partners. Many of these have been published by the firm and are available to accounting educators. Particular attention is paid to the contributions of Leonard Spacek. A final concluding chapter on "The Challenge of the Future" rounds out the sixty year history.

*The First Sixty Years* is well written and very interesting, especially to the accounting historian. Through reading the history of how

one accounting firm has grown, one gets another glimpse of how professional accounting has developed in the United States.

(Vol. 3, No. 3, p. 4, 1976)

*Haskins & Sells: Our First Seventy-Five Years* (New York: Haskins & Sells, 1970, pp. 192).

Reviewed by Joyce C. Lambert  
University of Nebraska

*Haskins & Sells: Our First Seventy-Five Years* captures the development of the Firm from 1895 to 1970. An earlier history of the Firm covering the first fifty years was essentially a general history of the major events of the U.S. and the world during the Firm's history (Wright brothers flying, Marconi's "wireless telegraph," Edison's inventions), along with various accounting events (the start of the American Association of Public Accountants—now the AICPA; works of Sprague, Montgomery, Sanders, Hatfield, Moore; SEC Acts) with pictures of Haskins & Sells partners on these pages of general history.

*Our First Seventy-Five Years* differs significantly in its approach from this earlier history of the Firm. The current history traces the development of H&S through the contributions of individuals in the Firm, for as the preface states: "Haskins & Sells are people." In general, the book proceeds through the history of H&S by tracing the events under the various partners in the Firm. In most cases the discussion gives the general education of the individual, the previous employment background, the circumstances surrounding the acceptance of employment with the Firm, the major events and/or clients served, and the progression of the individual through the Firm.

Charles Waldo Haskins, founding partner of the Firm, came from a long line of American ancestors. His great-grandmother was the daughter of Reverend William Emerson, who built the "Old Manse" made famous by Hawthorne. She was also the aunt of Ralph Waldo Emerson. Elijah Watts Sells' great-grandfather served in the American Revolutionary War.

In 1893 the Joint Commission of the Fifty-third Congress of the United States employed two accounting experts, Charles Waldo Haskins and Elijah Watts Sells, to recommend improvements in the operating methods of the Executive Department. Based on their respect for each other as a result of this assignment, they decided



to jointly offer their services to the public. A partnership was formed in New York on March 4, 1895.

Numerous mergers and acquisitions occurred throughout the 75 years. The first merger occurred when the firm of Conant & Grant (London) was acquired in 1901. Other mergers and acquisitions are listed in an appendix, numbering over 80.

This book, in addition to covering the history of H&S, also serves as an accounting history noting important events in the accounting profession as it progresses through the history of the Firm. Some events noted are the start of the American Association of University Instructors in Accounting (now the American Accounting Association), the SEC Acts, the Institute's Committee on Accounting Procedures, the Institute's Committee on Auditing Procedures, and the Accounting Principles Board.

Four appendices are included in the book. Appendix A lists the partners and directors of H&S. Appendix B lists meetings of partners and directors and meetings of principals and managers. Appendix C lists cities where H&S offices are located. As of 1970 H&S had offices in over 70 cities around the world. Appendix D lists mergers and acquisitions from 1901-1970. One merger in 1961 was Pentland, Purvis, Keller & Company (Miami). A history of this firm from 1933 to 1961 has been written by Hugh F. Purvis.

Haskins & Sells' Committee on History with the late Arthur B. Foye as its chairman has produced a book which provides a thorough look at the development of H&S and their pursuit of excellence in serving their clients and the accounting profession.

(Vol. 3, No. 4, p. 4, 1976)

Francis William Pixley, *Auditors: Their Duties and Responsibilities Under the Joint-Stock Companies Acts and the Friendly Societies and Industrial and Provident Societies Acts* (New York: Arno Press, 1976, 210 pp. \$14.00. Reprint of the 1881 edition published by Effingham Wilson, Royal Exchange, London, England).

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This copy of Pixley's *Auditors: Their Duties and Responsibilities Under the Joint-Stock Companies Acts and the Friendly Societies and Industrial and Provident Societies Acts* is a desirable augmentation to the increasing inventory of reprinted historical accounting classics. Pixley's book represents an early attempt at describing

the principles, practices and general information relative to the duties and responsibilities of auditors certifying accounts of joint stock companies.

The book can be divided into the following four parts: (1) excerpts from Acts of Parliament, (2) books used by public companies, (3) nature and principles of an audit, and (4) content of the revenue statement, balance sheet and related auditor responsibilities. The first three chapters are primarily devoted to excerpts from eighteen Acts of Parliament ranging from The Companies Act of 1862 through The Companies Act of 1880. The excerpts provide information about which acts require auditors, mode of appointment, term of office, remuneration, access to records and responsibility. In addition, the extractions specify what books and accounts are required to be kept by each act and how dividends can be paid.

The second part of the book contains a brief description of the books generally used by public companies including content, purpose and the books required by each act. The books commonly used can be divided into two parts: (1) registry or statistical, and (2) financial or account. Included in the statistical books are register of members, register of mortgages and minute book. Some of the financial books are cash, petty cash, journal and ledger. Pixley states that the auditor should be more concerned with the financial books when performing the attest function.

Chapter five contains a discussion of the nature and principles of an audit. Pixley specifies that an audit should be divided into three parts to disclose three types of errors: (1) errors of omission, (2) errors of commission, and (3) errors of principle. Pixley does not define or describe the three types of errors but specifies the audit procedures required to detect each type. Errors of omission would generally be discovered by tracing each amount on the debit side of the balance sheet or cash book to the original source document. The comparison of items in one book with corresponding items in another book until they are carried into the balance sheet or revenue statement isolates errors of commission. Examination of vouchers commonly provides detection of errors of principle.

Pixley, in the last part of the book, describes in detail the format and content of the revenue statement and balance sheet as well as duties of the auditors relative to these statements. A description of the makeup of each account in both statements is given with emphasis on auditor responsibility for the propriety of each account. Pixley concludes that the balance sheet is the most important statement.

The book contains two appendices. Appendix A consists of a number of detailed statements prescribed by certain of the acts such as a balance sheet and revenue statement. Appendix B describes in detail some of the forms required by Acts of Parliament.

The major criticism of Pixley's book is the treatment of the various Acts of Parliament. Approximately half of the book is devoted to excerpts of eighteen acts, producing an awkward flow of material and contributing to difficulty in interpreting auditor responsibility and requirements in general. Another criticism deals with Pixley's lack of definition of terms. For example, definitions are never given for the three types of errors auditors should be cognizant of in the attest function. Only a procedure to detect the errors is described.

One favorable aspect to the book is the excellent job on the appendices. The detailed statements and forms are very informative, interesting and of excellent quality.

The book deserves a place in the accounting historian's library because knowledge of past auditing practices and principles can be an important input toward understanding better the practices and procedures of today. It reflects that even in today's dynamic environment of accounting, many of the ideas advocated almost a hundred years ago are in practice today.

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