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Correspondence: "Definition Needed"; Experience Requirements Deprecated

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Correspondence

"Definition Needed"

Editor, The Journal of Accountancy:

SIR:—I read with much interest your editorial in the current issue of THE JOURNAL OF ACCOUNTANCY with regard to the proper use of the terms accountant and bookkeeper. Whilst appreciating the service you are rendering in your endeavors to standardize accounting nomenclature I beg to take exception to your claim to the title of accountant as exclusively belonging to professional practitioners of the science of accounting.

It is true that many bookkeepers whose services to their employers have been recognized by increases of salary are prone to imagine themselves accountants, or at least to style themselves as such on account of the somewhat homely sound of the perfectly honorable title of bookkeeper; but it cannot be denied that in the employ of hundreds of commercial firms and corporations there are to be found accountants as worthy of the name as many of those engaged in public practice. This contention is supported by no less an authority than A. Lowes Dickinson, who in his *Accounting Practice and Procedure* states, "The trial balance is the work of the bookkeeper, while the conversion of this trial balance into a substantially accurate financial estimate of position, or balance-sheet, is the work of the accountant"

If the claim of the American Institute of Accountants that only those engaged in accounting as a public profession should be referred to as accountants is valid, then those officers of corporations who are able to and do prepare their own financial statements and balance-sheets and intelligently interpret the meaning of the figures in their accounts are mere bookkeepers. But I believe the restriction of the use of the word as you desire will hardly receive the approval of the commercial world generally, much less of the many corporation employees who, while not engaged in nor even experienced in public auditing, not only call themselves accountants but are justly entitled by qualification to be considered as such.

It is greatly to be deplored that there is still so much ambiguity in accounting terminology, and it is to be hoped that your institute and its organ will eventually succeed in securing some uniformity in the acceptance of terms. In my own sphere, that of railroad accounting, and also in many commercial concerns, it has become very general to style the chief accounting officer "auditor," although accounting and auditing are really two distinct functions. These are frequently combined under one head, who, as Mr. Montgomery has pointed out, is in reality a comptroller, a title which, in comparatively small corporations, is probably considered too high sounding and perhaps too comprehensive. The English system is to separate accounting from auditing, the former being in charge of the chief accountant and the latter usually under the care of a firm of professional auditors elected for the purpose by the shareholders themselves.

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It would seem that the American Institute erred in dropping the word "public" from the title of its organization, as its inclusion frees the term from all ambiguity—a public accountant being universally understood to refer to the professional practitioner, whereas the term accountant is nearly as generally accepted to mean "one who is skilled in accounts."

Very truly yours,

LEWIS A. OATES.

Habana, Cuba, April 16, 1918.

Experience Requirements Depreciated

Editor, The Journal of Accountancy:

SIR:—I desire to ask you to comment on the latest requirements set by the New York state C.P.A. board, the news of which must have been received with the greatest surprise by all students of accountancy.

Students who have heretofore gloried in the wonderful progress the profession was making, and who have welcomed the C.P.A. legislation which has been enacted in the various states, must now feel thoroughly chagrined by New York state's latest C.P.A. law.

It is extremely difficult to find a good reason for this law and its requirements. One is at a loss to understand why a medical student should spend only two years in a hospital while the student of accounting, whose responsibilities as an accountant never can and never will equal those of a physician, should be required to serve five years in the office of a certified public accountant. Equally as mysterious and obnoxious is the requirement that he shall have had three out of the five years' experience completed before sitting at the examination. Even the lawyer's responsibilities are as great as, and often greater than, those of the accountant, and yet the student of law spends only one year in a lawyer's office.

It now appears that the accusation that accountants are limiting their number for their own pecuniary gain, which was made by some students in the year of 1916, as a result of an editorial entitled *Recruits Wanted*, which appeared in THE JOURNAL OF ACCOUNTANCY of February of that year, are now well substantiated, and that the following quotation, which is from George Bernard Shaw, with some modification, would be an appropriate explanation for this very arbitrary law:

"But just as the best carpenter or mason will resist the introduction of a machine that is likely to throw him out of work or the public technical education of unskilled laborers' sons to compete with him, so the doctor will resist with all his powers of persecution every advance of science that threatens his income."

Very truly yours,

J. S.

New York, N. Y.