



BOOK REVIEW: THE LINGUISTIC SHAPING OF ACCOUNTING

By **Ahmed Riabi-Belkaoui**, professor of accounting, University of Illinois

Published by Quorum Books 175 pages \$55.00

Review by **Alexander A.H. Bobtling**, CPA retired from Deloitte & Touche LLP

As the author of the book points out, accounting is the language of business, and to understand accounting as a language, it is necessary to study its readability and understandability. *The Linguistic Shaping of Accounting* consists of a preface and four chapters—accounting as a language, linguistic relativity in accounting, sociolinguistic thesis and accounting, and bilingual thesis in accounting. It is written in a way that not only academics versed in linguistics will understand but also in a way that trained accountants will find fascinating and useful.

The author points out that readability is one of the qualities of information sought by users. The book expounds on this subject in considerable detail. The discussion covers not only financial statements but also letters to stockholders. Further, the author states that corporate jargon should be reduced or eliminated, to be replaced by what the author terms “more readable reports.”

To add to the foregoing, the author reports that there is a problem of understandability of pronouncements of standard-setting bodies, mentioning the SEC and the

FASB. The author mentions that several studies investigating the readability of accounting messages by various groups of users show either a lack of understandability or a different understandability among users. Linguistic relativity versus alternative explanations is also discussed.

The book makes reference to accounting articles and presents extracts and diagrams on the subjects covered.

In your reviewer’s opinion, the subjects presented by the author are well taken. While the accounting language in this country may stand improvement, to this reviewer’s mind, it is more readable than the language in many cases used by some other professions, such as medicine and law. Also, it may be well to mention that American accounting and financial reporting systems seem to be followed worldwide. □

HISTORY CONFERENCE LOOKS BACK AND LOOKS FORWARD

By **Gary J. Previts, PhD, CPA**, Case Western Reserve University

The Annual Research Conference of the Academy of Accounting Historians was conducted at the Marriott Hotel on Public Square in Cleveland, December 6 and 7, 1996.

The conference, on the eve of the centennial year of the NYSSCPA, included presentations by Julia Grant of Case Western Reserve University and James Craig, managing editor of *The CPA Journal*. Dr. Grant is the editor of *The New York State Society of Certified Public Accountants: Foundation for a Profession* published by Garland Publishing Inc. as part of a series in accounting history. She reviewed some of the historic events of the founding of the society and the persons most influential in the formative years of the society. Craig highlighted selected other events in the life of the New York Society putting them in the context of its statement of purpose drafted originally in 1897 and last revised in the 1920s.

The remainder of the conference focused on the importance of the CPA examination in the development of CPA education. Several important episodes involving individuals, who led the efforts for passage of the first CPA law and the administration of the first CPA examination in December 1896, were included in presentations throughout the conference. One session, for example, featured a presentation on Charles Waldo Haskins, who served as founding president of the NYSSCPA in 1897 and held that office for several years until his death in 1903. Another paper presented a theoretical analysis of the first CPA examination administered in December 1896.

The program concluded with a premier panel of professional leaders, including AICPA Chairman Robert Mednick, American Accounting Association President Joseph J. Schultz, and Doyle

Z. Williams, dean of the College of Business, University of Arkansas, and former head of the Accounting Education Change Commission. The panel, which focused on the future of the CPA examination, presented an extensive review of the emerging responsibilities and skills expected of future CPAs and the anticipated impact of the 150-hour education requirement.

His first major speech on the subject of accounting education, “Expectations for the Future of the CPA Examination,” provided AICPA Chairman Robert Mednick the opportunity to observe that a “reformed, market driven examination will connect the effects of postbaccalaureate education and experience and also be flexible enough in delivery and structure to capture new concepts and markets which identify with the CPA’s role as the independent information professional of the future.”

AAA President Schultz’ presentation was based on his “personal observations” about the future of the examination and stressed the importance of proper educational preparation. Dean Williams’ remarks identified options for the reformation of the examination, which are dependent upon the many other challenges the profession faces. Should the exam deal only with competencies that relate to services for which the CPA is regulated? Or should it test the training and skills required for the whole range of other assurance services that will be market driven?

Dr. Doris Cook, president of the Academy of Accounting Historians introduced the conference’s concluding speaker, Harold Q. Langenderfer, professor emeritus, the University of North Carolina, Chapel Hill. Langenderfer, who organized the ethics education initiative of the American Accounting Association, focused his remarks on the importance of the CPAs’ commitment to professional integrity and ethical conduct.

The conference was hosted by John Carroll University and Case Western Reserve University. □