

AN EVALUATION OF ELEMENTARY BOOKKEEPING TEXTS

by

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I. INTRODUCTION

A. Purpose

Bookkeeping has long been considered the backbone of the commercial course. Since this is the case, every bookkeeping teacher is obligated to provide his pupils with the best possible training in elementary bookkeeping. This division of the subject serves as the foundation for what is to follow, and the strength of the foundation of any development determines, to a large extent, the strength of the structure above the foundation.

Although modern educational tendencies are obviously drawing away from rigid observance of textbooks, the textbook, with its supplementary readings, is still at the heart of practically all high-school and college courses. Therefore, the first duty of the teacher, in attempting to provide his pupils with the best possible training, is to select the best textbook on the subject involved to serve as the basis of this training.

We are, at present, in a period of change in educational practices, procedures, and methods. Even the authors of our textbooks do not agree on many of these points. Economic conditions have resulted in a marked decrease in the amount of money available for the operation of our schools. Boards of education have been forced to economize in every possible way; therefore, we are justified in offering only those courses which are of real value to the students. We must carefully examine our courses and accurately evaluate them in order that the boys and girls of the nation may get the most from the educational program that limited

finances offer.

In an evaluation of courses, one of the major items to be considered is the textbook. The textbook examination, which this thesis necessitates, is made for the purpose of determining, in so far as possible, the best high-school text in elementary bookkeeping.

B. Criteria for Selection of Books Evaluated

The criteria for the selection of the books included in the evaluation are, (1) prevalence of use in schools, (2) prestige and prominence of authors, (3) recency of revision, (4) recommendation of competent authorities, and (5) the writer's own personal experience.

C. Points to be Considered in the Evaluation

Each of the books selected for evaluation is to be rated on each of the following points:

1. Values Emphasized
2. The Time Element
3. Supplementary Material
4. Plan of Teaching
5. System of Testing
6. Method of Approach
7. Classification of Accounts
8. Compound Journal Entries
9. Expenses Discussed
10. Classification of Expenses on Statement of Profit and Loss

11. Purchases Discount
12. Sales Discount
13. Partial Payments
14. Discounted Notes Receivable
15. Freight on Purchases
16. Freight on Sales
17. Withdrawals
18. Petty Cash
19. Cash Short and Over
20. Trial Balance
21. Accruals and Deferred Items
22. Adjusting Entries
23. Reversing Entries
24. Work Sheet
25. Balance Sheet
26. Closing Entries
27. Physical Make-up

D. Method of Rating

Each book will be scored on each of the above points, either 1, 2, 3, 4, or 5, according to its correlation to the method or procedure most generally observed by the majority of the texts. For instance, if five of the texts discuss a point and four of them do not, those which discuss it will receive a score of "1" on that point, and those which do not discuss it will receive a score of "2"; if the ratio happens to be six and three instead of five and four, the books will be scored "1" and "3" respectively.

Similarly, if seven of the texts recommend a particular method and two of them do not, the scores will be "1" and "4" respectively, and if the ratio is eight and one, the scores will be "1" and "5". On some of the points there will be more than two possibilities, but the scoring will be based upon the majority opinion in each case, regardless of the number of possible recommendations.

In the following tables, each book will be scored on each point in the evaluation list. When there is any possible question as to why certain books are given certain scores, the scoring will be explained.

After all of the books have been scored on all of the points, the total of the scores in each case will be determined. (The value of the scores received by the books on the most important points will be doubled by dividing the score received by two, and the value of the scores received on the least important points will be decreased by multiplying them by two.) These totals will be divided by the number of points on which the books are rated, and the results will determine the position of each in the ranking.

E. Texts to be Evaluated

The following texts are to be evaluated:

- 1.¹ Twentieth Century Bookkeeping and Accounting
by Baker, Prickett, Carlson.
South-Western Publishing Company.

¹In the evaluation tables, the numbers of these texts, as listed here, will be used instead of the titles.

2. Principles of Bookkeeping and Business, Elementary Course
by Bowman and Percy.
American Book Company.
3. Bookkeeping for Today
by Elwell.
Ginn and Company.
4. Elementary Accounting
by Streightoff.
Harper and Brothers, Publishers.
5. Elementary Bookkeeping Principles and Practice
by Rosenkamm and Wallace.
Prentice-Hall, Incorporated.
6. Rational Bookkeeping and Accounting
by Belding and Greene.
The Gregg Publishing Company.
7. Modern Bookkeeping Practice
by Altholz and Klein.
Lyons and Carnahan.
8. Introduction to Accounting
by Prickett and Mikesell.
The McMillan Company.
9. Bookkeeping and Accounting
by McKinsey.
South-Western Publishing Company.

II. ANALYSIS

A. Values Emphasized

One or more of the following values is usually indicated as being derived from the study of bookkeeping:

Educational

Social and Cultural

Vocational and Occupational.

In the preface of practically every bookkeeping textbook is found a discussion of the values which that particular text emphasizes. Some texts place one of these groups first in importance; others place another group first. The following table shows the values emphasized by the respective texts in our evaluation list:

TABLE I

VALUES EMPHASIZED

Text No.	Social and Cultural	Vocational and Occupational	Educational*	Score
1.	X	X	X	1
2.		X	X	2
3.			X	4
4.			X	4
5.			X	4
6.		X	X	2

TABLE I, (Continued)

7.		X	X	2
8.		X	X	2
9.		X**	X	3

*In order to provide for the possibility of the reader not having clearly in mind just exactly what is meant by "Educational Values," the writer deems it advisable to introduce a paragraph discussing these values. This paragraph is found in the preface of Elwell's Bookkeeping for Today, and is characteristic of similar discussions in other of the texts.

"The educational values that result from stimulating self-reliance and initiative, from developing a power of analysis and interpretation, and from the study and determination of fundamental relationships are aimed at through the course."

**Text number 9 is the only one in the group which does not place Educational Values first in importance.

Explanation of Scoring. All of the texts specify that the educational values of bookkeeping should be emphasized; all of them except number 9 place educational values first in importance. Text number 1 is scored "1" because it emphasizes all three classes of values, and places educational values first in importance. Texts numbers 2, 6, 7, and 8 are scored "2" because they emphasize two classes of values, and place the educational values first in importance. Text number 9 is scored "3" because it emphasizes two classes of values, but places vocational and occupational values ahead of educational values in importance. Texts numbers 3, 4, and 5 are scored "4" because they emphasize only one class of values.

B. The Time Element

The time element is undoubtedly worthy of serious consideration in the selection of a textbook in elementary bookkeeping. This element involves a variety of items, chief among which are the number of terms devoted to single proprietorship, the number of chapters and pages dealing with this division of the course, and the number of chapters and pages consumed in completing the bookkeeping cycle.

Ordinarily the high-school bookkeeping course is separated into four logical divisions--single proprietorship, partnership, corporation, and some special type of bookkeeping, such as cost accounting or advanced theory. If too much time and material are devoted to the single proprietorship, the four divisions cannot be completed in the two years allowed for them, and if insufficient time is so devoted, it will not be properly mastered. We must decide upon the logical and psychological amount of space and time to be devoted to this phase of bookkeeping before we are competent to select our text.

Some texts complete the bookkeeping cycle, which includes journalizing, posting, trial balance, adjusting entries, work sheet, balance sheet, statement of profit and loss, closing entries, post-closing trial balance, and reversing entries, in a few chapters; while others recommend that the whole term be consumed in completing this cycle.

The following table shows how each of the texts in our list deals with the respective items included in the time element.

TABLE II

THE TIME ELEMENT

Text No.	Material Devoted to Single Proprietorship						Material Devoted to Completing the Bookkeeping Cycle				Total Score	Ave. Score
	Terms	Score	Chapters	Score	Pages	Score	Chapters	Score	Pages	Score		
1.	1	1	26	2	253	2	7	3	64	4	11	1.2
2.	2	3	45	5	268	1	23	5	102	2	16	3.2
3.	1	1	23	1	274	1	7	3	85	3	9	1.8
4.	1	1	9	4	145	5	8	2	124	1	13	2.6
5.	1	1	20	2	260	2	10	1	126	1	7	1.4
6.	3	5	11	4	216	3	8	2	145	2	16	3.2
7.	2	3	12	4	401	5	6	4	180	4	20	4
8.	1	1	17	3	236	3	13	3	177	4	14	2.8
9.	2	3	41	5	396	4	12	2	101	2	16	3.2

Note: Refer to next page for explanation of scoring, and use of average score.

Explanation of Scoring. Five items are included in the time element of the elementary bookkeeping course. Each of the texts is scored on each of these items; but in order to avoid giving this particular point too much weight in the final rating of the texts, the average of the five scores is used in each case.

Five of the texts devote one term to single proprietorship; each of them is scored "1". Three of the texts devote two terms to single proprietorship; they are scored "3". Only one of them devotes three terms to this division; it is scored "5".

The scoring of the texts with reference to the number of chapters and pages devoted to single proprietorship, and consumed in completing the bookkeeping cycle, is based on the average number of chapters and pages so applied in the texts. The average number of chapters devoted to single proprietorship is 23; each text is scored according to the range between this average and the actual number of chapters devoted to single proprietorship by the particular text; these ranges are classed into five groups. Those texts which fall into the group having the least range are scored "1"; those which have the next least range are scored "2"; and so on, up to "5".

The same procedure is involved in the scoring of the pages devoted to single proprietorship, and the chapters and pages consumed in completing the bookkeeping cycle. The averages for these items are as follows:

Pages devoted to single proprietorship--272

Chapters consumed by bookkeeping cycle-- 10

Pages consumed by bookkeeping cycle-----123

C. Supplementary Material

A certain amount of supplementary material, such as work books, practice sets, and extra exercises, accompanies every textbook. This material has a variety of uses, and serves a variety of purposes, but is looked upon with different attitudes by the authors of various textbooks. Some texts recommend the use of work books; others do not. Practice sets accompany practically all texts, but they differ in length; some texts recommend the use of business papers with the practice sets; others do not. The use of the individual price list is an item that is in considerable dispute.

The teacher, especially the beginning teacher, may be confused when he finds that the practice set he is using is so long that it cannot be completed in the required time, or is so short that it does not adequately serve its intended purpose. If he finds pupils copying from one another, he may wonder whether the individual price list would not be a valuable contribution to the practice set. He may wonder whether the use of business papers is really necessary, or whether the work book is of material value.

Every teacher of bookkeeping encounters some such problem at some time in his experience. A valid solution of such problems would undoubtedly improve the bookkeeping course, as well as reduce the worry and work of the teacher. Probably the only logical method of arriving at this solution, at the disposal of the teacher, is through the medium of an examination of the best textbooks with reference to these disputed points.

The following table shows the attitude taken toward the supplementary material by the authors of the texts in our list.

TABLE III

SUPPLEMENTARY MATERIAL

Text No.	Work Book			Practice Sets										Total Score	Ave. Score
				Num-ber	Score	Length *	Score	Use of Business Papers			Special Price List				
	Used	Not Used	Score					Op- tional	Yes	Score	Yes	No ***	Score		
1.	X		1	3	2	(1)---1 (2,3)-2	1	X		2	X		3	9	1.8
2.		X	3	2	1	(1)---1 (2)---3	2	X		2		X	1	9	1.8
3.	X		1	5	4	(1,2,5)-1 (3,4)-1	3	X		2	X		3	13	2.6
4.		X	3	****	5	****	5	****		5	****		5	23	4.6
5.	X		1	3	2	(1)---1 (2,3)-1	3		X	1		X	1	8	1.6
6.	X		1	1	2	(1)---1	4		X	1		X	1	9	1.8
7.	X		1	2	1	(1,2)-6	4		X	1		X	1	8	1.6
8.		X	3	****	5	****	5	****		5	****		5	23	4.6
9.	X		1	3	2	(1)---1 (2,3)-2	1		X	1		X	1	6	1.2

* The number in parentheses represents a practice set number; those outside the parentheses, in each instance, represent the number of month's

transactions in the respective practice sets. For example, for the first text, under "length in months", we have (1)--1 and (2,3)--2; this means that practice set, number 1 contains one month's transactions, and practice sets 2 and 3 each contain two month's transactions.

** Those texts which recommend the use of more than one practice set do not usually recommend the use of business papers with all of them. However, all of the texts which recommend the use of business papers with any of their practice sets are included in the "yes" column.

*** Those texts which recommend the use of a special price list do not recommend its use with all of their sets; but all of the texts which recommend its use at all are included in the "Special price list" group.

**** The use of the practice set is not recommended by these texts.

Explanation of Scoring. In this case, as in the "time element", there are five items upon which each of the texts is scored; however, the average of these five is used in the final rating of each text.

The scoring of the use of the work book, business papers, and special price list is probably self-explanatory.

The scoring of the number of practice sets used, and the number of months' transactions in the practice sets is based upon the range between the average of all of the books and the actual number of practice sets and months recommended by each text. These ranges are divided into five groups; those having the least range are scored "1"; those having the next least range are scored "2"; and so on, up to "5".

D. Plan of Teaching Recommended

Each teacher has his individual method of presenting his subject to his pupils. Perhaps no two of them are exactly the same. Many conditions are involved in the method of presentation selected by the teacher. Some of these are differences in teachers' training and preparation, differences in pupils' intellect, maturity, and attitudes, differences in school equipment, differences in textbooks used, etc. Although the teaching method of separate individuals are rarely identical, there are always numerous points of similarity. Probably every teacher of bookkeeping bases his plan of instruction either upon one of the following plans, or upon some modification of it:¹

- (1) The unit plan
- (2) The contract plan
- (3) The recitation plan
- (4) The combination plan.

Which of these plans is best? Again we must refer to our texts, and examine them with the intention of discovering which plan is most generally recommended by our chosen authorities.

It will be noted that there is very little conflict of opinion among our authors concerning whether or not withdrawal should be recorded in a separate account.

¹This may be entirely involuntary and unintentional on the part of the teacher

TABLE IV

PLAN OF TEACHING RECOMMENDED *

Text No.	Unit	Contract	Recitation	Combination	No Specific Plan	Score
1.					X	1
2.	X					4
3.				X		3
4.					X	1
5.			X**			4
6.				X		3
7.					X	1
8.					X	1
9.					X	1

*The data for this table were obtained through the medium of questionnaires which were sent to the authors of the various texts.

**The authors of this text do not specifically recommend any particular plan, but admit that the recitation plan is probably best adapted to their text.

Discussion and Explanation of Scoring. We still do not know which is the best plan to be followed in the teaching of bookkeeping, since most of the textbooks do not recommend any specific plan. Most of the authors of the various texts claim that their text is applicable to any teaching plan. Therefore, the teacher himself will have to decide which of the plans is best for his particular case.

Texts number 1, 4, 7, 8, and 9 do not recommend any specific plan of teaching. Since this is the policy of the majority of the texts, we score these books "1". Texts number 3 and 6 recommend the combination plan of teaching; since there are fewer than half as many texts in this group as there are in the number 1 group, we score each of them "3". Text number 2 recommends the unit plan and text number 5 recommends the recitation plan; these texts are each scored "4", because there is only one book in each group. (Ordinarily, when there is only one book recommending a particular method, that book is scored "5", but since the majority of the texts do not recommend any particular teaching plan, the author feels that these two books should not be penalized too severely.)

E. System of Testing

Although educators are beginning to recognize the fact that too much dependence cannot be placed upon the marks students receive in school, most schools still require that the teachers grade their students. These marks are supposed to indicate the achievement of the students receiving them. Various systems of marking are used by various schools; standards are not equal; teachers do not agree; but practically every school and every teacher bases the marks given the students, to some extent at least, upon the results of tests.

Different types of tests are used, but the most commonly accepted type is probably the objective test. Even though there may be no great amount of discord as to the type of tests used,

bookkeeping texts do not agree upon the plan of testing to be followed. Some texts recommend the testing of the students after the completion of each unit of work; others recommend testing the students upon their respective assimilation of each chapter; still others recommend a test for every six weeks of the term; and some do not recommend any particular plan at all.

The testing program is of fundamental importance in most schools, tests serving as the basis of most grading systems. Therefore, teachers must be interested in them, and the problem of determining the best testing plan or system is of primary importance in this interest.

The following table indicates the system recommended by the authors of the texts in our evaluation list:

TABLE V
SYSTEM OF TESTING

Test No.	Each Unit	Each Chapter	Each 6 Weeks	No Tests	Score
1.	X				1
2.	X				1
3.		X			2
4.		X			2
5.	X				1
6.		X			2
7.			X		4
8.				X	5
9.	X				1

Explanation of Scoring. Four of the texts recommend the unit system of testing; three of them recommend the testing of the pupils after the completion of each chapter. These two groups are scored "1" and "2" respectively.

One of the texts recommends the six-weeks system of testing, and for one of them, no tests are published. Some plan of testing is undoubtedly necessary, under present grading schemes, so that text which does not recommend any system of testing is scored lowest.

F. Method of Approach

The foundation of any structure is probably the most fundamental and necessary phase of its development. This fact is just as true of an elementary course in bookkeeping as it is of any building project.

Undoubtedly the foundation of the bookkeeping course is the "Approach". Therefore, it is the duty of every bookkeeping teacher to employ the best possible method of approach.

At the present time there are five methods of approach shown favor by various textbooks and used by various teachers. They are:

1. Journal Entry
2. Balance Sheet
3. Ledger
4. Equation
5. Combination.

Probably no one has a right to state specifically that any one of these methods is superior to the others and should always be given preference, since there are a number of conditions which must be given consideration when the method of approach is being decided upon. However, one is probably justified in concluding that the approach recommended by the majority of our better textbooks is a safe one to use.

An examination of the selected textbooks discloses the fact that the approaches recommended by the authors are as indicated in the following table.

TABLE VI

METHOD OF APPROACH

Text No.	Journal Entry	Balance Sheet	Ledger	Equation	Combination	Score
1.				X		1
2.					X	2
3.	X					4
4.		X				2
5.				X		1
6.					X	2
7.				X		1
8.		X				2
9.				X		1

Explanation of Scoring. The greatest number of the texts

(1, 5, 7, and 9) recommend the equation method of approach. These texts are scored "1". Two of the texts (2 and 6) recommend the combination method of approach; they are scored "2". Two of them (4 and 8) recommend the balance sheet method; they also are scored "2". One text (3) recommends the journal entry method. Since there is only one text recommending this method of approach, it is scored lowest on this particular point.

Discussion. It is quite evident that the majority of the authors prefer the equation method of approach. But regardless of the method used, there are contributing facts which must be given consideration.

A teacher who knows nothing about any approach other than the journal approach will injure his students if he attempts to use any other method. Of course he can become familiar with another method, and he should understand more than one of them, but he must be certain that he understands as thoroughly as possible the one used before attempting to present it to his pupils.

The students themselves, their intelligence, maturity, background, vocational interest, etc., will undoubtedly have a very considerable bearing upon this subject.

The business world and the demands of business men must be considered. And we must not forget the social, cultural, and educational values of the course when determining our method of approach. However, the existing trends in this matter must serve as our ultimate guide. If the majority of up-to-date textbooks are using a particular approach, there must be some

justification for it.

It is probably safe to conclude that the approach which conforms most to modern educational demands, the approach which emphasizes principles rather than methods, whatever type of approach it may be, is the one from which our students will reap the most desired and most valuable benefits.

G. Account Classification

A fundamental classification of accounts is into real and nominal accounts. The real accounts are those which reflect financial condition and from which the Balance Sheet is constructed. The nominal accounts are those which reflect an increase or decrease in proprietorship and from which a Statement of Profit and Loss is constructed. The real accounts measure the financial position of the business showing the value of the property and the claims against the property. The nominal accounts measure the progress of the business showing the results of operations in relation to proprietorship. This conception of accounts is strictly true only when the adjustments have been made at the end of the accounting period.

Both real and nominal accounts sometimes have a mixed character. For instance, a machinery account may contain the nominal element of depreciation merged with the real element. Interest may contain a real element merged with the nominal element due to the fact that a part of the balance may represent prepaid interest to be treated as a deferred charge. A strict classification of accounts into real and nominal may be

made only after the necessary adjustments have been made for accruals and deferred items.

Some textbooks do not make this fundamental classification of accounts. Others discuss the real and the nominal accounts but do not mention the mixed accounts. The following table shows that there are a variety of opinions among textbook authors as to this method of classifying the accounts.

TABLE VII

ACCOUNT CLASSIFICATION

Text No.	Real	Nominal	Mixed	Not Classified	Score
1.	X	X			1
2.	X	X	X		2
3.	X	X			1
4.	X	X			1
5.				X	4
6.				X	4
7.				X	4
8.			X		3
9.				X	4

Explanation of Scoring. The author's personal opinion is that the lone textbook which classifies accounts into real, nominal, and mixed (No. 2) should be scored higher than the others, but our scoring is based upon the frequency of the

method employed by the majority of the authors, so we are forced to score those texts which classify accounts as real and nominal only, higher.

Undoubtedly some classification is advisable; therefore, although four of the texts make no classification at all, we have scored them lowest, because five of them make some classification.

Text number 8 discusses only one classification, mixed accounts, but since it does mention a classification, it is scored higher than those which do not.

Texts number 5, 6, 7, and 9, which make no classification at all, are scored "4" instead of "5" because there are almost as many of them as there are that classify the accounts.

H. COMPOUND JOURNAL ENTRIES

A journal entry involving more than one debit amount or more than one credit amount is known as a "compound" or a "combined" journal entry. A knowledge of compound journal entry is not absolutely essential in bookkeeping, but it is a very convenient device. The compound entry is of value chiefly because of the time and materials saved by its use, and its reduction of the danger of error.

Some authors discuss and recommend the use of the compound journal entry; others do not, as is shown on the following page.

TABLE VIII

COMPOUND JOURNAL ENTRIES

Text No.	Discussed	Not Discussed	Score
1.	X		1
2.	X		1
3.		X	5
4.	X		1
5.		X*	3
6.		X*	3
7.	X		1
8.	X		1
9.		X*	3

*In these texts compound journal entries are not discussed, but they are used in illustrations.

Explanation of Scoring. This table shows but two possibilities. Ordinarily, when such a condition exists, the texts which observe the preferred method are scored "1" and those which do not are scored "5". But in this instance, texts 5, 6, and 9 are scored "3" because they use compound entries in illustrations even though they do not discuss them.

I. Expense Accounts Discussed, (Excluding Interest)

The table on the following page reveals whether one, two, or more expense accounts are discussed in the respective texts.

TABLE IX

EXPENSE ACCOUNTS DISCUSSED

Text No.	Number of Expense Accounts Discussed			Score
	One	Two	More than Two	
1.			X	1
2.		X		3
3.			X	1
4.		X		3
5.	X			3
6.	X			3
7.			X	1
8.			X	1
9.			X	1

Explanation of Scoring. The majority of the texts discuss more than two expense accounts; they are scored "1". Two of them discuss only one expense and two of them discuss only two. These texts are scored "3". Since four of the texts discuss two or less than two accounts and only five of them discuss more than two, those which do not discuss more than two accounts are not penalized too severely.

J. Classification of Expenses on Statement of Profit and Loss

A proper classification of the accounts in the ledger will be an aid in preparing the Statement of Profit and Loss. There

is considerable lack of uniformity among accountants and textbook writers in the terminology and in the order of listing the accounts in this statement.

All accounts involving related business procedure, such as selling, are classified under a particular heading in the statement, in order that the proprietor may see at a glance just exactly how much income or cost a certain department of the business accumulates. The same net profit will result regardless of the classification of the accounts, but it is important that the various expenses and incomes be listed under the proper headings in order that needless expenditures may quickly be detected.

There are no rigidly accepted names for these headings. Some accountants list all expenses under one head, "Expense". Others divide them into several groups, such as Selling Expenses, General Expenses, and Other Expenses, and a variety of other headings may be used. Our selected textbooks recommend the classifications on the following page.

Explanation of Scoring. Because of the great lack of uniformity among our authors as to the account classification on the Statement of Profit and Loss, a fair scoring of the texts on this point is difficult. However, the scores, as listed on the table, were arrived at in the following manner.

Only two of the texts, number 2 and number 3, use similar classifications, but since no more than one text recommends any other classification, these two are scored "1". Texts 1, 4, 5, and 9 are each scored "3". Each of these respective

TABLE X

HOW EXPENSES ARE CLASSIFIED ON THE STATEMENT OF PROFIT
AND LOSS

Text No.	Selling General Other	Selling General Financial	Expense	Operating* Financial	Operating Deductions	Operating Other	Operating	Score
1.				X				3
2.						X		1
3.						X		1
4.	X							3
5.					X			3
6.			X					5
7.							X	5
8.						X		1
9.		X						3

* It is quite probable that accountants would agree that "financial" and "other" expenses, as a statement grouping, are exactly the same thing. This being the case, it probably would be quite fair to score text number 1 the same as texts number 2, 3, and 8, but since it is a slight digression from the preferred method, the writer believes he is justified in scoring it lower.

Note: This table is inserted at this point instead of before the explanation of scoring because it is so large that a full page is necessary for it.

texts recommends a different classification, but they are scored higher than texts 6 and 7, which receive a score of "5", because they list the expenses under more than one heading.

K. Purchases Discount

It is interesting to note that accountants do not agree, in practice, as to the proper heading under which to list the purchases discount on the Statement of Profit and Loss. Neither are they in accord as to the book of original entry in which this item of business should be recorded.

A variety of headings for the purchases discount are used, but only two books of original entry may be resorted to for the recording of these discount transactions. It may be recorded in either the general journal or in a special column of the cash book. Most textbooks discuss both methods of recording the purchases discount, but some discuss only one method.

The following table shows how the authors of our selected texts recommend that purchases discount be listed on the statement and in which journal it should be originally recorded.

TABLE XI

PURCHASES DISCOUNT

Text No.	How Listed on the Statement of Profit and Loss					Where Recorded		Total Score	Average Score
	Fin.* Income	Ded.** from Expense	Other Income	Op.**** Income	Non-op.** Income	Cash Book	General Journal		
1.	X					X	X	4	2

TABLE XI, Continued

2.			X			X	X	2	1
3.			X			X	X	2	1
4.			X			X	X	2	1
5.			X			X	X	2	1
6.		X				X		10	5
7.				X		X	X	6	3
8.					X	X	X	6	3
9.	X					X	X	4	2

* Financial
 ** Deduction
 *** Non-Operating
 **** Operating

Explanation of Scoring. Two items are scored in this table; therefore, the average score is used as a basis for the final evaluation of each textbook.

The majority opinion is that purchases discount should be listed on the Statement of Profit and Loss as "Other Income", and that the methods of recording it in the general journal and in the cash book should both be discussed.

Texts 2, 3, 4, and 5 share the majority opinion; therefore, they are scored "1" in both items. Texts 1 and 9 agree with the majority opinion as to the discussion of purchases discount, but disagree as to how it should be listed on the statement; they are scored "1" on the discussion and "3" on the method of listing, making a total score of four. Texts 7

and 8 agree with the majority opinion as to the discussion, so are scored "1" on this item in the table. But they each recommend a lone method of listing the discount on the statement, so receive scores of "5" on this item, making total scores of six. Text 6 disagrees with the majority on both items, so it is scored "5" on each of them, making a total score of ten.

L. Sales Discount

The same conditions that are true of purchases discount, with reference to the method of listing it on the statement of Profit and Loss and the book of original entry in which it is recorded, are also true of sales discount.

The following table involves this point.

TABLE XII

SALES DISCOUNT

Text No.	How Listed on the Statement of Profit and Loss					Where Recorded		Total Score	Average Score
	Fin.* Expense	Other Expense	Ded.** from Income	Op.*** Expense	Non-Op.**** Expense	Cash Book	General Journal		
1.	X					X	X	4	2
2.		X				X	X	2	1
3.		X				X	X	2	1
4.		X				X	X	2	1
5.			X			X	X	6	3

TABLE XII, (Continued)

6.		X				X		6	3
7.				X		X	X	6	3
8.					X	X	X	6	3
9.	X					X	X	4	2

- * Financial
- ** Deduction
- *** Operating
- **** Non-Operating

Explanation of Scoring. The scoring on this table is identical with that on the preceding table, with two exceptions. These exceptions involve texts 5 and 6. In table number XI text number 5 agrees with the majority opinion with reference to listing the account on the Statement of Profit and Loss; in this table it does not. Text number 6 agrees with the majority opinion with reference to this point on this table, but in the preceding table it does not. This accounts for the differences in the scoring of these two texts in table XI and table XII.

New Theory of Cash Discount. Although this new theory of cash discount is not included in our evaluation list, it is of sufficient interest and importance to be worthy of mention in this thesis.

"There is another theory of cash discount which is increasingly accepted, the "penalty" concept. The cost of merchandise purchased and the price of merchandise sold are considered to be the amount of the invoice decreased by the cash

discount. If the bill is not settled within the discount period, the additional payment, that is the difference between the invoice price and the discounted price, is looked upon as a penalty for delayed payment, a cost to the payer and a gain to the collector. Although this penalty theory of the cash discount is growing in vogue, the illustrations in this text are based upon the older theory, that the cash discount is an earning due to having sufficient capital in liquid form.² " The penalty theory of cash discount is observed by practically all public utilities companies.

M. Partial Payments

Although partial payments certainly have a place in the general bookkeeping course, authors do not agree as to the advisability of including this phase of bookkeeping in the elementary course. No one denies the fact that partial payments are important and that the student of bookkeeping should be made familiar with them, but many authors believe that they are a little too difficult for the elementary student, so reserve them for the more advanced course.

The following table shows the attitude taken toward partial payments in the elementary course by the authors of our selected texts.

²Streightoff, Elementary Accounting, pp. 24.

TABLE XIII

PARTIAL PAYMENTS

Text No.	Discussed	Not Discussed	Score
1.	X		3
2.		X	1
3.		X	1
4.		X	1
5.		X	1
6.	X		3
7.		X	1
8.	X		3
9.		X	1

Explanation of Scoring. The scoring of this table is self-explanatory. Six of the texts do not discuss partial payments in the elementary course. This is the majority opinion; therefore, these texts are each scored "1". But half as many do discuss partial payments in the elementary course, so they are penalized for not agreeing with the majority opinion only to the extent of being scored "3".

N. Discounting of Notes Receivable

The discounting of notes is discussed and explained in all elementary courses in bookkeeping, but authors do not agree as to the method of recording these discounted notes.

Some recommend that a discounted note receivable should be recorded directly in the Notes Receivable account, when discounted; others, that a contingent liability is created when a note receivable is discounted, and that this liability should be shown on the books until the note is paid by the maker.

This latter group recommends that discounted notes receivable be recorded in an account for Notes Receivable Discounted, and allowed to remain in that account until the contingent liability is removed by the payment of the note, then transferred into the Notes Receivable account.

The following table shows the opinions of the authors of our selected texts.

TABLE XIV

WHERE DISCOUNTED NOTES RECEIVABLE ARE RECORDED

Text No.	Account in which Discounted Notes are Recorded		Score
	Notes Receivable	Notes Receivable Discounted	
1.	X		1
2.	X		1
3.	X		1
4.		X	4
5.	X		1
6.	X		1
7.	X		1

TABLE XIV, (Continued)

8.		X	4
9.	X		1

Explanation of Scoring. Seven of the texts recommend that discounted notes receivable be recorded in the Notes Receivable account; these texts are scored "1". Only two of them disagree with the majority opinion; therefore, they are scored "4".

O. Freight on Purchases

Merchandise is usually sold "F. O. B. Shipping Point". Consequently, the purchaser usually pays the freight. The question frequently arises of how this freight paid on purchases should be recorded. There are two common practices with reference to this question. Some bookkeepers debit "Purchases" with the freight costs, while others debit a special account, usually called "Freight-In".

It makes no important difference in which of these accounts the freight on purchases is recorded, but it does involve the bookkeeping procedure at the close of the period. If freight is recorded in a special account, it will need to be closed into "Purchases". But if it is recorded in the Purchases Account, this closing entry is unnecessary.

The following table represents the attitude taken toward this point by our authors.

TABLE XV

WHERE FREIGHT ON PURCHASES IS RECORDED

Text No.	Account in which Freight on Purchases is Recorded		Score
	Purchases Account	Freight-In Account	
1.		X	2
2.	X	X	1
3.		X	2
4.		X	2
5.	X	X	1
6.	Not discussed at all		5
7.		X	2
8.		X	2
9.	X	X	1

Explanation of Scoring. Texts number 2, 5, and 9 discuss both methods of recording freight on purchases, but specify that the use of the Freight-In account is advisable; therefore, they are given the highest rating.

Texts number 1, 3, 4, 7, and 8 discuss only one method, but they discuss the preferred method. Therefore, they are given a rating only slightly lower than the rating given texts 2, 5, and 9.

Text number 6 does not give a specific discussion of freight on purchases; therefore, it is given the lowest rating.

P. Freight on Sales

As stated in the foregoing discussion, merchandise is usually sold "F. O. B. Shipping Point", and the purchaser pays the freight. Therefore, most business concerns do not have an account for Freight-Out. However, sometimes the practice of selling merchandise "F. O. B. Destination" is observed. Companies which do this usually have an account called Freight-Out in which they record such transactions. When such an account is used, it is listed on the Statement of Profit and Loss as an operating expense, and closed into the profit and loss account at the close of the period.

As shown in the following table, our authors do not agree as to whether or not "Freight-Out" has a place in the elementary bookkeeping course.

TABLE XVI

FREIGHT ON SALES

Text No.	Discussed	Not Discussed	Score
1.	X		1
2.		X	2
3.	X		1
4.		X	2
5.	X		1
6.	X		1
7.		X	2
8.		X	2
9.	X		1

Explanation of Scoring. Five of the texts discuss Freight on Sales in the elementary course. This represents the majority opinion; therefore, these texts are each scored "1" on this point. But nearly half of the texts do not discuss Freight on Sales in the elementary course, so they cannot be penalized too severely for their failure to include a discussion of this account in the elementary course. They are each scored "2".

Q. Withdrawals

Most proprietors maintain a "Drawing" or "Personal" account. In this account they record the withdrawals they make from the business for personal use.

Many accountants believe that it is unwise for a proprietor to resort to withdrawals in order to provide himself with personal funds or merchandise, but the practice is discussed in all elementary courses in bookkeeping. The disagreement is not as to whether or not the practice should be resorted to, but as to whether the withdrawals should be recorded in a "Drawing" account or in the "Capital" account. It does not make any special difference in which of these accounts they are recorded, but if the Drawing account is used, it makes an extra closing entry necessary.

As shown in the following table, it happens that our selected authors are almost unanimous in their opinions on this point, but many others do not agree as to the necessity

for the drawing account even when the proprietor practices personal withdrawals.

TABLE XVII

WHERE WITHDRAWALS ARE RECORDED

Text No.	Capital Account	Drawing Account	Score
1.		X	1
2.		X	1
3.		X	1
4.		X	1
5.		X	1
6.		X	1
7.		X	1
8.	Not discussed in connection with single Proprietorship		5
9.		X	1

Explanation of Scoring. The scoring on this table is self-explanatory. All of the texts except number 8 recommend the same practice with reference to the recording of withdrawals. This one text is scored "5" and each of the others is scored "1".

R. Petty Cash

Every business office is frequently called upon to make small payments for services rendered each day. Since many of

these payments are even less than \$1.00, it is not advisable to write a check for each of them. In order to take care of all such expenditures, most offices maintain a "Petty Cash Fund".

However, many small business offices do not maintain a petty cash fund, and, because of this fact, as disclosed by the following table, some textbook authors do not agree that such a fund should be discussed in the elementary course in bookkeeping.

TABLE XVIII

THE PETTY CASH FUND

Text No.	Discussed	Not Discussed	Score
1.	X		1
2.	X		1
3.		X	2
4.	X		1
5.		X	2
6.		X	2
7.		X	2
8.	X		1
9.	X		1

Explanation of Scoring. The explanation of the scoring on this table is similar to the explanation of the scoring on

table number XVI. Five of the texts discuss the petty cash fund and four of them do not. Those which discuss it, since they represent the majority opinion, are scored "1". The others are each scored "2".

S. Cash Short and Over

Very frequently errors made in the giving of change, writing of checks, or failure to keep a careful record of small daily expenditures results in the cash failing to prove. Many accountants recommend that the cash account be adjusted through the medium of the use of a cash adjusting account called "Cash Short and Over".

This account is fairly new in bookkeeping and, as disclosed by the following table, many authors do not recommend its use.

TABLE XIX

CASH SHORT AND OVER

Text No.	Discussed	Not Discussed	Score
1.	X		4
2.		X	1
3.		X	1
4.		X	1
5.	X		4
6.		X	1
7.		X	1
8.		X	1
9.		X	1

Explanation of Scoring. Seven of the texts fail to recommend the use of the cash short and over account; only two of them recommend its use. The opinion of our authors is heavily against the use of this account. Therefore, the books are scored "1" and "4" respectively on this point.

Discussion. Believing that the reader might be interested in the Cash Short and Over account, the writer is inserting at this point quotations concerning this account taken from two of the textbooks included in the evaluation list.

"When the cash does not prove, it is necessary to verify all entries and calculations in the cash book to recheck the bank balance, and to recount the money. If the error cannot be detected, the amount may be recorded as a debit or credit to an account with the title 'Cash Short and Over'. The method of handling cash should be such that the cash proof can be effected, as the Cash Short and Over is not desirable."³

"It may happen at times that a difference will occur between the cash book balance and the actual cash owned. This may be due to errors in making change, failure to record a receipt of cash, or failure to record a payment. Many times a practice is made of paying small bills from the cash on hand instead of by check, and unless a memorandum is kept for the bookkeeper, no record is made in the cash book.

"Thus the cash may be 'short' or it may be 'over'.

³Baker, Prickett, and Carlson, Twentieth Century Bookkeeping and Accounting, pp. 76.

Every effort should be made, of course, to discover the cause of the discrepancy. In the meantime it is customary to adjust the cash book by an entry to take care of the short or over, and bring the cash balance into agreement with the actual cash owned. For this purpose, use is made of the 'Cash Short and Over' account. In case of a shortage, an entry is made debiting Cash Short and Over and crediting Cash; in case of an overage, the entry to be made will debit Cash and credit Cash Short and Over.

"In case the errors which give rise to entries in the Cash Short and Over account are discovered, the matter should be adjusted by an entry through the General Journal. Whatever balance remains at the end of an accounting period is ordinarily closed into the 'Profit and Loss' account."⁴

T. Trial Balance of Totals

At the close of each fiscal period, the bookkeeper "takes" a Trial Balance. This report is a list of the open accounts in the ledger. It serves two very important purposes. First, it proves whether or not equal debits and credits have been made; second, it is used as a source of information from which the financial statements - Balance Sheet and Statement of Profit and Loss - are prepared.

There are two ways of taking this trial balance. It may be a trial balance of totals; that is, the total of the debit

⁴Rosenkampff and Wallace, Bookkeeping Principles and Practices, pp. 170.

side and the total of the credit side of each account may be listed on the trial balance; or it may be a trial balance of balances; that is, the total of the smaller side may be subtracted from the total of the larger side and this balance listed on the trial balance.

The latter of these two methods is the one that is used by a vast majority of bookkeepers and accountants; consequently, as the following table shows, some writers of bookkeeping textbooks do not even consider the former method worthy of discussion in their books.

There is no denying the fact that the trial balance of totals serves the very important purpose of being an effective method of introducing the more generally used trial balance of balances. Our table shows conclusively that this fact is recognized by most writers of good bookkeeping textbooks.

TABLE XX

TRIAL BALANCE OF TOTALS

Text No.	Discussed	Not Discussed	Score
1.	X		1
2.	X		1
3.	X		1
4.		X	5
5.	X		1
6.	X		1

TABLE XX, (Continued)

7.	X		1
8.	X		1
9.	X		1

Explanation of Scoring. Our authors are overwhelmingly in favor of including discussions of the trial balance of totals in their books, Therefore, those which include it are each scored "1" on this point, and the lone textbook which does not discuss it is scored "5".

U. Accruals and Deferred Items

Accruals and Deferred items have a place in bookkeeping at the close of each fiscal period. However, since these items do not enter into the business of many small concerns, some authors do not discuss them in the elementary course.

The following table discloses that most, but not all, of our selected authors believe that accruals and deferrals should be discussed in the elementary course.

TABLE XXI

ACCRUALS AND DEFERRED ITEMS

Text No.	Discussed	Not Discussed	Score
1.	X		1
2.	X		1

TABLE XXI, (Continued)

3.	X		1
4.	X		1
5.	X		1
6.	X		1
7.		X	5
8.	X		1
9.	X		1

Explanation of Scoring. All of the texts except one discuss accruals and deferred items in the elementary course. Therefore, the scoring of this table is similar to the scoring of table number XX.

V. Adjusting Entries.

At the close of each fiscal period it is usually necessary to adjust accounts involving such items as salaries and insurance in order that these accounts may reveal the true condition of the business with reference to these items.

Accountants do not agree as to the proper method of making these adjustments. Some make them without the use of a work-sheet; others prepare the work-sheet, then take their adjusting entries from it.

The following table shows that textbook writers are involved in this same disagreement.

TABLE XXII

ADJUSTING ENTRIES

Text No.	How Made		Score
	Without Work-Sheet	From Work-Sheet	
1.	X		1
2.	X		1
3.		X	3
4.		X	3
5.	X		1
6.	X		1
7.		X	3
8.	X		1
9.	X		1

Explanation of Scoring. Six of the texts use the work-sheet as an aid in making the adjusting entries; three of them do not. The texts are scored on this table like they are scored on other tables where the ratio is six to three.

W. Reversing Entries

After the statements have been prepared many accountants make reversing entries. That is, the adjustments, discussed in the foregoing, are immediately removed from the books and the accounts are restored to their former conditions.

Other accountants do not make reversing entries at all, but allow the adjustments they have made to remain on the books until the expiration of the period involving each particular adjustment.

The following table shows that textbook writers likewise disagree as to the necessity for making special reversing entries.

TABLE XXIII
REVERSING ENTRIES

Text No.	Discussed	Not Discussed	Score
1.	X		1
2.		X	3
3.	X		1
4.	X		1
5.		X	3
6.	X		1
7.		X	3
8.	X		1
9.	X		1

Explanation of Scoring. Six of the texts discuss reversing entries in the elementary course; three of them do not. The scoring on this table is similar to that on other tables where the ratio is six to three.

X. The Work-Sheet

There is considerable lack of agreement among authorities as to the proper mechanical make-up of the Work-Sheet. Some believe it should contain 10 columns; others, that 8 columns are adequate. Some place the Statement of Profit and Loss columns first; others, the Balance Sheet columns. Some include the adjusted trial balance on it and others do not.

The following table shows the disagreement among our selected authors as to the mechanics of the Work-Sheet.

TABLE XXIV

THE WORK SHEET

Text No.	Number of Columns	Arrangement		Adjusted Trial Balance		Total Score	Average Score
		Balance Sheet First	Statement of Profit and Loss First	Included	Not Included		
1.	10		X	X		3	1
2.	Not recommended for use in the		elementary	course		15	5
3.	8		X		X	7	2.33
4.	10		X	X		3	1
5.	8		X	X		5	1.66
6.	Not recommended for use in the		elementary	course		15	5
7.	Not recommended for use in the		elementary	course		15	5
8.	10	X		X		5	1.66
9.	10		X	X		3	1

Explanation of Scoring. Three items are scored on this table; therefore, the average score is used in the final rating of each text. Four texts recommend the use of a ten-column work-sheet. This represents the majority opinion; therefore, these texts are scored "1" on this point. Half as many recommend the use of an eight-column work-sheet. Since there are half as many in this group as there are in the majority group, they are penalized only to the extent of being scored "3". Three of the texts do not discuss the work sheet in the elementary course. Undoubtedly, some form of the work-sheet should be included in the elementary course; therefore, these texts are each scored "5" on each of the points included in this table.

Five of the texts recommend that the Statement of Profit and Loss columns be placed before the Balance Sheet columns on the work-sheet. They are each scored "1" on this point, because it is the majority opinion. One text recommends that the Balance Sheet columns be placed before the Statement of Profit and Loss columns. Since this is a digression from the majority opinion, but since it is better to have this form of work-sheet than none at all, this text is scored "3" on this point.

The same ration exists with reference to the including or excluding of the Adjusted Trial Balance, and the scoring is similar.

Discussion. There is so much disagreement among authors

of bookkeeping textbooks concerning the uses, purposes, values, and even of the place in elementary bookkeeping of the work-sheet that the writer considers it advisable to quote at this point a few of the textbook discussions of this bookkeeping device.

"The Work-Sheet is a device used by bookkeepers and accountants for the purpose of assembling into smaller scope a comparatively extensive collection of financial facts which are to be organized into a more convenient or useful form than that in which they previously existed. The Working-Sheet is not a part of the permanent records, as are the journals and ledgers; it is merely a tool; it is better prepared in pencil because changes are frequent, and since it is not of permanent value erasures are permissible."⁵

"The Work-Sheet is a convenient form which provides (a) a means of determining the net profit or loss, and (b) the information needed in preparing the Balance Sheet and the Profit and Loss Statement."⁶

"A Working-Sheet is not a finished statement and therefore should not be presented as such to the proprietor or to a creditor. By its use a person making the statements may be certain of the accuracy of the figures which will appear in

⁵Prickett and Mikesell, Introduction to Accounting, pp. 145.

⁶Baker, Prickett, Carlson, Twentieth Century Bookkeeping and Accounting, pp. 40.

the statements, and since all accounts used in the business are shown on the working sheet, it is a comparatively easy matter to make such corrections as may be necessary before making actual statements themselves."⁷

"The Working Sheet, or Work Sheet is a preliminary solution of the Profit and Loss Statement and Balance Sheet. Its purpose is to spread out on paper the Trial Balance and additional facts used in preparing the financial statements. It is used by accountants when the work of preparing the financial statements must take into account so many items that the task becomes considerably involved. While the use of the Work-Sheet is not generally recommended for elementary bookkeeping, a simple form may be illustrated for those who may wish to use it."⁸

Y. Balance Sheet

At the conclusion of each fiscal period, two financial statements are prepared - the Balance Sheet and the Statement of Profit and Loss. The Balance Sheet is probably the most important report that is prepared by the Bookkeeper, because of its variety of uses.

It is a statement showing the assets, liabilities, and proprietary interest (including the net profit) at a particular date, and it is sometimes called a statement of assets and

⁷Elwell, Bookkeeping for Today Elementary Course, pp. 99.

⁸Rosenkampf and Wallace, Bookkeeping Principles and Practices, pp. 297.

liabilities.

There are two forms of balance sheet - Report form and Account form. The following table shows that there is a wide difference of opinion among our selected authors as to the preferred form. They do not agree entirely as to whether or not both forms should be discussed.

TABLE XXV

BALANCE SHEET

Text No.	Form Discussed		Preference			Total Score	Average Score
	Report	Account	Report	Account	None		
1.	X	X			X	3	1.33
2.	X	X		X		2	1
3.	X	X	X			4	2
4.	X	X			X	3	1.33
5.	X	X	X			4	2
6.		X		X		6	3
7.	X	X		X		2	1
8.	X	X		X		2	1
9.	X	X			X	3	1.33

Explanation of Scoring. Two items are scored in this table; therefore, the average score is used in the final rating.

Text number 6 is the only one which does not discuss both

the account form and the report form; it is scored "5" and the others are each scored "1".

Four of the texts recommend a preference for the account form of statement. This represents the majority opinion; therefore, these four are scored "1" on this item. Three texts recommend no preference; they are scored "2". Two texts recommend a preference for the report form of statement; they are scored "3".

Although only one more text recommends no preference than recommend the report form, the writer believes that those suggesting no preference should be given a superior rating to those which suggest preference for the report form, because they are perfectly willing to accept the account form, which is preferred by the largest number of authors, as equal in value to the report form.

Z. Closing the Ledger

At the close of each fiscal period most bookkeepers close all expense and income (loss and profit) accounts, in order that the net profit disclosed by the succeeding balance sheet will represent only the profit for the period just ending.

Two methods of closing the ledger are in use - Direct and Indirect. The direct method is sometimes called the "red ink" method. When this method is used, the accounts are closed without resorting to journal entries; the balances of the various accounts are properly posted (in red ink) without having been

recorded in the journal. Our table shows that practically all of the better textbooks no longer recommend this method of closing the ledger, but a few years ago it was quite prominently used, and is still resorted to by some bookkeepers.

By the indirect method, the ledger may be closed in two ways; either directly into the summary account or by means of the "cost" method. When the cost method is used the purchases and sales accounts are not transferred directly into the summary account; the unsold merchandise purchased is transferred into the Merchandise Inventory account, and the Cost of Merchandise Sold is debited to Sales and credited to Purchases. After this entry is posted the purchases account will balance and the balance of the sales account will be the Gross Profit. (No returns nor freight). This balance is closed into the Profit and Loss account.

The following table shows the recommendations made by our selected authors concerning the method of closing the ledger.

TABLE XXVI

METHOD OF CLOSING THE LEDGER

Text No.	Direct	Indirect		Score
		Direct*	Cost	
1.		X	X	1
2.			X	2
3.			X	2
4.			X	2

TABLE XXVI, (Continued)

5.			X	2
6.			X	2
7.			X	2
8.		X		4
9.			X	2

*This term is original with the writer; he has never seen any specific name given to this method of closing the ledger.

Explanation of Scoring. It is evident that the indirect "Cost" method of closing the ledger is the one preferred by most authors of good bookkeeping textbooks. Text number 1 is given the highest rating in this table because of the fact that it explains both the Cost and the Direct-Indirect methods of closing the ledger, and recommends the use of the Cost method. Text number 8 is scored "4" because it is the only book which does not show a preference for the indirect cost method.

AA. Physical Make-up

One of the reasons the books included in this evaluation were selected is that they are the most widely used textbooks in the elementary bookkeeping field. Hence, they are, to begin with, a select group. Each of them is used in a large number of schools; therefore, they are in considerable demand. Since they sell in large numbers, the publishers can afford to put

good materials into them. This has been done to such an extent that it is impossible to evaluate their physical make-up -- they are all so nearly equal in this particular.

This group of books has been examined by the Indiana State Teachers' College librarian. She finds that though they differ in some minor details, they are all very well made; in fact, they are so nearly equally well made that she is unable to specify any definite rating for them.

The same information was given to the writer with reference to the physical make-up of these texts by the Moore and Langen Publishers and Printers. Their expert examined the books carefully, in the presence of the writer, and concluded that they are practically of equal worth as to binding, printing, paper, covers, and materials in general. He, too, specified that though the books differ in minor details, the differences are not outstanding enough to justify a rating.

The writer might rate the books with reference to such items as illustrations, indexes, general appearance, attractiveness of covers, summaries, general arrangement of topics, etc., but it would all be a matter of personal opinion, entirely subjective, and would have little real value, because someone else just as competent, or even more so, might not rate the various points in the same way. In fact, this very thing was done, with reference to the general attractiveness of the books, and the rating that was given to the writer by another person who is perfectly competent to judge their attractiveness, did not correspond with his rating at all.

It must be concluded that the physical make-up of these books, as a point in determining their value, will have to be left to the opinion of the individual interested in making a selection.

III. CONCLUSION

A. Recapitulation

Each of the nine selected textbooks has been rated on each of the points of our evaluation list. These ratings have been as accurately made and as nearly objective as possible. The writer's personal opinion has never been allowed to conflict with the majority opinion of the authors of the various texts. Each book has been scored on each point according to its correlation with this majority opinion in each instance. The following table is a recapitulation of the scores given the texts in each of the foregoing tables. As indicated in this table, five of the most important points and five of the least important points of the evaluation list have been weighted in this summation of scores.

TABLE XXVII

RECAPITULATION OF SCORES

Table No.	Text Books								
	1	2	3	4	5	6	7	8	9
I*	.5	1	2	2	2	1	1	1	1.5
II*	1.1	1.6	.9	1.3	.7	1.6	2	1.4	1.6
III	1.8	1.8	2.6	4.6	1.6	1.8	1.6	4.6	1.2
IV**	2	8	6	2	8	6	2	2	2
V*	.5	.5	1	1	.5	1	2	2.5	.5

TABLE XXVII, (Concluded)

VI*	.5	1	2	1	.5	1	.5	1	.5
VII**	2	4	2	2	8	8	8	6	8
VIII	1	1	5	1	3	3	1	1	3
IX	1	3	1	3	3	3	1	1	1
X**	6	2	2	6	6	10	10	2	6
XI	2	1	1	1	1	5	3	3	2
XII	2	1	1	1	3	3	3	3	2
XIII	3	1	1	1	1	3	1	3	1
XIV	1	1	1	4	1	1	1	4	1
XV	2	1	2	2	1	5	2	2	1
XVI	1	2	1	2	1	1	2	2	1
XVII	1	1	1	1	1	1	1	5	1
XVIII*	.5	.5	1	.5	1	1	1	.5	.5
XIX**	8	2	2	2	8	2	2	2	2
XX	1	1	1	5	1	1	1	1	1
XXI	1	1	1	1	1	1	5	1	1
XXII	1	1	3	3	1	1	3	1	1
XXIII	1	3	1	1	3	1	3	1	1
XXIV	1	5	2.33	1	1.66	5	5	1.66	1
XXV**	2.66	2	4	2.66	4	6	2	2	1.66
XXVI	1	2	2	2	2	2	2	4	2
Total	45.56	49.40	49.83	54.06	64.96	75.40	66.10	58.66	46.46
Ave.	1.75	1.90	1.92	2.08	2.50	2.90	2.54	2.24	1.79

*The value of the scores on these tables is doubled because of the greater importance of the particular points.

**The value of the scores on these tables is decreased by half because of the lack of importance of the particular points.

B. Ranking

The totals of the scores range from 45.56 to 75.4; the averages range from 1.75 to 2.9. There is very little range between the lowest average score and the highest average score. This indicates, with a reasonable degree of certainty, that there is not a great deal of choice between the lowest-score book and the highest-score book. This result is not unexpected; it must be kept in mind that this is a carefully selected group of textbooks. We began our investigation with the books that we considered the leaders in the field. Consequently, there should not be a great deal of difference between the text that our evaluation gives the best ranking and the one it gives the worst ranking.

According to this evaluation, the textbooks in our list should be ranked as follows:

TABLE XXVIII

RANKING OF THE TEXTS

Ranking Place	Text No.	Title	Author
1	1	Twentieth Century Bookkeeping and Accounting	Baker, Prickett, Carlson
2	9	Bookkeeping and Accounting	James O. McKinsey
3	2	Principles of Bookkeeping and Business	Bowman and Percy
4	3	Bookkeeping for Today	Fayette H. Elwell
5	4	Elementary Accounting	Frank H. Streightoff

TABLE XXVIII, (Continued)

6	8	Introduction to Accounting	Prickett and Mikesell
7	5	Elementary Bookkeeping Principles and Practice	Rosenkampff and Wallace
8	7	Modern Bookkeeping Practice	Altholz and Klein
9	6	Rational Bookkeeping and Accounting	Belding and Greene

C. The Ideal Textbook in Elementary Bookkeeping

According to the results this survey has disclosed, Twentieth Century Bookkeeping and Accounting, by Baker, Prickett, and Carlson is the best elementary bookkeeping textbook written, especially for use in high schools.

However, it is not the ideal textbook by any means. On many of the points included in this evaluation, several of the books rated just as high as did Twentieth Century.

The ideal textbook in elementary bookkeeping, in so far as the evaluation points upon which this thesis is based are concerned, should observe the following methods and procedures. (In each instance, the writer has indicated the text in this group which he thinks has the best discussion of the particular point; these discussions would be included in his ideal textbook.)

1. The ideal textbook in elementary bookkeeping should be written with the idea chiefly of emphasizing the educational values of the course. The best discussion of values is found in the preface of Twentieth Century Bookkeeping and Accounting.

2. Only one term should be devoted to Single Proprietorship bookkeeping, and this part of the course should be included within 23 chapters, 272 pages of the text. Ten chapters should be devoted to the completion of the bookkeeping cycle.

3. A work book should be used in the elementary course; practice sets are valuable also and should be included. Only two practice sets should accompany the text material in the elementary course, and these two sets should include a total of five month's business transactions. Business papers should be used with at least one of the practice sets, and special price lists are unnecessary.

4. The ideal text will not recommend any particular teaching plan, but will be so written that any of the popular plans may be followed.

5. The testing system should be on the unit basis; that is, there should be a test covering each unit discussed in the text. The writer has examined the tests of all the texts recommending the unit-testing system and he believes that those furnished by Twentieth Century Bookkeeping and Accounting are superior to the others.

6. The Equation Approach should be used in the ideal text, a method well handled in McKinsey's Bookkeeping and Accounting.

7. Accounts should be classified at least into Real and Nominal accounts. The best discussion of real and nominal accounts is found in Elwell's Bookkeeping for Today, page 88.

8. The expenses should be classified on the Statement of Profit and Loss as Operating expenses and Non-Operating (Other,

Financial) expenses.

9. Compound Journal Entries are worthy of mention and discussion. The best discussion of these entries is found in Twentieth Century Bookkeeping and Accounting, page 26.

10. More than two expenses should be discussed in the ideal elementary course. A fine discussion of expenses is found in Twentieth Century Bookkeeping and Accounting, page 15.

11. Both methods of recording Purchases Discount, Cash Book and General Journal, should be discussed, and this account should be listed on the Statement of Profit and Loss as Non-Operating, Financial, or Other income. Prickett and Mikesell's Introduction to Accounting has the best discussion of Purchases Discount, the discussion beginning on page 224.

12. Both methods of recording Sales Discount, Cash Book and General Journal, should be discussed, and this account should be listed on the Statement of Profit and Loss as Non-Operating, Financial, or Other expenses. The best discussion of Sales Discount is found on page 234 of Introduction to Accounting, by Prickett and Mikesell.

13. Partial Payments need not be discussed in the elementary course, but a very fine discussion of this bookkeeping method is to be found on page 156 of Rational Bookkeeping and Accounting, by Belding and Greene.

14. When Notes Receivable are discounted, they may be recorded on the credit side of the Notes Receivable account. Streightoff, in Elementary Accounting, page 167, has the best discussion of the discounting of notes.

15. Freight on Purchases should be recorded in a separate account. Refer to Bowman and Percy's Principles of Bookkeeping and Business, Elementary Course, page 17 for a good discussion of this item.

16. Freight on Sales need not be discussed in the elementary course. However, in Bookkeeping for Today, Page 215, there is an excellent discussion of this type of freight.

17. Withdrawals by the proprietor should be recorded in a separate account. (Drawing or Personal) This account is well discussed and explained by Bowman and Percy in Principles of Bookkeeping and Business, page 56.

18. Bowman and Percy's Principles of Bookkeeping and Business has the best explanation of the Petty Cash procedure also, on page 270.

19. The Cash Short and Over account and method need not be included in the ideal text, but a good discussion of this account is given in Twentieth Century Bookkeeping and Accounting, page 170.

20. Accruals and Deferred items have a place in the elementary course, and there is no better discussion of them than the one on page 373 of Bookkeeping for Today, by Elwell.

21. The Trial Balance discussion and explanation should be introduced with a "Trial Balance of Totals" discussion. Refer to Elementary Bookkeeping Principles and Practice, page 109.

22. It should not be recommended that the adjusting entries be taken from the Work-Sheet; however, it may be used as a reference sheet very well. Refer to Principles of Bookkeeping

and Business by Bowman and Percy, Page 127 for a good discussion.

23. Reversing entries should be included in the elementary course. Refer to Streightoff's Elementary Accounting, page 125.

24. The Work-Sheet undoubtedly is a part of the elementary course; it should contain 10 columns; the Statement of Profit and Loss accounts should be listed on the work-sheet before the Balance Sheet accounts; and the Adjusted Trial Balance should be recorded on it. Refer to Prickett and Mikesell's Introduction to Accounting, page 147.

25. Both forms of the Balance Sheet should be discussed and illustrated, and if there is any preference indicated, it should be for the account form. Refer to Elwell's Bookkeeping for Today, page 55.

26. The Closing Entries should be made by the Indirect "Cost" method. Bowman and Percy's Principles of Bookkeeping and Business has the simplest and best discussion of the closing of the ledger by the indirect method, page 102.

27. As to the Physical Make-up of the book, there is very little choice between Elwell's Bookkeeping for Today, and Twentieth Century Bookkeeping and Accounting by Baker, Prickett, and Carlson.

IV. APPENDIX

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