

3-1920

Book Reviews

Harold Dudley Greeley

W. H. L.

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



Part of the [Accounting Commons](#)

Recommended Citation

Greeley, Harold Dudley and L., W. H. (1920) "Book Reviews," *Journal of Accountancy*: Vol. 29: Iss. 3, Article 10.

Available at: <https://egrove.olemiss.edu/jofa/vol29/iss3/10>

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 *Journal of Accountancy* by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

Book Reviews

INCOME TAX PROCEDURE, 1920; EXCESS PROFITS TAX PROCEDURE, 1920 (2 vols.), by ROBERT H. MONTGOMERY. *The Ronald Press Company*, New York.

When this perennial publication, *Income Tax Procedure*, is examined one must first of all admire the splendid organization of material and effort during the year which makes possible its prompt issue. For popular use and wide appeal the book could scarcely be improved. In it there is something for the novice, something for the expert, something for the average professional man who is neither the one nor the other.

Without wishing to impose too much upon the author, it is felt that he could perform a still further service to our profession by preparing for next January, in addition to his regular issue, a tax manual designed solely for the expert and the near-expert. Such persons are interested chiefly in what the author has to say about the law and the practice under it. For them it would not be necessary to print the law, the regulations, reported decisions and copies of the forms. While it is convenient to have these matters under the same cover with the author's comments, the space required could be much more profitably devoted to comments alone. Possibly the publishers could arrange to furnish with each volume (on a cost-plus basis) copies of the official publications. If that practice were adopted, it would be necessary to quote exactly only when the author's comments turned upon precise terminology.

The most notable departures from the 1919 issue are the printing of a separate volume for the excess profits tax procedure and the inclusion of chapters on the New York state income tax (on individuals) and the New York state franchise tax (on corporations). Among minor improvements may be mentioned a simplified table of contents and section indexes to the current laws. The principal introductory chapters are retained, and are as helpful as heretofore in furnishing the necessary perspective through which to view the complex details of the present law and the modifications of preceding ones.

In view of the excellences of the book, it may perhaps be ungracious to ask, like *Oliver Twist*, for more, but would it not be useful to insert in the next issue an outline of procedure to be followed in preparing returns? Such a schedule could cover in the first place a detailed list of facts to be ascertained both in cases where previous returns had not been prepared by the present accountants and in cases of continuing engagements. An outline of this sort calling specifically for analyses of accounts in accordance with the information required on the returns would be of great suggestive value, and would assist materially in the preparation of reconciliation statements such as that proposed on page 118 of the excess profits volume.

Among the timely topics covered are the comparison of the New York

The Journal of Accountancy

state laws with the federal law and the discussion of amortization of plant used for war purposes. In lighter vein, there is the query whether the value of stolen liquor can properly be deducted, and whether, after all, there can be a market price for contraband property. It is still necessary for the author to complain of over-centralization in the administration of the law—a condition which is likely to persist until republics cease to be ungrateful and become willing to meet commercial competition in the matter of salaries. In the discussions of taxation of capital gains, of the expedient known as the "closed transaction" and of the income from stock dividends there are sound economics and sound law. The author reaches a high moral plane in commenting on the duty of civilians to report as taxable income the money value of perquisites, such as the personal use of automobile, railroad passes and the like.

The general plan of the 1920 book is similar to that of preceding issues. There are appendixes containing illustrative returns, copies of forms and complete copies of the laws. The 52-page double-column index of the income tax book and a similar 27-page index of the excess profits book are as complete as could be desired. Much practical advice throughout the volumes will assist in properly resolving reasonable doubts in favor of the taxpayer, but no one will be aided by it in evading taxation.

One of the helpful features is the author's frankness in disagreeing with certain regulations. For instance, when one hesitates to be bound by article 857 because it seems unsupported by the law, it is a moral support, at least, to find the author branding the article as erroneous. The discussion of the troublesome sections 325 and 326 is much more enlightening in the 1920 edition than in that for 1919. It is difficult to see how the text on page 158 of the excess profits book could be made clearer. The formula for ascertaining invested capital is substantially the same as in the 1919 edition.

One doesn't need to agree with the author in all points in order to put the book to practical use. Matters of theory, such as the proper way to record treasury stock, matters of law like the seeming discrimination by the treasury against fiscal year corporations and matters of economics in the levying of extra taxes on corporate forms of organization, are subject to reasonable difference of opinion. Many readers will note minor points which could perhaps have been more adequately covered. For instance, why not add an illustration in the case of the payment by a vendee, to a vendor, of taxes on the vendor's profits from the sale? The calculation involved would be roughly analogous to that wherein an employee is to bear a proportionate share of the taxes remaining after his compensation has been charged as an expense. Again, the author might have summarized the arguments made by the secretary of the treasury in the latter's suggestion that section 200 be amended. Possibly this latter omission was intentional in order to avoid suggesting ways whereby the personal service corporation could be misused in escaping surtaxes. Differences of opinion as to theories and differences in practice on minor points are immaterial when the value of the edition as a whole is considered.

HAROLD DUDLEY GREELEY.

Book Reviews

A SURVEY OF COMMERCIAL EDUCATION IN THE PUBLIC HIGH SCHOOLS OF THE UNITED STATES, by LEVERETT S. LYON, A. M. *University of Chicago Press.*

Probably most of us have a vague impression that during the last few years there has been quite an increase in business courses offered in the public high schools of the country. The figures compiled by Mr. Lyon in this monograph will doubtless be surprising, nevertheless. He gives the number of commercial students in private and public schools as follows:

	1893	1915	% Increase
Private commercial schools.....	115,748	183,286	58.7%
Public high schools.....	15,200	208,605	1,270.5%
Both	130,948	391,891	122.9%

The total number of commercial students has more than doubled in twenty-two years, but the increase in the public school courses has been twenty-three times that of the private schools.

Most of the monograph is devoted to statistics and discussions of the organization and subjects of study in the high school courses, the general conclusions of the author being that there is much room for standardization, and that the courses should be broadened, partly to enable the high school graduate to pass the entrance examinations into business schools of collegiate grade, and partly to give him a wider view of the world of commerce in general.

The author lays some stress on the alleged demand of business men for better trained clerical help, a point which seems supported by the number of advertisements we see in the "help wanted" columns containing the words "high school graduate preferred." Speaking from the viewpoint of an observer, however, we are in doubt whether the alleged demand is for broader training. The average business man of our acquaintance complains bitterly of the lack of elementary training in the three R's, and we think what he asks is not broader but more intensive training.

W. H. L.

COMMERCIAL RESEARCH, by C. S. DUNCAN, Ph. D. *The Macmillan Company*, New York. 385 pp.

Beginning with chapter IV the author takes up in successive chapters the sources, character, methods of collecting, analysis, presentation and interpretation of business facts, with closing chapters on organized research work and the fundamentals of business analysis. The book should prove helpful to the business man who is trying to see his way to better business and larger markets. There are plenty of practical suggestions and illustrations of methods and graphics to appeal to the man of the "concrete mind."

The first three chapters seem rather superfluous. Business research in one form or another has been characteristic of the commercial world for the last twenty years, and it hardly seems worth while to spend so much

The Journal of Accountancy

time and space advocating the obvious. Still much must be pardoned the enthusiast in his own line, particularly in view of the masterly skill with which Dr. Duncan has marshalled his facts and principles. The glowing enthusiasm of the last chapter—"The new business"—arouses one's sympathy, but, alas! we fear the war has not brought the millennium any nearer in business than in politics.

A SYSTEM OF BOOKKEEPING FOR GRAIN ELEVATORS, Bulletin No. 811, United States Department of Agriculture, by B. B. MASON, FRANK ROBOTKA and A. V. SWARTHOUT.

Attention of public accountants, especially in the west, is called to *Bulletin No. 811* issued by the department of agriculture. It describes the method of operating a uniform system of grain elevator accounting to answer the requirements of grain elevators at country points throughout the United States. A list of accounts with clear and complete directions how to use them is furnished, together with forms of tickets, cash-journal, records, etc. For those who desire to instal the system the bureau of markets has provided printer's copy of the several forms for free distribution.

W. H. L.

Louis G. Battelle announces that he has admitted to partnership Gordon S. Battelle, and that the firm name will be Battelle & Battelle, with offices in Dayton Savings & Trust building, Dayton, Ohio.

Alvin J. Rosencrans and Reuben Hirsch announce the formation of a partnership under the firm name of Rosencrans & Hirsch, with offices at 299 Broadway, New York, and 208 Broad street, Elizabeth, New Jersey.

Marwick, Mitchell & Co. (New York) announce that Norman G. Chambers has been admitted to the firm.

Irvin A. Winegrad announces the opening of an office at 314 Bulletin building, Philadelphia.

Schindler & Naren announce removal of their office to 1211 Chestnut street, Philadelphia.