

10-1976

Reviews - Writings in Accounting

Carole Cheatham

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



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

Recommended Citation

Cheatham, Carole (1976) "Reviews - Writings in Accounting," *Woman C.P.A.*: Vol. 38 : Iss. 4 , Article 8.
Available at: <https://egrove.olemiss.edu/wcpa/vol38/iss4/8>

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.



Reviews

Writings in Accounting

Dr. Carole Cheatham, CPA
Mississippi State University
Mississippi State, Mississippi

INFLATION ACCOUNTING, A Guide for the Accountant and the Financial Analyst, Sidney Davidson, Clyde P. Stickney, Roman L. Weil; McGraw-Hill Book Company, New York, N. Y., 1976; 242 pages, \$12.50 (cloth-cover).

Inflation Accounting is an authoritative guide which takes the reader step by step through every significant aspect of the general price-level-adjusted accounting procedure. How the adjustments are made, how pro-forma general price level adjusted financial statements are prepared, and how the adjusted statements are interpreted and analyzed are included in this book. Cases and situations using actual data portray realism which enhances the understanding of the reader. In the book the results of applying the procedure to financial statements of over 100 actual firms are provided. The effects of the restatement in firms in a variety of industries using various accounting methods and having different assets and equity structures increases the validity and understanding of the methods depicted. Such comprehension is especially useful if general price-level-adjusted financial statements of a client are being audited, and some criteria are necessary to judge the reliability of such statements.

The first six chapters of this book explain the accounting procedures for preparing general price-level-adjusted financial statements and, therefore, would be especially useful to the accountant who must deal with technical details of preparation. Chapters 7-10 seek to help those interested in financial analysis and in the interpretation of general price-level-adjusted financial statements. They also provide estimates of such statements for particular corporations as examples. Ma-

terial in this section would be especially useful to auditors in checking general price-level-adjusted financial statements prepared by clients. Chapters 11-12 explain more fully the alternative methods of accounting for price changes along with the advantages and disadvantages of each. These chapters would be useful to both the accountant and the financial analyst.

This book is understandable and well-written and is probably the most comprehensive, compact reference on the subject of general price-level-adjusted accounting statements. The primary disadvantage of this subject is that current accounting thinking seems to be in the direction of current value accounting instead of inflation accounting to solve the problems addressed by this book; if this trend continues, detailed knowledge of inflation accounting will be obsolete.

Dr. Dora R. Herring, CPA
Mississippi State University

SUCCESSFUL SMALL BUSINESS MANAGEMENT, Curtis E. Tate, Jr., Leon C. Meggison, Charles R. Scott, Jr., and Lyle R. Trueblood; Business Publications, Inc., Dallas, Texas, 1975, 563 pages, \$13.50 (cloth-covered).

Aspiring members of the small business community are basically aggressive, identity seeking, and achievement oriented. Since these entrepreneurs appear to accept challenges, they should perhaps be told that a 93% attrition rate exists among small businesses. The authors make every effort to detect the many problems and pitfalls which beset small business operations and then set forth tools and techniques to prevent such disasters.

The book is logical and well conceived in

terms of framework and orientation. The perception of the authors is exhibited by their recognition and in-depth treatment of the small business as a multifaceted entity whose management requires integrative multidisciplinary knowledge and skills. The legal, financial, accounting, economic, and marketing ramifications are all given thorough treatment in portraying their respective roles in the scheme of successful small business management. The format introduced by the authors closely approximates a schematic for the total management concept of applied interdisciplinary achievement. Each functional area is clearly presented and closely synthesized.

The authors provide excellent treatment of the underlying theoretical constructs covered in preparation for follow-up cases designed to provide the practical application. The book is characterized by a basic tenet deemed essential to all successful "learning and doing" presentations — theory must be combined with practical application. A general consensus exists among the business populace that theory without practical application is virtually devoid of value.

Part one contains an overview of small businesses, their characteristics, and the fundamental attributes of the owner-manager. Part two constitutes an analysis of integral concepts (e.g. economic, legal, financial) which are essential considerations antecedent to any commitment in a small business. Part three contains an excellent reinforcement of the basic management functions. Special attention is devoted to the individual's decision of whether to be only an owner or an owner and manager. The authors assert that, in the dual role, the owner must evolve through adaptation and adjustment to become a generalist manager. The generalist

must possess conceptual skills in order to perceive and analyze total situations. Such persons must become conversant with areas and disciplines peripheral to their own area of interest and competence. Part four contains an overview of the interrelationship between marketing and small business management. Consumer orientation and the marketing concept are related well to the fundamental ideas of product, price, place, and promotion.

Part five focuses upon the many and diverse internal considerations related to the production of the product or service to be sold by the firm. In part six the authors concentrate on the personnel aspects of small business management. Personnel is viewed as a pervasive function for both small businesses in the formative or embryonic stages as well as for established, going concerns. One of the strong points of the book is part seven — the maintenance of the firm's financial strength. Strong emphasis is accorded to ensuring the firm's financial viability, evaluating the financial structure, safeguarding assets, planning profits, and structuring a useful accounting system. Part eight deals with the two problems most distinctive and unique to small business. These are: (1) working in a small business, and (2) providing for a successor. Each separate part is succeeded by a battery of cases.

In the opinion of this reviewer this book is an excellent reference on the management of small businesses. The authors have fulfilled their stated objectives because the reader's opportunity for successfully "doing her/his own thing" has been enhanced through continuity and comprehensive topical coverage. The book is recommended to anyone interested in this area. For those unfamiliar with the subject it is easily understood and very readable. For those already familiar with the subject area it can serve as a valuable informational source.

Dr. Carroll D. Aby, Jr.
Mississippi State University

"TO STAY PUT OR PIONEER: ARE YOU CAPABLE OF BECOMING A MANAGER?," Janet Schumer, NATIONAL BUSINESS WOMAN, April 1976.

This thought-provoking article discusses a study made by Lois Ann Koff, President of Lois Ann Koff & Associates, a management consulting firm. The study provided information that 30% of the women in business are moving upward and are about evenly divided into categories of "pioneers," "climate sensitives," and "support seekers." The remaining 70% of the women are "stay-puts."

The "pioneers" show patterns of suc-

cess, willingness to change employers often, and willingness to take on challenges. These are the women at the top of the management ladder. The "climate sensitives" tend to stay with the same employer and are willing to sacrifice better salaries with risky futures for lower-paying jobs with promises of advancement within the company. These women depend on the "pioneers" to pave their way. The "support seekers" accept promotions but need constant reassurance from both family and employers. They are easily discouraged, but with support do tackle positions of importance.

The reason that 70% of working women fall into the category of "stay-puts" is attributed to an emotional need. The needs vary from a desire not to conflict with strong traditional patterns of a man-woman relationship to a fear of failure.

The author concludes that the working woman should reconsider Alexander Pope's advice to "Know thyself." It would be well if all of us who are serious in our careers not only find out which type we are but consider whether we intend to stay in that category.

Helen Shepherd
Touche Ross & Co.
Los Angeles, California



FAST^{T.M.} Financial

Accounting Services and ALPHA Terminal

Featuring A Fully Integrated

FUNCTIONAL ACCOUNTING Data Base

- STANDARD GENERAL LEDGER
- ADVANCED MANAGERIAL G/L
- CUSTOM MANAGERIAL G/L
- INTEGRATED FUNCTIONAL ACCOUNTING DATA BASE
- ADVANCED MANAGERIAL PAYROLL CHECKWRITING & RECORDKEEPING
- STANDARD ACCOUNTS RECEIVABLE
- ADVANCED MANAGERIAL ACCOUNTS RECEIVABLE/ACCOUNTS PAYABLE

for information call or write your nearest Commercial Information office:

85 Mystic St., Arlington, MA 02174
Phone 617/648-8250

342 Madison Ave., New York, NY 10017
Phone 212/682-3256

770 Marine Rd., N. Bergen, NJ 07047
Phone 201/868-1717

18287 Mallard Circle, Cleveland, OH 44136
Phone 216/238-5990

1114 Arlington Hts. Rd., #100, Arlington Hts., IL 60004
Phone 312/259-8990

8936 S. Sepulveda Blvd., #202, Los Angeles, CA 90045
Phone 213/645-2500

FAST IS A TRADEMARK OF COMMERCIAL INFORMATION CORPORATION