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Book Reviews

Henry Rand Hatfield

W. H. Lawton

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Book Reviews

TWENTY-FIVE YEARS OF ACCOUNTING RESPONSIBILITY, 1911-1936, by GEORGE OLIVER MAY. *American Institute Publishing Co., Inc.*, New York. Cloth (2 vols. in 1): vol. I, 368 pages; vol. II, 421 pages. 1936.

Of outstanding interest is this collection of lectures, committee reports, magazine articles, memoranda, and transcripts of testimony before courts and commissions. It embodies the fruits of the labor of one whose career is almost coextensive with the profession of accounting in America, of one who has contributed much to the development of that profession.

The first volume contains three sections, one dealing somewhat generally with the profession of accounting, the others with the more technical matters of depreciation and valuation. The second volume (the two volumes are bound together) treats of two problems of public policy (the regulation of securities and taxation) and the broader topic of the influence of accounting on the development of an economy. The volume ends with some fifty pages of miscellaneous but significant reviews and criticisms.

As a survey of what accountants have said and done, by one who could justly say "pars magna fui," the book would be interesting and valuable even though one disagreed largely with the views and conclusions set forth. But it is to be valued not alone as an historical record.

Among the substantive reasons for commending the work, the following may be mentioned:

The emphasis which the author places on the fact that accounting is at best a record of opinion and judgment, and can not be considered a presentation of minutely and mathematically exact facts.

The insistence on a high standard of professional integrity. This is all the more important because the statements to which the accountant certifies are incapable of objective verification and are reliable only so far as he is disinterested and honorable.

The demand that the auditor should not merely avoid misstatements but should so frame his reports that the reasonably intelligent reader is not liable to draw wrong inferences therefrom.

The author's objection to the establishing by statute or by commission of minute regulations of accounting procedure, as leading to lower, rather than higher, standards of accounting.

In addition to these more general features, interest attaches to the discussion of more specific and technical matters. One may mention the author's views regarding the annuity and the straight-line methods of depreciation, his argument that the balance-sheet is in essence a presentation of historic cost rather than of present values, and his forcible criticism of certain features of income-tax regulations.

The work—strange phenomenon in accounting literature—is pleasant reading. This is because of its admirably clear statement, its occasional indulgence in delicious sarcasm,* and the picture it presents of dignified self-composure under the ordeal of cross-examination.

*See vol. II, p. 62.

Of course there are some inconsistencies. It would be little praise to say that opinions expressed over a period of twenty-five years were always in entire harmony. They should not be. Nor are all of the views expressed exempt from criticism. But some of these are debatable matters, on which author and reviewer may well disagree. Some of them seem to the reviewer almost demonstrably incorrect. But such minor matters need not be mentioned here, as they do not appreciably detract from the merit of the work.

The editor states in the foreword that the contributions of Mr. May reveal: ". . . staunch advocacy of considerations of public welfare; unwillingness to be bound by tradition; insistence upon the maintenance of freedom from those fetters which would bar the exercise of individual judgment. They reflect not merely a grasp of the more immediate questions of practice; they reveal an understanding of external factors—of the implications of economic change." The validity of appraisals, not only those in publishers' blurbs, but as well those in editors' prefaces, is subject to suspicion. But the present reviewer can without reservation endorse the statement just quoted.

HENRY RAND HATFIELD.

AMERICAN BUSINESS FUNDAMENTALS, by JUSTIN H. MOORE, Editor-in-chief. *Longmans, Green & Company*, New York. Paper, eight vols. Viz.:

Bookkeeping Principles and Practice, by GEORGE E. BENNETT. 223 pages.

Accounting Principles and Practice, by GEOFFREY CARMICHAEL. 243 pages.

Introduction to Cost Accounting, by NORMAN LEE BURTON. 269 pages.

Principles of Retail Merchandising, by J. RUSSELL DOUBMAN. 213 pages.

Advertising Principles and Practice, by WARREN B. DYGERT. 211 pages.

How to Write Advertising, by KENNETH M. GOODE. 167 pages.

Mercantile Credit, by WILLIAM HOWARD STEINER. 251 pages.

General Principles of Insurance, by FRANCIS T. ALLEN. 241 pages.

Just as the celebrated *Five-Foot Book Shelf* is supposed to supply the fundamentals of a liberal literary culture, so we have now a one-foot shelf of handy volumes entitled *American Business Fundamentals* for the student in accounting or the tyro in business. Each of the eight volumes in the series is written by a professor or lecturer in his particular line in some college or university. A cursory reading reveals that they are concise, clear, and sound in principle and practice. All the subjects are, of course, vital to business and are well presented, in general outlines mainly, but with enough detail to be informative.

Paper and print are most admirable. As much can not be said for the cover and binding. Much handling will result in "curled" covers and loose leaves.

A word of warning to would-be certified public accountants—this one-foot library is not a short-cut to success in examinations. Thorough assimilation of the volumes will make a good bookkeeper, a fair accountant or successful business executive, but it will take long and arduous training in a public accountant's office to qualify one for a certified public accountant's examination.

W. H. LAWTON.