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Reviews

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REVIEWS

Editor:

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Starting and Building Your Own Accounting Business by Jack Fox, John Wiley & Sons, New York, 1984, 257 pp., hardback, \$39.95

The entrepreneurial spirit is experiencing a resurgence today throughout the United States, especially in older industrial areas where the decline in manufacturing employment is being matched by a rise in small businesses belonging to the service sector of the economy. Jack Fox has produced a manual for accountants who might be interested in joining and serving these growing ranks of entrepreneurs. The first volume in the new Wiley/Ronald-National Association of Accountants Professional Book Series, **Starting and Building Your Own Accounting Business** is an expanded version of a very popular article written by the author for NAA's **Management Accounting**.

A professor of entrepreneurship at American University in Washington, D.C., Fox holds an MBA in marketing/finance. Previously employed as Budget Director for the National Alliance of Business, he now heads his own computerized financial services firm in addition to teaching and recommends the combination. "A teacher," he points out in the book's preface, "commands a certain professional status that lends credibility."

Another way to gain credibility, of course, is to earn the designation of certified public accountant. "Some practices cannot be built without the certificate," Fox admits. Ultimately, however, he believes that success as an independent accountant "depends on you and the time you're willing to invest in building a professional business. It does not necessarily depend on your possession of a CPA certificate."

Therefore, in his second chapter, entitled "CPA . . . To Be or Not To Be," the emphasis is overwhelmingly on the personal characteristics associated with successful entrepreneurs by leading researchers. An even more extensive discussion of entrepreneurial traits appears in the first chapter, "How to Succeed in the Accounting Business . . . By Really Trying," along with various bits of advice on such topics as where to set up shop, how much space may be needed, and what furniture to buy.

Other chapters deal with the specifics of processing the accounting work to be handled and turning out small income tax returns. Throughout the book are many exhibits of forms for "The Accounting Factory," the fictional company described in Fox's sixth chapter. These forms should prove very helpful to the prospective accounting entrepreneur, although the reader would also have benefited from a list of the exhibits at the beginning of the book for reference purposes.

As Fox makes clear, there is much more to a successful accounting practice than doing good work for clients. Several chapters focus on the marketing aspects of practice development. Chapter Eight, "How to Charge and Collect," and Chapter Fifteen, "Buying or Selling Your Business," contain valuable financial recommendations. A chapter on continuing education presents a suggested library; the concluding chapter, "Sources of Further Information," lists addresses of companies that supply products useful to accountants as well as addresses of the Internal Revenue districts and service centers, state tax authorities, a few prominent accounting organizations, and **The Practical Accountant**.

This is a highly practical book. Some sections, such as the chapter on preparing a business plan, pertain in large part to businesses generally and may be used in a public accounting practice to assist clients with their ventures. Here, Fox demonstrates the expertise that enabled him to specialize originally in Small Business Administration loan applications and co-author **How to Obtain Your Own SBA Loan**. A weakness of the book is that it does not cover personal financial planning, a field

that is particularly suitable for smaller accounting firms. Nevertheless, in calling his third chapter "The Small Business Market . . . It's All Around You," Fox is right on the mark. As large corporations merge and consolidate, contracting out more and more of their operations to the new entrepreneurs, accountants who position themselves to take advantage of the trend should do well.

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The FASB — The People, the Process, & the Politics by Paul B. W. Miller and Rodney J. Redding, Richard D. Irwin, Inc., Homewood, IL, 1986, 145 pp., paperback, \$7.95.

The FASB has an undeniably strong impact on the world of the CPA. Miller and Redding have provided a succinctly written paperback which clearly explains the mechanics and the environment of the FASB as it exists today. Both authors are educators (at the University of Utah); understandably, their book is aimed at the undergraduate and possibly the graduate accounting student. However, the book is not typical of most accounting textbooks. Rather, it is readable and extremely well organized.

The basis for organization appears in the title (people, process and politics), which is also the theme of the entire book. The goals of the book are set out very clearly in the first paragraph of the preface. To further increase continuity, a single example of an issue dealt with by the FASB, defeasance of debt, is used to illustrate the processes and politics of the FASB. To help the student in understanding (and outlining) the material, effective use is made of bold face type for key words and phrases.

The "people" of the FASB are discussed in two ways. The structure of the FASB, including assistants, is described in some detail. Also included are descriptions of the individuals currently serving on the FASB in an "up close and personal" manner. These mini interviews include pictures of the member, a short biography and personal viewpoints. Obviously, the authors are

attempting to impress upon students reading this book that the FASB is composed of real people; unfortunately, the extensive resumes of most of these men will probably place them beyond the ken of most college sophomores.

While the "processes" of the FASB are related clearly with the use of many examples, the "politics" of the FASB are approached more subtly by looking at "recurring accounting controversies" such as capitalization of interest, off-balance sheet financing, income taxes and changing prices. It should quickly become clear to most students that there are **at least** two sides to most issues. But the most interesting part of the book to this reader was found in the epilogue on the future of the FASB as seen by the authors. In carefully constructed arguments, the authors conclude that there **is** a future for the FASB (as opposed to direct governmental control over standard setting) and that the FASB is walking a tightrope between standards overload and timely guidance on important issues. Their strongest arguments, however, pertain to the issue of whether the structure of the FASB (particularly the method of its funding) and its method of soliciting comments on issues is resulting in the dominance of the needs of financial statement preparers. In this section, Miller and Redding succeed in raising some interesting controversies confronting the FASB, but in their apparent effort to provide the student with both sides of the story, their conclusions will lack surprise or strength to most practitioners.

In the end, the book must be evaluated on two different levels. As a supplementary text for an undergraduate accounting class, it is interesting, easy to read, and easy to comprehend. As such, **The FASB** could provide interesting topics for discussion for several class periods. However, practicing CPAs may find the book a little too easygoing and unassertive, though it does provide factual information about the FASB in an easy-to-read format.

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for long-range funding requests which include specific amounts for each project. At June 30, 1986, the General Fund balance had been appropriated for the following future projects:

Scholarships \$22,000
Statistical survey 4,440
Subscriptions 1,450

Other funding requests have been submitted by the societies but have had to be deferred until additional contributions are received.

We can think of no better way for you to begin the New Year than to give your support to a good friend. Remember 20/20, Educational Foundation style.

Happy Anniversary!

Lillian C. Parrish

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