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Book Reviews

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Book Reviews

BUSINESS ORGANIZATION AND ADMINISTRATION, by J. ANTON DE HAAS. *The Gregg Publishing Co.*, New York. 353 pp.

Dr. de Haas, who is professor of foreign trade at New York University, has given us an admirable little text-book for a short course in the fundamentals of business administration, organization and management. It is, of course, merely a bird's-eye view of business as a whole, but it affords a basis for thorough grounding from which the student may proceed intelligently to more specialized and advanced courses. It is by no means superficial, however, for it contains a wealth of detailed information on every subject it touches on the proper organization of a complicated business, financing an enterprise (two very keen and lucid chapters on this), the problems of management and the wage question to selecting location, planning factory and store buildings, purchasing, selling and advertising, with closing chapters on methods used in foreign trading.

The closing paragraphs of each chapter summarize briefly and clearly the important points discussed in the chapter, a feature not often found in text-books and a most useful one. For reference and collateral reading there is also appended to each chapter a selected list of books usually to be found in the libraries of business schools and colleges, another feature which should be as valuable to teachers as to students.

A thoroughly sound bit of technical work on which the author is to be congratulated. W. H. LAWTON.

SERIAL BOND MATURITIES, by ARTHUR S. LITTLE. Published by the author, St. Louis. 63 pages.

Serial Bond Maturities deals with the problem how to pay off an issue of bonds over a period of years by means of a uniform amount set aside each year, out of which the maturing coupons are paid first, the balance to provide the required sums to retire the bonds themselves within the stipulated period.

The principal part of the booklet consists of thirty-six one-page tables. The first table covers the retirement of an issue in five instalments, the second in six instalments, etc., up to forty instalments. Each table covers rates that range from four to seven per cent. and increase by one-quarter of one per cent. Each table further shows the percentages or "key numbers" that are to be applied to the total of the bonds to be retired and these percentages or "key numbers" vary with the rate of interest payable on the bonds. The "key numbers" are given for "first" and "last maturities," i. e., by applying them to the total amount of the bonds to be retired they will produce the amount of principal that will be paid in the first and in the last period.

In the preface and appendix several examples are given showing how the intervening maturities may be calculated, either by means of an adding machine or by "pencil and paper multiplication," and several time-saving devices are given or suggested.

The booklet is designed for serial issues that fall due at annual intervals and that remain within the aforescribed limitations as to number of instalments and rates of interest, but mention is also made of semi-annual maturities and unusual rates or denominations. In these cases the use of other bond tables is recommended.

Evidently the booklet is designed for those who are not familiar with the use of compound-interest tables. It is questionable, however, whether the specific methods outlined in the former will be more easily understood by the average banker, business man or clerk than the more general methods given in the latter. Without the slightest doubt the method called for by the interest tables is by far the simpler, provided one knows how to use them.

The principal difficulty that presents itself to the average layman when confronted by such a problem is how to state the problem in terms that themselves will give a lead to its solution. The one in hand could be approached in the following manner:

- (a) If the bonds (totaling, say, one dollar) were to mature at one date (say in forty years), their amount with compound interest to that date (say at six per cent. per annum) could be at once determined by consulting the interest tables, (\$10.28572).
- (b) If annual instalments (say of one dollar each) were to bear compound interest to the end of the same period (forty years) at the same rate (six per cent.) their amount at the end of that period could also be determined at once, (\$154.76197).
- (c) The "amount" of a certain number of bonds as computed under (a) will of necessity be equal to the "amount" of the required instalments as computed under (b) for the reason that the latter are to pay off the former and the two must therefore be equivalent.

In the above case the problem resolves itself into the following:

- (d) What annual instalment will at the end of forty years produce \$10.28572 if interest is compounded annually at the rate of 6%—

$$\text{Answer: } \frac{\$10.28572}{\$154.76197} = \$0.066461547$$

or: 6.6461547% of any issue of forty-year six per cent. bonds (the coupons payable annually) set aside annually for forty years will pay the interest and principal of these bonds.

After determining the annual instalment, it may for all practical purposes be rounded off to the next (higher) even hundred and it will then be a simple matter to prepare, usually without the help of adding machine or "pencil and paper" calculations, a schedule somewhat of the following columnar arrangement:

Coupon date
Bonds outstanding
Annual instalments
Coupons payable
Available for retirement of bonds
Bonds retired
Unexpended balance

that will give not only the maturities but also the coupons payable and on the whole will show more completely and in a more convincing manner the various aspects of the solution.

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It is, of course, possible that it is asking too much of the average business man to be or to make himself familiar with the use of interest tables, but it does not seem as if the procedure indicated in the booklet will be more easily mastered. Accepting its "raison d'être" it would still seem, however, that the booklet would serve a more practical and more general purpose if the tables would show interest rates ranging from one to eight per cent., the rates increasing by one-eighth of one per cent. and for a larger number of instalments. They would then be serviceable for semi-annual and quarterly redemptions which are often met with in other than municipal loans. A. VAN OSS.

FEDERAL INCOME-TAX LAWS, by BARTON and BROWNING. *John Byrne & Co.*, Washington, D. C. 450 pp.

This book is a unique contribution to the literature concerning our complex income-tax law situation. It is essentially a law book, but it is prepared in such a way that any person at all familiar with legal terminology and the method of citing cases can put it to practical use. Its unique features are that it includes all of the tax laws since the first one in 1861, each law is annotated with foot-notes giving brief digests of the points of the cases, and the last six laws are printed in six parallel columns so that the sections are correlated. This last feature is important in the preparation of briefs or of a case on appeal. While the plan of correlation necessarily throws some sections out of their natural order, the arrangement is not at all confusing and it is most helpful to find similar topics as treated by the various laws stated so that they are all before the reader at the same time.

The book contains also all of the miscellaneous acts, provisions of the constitution of the United States and of the revised statutes of the United States which concern these various income-tax laws. It is well indexed and it has a table of cases arranged alphabetically and another one arranged by citations in numerical order. In the annotations the authors do not express opinions but merely digest the cases cited. This volume should prove particularly useful with other income-tax books in which the authors comment upon the law and upon the cases under it. In the annotations the only cases digested are those which arose in the federal courts. HAROLD DUDLEY GREELEY.

EVERYDAY USES OF ENGLISH, by MAURICE H. WESEEN. *Thomas Y. Crowell Co.*, New York, 1922. 447 pp.

Is it because we are growing careless in our use of language or because we begin to know our shortcomings that there is so abundant a supply of new books telling us what to say and how to say it? It seems to be one of the favorite activities of the publishing trade to induce someone to say something on the subject of English and then to offer his lucubrations to a rather indiscriminating public. The man who can write absolutely correct English, French, Italian or

other language of civilization is yet to be born. Even our so numerous grammarians wander far from the paths of exactitude, and for that reason some of us are apt to say that when the doctors disagree the rest of us may be forgiven if we err. Nevertheless, there is so much utterly unpardonable error in our common speech that it may be permissible to send forth a liberal mission to reform us. The great trouble is that it is so easy to find flaws in many of the reformatory texts. In *Everyday Uses of English* there are many things to which some authors and also some profane persons would dissent. In the matter of punctuation much could be said in opposition to the author, Professor Maurice H. Weseen. (We know full well that punning is a pastime of obliquity, but the temptation is irresistible to hazard the guess that an author with so ungrammatical a name was driven to a passion for correct diction.)

It is, however, when we come to the consideration of business letters that we are principally at outs with our author. We grieve to find that one who condemns so harmless and useful an expression as "attached hereto" or "enclosed herewith" gives the sanction of his approval to business letters containing such atrocities as

"If you are connected with a bank or are thinking of becoming connected with a bank."

"We have no hesitancy in guaranteeing satisfaction."

"If the suggestion just offered is satisfactory to you, wire us at our expense to proceed with your order and then follow, at your convenience, with the financial statement."

"Meanwhile, we stand ready to give your orders prompt attention on our regular standard terms. We shall also be glad to render you any service that we possibly can."

"We shall anticipate your reply with the greatest confidence."

If we were to review the book before us through the spectacles of a purist there would be much more to be said. Purism, however, is not to be expected in every-day English, and the author may be forgiven for not attempting it.

There is much in the book that is good, and the matter is presented in a pleasing, conversational way which will make reading easy. It is far from perfect, but we shall be satisfied when all the members of our staff attain to an equal proficiency in English. A. P. R.

Escott & Barnett announce the admission to partnership of H. E. Baumgarten, Wade H. Habitt and Clifton R. Escott. The firm hereafter will practise under the name of Escott, Barnett & Co., with offices at 501 Columbia building, Louisville, Kentucky.

Marwick, Mitchell & Co. announce the removal of their accounting offices to the Lords Court building, corner of Exchange place and William street, New York.

Alexander Aderer & Co. announce the opening of an office at 84 St. Paul street, Rochester, New York.