

2-1960

Tips for Busy Readers

S. Madonna Kabbes

Follow this and additional works at: <https://egrove.olemiss.edu/wcpa>



Part of the [Accounting Commons](#), and the [Women's Studies Commons](#)

Recommended Citation

Kabbes, S. Madonna (1960) "Tips for Busy Readers," *Woman C.P.A.*: Vol. 22 : Iss. 2 , Article 6.
Available at: <https://egrove.olemiss.edu/wcpa/vol22/iss2/6>

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Woman C.P.A. by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

Tips For Busy Readers

S. MADONNA KABBES, C.P.A.

REPORT WRITING FOR ACCOUNTANTS, by Jennie M. Palen, Prentice Hall, Inc., Englewood Cliffs, N. J. 1955. 576 pages.

No doubt many readers are familiar with this book and I feel sure others would find it a valuable addition to their personal libraries. The experience gained in her many years as a reviewer of reports has enabled the writer to present a very useful and readable volume on what to include, and how to write informative and complete reports.

The chapters devoted to the balance sheet and income statement include step-by-step analyses of the form and content of each of these statements. Many illustrations are included, variations in terminology are discussed, and references are quoted to substantiate the recommended procedures.

The material on consolidated statements includes discussion of such questions as when statements should be consolidated, how to treat foreign subsidiaries, and the various methods of computing and presenting minority interests.

The accepted form to be followed in expressing the auditor's opinion in regard to the fairness of the statements is supplemented by many illustrations showing how the standard form should be modified in certain situations. Where the auditor finds it necessary to include exceptions in his opinion, for reasons such as limitations on the scope of his examination, or failure of the company to follow generally accepted accounting principles, examples are given as to just how the standard wording should be changed in order to clearly set forth such exceptions.

If the auditor feels he cannot express an opinion on the fairness of the statements taken as a whole, or on any part thereof, then his disclaimer of an opinion should be clearly set out, as well as his explanation. Again numerous examples are included which show the proper wording to be used in such disclaimers.

While all the chapters referred to above contain helpful information, the last seven chapters devoted to the techniques of writing good comments, as well as suggestions regarding review and typing, are perhaps the ones that will prove most valuable. Common errors are illustrated and recommended corrections are suggested; wordiness is contrasted with conciseness. The effect that correct punctua-

tion may have in achieving clarity of expression, and how the poor placing of modifiers may lead to ambiguity are among the topics considered. An entire chapter is devoted to the importance of choosing the right word if the final report is to be correct, concise and easily understood by the reader.

The book should prove a valuable reference book, not only to one who is primarily engaged in writing or reviewing reports, but to help solve the problems which come up daily, as the practicing accountant strives to express his ideas clearly and effectively.

SHORT-TERM INVESTMENT OF SURPLUS CASH, by R. N. Stillman, Controller, October, 1959. p. 455.

The desire of executive managers to maintain sizable amounts in cash funds has been increasingly evident since the outbreak of World War II. This apparently is the result of increased industrial output, the effects of inflation on corporate earnings, lower dividend payments, and increased long-term borrowing. Such conditions have forced financial managers to give increasing attention to the investment of cash funds in such ways, that capital is at all times safeguarded, but also a good return is earned.

In planning an investment program for such short-term funds an accurate cash forecasting program, neither excessively conservative nor overly optimistic, is essential as a starting point. Authorization from the board of directors should state the type of investments which the controller, or other executive in charge, may make as well as the length of maturities and any confirming action to be required on specific investments.

The author analyzes the various types of investments to be considered in carrying out such a program and points out his views on the advantages and disadvantages of each type of security. The most liquid source of short-term investment, United States Treasury Bills, are offered weekly and have 91- and 182-day maturities. A number of United States Government agencies such as Federal Home Loan Bank, Federal National Mortgage Association, and Banks for Co-operatives issue bonds and notes which are attractive to corporate investors. Such issues often offer a slightly higher yield than United States Treasury secu-

rities. Tax-exempt securities of municipal and state agencies are other possibilities.

The author concludes with the statement that "know-how" in this field is increased through personal contact with the investment personnel of banks and security dealers. He also counsels there is no more effective means of learning than through doing.

WOMEN IN THE ACCOUNTING WORLD,
by Margaret White Nally, *Lybrand Journal*,
Vol. 40, No. 2.

The changes in the status of women in the accounting world are highlighted in this article. She traces the steady progress of women in the several general areas of accounting and makes mention of Christine Ross, the first woman CPA in the United States, who passed the fourth examination administered in 1898. She tells of the objectives of the American Woman's Society of Certified Public Accountants, and its affiliate, the American Society of Women Accountants.

Her concluding statement: "The greater demand from business and the apparent shortage of qualified manpower has offered unprecedented opportunities for the woman accountant of today. If she does her job well, as we have every reason to believe she will, the woman accountant of tomorrow may look forward to a future of prestige and opportunity."

(Continued from page 9)

what each one of us does individually. It is up to each one of us to examine ourselves and to do something concrete about our own thinking and those with whom we come in contact. It starts off with "Me."

For further reading:

Carson, A. B., "The Public Accounting Profession in California," Public Accountancy Research Program, Bureau of Business and Economic Research, University of California (Los Angeles 1958)

Pilie, Louis H., "Office Organization and Records," Chapter 7, *CPA Handbook*, "Coordinated Set of Forms for a Public Accountant's Office," Chapter 7, Appendix B, *CPA Handbook*. (AIA, 1952. Robert L. Kane, Editor).

(Continued from page 5)

data. The recommended minimum and maximum quantities are made available to the production people for review and acceptance as to manufacturing runs and storage requirements. Final approval is given by an inventory committee who either approve or modify the quantities indicated, based on the marketing, production and financial requirements. Once the maximum and minimum requirements are determined on finished products, the raw materials and purchased hardware, quantities are determined by the production function governed by manufacturing and procurement lead time factors. Of course, the high and low limits are subject to a periodic review, prompted by the inventory committee.

The application of any specific technique or any combination of techniques and procedures is not the complete answer. Problems pertaining to inventory are magnified by each person within the management group. As financial advisors, we say large inventories drain off cash that could be used more advantageously while the marketing men believe that the company must never make a customer wait. The plant manager, who bears the brunt of either of the two opinions, usually wants longer manufacturing runs for steady employment and lower costs. For these reasons, we must never cease stressing the essentials of inventory control. The task of all production planning, scheduling or control functions, in fact, is typically to balance conflicting objectives such as those of minimum purchase or production cost, minimum inventory investment, minimum storage and distribution cost, and maximum service to customers. In the final analysis, inventory management and evaluation are calibrated in dollars and cents.

