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Idea Exchange

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IDEA EXCHANGE

By THEIA A. CASCIO, Beverly Hills, California

The Accountant — Cooperating with every department

Sharpen that pencil point, Accountants, and get mindful of all the departments in your organization or those of your various clients. You can be helpful in many ways and increase your value and efficiency by using the information in your records to aid others. In other words,—make your figures work for *all* departments.

Sales Department

Along the business road there is a meeting place for the enthusiastic salesman and the cautious accountant. Analyses of prior years' business and costs for sales purposes are functions in which both salesman and accountant must participate.

Monthly recordings of sales of various products or services for comparative years will aid the sales manager in forecasting future sales on certain items and show him the seasonal trends. The line or bar graphic charts are acceptable presentation of the accountant's data for trend purposes,—a quick picture of what *has* happened. To go to an extreme, he can see that instead of pushing snow shovels in July, the company can save expense plus salesmen's time by putting the stress on an item that has more summer appeal—like lawn mowers.

Costing for sales purposes is another aid. Why have the Sales Department put forth expensive efforts on a low-profit item that will sell anyway if the figures prove that a high-profit item needs just a small increase in production and sales to make it a real money maker for the company?

Manufacturing Department

The need for knowing "how much does it cost to produce" is very real to the foreman. A standard cost may be set, but the variation from standard is an ever-present threat to the production engineer. Has the breakage of tools or lost time of workers exceeded the amount allotted in standard? If orders demand overtime work to meet delivery schedules, how does the overtime rate affect the cost? It is not always fair to say that time-and-a-half pay to labor in-

creases the cost in the same proportion. Increased production may have diminished per unit costs of fixed General and Administrative expenses and the lost-time factor taken into original standards.

In making runs of certain items, how advantageous is it to accumulate inventory for future sales? Is it a product that has immediate sale value, or will expensive space be used to store it for a sale many months away?

The potentialities in cost accounting are unlimited, and always an aid to the production foreman; particularly when the accountant's approach is cooperative.

Personnel Department

An analysis of the number of days an employee works can be helpful to this department. The days off may have been requested lay-off, but the Personnel Manager can investigate other reasons when it is time to cut the staff, transfer employees to other departments, or when promotions are in order.

Sometimes, too, it is helpful to personnel to know which employees thriftily take deductions for Government Bonds or other savings;—which employees take pay advances continuously if the company permits such practice.

Management

Accurate Financial Statements have long been a chief tool of management in determining current cash position or the departmental profit or loss position of a business. The speed with which these statements can reach management is important, as losses should be caught immediately and steps taken toward correcting the situation, if possible.

Future planning for expansion, sales and advertising campaigns, and many production programs are determined through analyses of the financial statements as prepared by the accountant. Therefore, make sure they reflect accurately the company's operations to date.

Do not lose yourself in static record keeping. Make your work come alive through efforts for all departments.