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MONEY, VALUE AND TIMING

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The heart of our American political system is the individual. The individual's rights as evidenced by his freedom to speak, write and worship as he so desires are well-known.

The heart of the American economic system is also the individual. In the capitalistic system the value of a good or service is determined by the independent actions of millions of individuals operating in the marketplace. Capitalism in many respects can be considered the economic equivalent to political democracy. Certainly true democracy represents a combination of both political and economic freedom.

Our economic system permits a wide range of democratic choices. An individual with \$1.00 can select any item out of an array of thousands. Which items one selects helps to determine what items will be produced and the volume of production of each. The actions of individuals result in the determination of the production, distribution and consumption of goods and services. The price of any one good is decided by millions of voters who use money to back their choice.

Each of us should attempt to maximize the satisfaction which we derive from the expenditure of a given sum of money at *any one time*.

In addition one also has the opportunity of selecting the *point in time* to make the expenditure so as to obtain the greatest satisfaction from available opportunities.

This *timing* of the expenditure of *money* so as to maximize *values* to the individual provides the title of this discussion.

Our economic system places a premium upon those who think and act intelligently—who maximize values *in time* and *over time*. These individuals advance their positions of leadership and their material wealth. We all have seen bargains available and individuals ready and willing to step in and purchase them. Those who purchased second-hand autos or homes two and three years ago at prices higher than the cost of new ones were in most cases not maximizing values. Those who purchased common stocks in 1929 at price-earning ratios of 19/1; in 1937, of 25/1; in 1946, of 26/1 were not getting values. But those who purchased common stocks in 1938, 1942, and 1949 at price-earnings ratios of 9/1 or less were getting bargains.

Many do not intelligently time their actions. They purchase television sets when they have unpaid home mortgages; they make commitments for automobiles and homes at the very peak of prices; they buy common stocks at ridiculously high prices and reject them at low bargain prices.

American democracy—both political and economic—rests upon the basic concept that the individual is an intelligent being. Otherwise we could not permit the individual to vote at political elections or in the economic marketplaces. Thus if we are to preserve our democracy we need to reduce illiteracy—economic as well as political. We need to broaden the education of our people so that they can maximize their satisfactions. They should be able to time intelligently their decisions, to recognize reasonable purchase prices. We need intelligent people who are willing to participate in the ownership of American industry. We need keen-minded business leaders who are willing to go forward during periods of uncertainty when others fear to tread.

A more general understanding of Money, Value and Timing will do much to stabilize our economic life, to build a more prosperous America, and to assert anew the democratic rights of man in the field of economics.

In any final analysis it is ideas not armies that rule the world. And these ideas may be for good or evil. Christianity survived the armies of the Caesars and laid the basis for modern Western culture and morality—a tremendous influence for good in the world. Marx, writing a century ago, laid the basis for the current ideology in conflict with our own.

This idea which we have in our economic system—the democratic determination of man's economic life—is one which we should aggressively reassert before all the world. The selection of the things he buys, the place he works, and the time he does these things, these are as important to man today as they were one and one-half centuries ago.

Democratic decisions based upon intelligent individual action is a fundamental concept and heritage of America. A renaissance of this idea throughout America and wherever anyone will hear could turn the tide toward a reassertion of the dominance of the individual over the state.