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Book Reviews

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Book Reviews

LAWS OF MANAGEMENT APPLIED TO MANUFACTURING, by
L. P. ALFORD. *The Ronald Press Co.*, New York. 266 pages.

"Management is the art and science of organizing, preparing and directing human effort applied to control the forces and to utilize the materials of nature for the benefit of man."

This is the definition of scientific management as adopted by the American Society of Mechanical Engineers in 1921. What a wide range of human activities is covered by this definition is slightly indicated by the list of some three hundred books, magazine articles and technical society papers contained in the 1920 edition of the *Accountants' Index*, dealing with every variety of management from washing windows to systems of wage payments; and every month since has seen the issue of some new books or articles on the subjects. With all this bewildering mass of technical studies it was high time somebody collated and stated the underlying fundamental laws and principles of scientific management in language that the average intelligent business man can understand.

In *Laws of Management Applied to Manufacturing*, Mr. Alford gives us some fifty fundamental laws or principles governing scientific management. The book is based upon his paper which won the Melville Medal of the American Society of Mechanical Engineers last year as the outstanding professional contribution to the society during the year. The paper has been extended and amplified by examples drawn from leading manufacturing concerns and from men in positions of authority, a very necessary feature when trying to educate business men proverbially suspicious of theories.

Scientific management is no new thing. Mr. Alford traces it back as far as 1644 B.C. in the pottery manufactures of China, and it is safe to say that it had its primitive beginnings with eolithic man when he who was most skilful in making stone weapons and tools was employed, and employed others, in this manufacturing. The best way of doing a thing became a folk-way, and "in these folk-ways we find the origin of manufacturing fundamentals." As with every other phase of civilization, it has been a long, weary, painful process, this trying to find the best way to do things in the face of mass inertia, stupidity and ignorance. In our own times the mutterings of the storm of objection and ridicule that burst on the heads of such pioneers as Taylor, Gantt, and others are still to be heard. It is not so long ago that even so great an exemplifier of management as applied to mass production as Henry Ford said in his autobiography (in reference to the phase of organization), "To my mind there is no bent of mind more dangerous than that which is sometimes described as the 'genius for organization,'" and proceeds to poke fun at the organization chart. However, he has probably discovered by this time that, like Monsieur Jourdain, he has been writing prose all his life without knowing it! The great war enforced the need of rapid, smooth-flowing methods of mass production and for America at least brought as a by-product the adoption of the scientific management which has made the amazing history of production since 1914.

The manufacturer who sneers at the "pretty pictures" of management engineers and cost accountants today is headed for the scrap-heap.

That the first element of the definition of management, organization, is only lightly touched upon in this book is no detriment, for it is obvious that any man or group of men starting out to organize a factory—choosing a site, planning buildings, etc.—would call in an expert. As the book is intended for general readers and not solely for engineers, Mr. Alford therefore concentrates on preparing and directing a going concern, and he explains the application, with ample examples and illustrations, of some fifty laws which underlie all successful operation. As he says, attempts have been made to reduce these to fewer fundamentals but the complexities of management methods practically forbid. Yet perhaps his law of production control (p. 125) might well stand as the basis of all, viz:

"The highest efficiency in production is obtained by producing the required quantity of product, of the required quality, at the required time, by the best and cheapest method."

Out of this law must necessarily grow the laws of leadership, executive work, material management, wage payment, etc., etc., each fundamental in its group but all subordinate to the main law of production.

Many, I am sure, will enjoy the chapter on specialization and standardization, the one the bane of the labor unions and the other of the intelligentsia. The author carefully shows that specialization is nothing more nor less than division of labor, while standardization refers less to the product than to its quality, tools and methods. And the last chapter, "The spirit of the laws," is a timely and cheerful bit of philosophy which might be read with profit by those critics, European and American, who can see in American enterprise nothing but dollar-madness. Production can not exist without profit, it is true, but profit does not come from production per se but from the satisfaction of the desire for that product. In short, the spirit of all laws, economic, political and spiritual, lies in their service to mankind.

From a purely technical point of view I do not see how any accountant, particularly the cost accountant, can fail to be benefited by this book. Having mastered these general laws he will be in better position to audit intelligently the affairs of the progressive client and to give valuable advice to the backward one.

W. H. LAWTON.

ESSENTIALS OF COST ACCOUNTING, by L. CLEVELAND AMIDON and THEODORE LANG. *The Ronald Press Company*, New York. 383 pages.

The authors of *Essentials of Cost Accounting*, who are professors at New York University, have incorporated in this book their experience in teaching cost accounting to a large and varied student body. The volume is intended to be used as a textbook, and for this purpose it is admirable.

The subject matter is supported throughout by trial balances, adjusting journal entries, pro forma accounts and various other practical data, which enable the student more readily to understand the principles which are being explained. The book would not be of interest to the average experienced

Book Reviews

accountant, but for the student or for the junior on an accounting staff it may be recommended.

The general text consists of 305 pages, and the remainder of the book is devoted to cost problems and a job order cost set.

W. B. FRANKE.

C. P. A. ACCOUNTING, by GEORGE H. NEWLOVE. *The White Press Co., Inc.*, Washington, D. C. Four volumes, 1835 pages.

The method pursued in this review is wrong. A book review should never consist of a categorical recital of the contents of the volume under examination. A good review interprets the spirit of a book, the purposes of the author and kindred things—it is not merely an amplification of the contents page.

There are cases, however, when it is possible to appreciate the magnitude of a work only by scrutiny of its constituent parts. When the first edition of *C. P. A. Accounting* was published in 1921 it was an ambitious project; now, in its fourth edition, consisting of four volumes, it is assuming monumental proportions. Volumes I and III contain concise lectures on various accounting topics commonly used as bases for C. P. A. examination questions. These lectures presuppose at least two years' accounting study on the part of the reader. Each lecture is followed by typical questions and problems selected from examinations in auditing and accounting given by the American Institute of Accountants or by state boards from 1896 to 1927. In each volume there is an appendix of references to accounting literature dealing with the subject of each chapter. Both volumes have indexes. Together they consist of 1278 pages.

Volumes II and IV are relatively small, totaling only 557 pages. They are devoted to the solutions of accounting problems given in the other two volumes. A time limit is set for each solution.

To take an example at random, the subject of consolidations and mergers is treated in volume III, chapter 6. First come five pages of succinct paragraphs on such sub-topics as methods of amalgamations, closing entries for amalgamated companies, capitalization of amalgamations, etc. Following the discussion are 28 examination questions, occupying twelve pages, dealing with consolidations and mergers. In the appendix are references, on 17 different points, to 43 relevant books or articles. In volume IV seven pages are devoted to solutions, with time limits, of accounting problems presented as illustrations in the preceding volume.

No comment is necessary to show the wealth of material in these books, or their value for review and for reference.

J. L. C.