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THE NATURE AND INFLUENCE OF MANAGERIAL ACCOUNTING DURING THE NEW SOUTH MOVEMENT: THE CASE OF A CHARLESTON PRINTER*

Abstract: This paper investigated the accounting system of Walker Evans & Cogswell, a printing company in Charleston, South Carolina, in order to ascertain the nature and influence of management accounting during the New South Movement. Through archival analysis, the accounting techniques used by the Company were found to be effective management tools for planning and control during the period in which the Southern economy was transformed from agrarian to manufacturing. The findings raise new questions about existing studies on nineteenth century managerial accounting, especially for the printing industry.

There is a New South, not through protest against the old, but because of new conditions, new adjustments, and . . . new ideas and aspirations.

Henry W. Grady

1886

Several accounting historians have analyzed the nature and influence of managerial accounting during the nineteenth century. Garner [1954] provided foundational insights into the development of managerial accounting in *Evolution of Cost Accounting to 1925*. Johnson [1981, 1972] examined the importance of cost accounting during the Industrial Revolution. Recent works by Tyson [1992, 1988] focused on managerial accounting during the nineteenth century.

*The authors appreciate the assistance provided by Peter Wilkerson of the South Carolina Historical Society in the cataloguing of the Walker Evans & Cogswell Collection and to the College of Charleston for providing financial support for this study. We are grateful for the invaluable input of two anonymous reviewers.

Despite such impressive research, no studies have specifically addressed the nature and influence of management accounting during the New South Movement. Consequently, little is known about the role management accounting played in the transformation of the post-Civil War Southern economy from agrarian to manufacturing. Therefore, the purpose of this paper is to examine the character of management accounting in the post-Civil War Southern economy.¹ The investigation is predicated on the practices of a printing company in Charleston, South Carolina — Walker Evans & Cogswell (WEC) — commonly known as “Printers of the Confederacy.”²

HISTORICAL CONTEXT

Review of Nineteenth Century Management Accounting

The roots of contemporary management accounting can be traced to the nineteenth century. During this time, a period known as “the Cost Renaissance,” modern cost accounting evolved as business and capital became more sophisticated. The writings of Garke and Fells [1887] and Metcalfe [1885] are widely considered the most influential works on management accounting during the Cost Renaissance.

The introduction of Metcalfe’s *Cost of Manufacturing*, in 1885, prompted a distinction between fixed and variable for the “manufacturing burden” (overhead) [Garner, 1954].³ Metcalfe

¹This paper focuses on the management accounting system. According to Kaplan [1982], management accounting is a broad concept defined as “a system that collects, classifies, summarizes, analyzes, and reports information that will assist managers in their decision-making and control activities” [page 1].

²The financial records of Walker Evans & Cogswell were made available to the authors by the South Carolina Historical Society. The collection was donated to the Society in 1987 and includes a comprehensive record of the business transactions of the Company from its inception in 1821 until its liquidation in 1885. The authors, in conjunction with the Society, identified, organized, and catalogued the journals, ledgers, job-order records, memorandum books, tax records, and financial statements, among other documents. Each record was organized by its specific function and time period in an attempt to piece together the accounting system of the firm. Once the collection was organized, an archival investigation was made of the accounting system of the Company during the historical era known as the *New South*. The paper focuses on the overall managerial accounting system as a facilitator of decision making within the firm from 1859 to 1913.

³Garner [1954] contended that prior to Metcalfe’s work in 1885, American manufacturers did not concern themselves with allocation of overhead to factory production.

also provided the foundation for the modern job-order system. This "shop order" system was perhaps the earliest substantive attempt at formalizing a system of documents that included tickets and cards aimed at accumulating the costs of raw materials, labor, and overhead. Ultimately, these documents allowed the construction of a "cost-sheet" that facilitated tracking of costs and jobs through the factory.

In 1887, Garke and Fells published *Factory Accounts*, which is regarded as the pioneering effort to bring together the concepts of scientific management and accounting [Chatfield, 1977]. The work was the first to introduce the concept of prime costs and the manner in which they pass through a series of ledger accounts. Church [1901] refined the techniques by describing a method of allocating "shop charges" to particular jobs or production.

More recently, Johnson [1981] explained the rise of nineteenth century accounting among capital-intensive American industries. His findings suggested that the evolution of cost accounting was driven by the way firms organized economic activity and by information needs of decision makers. This conclusion contradicted earlier beliefs that cost accounting developed as a result of increased use of long-term assets during the nineteenth century.

It is suggested that management accounting techniques of the late 1800s had not evolved sufficiently to account for depreciation on fixed assets or to facilitate the use of forecasts or return-on-investment calculations [Johnson, 1981]. Further, Chatfield [1977] argued that typical costing methods of the period had not advanced to support full-absorption costing. The findings of our study suggest that the preceding explanations may not be complete.

Johnson and Kaplan [1987] contended that industrialization of the United States may have been fueled by management accounting. Their premise that "... management accounting itself may have facilitated the growth of large-scale firms" [page 20] provided the impetus for other studies on the importance of management accounting during nineteenth century industrialization.

Tyson [1992] suggested that early nineteenth century costing methods were influenced by the social and economic environment of the day. His study examined textile industry costing and found that reports were both comprehensive and math-

ematically exact, thereby supporting a variety of managerial decisions. It appears that relatively sophisticated costing methods existed in the United States prior to 1840. Earlier work of Tyson [1988] indicated that detailed cost reports may have been produced during the latter part of the nineteenth century by firms faced with increased competition and economic depression.

According to Garner [1954], despite management accounting advances in the nineteenth century, printing industries in America and Great Britain did not adopt formal systems of cost accounting until about 1914. Notably, Garner argued that the printing industry ignored depreciation on productive assets. He pointed out that the technological state of the day supported the position that "the equipment used was not very expensive, and there was no danger of its becoming obsolete, or even wearing out within a foreseeable time" [page 23]. Although fairly complex accounting techniques were developed and used in the nineteenth century by manufacturing entities, the printing industry was believed to have lagged behind in developing sophisticated managerial accounting techniques [Jackson, 1919].⁴ However, the research findings in this paper provide evidence to the contrary. In fact, Walker Evans & Cogswell depreciated long-term assets and allocated these and other overhead amounts to production as early as 1874.

The New South Movement

Concurrent with "the Cost Renaissance" that occurred in the last three decades of the nineteenth century was the incidence of the New South Movement. Woodward [1951] noted the phrase "New South" is not a place, as is "New England," nor does it precisely designate a period, as does "the Confederacy." The phrase was more a "rallying cry" [page xi] for those whose faith lay in the future, distinctly apart from those whose heart was with the past. For purposes of this paper, however, the "New South Movement" will be used to describe the changes in the Southern economy that occurred from approximately 1870 to 1913.

The period marked the end of an era of social, economic, and political revolution and the beginning of the Industrial

⁴ Interestingly, the *Journal of Accountancy* did not specifically address practice standards within the printing industry until May 1919 when it featured "Standardization of Printer's Accounts" [Jackson]. This was followed by the 1922 feature "Accounting for a Printing and Bookbinding Business" [Beaujon].

Revolution in the South. The business revival brought the rise of Southern factories, especially the cotton mills. The slogan, "bring the factories to the fields" was symbolic of the economic reconstruction of the former Confederate states. In his report on the cotton-textile industry in the Census of 1890, Edward Standwood wrote that the extraordinary rate of growth in the South during the 1880s was the most important aspect of the period [Woodward, 1951]. With the proliferation of Southern cotton mills came successful competition with New England.

In addition to the rapid growth of new mills, Southern empires of timber, coal, and iron attracted Northern and foreign investors. Agricultural production was revitalized, and railroads and bridges were constructed in response to the expanding economy. The South, rich in natural resources but poor in capital, represented an appealing economic frontier for investors toward the end of the nineteenth century.

Prosperity of the period was illusionary for Charlestonians, whose economy was in decline compared with other New South urban centers. Although Charleston remained the largest port south of Baltimore and South Carolina's major rail and trade center, the last two decades of the nineteenth century saw a soft economy in Charleston. Part of the city's economic problems were situational, such as unfavorable rail rates. Many of Charleston's woes, however, were attributed to cultural elitism and a disdain for trade. Although commercial activity was on the rise by 1900, Charleston's economy was described as "moribund" [Fraser, 1989]. Nonetheless, many Charleston businesses, including Walker Evans & Cogswell, were prosperous during the era.

Profile of Walker Evans & Cogswell

Walker Evans & Cogswell (WEC) was founded in 1821 in Charleston, South Carolina. In the early years, the business depended primarily on local printing orders. WEC had expanded to other regions of the South by 1850. At its pinnacle around 1920, WEC had printing contracts with businesses and governmental entities throughout the country. The extensive accounting records chronicle its intriguing history and its role in the American Civil War, Reconstruction, and the New South Movement.

The influence of WEC prior to the Civil War was primarily limited to South Carolina, although occasional orders were re-

ceived from nearby North Carolina, Georgia, and Florida. The major source of revenue during this period was from orders for stationery and bookbinding, including journals and ledgers. As a designer, manufacturer, and supplier of account books and forms for businesses throughout the South, the firm may well have helped spread the concepts of double-entry accounting.

Rapid expansion began in 1885 with the purchase of a large printing facility equipped with modern printing presses and binding machinery. Following the expansion, the firm was fully able to mix and store inks of all grades and colors to meet increasing customer demands. The direction of the flourishing printer, however, changed dramatically in the 1860s.

The American Civil War began in Spring 1861 with the first shots fired in Charleston approximately two blocks from the WEC facilities. Soon after, Confederate government officials approached Benjamin Evans, company president, to negotiate printing contracts for the production of currency and bonds. He traveled to England and Scotland to purchase equipment and enlist corps of lithographers. Upon his return to Charleston, production of currency and bond certificates began.⁵ Illustration 1 provides examples of \$5 and \$10 Confederate notes printed by WEC.⁶

The printing facility was moved to Columbia, South Carolina in 1862 to avoid the shelling and mortar fire in Charleston. The firm remained in Columbia during the War and was reestablished in Charleston in 1865. The devastation of war brought a virtual end to commerce in Charleston until around 1867 when the city began to resurrect slowly. However, WEC enjoyed a quick economic recovery and prospered during the Reconstruction period.⁷

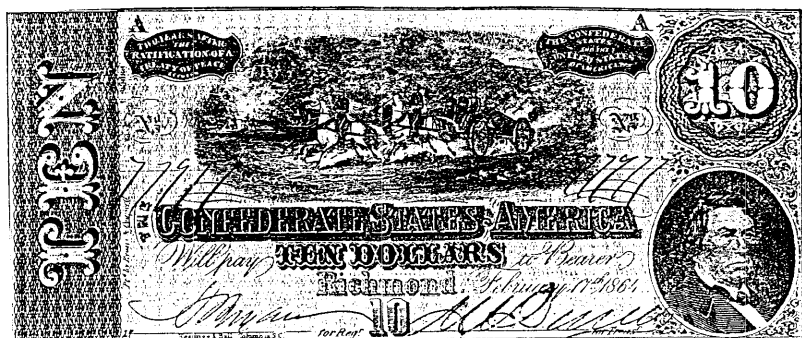
⁵ Due to the death of John C. Walker, general partner, in 1861, the printing firm assumed the name of "Evans & Cogswell" during the war years. The name Walker Evans & Cogswell was restored in 1865 when Walker's son, C. Irvine Walker, returned to the firm after serving in the Confederate army.

⁶ According to Criswell [1964], Walker Evans & Cogswell (then officially known as "Evans & Cogswell") was one of several printing firms involved in the production of Confederate currency, bond certificates, and postage stamps. Other printing establishments included Keating and Ball (Richmond and Columbia), Hoyer and Ludwig (Richmond), Southern Bank Note Company (New Orleans), and B. Duncan (Columbia).

⁷ Unlike most businesses, WEC emerged from the Civil War with its equipment and management intact. The equipment was hidden during Sherman's destructive "March to the Sea" in 1865 by the Cogswell family.

ILLUSTRATION 1

\$5 and \$10 Confederate Currency
Lithographed by Walker Evans & Cogswell 1864



MANAGERIAL ACCOUNTING AT WEC

The accounting records of WEC had evolved into an interconnected system for managerial decision making by the commencement of the New South Movement. By 1870, a system of journals, ledgers, and memorandum books was clearly established to facilitate the preparation of comparative financial statements, cash flow analysis, job order costing, pricing, and periodic assessment of financial position. In contrast to the findings of Garner [1954] and Johnson [1981], the firm depreciated plant assets and allocated this and other fixed overhead to production as early as 1874. This characteristic of WEC's managerial accounting system is intriguing in light of the fact that the work of Garke and Fells did not appear until 1887 in England.

In 1870, the managerial accounting system was comprised of the president's memo book, general journal, general ledger, customer ledger and index, and work order books. After diversification, separate sales records were kept for the retail business. Beginning around 1890, customer ledgers were maintained geographically. A cash book was added in 1901 as a means of monitoring and controlling cash flow. An employee payroll book was introduced in 1909 to account for the growing labor force.

President's Memo Book

The president's memo book, maintained from 1859-1913, provides insights into managerial accounting practices. It contains information used for major decisions concerning diversification, transfer pricing, cost allocation including fixed overhead to production, cash flow and liquidity analysis, and extensions of credit to major customers.

The memo book provides evidence that WEC directly affected the momentum of the New South Movement by influencing the rebuilding and establishment of many Southern newspapers. Risky credit extensions were sometimes made to promote the growth of these enterprises. Of special significance is the role that the firm played in financing Henry W. Grady, famed journalist, editor of the *Atlanta Constitution*, and acknowledged spokesman of the New South. Reflecting on the decision to assist Grady, WEC president William H. Cogswell later wrote [Walker Evans and Cogswell, 1921]:

... [the firm] equipped ma newspaper offices, among
them the first newspape enterprise of the distin
guished Southern journalis Henry W. Grady. Then he
was unknown to fame and stranger to the firm, so the
usual credit inquiries were ade. It was learned he was
a minor, without legal resp isibility, but a young man
of the highest personal cl acter. He was trusted on
that character and justifie he confidence of the firm
in him [page 61].

The memo book contains r nerous schedules and analyses
used in the daily decisions. An ample of one analysis indicates
the capability of producing cc comparative reports. The analysis
and resulting "Comparative Sta ments of Business" for the fis-
cal years 1860 and 1870 are rep duced in Exhibit 1. This analy-
sis, prepared in 1870, demonst es management's appreciation
for comparative data.

EXHIBIT 1

**Walker Evans & Cogswell
Comparative Statements of Business
For the Fiscal Years 1860 and 1870***

Evans and Cogswell		
Ordered Work	1859 July 1, to 1860 July 1	\$49,983
	1858 July 1, to 1859 July 1	43,727
Sales	1859 July 1, to 1860 July 1	\$24,948
Walker Evans & Cogswell		
Ordered Work	1869 July 1, to 1870 July 1	\$65,057
Sales	1869 July 1, to 1870 July 1	\$81,885
Increase of Ordered Work 1869-1870 WE&C over 1859-1860 E&C		30 pr. ct.
Increase of Sales 1869-1870 WE&C over 1859-1860 E&C		228 pr. ct.

*The fiscal year end was changed to March 31 when the business incorporated in 1887.

The analysis was likely done as part of the decision process aimed at expanding into the retail market in 1870. The schedule indicates that ordered work (contractual printing jobs) had increased by 30 percent in 10 years, while sales had multiplied by 228 percent. The evaluation perhaps reinforced the decision to diversify and illustrates management's income statement focus.

Job Order System and Logistical Effects

The efficiency and scale of WEC's operations were primary factors in its selection as a Confederate contract printer. Scarce resources and need for effective internal control during the war years likely improved efficiency and sophistication of the job order system. These qualities enabled WEC to recover rapidly during the critical years of Reconstruction and to prosper during the New South Movement.

The job order cost system was capable of producing detailed cost data. In contrast to earlier findings [Johnson (1981); Garner [1954)], WEC depreciated plant assets and allocated these and other fixed overhead amounts to production. Depreciation was calculated at a 10% rate on the investment in plant assets. Subsequently, depreciation was allocated to production

EXHIBIT 2**Cost of Work
July 1, 1874**

	Engine	General	Press Room	Composing Room	Bindery	Ruling Room
Engineer	624					
Fuel	490					
Oils	34		97			
Repairs	100		277			
10% Depreciation	170		1,300	700	230	250
Inks			261			232
Foreman's Wages			1,716	1,716	858	728
Proof Reading				1,014		
Sundries				253	342	
Taxes		669				
Rent		1,568				
Insurance		390				
[Foreman's] Time		1,716				
Frederick Parker		300				
Bookkeeping & Collecting		750				
Office Wages 10%		200				
Boxes Used		864				
Cost of Engine	<u>\$1,418</u>		850	50	300	218
General Expenses		<u>\$6,457</u>	1,800	1,800	1,600	1,257
Total			<u>\$6,301</u>	<u>\$5,533</u>	<u>\$3,330</u>	<u>\$2,685</u>

departments which served as cost centers. Each department, in turn, allocated depreciation to units produced. Exhibit 2 illustrates the step allocation of depreciation and other costs of production to departments.

Located in the port of Charleston, WEC was able to take advantage of logistical benefits to minimize inventory costs. Its seaport location provided a distinct competitive advantage over many of the inland printing firms which were forced to bear the cost of overland transportation, primarily rail. WEC did not need to warehouse large volumes of inventory, whereas inland

printing establishments had to maintain abundant volumes of "safety stock." This was necessary because the South's inland transportation infrastructure was not reliable to ensure necessary supply. To avoid "stockouts," firms with no easy port access could minimize risk only by keeping large amounts of inventory on hand. Thus, WEC enjoyed a distinct cost advantage, providing the means to diversify the printing business into retail sales.

Diversification and Transfer Pricing

Diversification took place in 1870 when the printing business expanded into retail sales of supplies, ink, and stationery. While WEC maintained the retail outlet in Charleston, the bulk of sales were made to other printing establishments and individuals throughout the South.

The accounting records provide insights into the decision to diversify, which resulted in cost advantages of increased scale and scope. Entering the retail printing supplies market required a relatively small initial capital investment since existing facilities were used. In addition, incremental costs of operating the retail business were minimal.

The management accounting system facilitated transfer pricing. For each major printing job, an "Estimation of Profit" was prepared. The estimate included an assessment of total labor and materials cost for each job, which was added together in "Cost of Printing Operations and Bindery" ("PO&B").⁸ The cost of raw materials was marked up to retail in deriving estimated profit.⁹ The May 23, 1871 estimate on the printing job involving the *South Carolina Supreme Court Rules*, illustrated in Exhibit 3, provides an example of the technique.

The estimate of profit had a dual purpose. First, the estimated profit figure (or target profit) allowed the firm to bid on particular jobs. Second, the estimate was a benchmark, or rough measure, of subsequent performance. In the latter sense, the profit estimation acted as a crude type of "manufacturing budget."

⁸ The "Cost of Printing Operations and Bindery" (PO&B) was comprised of both variable and fixed overhead including depreciation on equipment.

⁹ Printing supplies that were sold in the retail division were marked up and transferred from the PO&B to the retail business. This mark up was identical to the mark up on the materials used for production in the PO&B.

EXHIBIT 3

**Estimated Profit Calculations
 Rules of Supreme Court
 May 23, 1871**

Cost in Printing Operations and Bindery (PO&B)		\$110.00	
Advertising Circular			
Printing	\$ 3.00		
Envelopes	.50		
Postage	<u>6.00</u>	9.50	
Cost of Printing Extras		<u>5.50</u>	\$125.00
Sales			
164 copies @ \$1 less \$.02 postage		160.72	
43 copies @ \$2 less \$.12 postage		<u>80.84</u>	<u>241.56</u>
Estimated Profit			\$116.56

Management Information Requirements: A Liquidity Emphasis

Management's emphasis on liquidity is evident in the perpetual tracking of sales and cash collections. The chaotic economic and political environment of the period likely dictated the liquidity focus, which was driven by management's need for assessment of going concern.

The liquidity issue was also a principal concern in accounting for receivables for government printing contracts. Around 1890, an aggressive sales campaign was undertaken aimed at attracting printing contracts of state, county, and municipal governments. The endeavor resulted in printing contracts with a substantial portion of the governmental units in South Carolina, North Carolina, Florida, Georgia, Alabama, Mississippi, and Tennessee. In 1894 and 1895, nearly 50% of all revenue from the printing operations and bindery (PO&B) was generated from government printing contracts.

The increase in government printing contracts caused special liquidity concerns. A statement by William H. Cogswell, WEC president in 1901, provides evidence that liquidity was, in fact, a primary consideration [Walker Evans and Cogswell, 1921]:

There have been marked changes in the manner of credits. Previous to 1860 the business of the South was done on long credits and this business had to conform to this system. After 1865 mercantile credits were only

30 days, but a large part of the business of the concern was with counties which settled only once a year, when taxes were collected. This required a large capital sleeping in such accounts [page 65].

Methods used to track sales and receivables during the New South period demonstrate that the management accounting system was capable of producing detailed liquidity reports. Comparative statements were management's primary decision-making tool during the period. Exhibit 4 presents the 1894-1895 comparative statement of sales which differentiates between printing contract revenues and retail sales. Sales within each of these categories are further divided between cash sales and sales on account to "City" and "Country" customers. City customer accounts represented sales made in Charleston, while country customer accounts represented sales made outside the metropolitan area. The practice of accounting for sales by geographic area was begun in 1875.

The 1894-1895 comparative statements were likely prepared in response to the need to analyze the effects of a serious economic recession. The comparative data indicate total sales of \$112,452 for 1894 and \$99,305 for 1895. The decrease in 1895 sales was apparently attributable to the economic downturn.

During the later years of the New South period, WEC enjoyed economic growth and prosperity. The first decade of the new century saw a steady increase in sales. Significant inroads into the Northeast and Midwest were made as a national advertising campaign was undertaken. The sales area expanded to include virtually every region of the United States with annual sales averaging \$200,000 by 1913.

The management accounting system during the early 1900s continued to focus on providing detailed liquidity data. Extensive tracking of sales and cash collections continued to provide management a perpetual assessment of cash flow. Exhibit 5 illustrates comparative information concerning sales and cash collections for the period 1901-1913.

This comparative information permitted management to monitor fluctuations in sales and assess the effectiveness of credit policies. Although evidence in the memo book suggests aggressive collection efforts, bad debts were significant throughout the New South period, often exceeding ten percent of total sales. No provision for bad debts, however, was recorded in the balance sheet nor was such expense recognized in earnings.

EXHIBIT 4
Comparative Statements of Sales
Walker Evans & Cogswell Company
Fiscal Years Ended March 31, 1894 and 1895
(Actual Dollars)

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
Sales (FYE March 31, 1894)													
Retail Sales													
Cash	285	317	276	249	256	265	720	337	376	401	517	529	4,528
City	1,048	1,119	979	1,079	768	1,363	1,456	1,023	1,126	1,492	875	1,226	13,634
Country	844	990	717	1,246	2,771	1,945	1,199	1,489	2,228	2,475	1,774	1,849	19,527
TOTAL (Retail)	2,177	2,506	1,972	2,574	3,795	3,573	3,375	2,849	3,730	4,368	3,166	3,604	37,689
Printing Operations & Bindery													
Cash	27	27	3	12	13	10	6	23	9	46	9	23	208
City	3,033	3,036	1,747	2,482	1,735	2,547	3,974	2,028	2,937	3,002	2,087	3,332	31,940
Country	5,748	2,588	2,829	2,008	3,131	3,550	2,941	2,930	4,266	4,039	3,926	4,659	42,615
TOTAL (PO&B)	8,808	5,651	4,579	4,502	4,879	6,107	6,921	4,981	7,212	7,087	6,022	8,014	74,763
TOTAL SALES	10,985	8,157	6,551	7,076	8,674	9,680	10,296	7,830	10,942	11,455	9,188	11,618	112,452
Sales (FYE March 31, 1895)													
Retail Sales													
Cash	309	320	228	230	225	334	695	422	449	540	291	386	4,429
City	927	691	529	876	763	1,167	1,664	1,044	1,325	1,362	813	1,230	12,391
Country	1,118	839	787	1,185	1,942	3,648	1,057	1,307	1,355	2,545	1,162	744	17,689
TOTAL (Retail)	2,354	1,850	1,544	2,291	2,930	5,149	3,416	2,773	3,129	4,447	2,266	2,360	34,509
Printing Operations & Bindery													
Cash	14	15	26	16	23	25	30	15	35	21	20	35	275
City	2,200	2,773	2,428	1,997	2,248	3,653	2,439	2,154	2,483	2,816	1,325	2,327	28,843
Country	3,669	2,238	1,985	1,780	3,284	2,650	4,270	2,710	2,814	3,870	3,083	3,325	35,678
TOTAL (PO&B)	5,883	5,026	4,439	3,793	5,555	6,328	6,739	4,879	5,332	6,707	4,428	5,687	64,796
TOTAL SALES	8,237	6,876	5,983	6,084	8,485	11,477	10,155	7,652	8,461	11,154	6,694	8,047	99,305

EXHIBIT 5
COMPARATIVE STATEMENT OF SALES AND CASH COLLECTIONS
Walker Evans & Cogswell
Fiscal Years Ending March 31, 1901-1913

SALES	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913
APR	\$ 9,218	10,943	11,918	10,990	13,478	12,733	17,515	12,729	13,238	13,613	14,251	15,539	16,751
MAY	9,928	12,609	12,273	12,544	15,745	13,184	16,562	13,385	12,295	19,627	16,360	18,041	15,187
JUN	9,627	11,146	14,965	11,130	12,635	13,987	14,024	14,561	16,078	15,857	17,759	13,312	12,104
JUL	12,064	10,158	11,740	12,787	10,580	13,943	15,180	12,177	15,286	15,537	12,881	14,675	12,337
AUG	13,657	10,858	12,079	14,428	14,572	17,008	14,700	11,188	15,108	13,586	13,854	16,264	13,126
SEP	11,366	10,773	12,122	14,721	15,633	14,767	14,183	13,293	15,089	17,639	15,992	16,746	11,898
OCT	15,778	13,182	11,359	13,051	14,700	16,542	14,086	15,723	17,619	17,870	18,098	11,902	11,902
NOV	12,534	10,457	10,636	14,683	16,426	17,791	16,262	13,795	17,173	19,557	18,171	16,495	13,407
DEC	16,619	16,303	13,322	18,161	19,167	18,749	19,285	19,087	18,337	20,419	22,739	15,892	17,617
JAN	16,162	15,398	15,947	17,904	19,332	20,960	20,704	16,306	19,571	26,657	21,341	20,350	18,353
FEB	14,583	13,307	12,405	14,791	17,204	17,171	13,035	15,306	16,856	23,636	18,523	18,902	13,149
MAR	14,139	14,592	16,504	18,095	20,281	18,740	18,066	29,490	21,313	21,316	18,065	27,078	17,044
TOT	\$155,675	149,726	155,270	173,285	189,743	195,575	193,602	185,643	196,067	225,063	207,806	211,482	172,874
CASH COLLECTIONS	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913
APR	\$11,723	11,722	11,810	12,050	14,895	16,675	17,165	14,329	17,298	17,529	20,486	22,540	20,603
MAY	9,464	11,173	11,171	13,349	16,802	14,506	18,460	13,679	15,269	16,337	17,561	18,042	17,965
JUN	8,586	11,086	10,745	11,013	12,285	12,986	17,105	10,775	12,098	15,668	14,933	15,006	14,018
JUL	9,364	11,579	8,437	13,123	13,522	11,568	13,076	15,344	13,293	13,437	13,954	14,246	12,095
AUG	10,088	11,030	11,039	11,822	13,620	12,259	14,031	11,271	13,594	15,004	12,676	13,154	11,805
SEP	8,981	11,243	9,884	12,236	11,237	12,897	11,571	13,951	15,421	15,608	15,780	12,757	14,063
OCT	10,856	11,997	11,810	12,536	15,078	14,583	13,097	13,973	14,491	16,842	13,140	18,580	16,705
NOV	13,150	15,023	12,597	13,102	15,306	16,186	15,974	13,394	14,941	15,986	14,141	16,865	13,901
DEC	12,719	14,978	11,322	14,871	15,535	16,191	17,108	14,199	17,771	16,893	15,037	16,740	15,784
JAN	13,666	17,242	13,192	18,345	18,235	19,692	18,126	19,332	19,279	20,509	20,126	16,895	16,911
FEB	13,337	10,601	14,321	14,741	17,579	15,428	22,988	16,319	15,649	19,499	16,769	17,167	16,911
MAR	14,741	12,318	13,504	14,537	16,889	17,281	17,789	17,099	18,632	17,004	21,838	19,228	15,220
TOT	\$136,675	149,992	139,832	161,725	180,983	180,252	196,490	173,629	187,736	200,316	196,441	201,220	185,984

Management periodically compiled delinquent account schedules and assigned collection probabilities.

SUMMARY

The accounting records of Walker Evans & Cogswell are important for two reasons. First, they provide a glimpse into the management accounting practices of a firm significant to the transformation of the Southern economy during the New South movement. Second, new insights are provided into nineteenth century managerial accounting, particularly practices of the printing industry.

The study suggests that managerial accounting practices aided in the economic transformation inherent in the New South. The turbulent economic and political environment of the period placed unique demands on the management decision process. The accounting system of WEC provided critical information for management concerning liquidity and cash flow, sales, product costs, and profitability estimates. The management decision process relied heavily on the comparative reports to evaluate going-concern. Diversification into retail sales allowed the firm to maximize profit and reduce risk.

Further, the findings suggest that earlier work on the nature of management accounting during the nineteenth century may not be complete. Specifically, this study provides evidence that fixed overhead, including depreciation on equipment, was recognized and allocated to production. While earlier work suggested that these allocations were not standard practice, particularly in the printing industry until 1914, the results of this investigation indicate that such allocations were routinely made by WEC as early as 1874. These allocations were an integral part of the determination of product costs for the firm. Furthermore, the management accounting system was capable of providing highly detailed comparative reports and facilitating transfer pricing in a diversified business.

In conclusion, future research is needed to explore the relative sophistication of management accounting practices and cost allocation techniques in the late nineteenth and early twentieth century. Since the results of this study were based on a particular firm, additional studies should determine whether the practices of Walker Evans & Cogswell were typical. Perhaps the current understanding of the development of managerial ac-

counting methods and techniques which were so vital to America's industrialization is not yet complete.

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