

# Bookkeeping Education in the New York City High Schools

By IRVING RASKIN

A RECENT article by Nathan H. Lenert<sup>1</sup> indicts the teaching of Bookkeeping in the New York City high schools with respect to educational objectives, subject matter, teaching methodology and teaching personnel.

The current article will attempt to consider each of these items objectively, with the hope that the reader will be able to envisage clearly and appraise fairly what we in the schools are doing.

## Objectives

At the outset, it should be understood that Bookkeeping is but one of the courses of study in the commercial curriculum. The high school commercial curriculum actually offers four fields of specialization, namely Stenography, Bookkeeping, Merchandising, and Clerical Practice. The offerings in these areas are not mutually exclusive, the diploma requirements being sufficiently flexible to permit of a major in one field with a minor in another. As a matter of fact, most of the commercial pupils are programmed for multiple-skill development.

To be effective, business education, like other types of education, must prepare for living a complete life, only part of which is the earning of a living.<sup>2</sup> Parents do not send their children to high school for the sole purpose of having them trained as bookkeepers.

The old vocational viewpoint conceived the commercial course, as Mr. Lenert apparently, still does, as a

clerical mill for grinding out bookkeepers, stenographers, salespersons, etc. The modern viewpoint is that we must provide an enriched course, which, in addition to a measure of vocational competence, will "develop in each individual the knowledge, interests, ideals, habits and powers, whereby he will find his place, and use that place to shape both himself and society toward ever nobler ends."<sup>3</sup>

## Subject Matter

The Bookkeeping course is based on a time requirement of five forty-minute recitations a week for a period of two years. A third year of the subject may be taken as an elective. The study of the subject is begun in the second year of high school, at which time the average pupil is fifteen years of age. Since the pupil is required to take a comprehensive Regents' examination after two years' study of the subject, the recommendations of the State Education Department with regard to content are, of necessity, reflected in local syllabi. The reader will undoubtedly recognize that the State Education Department is the same authority that is responsible for the licensing of CPA's and members of other professions.

The Board of Regents does not impose a rigid syllabus on the local communities. It has made flexibility the keynote of syllabus adaptation. "In prescribing the scope and content of high school Bookkeeping, an effort has been made to begin with

<sup>1</sup> Nathan H. Lenert, "The Training of Bookkeepers in New York City High Schools." *The New York Certified Public Accountant*, September, 1944, page 572.

<sup>2</sup> John L. Tildsley, *Annual Report*, Board of Education, New York City, June 30, 1933, page 572.

<sup>3</sup> *Cardinal Objectives of Secondary Education*, U. S. Office Bulletin 1918, No. 35, page 3.

basic facts upon which double entry Bookkeeping rests and to let the topics presented grow in logical sequence out of these fundamental considerations."<sup>4</sup>

Just exactly what are the purposes of Bookkeeping instruction? Our syllabus<sup>5</sup> includes, among others, the following general aims:

- a. To give pupils a knowledge of bookkeeping principles and the ability to apply these principles to practical business situations.
- b. To give pupils a knowledge of present-day business procedures in order that record-keeping may be meaningful to them.
- c. To develop in pupils the ability to interpret accounts and financial statements as a guide to intelligent business management.
- d. To inculcate proper habits, attitudes and ideals necessary for success in the business world, and in the conduct of one's own personal affairs.
- e. To inculcate in pupils a realization of the necessity of absolute accuracy in record-keeping.

In the work of the first term, the pupil learns to keep records of assets, liabilities, and capital, and to record changes in their value; to be skillful in the mechanics of the account, and in its interpretation; and to prepare very simple financial statements. He also learns the purpose, use, form and content of business papers, and the routine of business procedure.

In the second term, he learns to use simple forms of various journals, to post, take trial balances and prepare simple statements. At this stage he learns about time and sight drafts.

In the third term, the pupil is ready to master the controlling account system. He posts, takes trial balances, prepares schedules of the subsidiary ledgers and also prepares classified statements involving the more obvious deferred and accrued items. Transactions peculiar to the work of the third term involve the discounting of negotiable paper, the writing off of contingent liabilities, the journalizing of correction entries, the setting up of valuation reserves, and an introductory treatment of payroll record-keeping.

In the fourth term, records peculiar to a partnership, and the imprest cash system are introduced. The emphasis in this term is on the complete bookkeeping cycle.

In the third year, we have an opportunity to give extensive treatment to the modern payroll, sales and luxury taxes, the voucher system, simple manufacturing records, simple corporation records, and projects which serve to integrate everything the pupil has learned about bookkeeping and business procedure and to provide him with increased arithmetical practice—all of which serve to meet the standards of occupational competence.

Mr. Lenert would have us confine our instruction to ordinary bookkeeping routines with the striking of a trial balance as the goal. On this point, we differ strongly. Our course calls for these rudiments—and much more. The pupil who completes our Bookkeeping course meets the standards set by the business community. Pupils who do not complete at least two years of Bookkeeping, whether drop-outs or graduates, are not considered sufficiently competent to be entrusted with a set of books in a business office. The drop-out medical student is not a physician; the drop-out engineering student is not an engineer. By the same token, the drop-out bookkeeping pupil is not a bookkeeper. One should not fall vic-

<sup>4</sup> Univ. of State of N. Y., Syllabus in Commercial Subjects: Bookkeeping, 1944, page 5.

<sup>5</sup> *New York City Syllabus in Bookkeeping*, foreword, page 2.

tim to the error of judging a program of instruction on the basis of contacts with incompetent employees, whose limited backgrounds are the result of fragmentary learning.

In normal times, our Placement Bureaus regularly received "repeat" requests for bookkeepers from satisfied employers. The business offices in this community are manned to a large extent by the products of our school system. Business men and accountants depend on the competence of the workers who produce their records. And to a large extent, the Bookkeeping teachers of New York City, through the effectiveness of their instruction, have contributed to the efficiency of the business offices of the Metropolitan area.

We do not deny Mr. Lenert's assertion that beginning employees say, "But this is not the bookkeeping that we studied at high school." We recognize that systems vary with types of business. Nor is it unusual for *experienced* bookkeepers to remark that "the bookkeeping I do here is not the bookkeeping I did on the other job." And even experienced accountants often resort to special manuals on systems when they secure a new client in an unfamiliar field. Bookkeeping for an insurance agency differs from bookkeeping for a diamond importer; bookkeeping for a wholesale clothing manufacturer differs from the bookkeeping for a dry-cleaning establishment. Obviously, the records of a business will reflect the peculiarities of that business. We cannot aspire in the limited time available, to acquaint pupils with every type of system. Instead we concentrate our efforts on developing a common denominator of all systems, recognizing that actual employment will provide the orientation to the specific set of books in use. This view is fortified by the knowledge that our graduates do not require lengthy

apprenticeship to adapt themselves to the new situation.

### Methodology

The assertion that "instruction in Bookkeeping is conducted today as it was at the beginning of this century" is rather interesting. An inspection of Bookkeeping texts in use at the beginning of the century and in use today hardly supports this view; in fact, the direct opposite is indicated.

Thirty years ago, Kahn and Klein described the teaching of Bookkeeping prevalent in their day as follows:

"The present teaching of accounts consists, in general, of a scheme whereby rules are arbitrarily assigned, often disguised as reasons by the use of the logical conjunctive, *because*, and by an attempt to impart familiarity by long-continued repetition of assigned model forms. The work is absolutely deductive, and this at a stage when it ought to be entirely inductive. The student is required to take everything on faith; if he errs in journalizing, he is told, 'You are wrong because Cash must be debited when received.'"<sup>6</sup>

The work consisted of extremely long sets, with much repetition of the obvious. The authors criticized the "stultifying influence of such procedure," and observed that "the faculty of imitation" is appealed to almost exclusively. The appeal to reason, the arousing of the appreciative basis, the stimulation of the imagination—for all of which the subject offers a great opportunity—are almost entirely neglected.

"Our objections to a continuance of such procedure are: first, an undue mass of materials; second, the dispersion of effort by requiring as much attention to what is already known as to new matter; third, the practical impossibility of devoting more time to work of greater value to the pupil, such as the making of statements and the drawing of inferences from the

<sup>6</sup> Joseph Kahn and Joseph J. Klein, *Principles and Methods in Commercial Education*, Macmillan, 1914, pages 156-7.

books. It seems to us that the solution is suggested in the neglect of commercial teachers to heed that sound pedagogic doctrine which enunciates that the best method of learning a topic is to understand it. That which one understands, one need not memorize.<sup>77</sup>

Similar condemnation was voiced by Robert H. Montgomery in 1916, before the business education section of the National Education Association. "If I could, I would teach Bookkeeping by talking to the students about it, rather than by requiring them to spend most of their time copying and posting and taking trial balances. So far as I have been able to discover, courses in Bookkeeping are just one thing after another. The student is so exhausted by the time he finishes one practice set that—if he receives a passing mark—he hopes that he will never see it again."

The evolution of bookkeeping instruction has gone through the following stages:

- a) The *account* approach, in which all entries were made directly in accounts and rules were developed for debits and credits.
- b) The *journal* approach, in which many rules were memorized and transactions were journalized in accordance with the rules. This method was also called the chronological method of dealing with the subject.
- c) The business situation approach in which the pupils imitated actual business practice by recording transactions at the very outset from business papers into the special journals, posting to the ledger, etc.

The successor to these obsolete methods is the modern *balance sheet* or *capital equation* approach, in which all account concepts are developed in terms of their relationship to the balance sheet. The pupil learns at once the elements of the fundamen-

tal equation and analyzes each business transaction for the changes produced in the value of assets, liabilities, and capital. This facilitates the learning of the principles of debit and credit through reasoning rather than by recourse to a maze of arbitrary rules learned by memorization.

The balance sheet method of teaching bookkeeping is not confined to the City of New York. An inspection of textbooks used extensively throughout the United States will reveal:

- 1) that they are written by eminent certified public accountants, who have had extensive teaching experience in secondary and higher institutions, and whose influence has been felt everywhere.
- 2) that these authors are unanimous in their approach to the study of bookkeeping by means of the "capital equation" approach.
- 3) that these experts reject any method which would have pupils learn rules arbitrarily.

An inspection of the bulletins issued by twenty-six larger cities in the United States discloses that these communities universally approach the instruction of Bookkeeping through the balance sheet method.

The United States Armed Forces Institute employs this method in the Self-Teaching Course;<sup>8</sup> it offers to members of the armed forces who wish to learn Bookkeeping.

Mr. Lenert would have the reader believe that our type of instruction is inadequate, unrealistic and unproductive of intelligently trained bookkeepers. A typical narrative in our third-term classes calls for the following:

- a) Entry work in journals
- b) Closing and summarizing of the journals
- c) Posting to the general and subsidiary ledgers

<sup>77</sup> Ibid.

- d) Taking a trial balance
- e) Preparing schedules of the subsidiary ledgers

In addition, one or two complete sets per term call for other phases of the bookkeeping cycle, covering statement work, making of adjusting and closing entries, and preparing a post-closing trial balance.

When pupils are led to examine the records they have prepared and to extract their meaning, they are well taught; methods which elicit such responses are progressive, not archaic.

The teacher of today motivates every lesson to arouse pupil interest, without which effective learning cannot take place. The teacher of today has a better understanding of the laws of learning and avails himself of these toward making the classroom experience a rich and meaningful one to the pupils. Contrast this with the teacher of the earlier era, who sat at his desk with "key" in hand. He did not require great qualities of mind to direct the solution of Bookkeeping problems. All the wisdom was vested in the "manual"—a teacher without a "key" meant a class without instruction. That was the type of teacher that entered the school system via the private business schools at the turn of the century. That teacher and his methods are archaic!

### Teaching Personnel

With reference to teaching personnel, Mr. Lenert blandly asserts that "by far, most of the high school teachers of Bookkeeping never saw the inside of a business office. They were elementary school teachers who took a course in Accounting and then passed the examination to teach commercial subjects."

To men trained in the science of verifying business statements, a general denial of this allegation would prove just as unsatisfactory as the original charge. Consequently, let us examine the facts. In the 1933 Annual Report<sup>9</sup> of the Superintendent in Charge of High Schools, we find an official statement which will shed light on the preparation of teachers:

"About five years ago (1928) the Superintendent in Charge of High Schools appointed a committee of first assistants under the chairmanship of the Director of Commercial Education, to prepare a commercial teacher-training program. Two years were devoted to this study, which was carried on in collaboration with a member of the Board of Examiners. Conferences were held with the deans of the Schools of Education and the Schools of Business in our local colleges. A four-year course was finally promulgated, which was approved by the State Education Department and which is now offered at four of our local colleges.

"As an outcome of this study, the eligibility by-laws of the Board of Education were amended in 1931, making graduation from a four-year professional course a condition for eligibility. In addition to this requirement, a candidate for the license to teach commercial subjects must offer a year of business experience and a year of teaching experience in his specialty."

In a circular released by the Board of Examiners,<sup>10</sup> the following eligibility requirements for Bookkeeping teachers are set forth:

A) Preparation: A baccalaureat degree (or equivalent preparation), and in addition: 15 semester hours in approved graduate or undergraduate courses. The said preparation shall include:

<sup>9</sup> United States Armed Forces Institute, *Bookkeeping and Accounting Fundamental Principles, Course 1, 1943.*

<sup>10</sup> Page 358.

<sup>11</sup> Board of Examiners, *Requirements for License as Teacher of Commercial Subjects, in Day Secondary Schools other than Junior High Schools. Mimeographed Circular.*

1. 12 semester hours in appropriate courses in the following fields, including one course in each of such fields:

- a) History, philosophy, principles and/or problems of education.
- b) Adolescent development or educational psychology.
- c) General methods of educational measurements.
- d) Special methods of teaching the subject; and

2. 42 semester hours in approved courses related to the subject to consist of:

	Semester Hours	
	Min.	Max.
Advanced bookkeeping and accounting .....	12	16
Office practice .....	2	4
Business Law .....	6	8
Business mathematics and/or commercial arithmetic .....	4	6
Business management and organization .....	2	4
Money, banking and finance..	2	4
Economic geography .....	2	4

3. *Experience:* Teaching and business experience are required as follows:

(1) One year of teaching the subject in grades above 8B or in college; or two years of teaching the subject in schools; or five years of teaching.

(2) One year of approved and appropriate commercial experience, comprising a minimum of 1,200 hours of satisfactory business experience embracing at least twelve calendar months is required. The appraisal of this experience will be based on the following considerations:

a. The relation of the duties and type of work performed to the license in the special field applied for.

b. Proof of compensation for the work performed.

c. The character of the establishment in which the applicant was employed.

d. Availability of documentary evidence of the specific work performed on the job by the applicant.

With such requirements, is it con-

ceivable that "by far, most high school teachers never saw the inside of a business office? That they were elementary school teachers who took a course in Accounting and then passed the examination to teach commercial subjects?"

Either Mr. Lenert has not kept pace with developments in the schools in the twentieth century or he wilfully accuses the Board of Examiners of licensing people who have not met the requirements of thorough preparation in business courses, supplemented by practical business experience.

Let us see how these requirements have influenced the educational preparation of our teaching force. The following analysis is based on current data on file with the High School Division's Standing Committee in Accounting:

SUMMARY OF EDUCATIONAL BACKGROUND OF NEW YORK CITY HIGH SCHOOL BOOKKEEPING TEACHERS

No. of Degrees	No. of Teachers
No Degrees.....	9
One " .....	126
Two " .....	170
Three " .....	41
Four " .....	8
Total.....	354

We have in our ranks 46 certified public accountants. In addition to the holders of liberal degrees (many of which represent majors in business), there are 178 holders of the B. C. S. or B.B.A. degree, and 43 holders of the M. B. A. degree. Forty-eight teachers hold law degrees.

Our records show that 90 out of 354 bookkeeping teachers (or 25.4%) served in the elementary schools an average of 8.8 years; 28 (or 7.9%) served less than five years; 21 (or 5.9%), from 5 to 10 years; and 41 (or 11.6%), more than 10 years. Two hundred and sixty-four teachers (or 74.6%) began their teaching service at the high-school level. Forty-one teachers have taught accounting and related subjects at college.

In the light of such abundant evidence of scholarship in the spheres of

accounting and business, and of continuing experience in these fields, Mr. Lenert's argument that the teachers "do not feel at home teaching practical bookkeeping because they themselves never practiced it" falls to the ground. When the writer says that our teachers "do not feel confident that they know the best method of entering certain transactions," he is again pursuing a false premise to its illogical conclusion.

The extent of business experience of our bookkeeping teachers is summarized in the accompanying tabulation:

**BUSINESS EXPERIENCE\***

PRIOR TO APPOINTMENT		
Number of Teachers	Type of Service	Average Years
283	Accounting	5.2
63	Merchandising	3.4
21	Law	4.2
77	Other	4.0
30	No data	...
SUBSEQUENT TO APPOINTMENT		
218	Accounting	8.7

20	Merchandising	7.6
25	Law	12.2
33	Other	8.0
113	No data	...

\* A number of teachers report experience in several categories.

When bookkeeping teachers, alive to their responsibilities, attend their conventions twice a year, meet three times a year as a section of the New York Society for the Experimental Study of Education, publish scholarly Yearbooks<sup>11</sup> devoted to subject matter and teaching methods, write for numerous professional magazines, organize in-service courses and workshop committees for the development of new instructional materials, keep abreast of current thought through a monthly bibliography,<sup>12</sup> the community need have no fear that the teachers are in a rut, out of touch with reality, and that "the bookkeeping classroom is an oasis of theory and philosophy where the teachers shy away from customary practice."

<sup>11</sup> Commercial Education Association, *Year Books*, 1931 to date.

<sup>12</sup> Keeping Posted. Edited by Dr. I. David Satlow of Bushwick High School, 1940 to date.