# THE CHINESE ACCOUNTANT

香港華人會計師公會

The Society of Chinese Accountants & Auditors Hong Kong



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Group photograph taken at the 55th Annual General Meeting of the Society held on December 17, 1968



Mr. Charles Mar Fan, Chairman, reports at the Annual General Meeting of the Society held on 17/12/68



Mr. W. C. Poon, Vice Chairman, speaking at the 1968 Annual General Meeting



Mr. S. J. Wong, Hon. Secretary, is seen reporting at the 55th A.G.M.



A group at the annual dinner of the 55th A.G.M.



NINTH INTERNATIONAL CONGRESS OF ACCOUNTANTS HELD IN SEPTEMBER 1967 AT SALLE PLEYEL, PARIS



NINTH INTERNATIONAL CONGRESS OF ACCOUNTANTS HELD IN SEPTEMBER 1967. HONG KONG DELEGATES AT THE CONVENTION HALL Messrs. M. W. Kwan, Ronald F. S. Li, Chen Kang, Poon Wing Cheung and M. B. Lee



NINTH INTERNATIONAL CONGRESS OF ACCOUNTANTS HELD IN SEPTEMBER 1967 HONG KONG DELEGATES IN FRONT OF CONFERENCE HALL AT SALLE PLEYEL From left to right: Messrs. Poon Wing Cheung, M. B. Lee, Chen Kang, M. W. Kwan, Ronald F. S. Li and Au Yeung Yick Fung.



NINTH INTERNATIONAL CONGRESS OF ACCOUNTANTS HELD IN SEPTEMBER 1967 SOCIETY'S DELEGATES AT ONE OF THE PLENARY SESSIONS From Left to Right: Poon Wing Cheung, Chen Kang and Ronald F. S. Li



Rt. Hon. K. J. Holyoake, Prime Minister of New Zealand, opening the 5th Conference of Asian and Pacific Accountants at the Wellington Town Hall on February 13, 1968



His Worship the Mayor of Wellington, Sir Francis Kitts, speaking at the 5th CAPA in Wellington Town Hall





Discussion Group C.5 at the University of Canterbury, Ilam. Christchurch on February 20, 1968



Fifth Conference of Asian & Pacific Accountants, New Zealand February 1968

# PREFACE TO THE CHINESE ACCOUNTANT, 1969

One of the most notable trends on the business scene in recent years has been the growth of world trade across national frontiers, which has led, as witness the experience of the United Kingdom and other parts of Europe, to a series of commercial and industrial mergers and takeovers on an international scale. Such developments have exposed enterprises not unlike those in Hong Kong to the chill wind of competition from these new multi-national corporations, whose activities straddle a large segment of the western hemisphere. As these developments continue there is a risk that Hong Kong's export trade may be affected unless our local enterprises are geared to meet that kind of competition. It is therefore more than ever necessary that Hong Kong businessmen should be well advised on such vital questions as budgeting, cost and production control, the most profitable lines of production, and so on.

In such circumstances businessmen will naturally turn to their accountants for advice, and this advice will be all the more valuable if accountants do not rest content with traditional accounting systems and practices, but keep a watchful eye on what is happening in the rest of the world and remain alert to the possibility of introducing new ideas and methods that might contribute to improving the efficiency of local enterprises. It is therefore encouraging to know that the Society of Chinese Accountants and Auditors is well aware of the need to keep abreast of international trends and that the Society has continued the practice of sending representatives to international conferences including, since the 1966 Journal was published, the 9th International Congress of Accountants in Paris in 1967 and the 5th Asian and Pacific Accountants Convention in New Zealand in 1968. The Society is thus equipping itself to continue to play an important role in furthering Hong Kong's economic interests in the world at large.

It is encouraging, too, to note that in step with Hong Kong's growing economy the Society is itself expanding at a vigorous rate. When my predecessor wrote the Preface to the Journal for 1961 he noted that the Society then consisted of 55 members, and that 51 Chinese accountants were authorized to audit accounts kept in English. Today the figures are 138 and 156 respectively, a sure indication of the reliance that has been placed, and will no doubt continue to be placed, by Hong Kong businessmen on the Chinese accountant.

> W. Hume Registrar General

# REPORT ON THE NINTH INTERNATIONAL CONGRESS OF ACCOUNTANTS, 1967, IN PARIS

Attended by:-Mr. Ronald Li, F.A.C.C.A.

Mr. K. Chan, A.A.S.A.

Mr. Poon Wing Cheung, A.A.S.A.

Mr. M. B. Lee, A.A.S.A.

Although all our delegates arrived in Paris at least a few days before 6th September 1967, the activities of the Ninth International Congress did not commence until 5:30 p.m. on that date. We were all very impressed by the magnificent reception given to the delegates and persons accompanying them at the Palais de Chaillot—Place du Trocadero. The sight was wonderful as fountains were turned on and flood-lit for the benefit of the delegates. Apart from meeting various representatives of the host country, it was heartwarming to renew acquaintance with delegates of other professional bodies from Hong Kong.

The Congress was officially opened at Salle Pleyel, 252, rue du Faubourg Saint-Honore the next morning by the Minister of Economics and Finance and the first of the plenary sessions took place in the afternoon. Simultaneous translations into several languages were provided through ear-phones. The topics of the plenary sessions were as follows:—

(1) "The Contribution of accounting practitioners to the resolution of economic problems at the governmental level".

JEAN SERISE Directeur de la Comptabilite Publique France.

(2) "The contribution of accounting towards the selection of business investments".

R. G. LEACH The Institute of Chartered Accountants in England and Wales.

(3) "The use of accounting as a means of measuring the productivity of the administrative and commercial functions".

DR. JUR. FREIHERR KRAFFT VON DER TANN-R. Institut der Wirtschaftsprufer, in Deutschland e.V.

(4)	"Budgetary accounting and its prospects". W. S. RISK
	The Institute of Chartered Accountants of Scotland, and The Institute of Cost and Works Accountants.
(5)	"The measure and diffusion of quantitative economic information". HERMAN W. BEVIS American Institute of Certified Public Accountants.
(6)	"The international harmonization of accounting principles". Professor T. K. COWAN New-Zeeland Society of Accountants.
(7)	"The international harmonization of auditing standards and procedure". HOWARD ROSS Institut Canadien des Comptables Agrees.
(8)	"The accounting problems peculiar to multinational businesses". P. C. BREEK
	Nederlands Instituut van Accountants.
(9)	"Important factors in the decision to invest in one country rather than another".
	Professor VALERE DARCHAMBEAU College National des Experts Comptables de Belgique.
(10)	<ul><li>"Present limits and prospects of the technical means available to accounting".</li><li>F. S. SOMEKH</li><li>Association of Certified Public Accountants in Israel.</li></ul>
(11)	"The adaptation of auditing to new techniques". Professeur A. B. FRIELINK Nederlands Instituut van Accountants.
(12)	"Present and anticipated changes in accounting practice and concepts due to the introduction of new techniques".
	ALAIN DE RIVOYRE Ordre des Experts-Comptables et des Comptables Agrees France.
(13)	"The use of mathematical methods in accounting and auditing". Professor VERNON K. ZIMMERMAN American Institute of Certified Public Accountants.
(14)	"The task and training of the accountant of tomorrow". CLIFFORD V. HEIMBUCHER American Institute of Certified Public Accountants.

As a group, we attended most of the sessions, but it was impossible for the individuals to attend all, as some of the sessions took place simultaneously. It appeared to us that the most valuable session was "Budgetary accounting and its prospects—by W. S. RISK".

Turning to the lighter side of the Congress in the evening on 7th Sept., we enjoyed the Gala Concert in the Salle Pleyel given by the Orchestra of the Societe des Concerts du Conservatoire, directed by Paul Paray with Aldo Ciccolini at the piano. It was one of the most enjoyable evenings. During daytime, whilst the delegates were attending plenary sessions, the persons accompanying were given coach visits to various monuments and the old parts of Paris, taken to tea and Haute Conture presentation, and to a visit of the Louvre and the Chateau de Versailles. For the 9th and 10th September (Saturday and Sunday) an out of town tour was arranged. Mr. Ronald Li and Mr. K. Chan went on a tour of The Chateaux de la Loire, and Mr. Poon Wing Cheung and Mr. M. B. Lee went to Nice. Both groups thoroughly enjoyed their tours, although they were rather exhausted when they found their way back to their hotels at the early hours on Monday the 11th.

An official dinner was given to the delegates in the Chateau de Versailles in the evening of 11th September, 1967. Although the food was far from desirable (almost all dishes were served cold with the only exception of a cup of hot coffee), the spectacle and pomp were magnificent and could only take place in such a historical building. La Galerie des Batailles accommodated all the delegates with almost unobstructed views. The Chateau was specially flood-lit and the lights in the buildings were put on for the benefit of the delegates who were given a guided tour after the dinner.

The closing Gala Ball also took place in the Chateau de Versailles in the evening of 12th September. There we met Monsieur F-M Richart, President of the Congress. He thanked our Society for the shield bearing our coat of arms and for the greetings given by our Chairman, Mr. Charles Mar Fan.

In conclusion, we wish to mention that it has been a pleasure and privilege to represent our Society at the Congress. And we have derived benefit in at least the following manner:—

- (1) By listening to various contributors, questions asked and answered at the plenary sessions, we have jettisoned once and for all any inferiority complex which we might have before attending the Congress. We are sure that our work and knowledge are quite up to the international standard.
- (2) We really should attend such congresses more, as friendship among fellow accountants in Hong Kong could be developed much easier than staying at home.

# THE FIFTH CONFERENCE OF ASIAN AND PACIFIC ACCOUNTANTS-1968

Charles MAR FAN, FACCA FCIS, etc.

The 5th CAPA was held in New Zealand in February 1968, and the Society was represented thereat by the writer.

The opening ceremony was staged on February 13 at the Wellington Town Hall and attended by 116 overseas delegates, observers and their wives, besides some hundreds of New Zealand accountants.

It was presided by Mr. H. G. West, F.P.A.N.Z. of Nelson, Chairman of the Conference, while Mr. J. A. Valentine, President of the New Zealand Society of Accountants, acted as official host.

Opening the Conference in the presence of His Worship, the Mayor of Wellington, Sir Francis Kitts, the Prime Minister of New Zealand, the Rt. Hon. K. J. Holyoake, spoke of New Zealand's place as a trading nation and surveyed aspects of New Zealand's economic ties and trade with Asian & Pacific countries. He drew attention to the importance to New Zealand of overseas trade agreements which assist both New Zealand and other countries in the Pacific area. He wished the Conference well in its discussions and deliberations and expressed the hope that all visitors would enjoy their stay in New Zealand.

In the course of his opening address, Mr. West suggested that the greatest benefit from the meeting together would not be in the field of accountancy, but in that of human relations.

Mr. Valentine welcomed the official guests and delegates to the Conference. On behalf of the city of Wellington, Sir Francis Kitts also extended a welcome to all present.

The presentation of technical papers then followed. With the exception of the first paper, which was delivered at the Wellington Town Hall, the rest of the technical sessions (February 14-16) was held at the lecture hall of the University of Victoria, Wellington. The Conference continued in Christchurch during February 19-20 when a few more papers were discussed at the Ilam University.

On the whole, visits and enjoyment galore. They were made available to all attendants and their ladies. Picnic, jet boat trips on the Waimakiriri River, scenic flight to the Southern Alps, excursions and visits to well-known institutions and private homes were arranged to meet the wish of all. Warm hospitality flowed in full stream and receptions were much enjoyed and appreciated.

The closing ceremony was held on Tuesday afternoon of February 20, 1968 in the magnificent Ngaio Marsh Theatre in the Canterbury University Student Union Building at Ilam. Afterwards guests met for the last social occasion over an informal buffet meal. It was arranged that re-unions be held at the Sixth CAPA in Singapore and Malaysia in 1970.

During the Technical Sessions, the undernoted papers were discussed :-Title The Accountant's Role in a Developing Economy (N.Z.) Accounting as an Aid to F.P.A.N.Z. Efficient Agriculture Improvement in Accounting Standards Throughout the World (Australia) The Ethical Basis of the Profession Ethical Standards in the United States Accounting Profession Basis of Ethics The Functions of Accounting Societies The Functions of Accounting Societies Functions of Accounting Societies Implications of Electronic Data Processing Accounting as a Service to (Canada) Management Accounting as an Aid to Management The Common Body of Knowledge Required of Accountants in the Next Decade (U.S.A.) A Critique of "Horizons for a Profession" The Common Body of Knowledge: The Accountant's Stock in Trade (Aust.) Means and Methods of Professional Education and Training: Accountancy Education and Training in Canada Accountancy Training: Means and Methods (Singapore) — Ditto —

#### Author

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# (A) THE PRESENT POSITION OF SMALL BUSINESS IN HONG KONG

By HO CHOI-CHIU, A.A.S.A., A.C.W.A., A.M.B.I.M.

The majority of small businesses in Hong Kong are operated on a family basis. The proprietor of the business is usually the head in the family who has worked as an apprentice in some business before. After he has gained some experience and skill in his work and has taken up some business connection, he starts his business of more or less the same nature of his previous employer. Though he has the kind of experience and skill in running the business, he usually does not possess management techniques in streamlining the functions of individual sections in the business. The outcome is that there is a lack of co-ordination of work, inadequate supply of inventory to meet demand, inability to make finance forecasting and when more orders come in, he finds it very difficult to obtain additional funds to meet the requirements.

As the small business is started by a worker and is operated on a family basis, it has frequently very small capital. It can exist only because he is diligent and there is very little overhead expense. All members of the family work in the business for 10-14 hours a day and they hardly draw any salary. So the labour and overhead expenses are very low. This is one of the main factors in maintaining the low competitive price of its product.

In order to minimize the overheads cost, market research is never carried out by the small business. It follows the steps of others to develop business within a very limited number of markets. The result is that the selling price has to be cut down to satisfy the buyers due to considerable competition while on the other hand, no additional orders are received as no additional markets have been developed.

The infeasibility of designing new products or to improving the design and quality of those products already having a good market characterizes the small business. Due to the limited capital available, it can hardly engage a good designer or engineer. What the business can do is to copy the product design of others and to open up those businesses which have been proved to be successful by others. For example, the wigs manufacturing industry has been expanded to a considerable extent only within the recent three years. If the expansion goes on in this speed, it is certain that sooner or later it will become saturated. Speaking as a whole, the present small business in Hong Kong does not have a plan for development and is not designed to diversify its business to an increased number of markets. Further it is not designed to diversify to greater variety of products.

Labour problem, however, is nearly non-existent in Hong Kong. Many of the workers and staff are friends and relatives of the proprietor. Any dispute arising can be settled peacefully, sometimes even without the requirement for the application of laws.

The small business is usually situate in a flatted factory building in residential area. So the recruitment of workers does not create much difficulties. Since the workers live around their working places, there is no problem for their travelling to work. On the other hand, rental is expensive and this constitutes one of the main items of overhead expenses.

# (B) MAJOR PROBLEMS OF CONSULTING SERVICE AND SUGGESTED IMPROVEMENT

# 1. Self Confidence

As the small business proprietor is usually a worker in other factory before, he believes his experience gained is quite sufficient to let him carry on his business efficiently. Never before he thinks that it is necessary for him to introduce some new ideas for improvement. He is under the impression that since his business is small, his management work is simple and no doubt he knows his position better than any person outside his business. So he considers himself to be the only person suitable and convenient to tackle any problem in his business.

# 2. To ask advice from friends instead of consultants

When there is any difficulty in the business, he tries to solve it himself first. If he cannot solve it, he asks his friends and relatives for advice. If he still cannot find out the way, he just allow it to remain unsolved until it is completely forgotten.

### 3. Reluctant to disclose secret

If a consultant is brought in for advice when any problem arises, he has to be given to understand the problem and so the organization of the business. Sometimes there may be some business secret but the proprieter has to let him know. This is strongly objected by the small business.

# 4. Expensive

A management consultant is a very high position person and his service must be expensive. This is the impression of a small business proprietor who thinks consultancy service can be obtained only by large organizations while his small business cannot afford.

# 5. Value Doubtful

The value of the service of a consultant is doubtful. Since the service is not tangible, it is very hard to emphasize that it has value. If he spends the money to obtain the service, will such service increases his profit and beings back a number of times of the money he has spent?

All these traditional ideas and uncertainty of the value of consulting service has, both in the past and at present, hindered the progress of management consultancy service. However the new generation with new ideas of management techniques will undoubtedly change this pattern.

In order that the small business may be able to understand better the benefit which consultancy service can offer, the following improvements are suggested:—

- (a) Government should take steps to encourage the small business to obtain consultancy service in case of difficulty such as, when labour problem is anticipated, bottleneck in production is creating, financing problem is becoming apparent, etc.
- (b) Government should conduct free seminars on management subjects to small business proprietor to arouse his interest on management techniques.
- (c) To publish pamphlets on management techniques and provide data of achievements of those business after they have acquired the consultancy service.
- (d) Government should take the lead to provide management service, but it should also be responsible to train up management consultants who will later share the duties of government in this respect as the consultancy service is anticipated to be widely received by the small business.

The above is a Country Paper which briefly describes the local position, delivered by Mr. Ho at the Opening Session of the "Small Business Management Trainers' and Consultants' Training Course" held in Japan on 26th June, 1968. The course was sponsored by the Asian Productivity Organization of which Hong Kong Productivity Centre is a member.

# HONG KONG SMALL INDUSTRY & ITS MANAGEMENT CONSULTING SERVICES

# By Wong Shang-jen

Hong Kong has to feed its four million people in an area of less than 400 square miles. Neither has it any natural resources of raw materials nor is it privileged by any foreign aids apart from the strenuous efforts of The living standard has its own population, majority of whom are Chinese. been keeping on rising even in times of diffculties. The popularity and prosperity of the place were mainly attributed to the rapid progress of its industries in the past twenty years. It has numerous large modern manufactories as well as an uncounterable number of small undertakings, the latter causes even greater influence to the economic lives of the people. The manufacturing of garments, plastic toys and hair wigs, being the chief and famous local industries are in the hands of the small manufacturers whose tremendous rates of expansion in recent years are due to relatively low capital investment, availability of raw materials at competitive prices, speed in training labour and simple manufacturing processes. Many larger undertakings started off from small family groups after expansion of their business, thus the foundation stone of the Hong Kong economy is really laid by small The Commonwealth preference for its export to the United industrialists. Kingdom and the certification arrangements for exports to the United States of America are important factors to its trade development. The Hong Kong manufactured articles these days are so well known to foreign consumers as representation of good quality at reasonable cheap prices.

# GENERAL FEATURES:

The Hong Kong small industry is usually in such small scales as from family types, operated in small flats, run by a sole proprietor or in partnership of friends or relatives. The proprietor usually acquires his trading technique and experience from his fomer employer before he starts his own undertaking with a small capital out of his savings. Economically, he, himself is the manager, salesman and a man of all sorts, running the business with small oncost, high adaptability to changing environment, effective personal supervision in order to minimise the cost of manufacture. He can thus survive under all sorts of circumstances and face the challenge of the market as long as his circulation capital is adequate. He does not require to pay the costs of new designs but to follow or copy from some chosen imported goods. He can thus save the expenses of management personnel, specialisation and research fees as he is not contemplating any big plan for developments but follow the natural trend of the market. Inefficient management arising from rapid expansion is the main factor limiting the productivity of his business. Most of the labourers employed are trained by traditional apprenticeship system, under which the apprentices are left to pick up their skills by watching and imitating from the elder or experienced artisans, thus their

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skills acquired vary according to individual intelligence and understanding of the jobs employed and whether the artisans are agreeable and willing to explain and instruct their novice. The workers in small industries are either paid daily rated or by piece meal, depending on the type of industry and the nature of process engaged. The daily income of workers is from \$6 to \$33 as specified by their skill and nature of work done. The working hours for women and young men of 16 and 17 are 9 a day and 10 for men adults. As both wages and profits in small industry are increasing, it is important that careful measures should be given to the efficient use of labour. In order to compete with the large industrialists, the small ones can no longer rely on cheap labour more than skills of efficient labourers for their future prospects.

# **PROBLEMS & SUGGESTED SOLUTIONS:**

### (1) LABOUR TRAINING:

Inspite of the good name and the increasing demands for Hong Kong products, we must not lose sight of the fact that there is plenty of room for their improvement in order to attain higher standards by more skilled and well trained labourers. The urgent need for training skilled workers and technicians in Hong Kong is no less the problem for solving by manufacturers and the local Government. The existing Hong Kong Technical College is deficient to cope with the demands of the different branches of industry so far. Ninety percent of the local education tend to produce teachers and general clerical staff or a limited advancement to the Hong Kong University for arts, social science, engineering, architecture and medicine faculties. No greater weight has been put to industry which Hong Kong so heavily rely on, more than the Hong Kong Technical College major only in textile and a few other trades. The faith of Hong Kong products are partly spoiled by certain greedy small manufacturers, who invite plenty of sub-contractors with various and low standard of workmanship or who themselves are unable to meet the demands punctually for labour shortage. We should have more skilled and well educated personnel by careful organized training centres and make use of all youngsters otherwise some are left astray, unemployed and become teddy boys and girls, harmful to society. Let us spare not and scruple not. The Hong Kong industry can still progress much further and be more reputable than what it is at present, only the shortage of skilled labour and technicians sets a limit.

# (2) QUALITY & DESIGN:

The standard of foreign importers are quite high and vigilent in their observation and selection of better quality and well designed products. Every

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now and then, we have to meditate to improve our models, style and outside appearance. An artistic packing decoration enhances the value of the article as a whole and capable of reaping an unexpected marketing effect by arousing the desire of the purchasers. In no case, must the small manufacturers attempt to lower the standard of the quality and workmanship of their goods to meet reduced and unreasonable prices. To give incentive to new designs, the Government should perhaps legalize certain restrictions to prevent the practice of cunning businessmen touting round a new design for cheaper tenders amongst the rivals of the original designer who took pains in the planning of the design.

# (3) EX-FACTORY INSPECTION

An article is usually made up of different parts and components. A little negligence in assembling may spoil the whole and shake the confidence of the user. Ex-factory inspection must therefore be strengthened to eliminate careless and defective workmanship in ensuring the proper standard of the article to give the necessary satisfaction to customers. It also saves the purchaser's claims for defective damage and maintains the good-will and respect of the manufacturer.

## (4) MANAGEMENT EXPERTISING:

Much development is needed in an ever expanding industry and it is most essential that new skills and technique must be acquired, the standard of maintenance and inspection be raised, the quality of goods be improved from time to time, capital resources be properly utilized, productivity increased, relationship between management and labours co-operated, wastage of materials eliminated, old customers maintained, new customers canvassed and new markets spied, reliable successors encouraged and well trained. Any of the above tasks must not be ignored and much specialisation and division of labour have to be attended to as no matter how clever a man is, he is impossible to look into everything, although in a very small industry. Take marketing, for instance, it involves business correspondence, a fluent knowledge of the market conditions, requirements of local and oversea customers, foreign languages. Co-operation and amalgamation of small manufacturers of the same trade is the remedy.

# MANAGEMENT CONSULTATION:

No one can deny that practical experience is the most valuable asset in any sort of business than the mere descriptions in books and it is difficult to find writings of successful manufacturers to worth the credit of the small undertakers, nor it is possible to find business consultants in Hong Kong like other professional consultants in engineering or architecture, etc. Even if there are, there are still the following reasons that their business would be much handicapped, viz :--

- (1) it is doubtful if they thoroughly understand the trade of their clients,
- (2) it is not obvious if their solution to the difficult problems of their clients could be successful,
- (3) it is expensive and time costing to study closely the particular business concerned,
- (4) it is reluctant of most small manufacturers to disclose their business connections and secrets, and
- (5) it is difficult to decide if they deserve to be appointed for such services which might finally prove to be purely theoretical than from practical experience.

# **PROPOSED IMPROVEMENTS:**

It is proposed that for the sake of improving the quality and standard of all the small industry of Hong Kong, it is most important that the Hong Kong Government and the manufacturers associations should waste no time to urge the valuable services of the experienced management consultants from those well established and famous manufacturers to convene a number of industrial courses for various industrial branches, such as garments, plastic toys, plastic flowers, hair wigs, transistors, etc., in guiding their business management, researching and technical problems. Illustrated and simple Chinese periodical journals, booklets and different types of publications should also be published as knowledge and experience must by no means go apart.

# **CONCLUSION:**

To maintain the present high level of employment to meet the standard of living of the rapidly expanding population, we rely heavily on the industry of Hong Kong even during internal labour disturbances or when the challenge of foreign restrictions to our goods was in full swing. In whatever circumstances, we may face, we must maintain the good reputation of our products and would only be satisfied when the standard of their quality and productivity is improved from time to time. More management consultants must be engaged and local and oversea training of each trade be greatly increased with unfailing spirit. Successful manufacturers or efficient experts should be invited to give lectures or courses for the public interest and future success of the community, since the success of a professional is not measured by what he takes but by what he gives, not by what is earned but by what is done. May management consulting services be no less popular than all other popular professional services as are existing in the Colony of Hong Kong.

# COSTING HELPS TO REDUCE COST OF PRODUCTION

Ho Choi Chiu, A.C.W.A., A.A.S.A., A.M.B.I.M.

One of the best methods to raise productivity of a business is to reduce its cost of production. Its low selling price will enable it to obtain a large market share for its products, out-compete its competitors, have a large sales turnover and consequently attain a better profit on sales.

The cost of production can be controlled and reduced by the application of costing techniques. The cost of an article comprises three elements, namely, material, labour and overheads. In the process of costing, the cost of these three elements are properly ascertained and added together to form the cost of an article. A cost record is usually kept for each of the product produced showing the quantity of material consumed, unit price of material used, labour time required, wage rates and a portion of factory overheads. charged on a certain basis appropriate to the product produced.

# As Basis for Estimates

In the businesses which work on job order basis, it is quite often that they are requested to submit quotations or estimates for the supply of specified products or services. In such a case, a business has to quote basing on the formula that:—

$$\frac{\text{Production}}{\text{Cost}} + \frac{\text{Selling & Distribution}}{\text{Cost}} + \frac{\text{Administrative}}{\text{Cost}} + \text{Profit} = \frac{\text{Selling}}{\text{Price}}$$

All these costs must be properly ascertained before the selling price is fixed. If the products are of completely new items, cost estimating techniques has to be used to find out the estimated labour and material costs for the products. But it is quite often that the cost records will give the business useful information on the cost of similar products manufactured by previous orders and these statistical data will facilitate the drawing up of reliable estimates for submission to customers.

If the products are manufactured to stock instead of according to customers orders, selling prices can also be fixed based on cost information. However, they must be adjusted to meet market conditions so as to ensure that no business is lost because they are too high and no loss is incurred

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because they are too low. These matters are of vital importance because the businesses today are extremely competitive.

#### Advantages of Costing.

In addition to providing a valuable basis for preparing estimates and fixing selling prices, a costing system has the following advantages:—

- (a) As costing is prepared for each product before it is started to manufacture, so after it is completed, the actual cost incurred are compared with costing and any variances, either favourable or adversed, are extracted. The analyses of such variances bring to light the efficiency of purchase, the effective use of materials and the causes for the fluctuation of labour cost. They also show whether the factory has been working at full capacity so as to bring the overhead cost per unit of production to the minimum. The responsibility for inefficiency are therefore isolated and remedial measures can be taken to improve the position immediately.
- (b) Costing does not only provide a basis for determining the selling prices but is also used as a basis for calculating profits. Since the selling price is fixed based on cost, the profit is known and the profitability of one product can then be compared with another. Thus the business can review its production policy by expanding its production capacity for the profitable items and for those items which produce little or no profit, it can either consider eliminating them from the production schedule or find out the best way for producing them so as to cut down their manufacturing costs.

F. W. Taylor, the father of scientific management, was the first to find out scientific methods to solve management problems. At the end of the last century, he developed the best way for performing jobs and measuring work. From the information collected during observations, he was able to improve the methods of working and to reduce the time required for performance. Later by F. B. Gilbreth and others, work study was developed. It was the work of Taylor and Gilbreth who brought to this world the techniques for achieving high level of productivity and reduced cost of production. So when it is observed from the costing that the manufacturing costs are too high and the product does not yield any profit, work study techniques can be introduced to improve the manufacturing operations.

- (c) A costing system requires the keeping of proper cost accounts. Thus the stocks of materials, semifinished goods and finished goods kept at any time are revealed from the accounts which form the records of perpetual inventory. Such records facilitate the business to exercise control on the stocks which must be kept at reasonable levels all the time. Too much stocks in the business will of course tie up capital while too little, it has the risk to run out of stocks.
- (d) When a business is producing at a level below its pre-determined capacity, there will be a portion of unabsorbed overheads in the cost accounts. This may be considered as a dangerous signal to the business which means either (1) that there has been a holding up of production in the factory due to machine breakdown, lack of material, insufficient labour, inefficient operations etc. or (2) that the demand for the products of the business has not been sufficiently large to require it to operate at the pre-determined capacity.
- (e) Under a costing system, information may be obtained which will show whether it is more profitable to manufacture a component or buy it from some other specialized manufacturers. The price quoted from outside can be compared with the costing and the "make or buy" decision can be reached accordingly.

As costing can provide so much benefit and can help to reduce the cost of productions of a business, it is considered desirable that a costing system should be installed within a manufacturing organization. Although the operation of a costing department will incur some expenses, the advantages accrued from such a system are considerable and the expenses will subsequently be proved to be worthy spent.
## A GLANCE OF MANAGEMENT CONSULTANCY

#### C. P. YOUNG

Years to years, management science has been more and more appreciated by successful enterprisers and business leaders.

Since the days when Industrial Giant like Henry Ford who could run business by application of intuitive and thumb methods are gone, top management has to utilize every modern technique and management tools not only for success but in order to survive.

Accountants in America have a 'hot' session of management consulting and so do the United Kingdom's.

Hong Kong, in order to maintain her prestige and goodwill as one of the major business centre, has already, as always, kept every technological know-how up-to-date. Many of our learned colleagues have established new departments for management consultancy and or strengthen their existing services.

Management consultancy is in fact, a learned profession. And the technical competence of a Management Consultant should fall within any one of the following categories:

- Finance and Accounting: Financial accounting and control; Cost and Management accounting; Clerical Organisation and Methods; Mechanize accounting and electronic data processing.
- (2) Marketing: Market research; sales administration, etc.
- (3) Production: Factory Management; Production, Stocks and Quality control, etc.
- (4) General Management: Policy; Organization; Personnel; Training, etc.

It should be noted that a qualified Accountant is in no way incompletance of less than one heading among the above categories, and therefore, he should play a major role in this dynamic and progressive profession, and contribute and develop with the aid of his knowledge not only in accounting but also in auditing, company secretaryship, legal and so forth. If one should say that the practice of accountancy was boardly divided into two branches—those who occupy positions as Accountants in industry and commerce, and, those who render services as professional auditors, then, I would suggest the adding of a new branch consisting those members of the profession purely or substantially engaged in management consulting practice.

As our readers will no doubt aware, some U.K. bodies of accountants are sponsoring examinations in management accounting toward the award of a joint diploma in the same. One could hardly refuse the fact of this tremendous change in accountancy profession and shut himself up in his room only with auditing schedules and tax forms on his desk.

According to a recent survey of a national body of Public Accountants in America, more than 40% of the total working efforts of their members were devoted in management advising service or management consultancy as I mentioned above.

I have never doubt the qualification, knowledge and completance of our learned colleagues for engaging in management consultancy practice. However, the following maxim should be observe by beginners in undertaking a consultancy programme—humanity.

As we all know, there is in fact, a modern partnership between the financier and labour, and that the management undertakes the role as a bridge to compromise both parties, utilize every possible effort of finance and working efficiency, to run the organization in the most perfect condition and atmosphere as it could, minimize any unnecessary fiction, unpleasant and prejudice arising from any part thereof.

The Management Consultant acting in the staff function should therefore be required to compromise himself that even though he is working for a fee on behalf of the executive part of an undertaking, nevertheless, he has to concern the working class as human being of fresh and blood. We could never expect to increase any working efficiency or minimize any undesirable wastage of labour unless those persons involved enjoy their fair day's pay.

It is not my intention in so far to preach management technique in this paper or elsewhere, however, it will be my pleasure to learn that our learned colleagues will organize speeches, seminars, discussions and meetings to further this subject as part of the practitioners' day-to-day activities.

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### PRINCIPLES OF ARBITRATION

## C. P. YOUNG

Arbitration is becoming increasingly popular as the method by which disputes are settled, both commercially and politically. Mr. U Thun, Secretary of the United Nations once said, 'he who takes up the post of Secretary of the U.N. must himself an Arbitrator'.

Arbitration consists of the reference of a dispute to one or more independent persons 'call arbitrator(s)' for settlement, instead of to a court of law.

Principally, the major aim and purpose for arbitration could be summarized in three words—Economy; Speed; and Justice.

According to section 32 of the Arbitration Act, 1950 of U.K., the agreement for arbitration must be in writing, however, an oral submission would give rise to an arbitration at common law to which the Arbitration Act would have no application. And besides, the Court has power in certain circumstances to refer a matter to arbitration without the consent of the parties.

All matters that might be settled by action between the parties in a court of law may be referred to Arbitration, excepted that: (i) purely criminal matter; (ii) matters affecting status.

There must be differences either existing or prospective between the parties; while the parties agree, or which the court orders, shall be finally and conclusively settled by the judicial decision of the Arbitrator.

The principal advantages of arbitration are:

- 1. speedy-manner in settlement;
- 2. cheaper cost—as a rule, less than that of in a court suite;
- 3. avoidance of publicity, and to a certain extent, of the delays and uncertainty and expenses involved in appeals:
- 4. simplicity of procedure;
- 5. possible technical knowledge of the Arbitrator.

An Arbitrator is supported by the Arbitration Act of 1950; in Hong Kong, the Arbitration Ordinance No. 22 of 1963, which sets out the rules of arbitration, giving to an arbitrator many of the powers of a judge, and allowing him to use his discretion as to the costs he will award. While assuming the award to be good, the result is final, and is not subject to appeal and the delays arising therefrom.

In section 3 of the Arbitration Ordinance, it defines the authority of arbitrators to be irrevocable, except by the leave of the Supreme Court and a judge thereof.

Methods of referring to Arbitration may be made:

- 1. under special Acts of Parliament;
- 2. under order of the Court;
- 3. by voluntary submission of the parties verbally at common law;
- by submission in writing under the Arbitration Act, 1950/Arbitration Ordinance No. 22 of 1963 (Chapter 341 Revised Edition);

and surely No. 4 is the most popular method.

The Arbitration agreement defined by section 2 of the Ordinance, 'means a written agreement to submit present or future difference to arbitration, whether an arbitrator is named therein or not.' Agreements to refer future disputes to arbitration are frequently found in partnership deeds, contracts for sale of goods, insurance policies, leases, etc.

The terms of an arbitration agreement may, with the agreement of the parties, be altered at any time before the arbitrator has given his decision, however, the submission cannot be altered so as to indicate a dispute about which an action has already been commenced by one of the parties against the other.

According to sub-sections 1 and 2 of section 4 of the Ordinance. 'an arbitration agreement shall not be discharged by the death of any party thereto, either as respects the deceased or any other party, but shall in such an event be enforceable by or against the personal representative of the deceased. And the authority of an arbitrator shall not be revoked by the death of any party by whom he was appointed.

Where it is provided by a term in a contract to which a bankrupt is a party, then any differences arising thereout or in connexion therefrom shall be referred to arbitration, the said term shall, if the trustee in bankruptcy adopts the contract, be enforceable by or against him so far as relates to any such difference. And where the foregoing does not apply, any other party to the agreement, or with the consent of the committee of inspection, the trustee in bankruptcy, may apply to the Court for an order directing that the matter in question shall be referred to arbitration in accordance with the agreement (section 5, Ordinance).

An agreement to refer to arbitration does not as a rule oust the jurisdiction of the court, because it is still open to the parties to take legal proceedings instead of going to arbitration, though it may well be in such a case that the court will exercise its powers under section 6 of the Ordinance to stay proceedings on the application of the other party.

A body of accountants in the United Kingdom even thought itself does not undertake the role of arbitrator, however, the president of the body will always appoint an arbitrator provided he gets a written request from parties to the dispute, an indication of the nature of the dispute, and in order to ensure that the person appointed will entirely unconnected with the subject matter, a note of those who have already been associated with the matter.

Need not to say, Accountant acting in the capacity of Arbitrator is in no way an uncommon occurence.

The arbitrator will be appointed in accordance with the provisions of the arbitration agreement; if no other mode of reference is provided, the reference shall be to a single arbitrator.

And if the reference is to two arbitrators, the two arbitrators shall appoint an umpire immediately after they are themselves appointed (sections 8, 10, Ordinance).

In section 11 of the arbitration ordinance: 'where an arbitration agreement provides that the reference shall be to three arbitrators, one to be appointed by each party and the third to be appointed by the two appointed by the parties, the agreement shall have effect as if it provided for the appointment of an umpire, and not for the appointment of a third arbitrator, by the two arbitrators appointed by the parties, and where an arbitration agreement provides that the reference shall be to three arbitrators to be appointed otherwise than as mentioned above, the award of any two of the arbitrators shall be binding.'

The distinction between a third arbitrator and an umpire is that a third arbitrator is one of three arbitrators who must all act together and whose duties commence immediately, whereas an umpire does not act with the arbitrators, but enters upon the reference only when they have disagreed.

The unusual method of appointment of the umpire is by writing signed by both arbitrators in the presence of each other, but verbal appointment will not be invalid if no other mode is prescribed. At any time after the appointment of an umpire, however appointed, the court may, on the application of any party to the reference and notwithstanding anything to the contrary in the arbitration agreement, order that the umpire shall enter upon the reference in lieu of the arbitrators and as if he were a sole arbitrator. (sub. s. 10). The umpire has the same power and duties as the arbitrators. Unless he has sat with the arbitrators all through the case and has made his own notes of the proceedings, he must re-hear the matter, and must examine such witnesses as the parties may produce, even though the arbitrators were already examined them. He must not take the evidence from notes of the arbitrators unless with the consent of the parties. But the arbitrators can give evidence before him. That is to say, he must decide between the parties to the reference, and not between the arbitrators.

The reference must be conducted in accordance with the terms of the arbitration agreement.

The arbitrators has power to administer oaths to, or take affirmations of, the parties to and witnesses on a reference under the agreement.

The matter will usually proceed as follows:

- 1. arbitrator fixes time and place for hearing, gives notices to the parties. If a party applies for an extention of time on the ground that he cannot be ready with his witnesses by that date fixed, the arbitrator should grant an extention if reasonable;
- 2. if one party refuses to attend the hearing, the arbitrator should serve him or his solicitor with a written notice indicating that unless he appears on the date fixed by the notice, the arbitrator will proceed with the arbitration ex parte;
- 3. there is no fixed mode for the conduct of the proceedings, however, it will be desirable as far as possible follow the practice of the court during the hearing;
- 4. like a judge, the arbitrator should decide the issue solely in the light of the evidence tendered, yet, he was appointed because of his special knowledge or experience, he is entitled to apply that knowledge and experience to the question at issue;
- 5. having hearded all the evidence which the parties are prepared to offer, and has ascertained that neither party proposes to produce further evidence, the arbitrator should give notice to the parties that the proceedings are at the end, and he is prepared to make his award. However, he may at any time before making the award, permit or require the production of further evidence.

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An arbitrator shall have power to make an award at any time (s. 15). However, if a time limit is provide for in the arbitration agreement, the arbitrator has to make the award accordingly.

The award will be handed to any party applying for it on payment of the arbitrator's fees. A copy will handed to any other party on application.

Unless a contrary intention is expressed therein, the award made by the arbitrator shall be final and binding on the parties and the persons claiming under them respectively.

And the arbitrator shall have power to correct in an award any clerical mistake or error arising from any accidental slip or omission.

A sum directed to be paid by an award shall, unless the award otherwise directs, carry interest as from the date of the award and at the same rate as a judgment debt (ss. 18, 19, 22, Ordinance).

As provided by sub-section 1 of section 20 of the Ordinance, the costs of the reference and award shall be in the discretion of the arbitrator, or umpire who may direct to and by whom and in what manner those costs or any part thereof shall be paid, and may tax or settle the amount of costs to be so paid or any part thereof, and may award costs be paid as between solicitor and client, unless a contrary intention is expressed therein.

The award of the arbitrator is final and binding only when the award is setting aside under the following circumstances:

Where an arbitrator have misconducted himself or the proceedings, the court may remove him, and

where an arbitrator has misconducted himself or the proceedings, or an arbitration or award has been improperly procured, the court may set aside the award, and

where an application is made to set aside an award, the court may order that any money made payable by the award shall be brought into court, or otherwise secured pending the determination of the application.

Where the arbitrator is removed or the authority of the arbitrator is revoked, the court may, on the application of any party to the arbitration agreement, appoint a person or persons to act as arbitrator in place of the person so removed (sub-s. 1, 2, 3 of s. 25 and section 27(1).

An award on an arbitration agreement may by leave of the court or a judge thereof, be enforced in the same manner as a judgment or order to the same effect, and where leave is so given, judgment may be entered in terms of the award.

The following summaries are reproduced, by kind permission, from "The Accountants' Journal", March 1968 issue, of the New Zealand Society of Accountants.

## THE ACCOUNTANT'S ROLE IN A DEVELOPING ECONOMY

J. W. Rowe, B.Sc., M.A. (Econ.)

In the first paper of the conference, Mr. J. W. Rowe, B.Sc., M.A. (Econ.), Director of the New Zealand Institute of Economic Research, commented that accounting is in the mainstream of Material progress, as is shown by the accountant's dogged preference for objective facts. Adequate accounting was, he said, a pre-requisite for the efficient use of capital. Accurate and informative accounts encouraged the atmosphere of confident indispensable flow of investment. The various functions of accounting might, however, be more easily recognised if distinction were made between the "micro" and the "macro" administrative environments. At enterprise level, cost and management accounting were indispensable for progress—a statement true of affluent societies but even more true of relatively poor countries.

Improvements in productivity were generally associated with investment, and they key to efficient use of resources was project appraisal. Mr. Rowe thought that accountants did not appear to play a sufficiently adequate part in public sector policy and implementation. Proper accounting procedures were necessary to ensure that a country's development proceeded via coherently integrated individual projects. Militating against global planning were the lack of adequate data and the dearth of administrative ability, but success had been achieved in Mexico and Israel with partial planning from the bottom up rather than from the top down.

Account should be taken of indirect benefits and costs, and wider political, strategic, cultural, and social issues are relative to major project evaluation. There was a choice of application in accounting between depth and breadth. In the long run, economic development must rest upon the efficient mobilisation of internal capital. However, the most important issue in developing countries was the hard job of collecting and interpreting data for efficient production.

Dealing with the education and responsibilities of accountants in developing countries, Mr. Rowe observed that the content of examination courses from developed countries had little or no application to the commercial environment of most emergent nations. The moral responsibility of accountants in a developing country was very great; adequate financial reporting was a major social responsibility and surely one of the profession's greatest challenges.

# ETHICAL STANDARDS IN THE UNITED STATES ACCOUNTING PROFESSION

## R. Kirk Batzer, C.P.A.

The development of the accounting profession in the United States, most of which has taken place in this century, reveals a substantial and appropriate attention to ethical standards. It is a sign of a healthy and growing profession that we the faced with substantial ethical questions today. The organisation of the profession in the United States has some of the characteristics of the federal political organisation. Each state has enacted legislation and there are fifty-three sets of rules for becoming a C.P.A. The American Institute of Certified Public Accountants is distinct from the state societies. About half the qualified practitioners in the country belong to the Institute.

The Institute's code of ethics is supplemented by written opinions by the Committee on Ethics. The code may be classified in five categories:

- (1) Relations with clients and public.
- (2) Technical standards.
- (3) Promotional practices.
- (4) Operating practices.
- (5) Relations with fellow members.

Two matters which are of prime concern at present are the competitive bidding rule and management consulting services. Competitive bidding is prohibited by the code but legal counsel is of the opinion that this rule is contrary to the federal anti-trust statutes. Mr. Batzer cannot tell how this will be resolved. His prediction is that, since federal anti-trust laws do not apply to rules of conduct laid down by state governments or their agencies, a rule similar to the Institute's rule will be incorporated in the rules of the state boards. Management consulting services, which form the greater part of accounting firms' revenue, is a more important matter. One of the objectives of the Institute is to encourage all C.P.A.s to perform management services. However, warnings have been given by leaders in the profession, academics and the Chairman of the Securities and Exchange Commission that the performance of services which cannot be related logically to the financial process raises serious questions concerning an accountant's independence as an auditor. In Mr. Batzer's view it is wrong to condemn the performance of all management services on the grounds of effect on independence. In reality there can be no absolute independence. The question seems to depend on competence.

## IMPLICATIONS OF ELECTRONIC DATA PROCESSING

James B. Kobak, C.P.A.

E.D.P.'s implications for the accounting profession fall logically into two categories. Those concerned primarily with the accountant's services to and relationship with his clients and those concerned with the internal administration of the accounting firm. The most important fields relating to client services are management services auditing and tax preparation. The firm's internal operations are most affected by time and cost analysis, general bookkeeping and accounting. Systems and procedure studies have long been provided by accounting firms. Formerly this was done usually by qualified auditing personnel. With the advent of E.D.P., specialised personnel is required. This provides the accountant with an opportunity to provide his client with a vital, needed service.

Implications for the auditing function also fall into two categories. The conventional audit of clients using the computer and the use of computers in auditing data. In the United States this is referred to as auditing "around the computer" versus auditing "through the computer". There are some very real dangers for the auditor who chooses to ignore the computer. In the United States more accounting firms are using E.D.P. for clients' bookkeeping than for any other purpose, and many firms are using computers for the preparation of tax returns.

Implications for the future for accountants are that an understanding of computers is essential to conduct an adequate audit where the client uses E.D.P. Computers can be useful to the accountant in a number of areas. An intimate knowledge can help the accountant to advise his client whether E.D.P. should be used. The accountant will have to train his staff in the use of E.D.P. or hire skilled technicians. The use of E.D.P. is here—and will grow. Do not fear E.D.P. Get to know it.

## TRADING OR INVESTMENT

### WISDOM v. CHAMBERLAIN

## High Court of Justice (Chancery Division)—11th March, 1968. Before Mr. Justice Goff.

Silver purchased for a comedian by appellants' agent as a hedge against devaluation: whether surplus obtained liable to Income Tax.

## FACTS

Mr. Norman Wisdom, the entertainer, was a client of Mr. Halpern. In the middle of 1961 Mr. Halpern became concerned with the possibility of a devaluation of sterling and its effect on his client's assets, which were between  $\pounds 150,000$  and  $\pounds 200,000$ . He therefore sought, as a hedge against inflation, an investment which would retain its value in the United States and could easily be sold. He decided upon a purchase of  $\pounds 200,000$  of silver bullion because the price of silver had not varied by more than 3% in the previous five years, and there was then no substantial likelihood of a sudden rise or fall. In November, 1961 he contacted bullion brokers for the purpose but, due to an unexpected price rise, was only able to purchase  $\pounds 100,000$ . This purchase was financed largely by loans at a high rate of interest.

Mr. Halpern continued his efforts to purchase the £200,000 of silver and, in the spring of 1962, was successful. The brokers however insisted that the first bargain be closed before the new purchase. The £100,000 of silver was therefore sold on 30th March, 1962 at a loss of £3,000. The bargain for £200,000 worth was entered into, on Mr. Wisdom's behalf, on 4th April, 1962. The transaction was again financed by loans at a high rate of interest. The bullion brokers agreed to repurchase the bullion for £210,000, if required, prior to 12th October, 1962 but if the price fell Mr. Wisdom could be called upon to exercise his option or allow it to lapse.

In the event, the monetary situation improved and the bullion was sold in the autumn of 1962 at a profit of £48,000, ignoring interest as the appellant had agreed to pay a year's interest in any event.

The Special Commissioners found that the transaction was an adventure in the nature of trade, assessable under Case I of Schedule D. The appellant claimed that the purchase was a hedge against inflation and the profit was not assessable.

## DECISION

Held, that the transaction was not an adventure in the nature of trade and the assessment should be discharged.

## PRINCIPLES AND DICTA

The facts that the commodity was, in itself, useless, was not income producing, was not a long term investment and gave no aesthetic enjoyment or pride of possession to its owner, all tend to the view that the purchase and sale were trading transactions. Mr. Justice Goff, however, decided that the predominant fact was that the appellant's original intention, which was unchanged, was found to be the purchase of silver as a hedge or insurance against inflation. The price of silver had not moved substantially for some time before the purchase and was not expected to. The profit was fortuitous enhancement of value of a security.

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## CASES REFERRED TO

Edwards v. Bairstow and Harrison, 1956. 36 T.C. 207. C.I.R. v. Fraser, 1942. 24 T.C. 498. Leeming v. Jones, 1930. 15 T.C. 333.

Californian Copper Syndicate v. Harris, 1904. 5 T.C. 159.

### BENEFIT IN KIND

HEATON v. BELL

## Court of Appeal-9th May, 1968

Before Lord Justice Danckwerts, Lord Justice Salmon and

Lord Justice Fenton Atkinson.

Benefit in Kind: wages reduced: whether car use a perquisite or emolument.

## FACTS

The respondent was a machine-minder entitled to a weekly wage. In 1954 a voluntary car loan scheme was introduced by his employers, in which he participated. The company purchased a car, retaining the ownership, claiming capital allowances and paying for the annual licence and comprehensive insurance. This car was lent to the respondent, who met the running costs and maintenance. It was a requirement that he should not allow any person other than himself to drive it. From the time he joined the scheme his wages were reduced by £2 10s. per week initially, but increasing with changes of car, etc. At any time either party could terminate the arrangement on two weeks' notice, when the reduction of £2 10s., etc., would not be made from the wages. Similarly, during absence through sickness the reduction would not be made.

The Revenue claimed that either the £2 10s., etc., was part of the gross wages, the deduction being an application of the respondent's income, or that he was receiving a perquisite worth £2 10., etc., per week.

#### DECISION

Held, affirming the judgment of the High Court, that the emoluments of the employment were the actual amounts paid after reducing the wage by reference to the car scheme, but reversing the decision of the High Court by holding that the use of the car was not a perquisite because it could not be turned into money or money's worth.

## PRINCIPLES AND DICTA

Lord Justice Danckwerts said that it was impossible to regard the wage payable as anything but the net amount after eliminating from the gross wage the deduction which was made in respect of the car scheme. Secondly, that the taxpayer could not in any true sense of the word convert the use of the car into money, so that in the result, money's worth in the form of a convertible benefit was not available in this case.

Provided an arrangement of benefit to employees is on the same lines as the agreement in this case, it is obviously of interest to the practitioner to note the kind of case in which benefits which cannot be converted to money can escape normal Income Tax liability.

## **CASES REFERRED TO**

Machon v. McLoughlin, 1926, 11 T.C. 83. Tennant v. Smith, 1892, 3 T.C. 158. Wilkins v. Rogerson, 1961. Abbott v. Philbin, 1961, 39 T.C. 82. Nicoll v. Austin, 1935, 19 T.C. 351.

The Society is indebted to the Institute of Taxation, England, for permission to reproduce the above cases from its "Digest of Tax Cases".

# SHUN LEE INVESTMENT CO., LTD. v. COMMISSIONER OF INLAND REVENUE

Supreme Court-21st December, 1967.

Before Sir Ivo Rigby, Senior Puisne Judge. Loss of mortgage loan by an investment company; whether such loss is one of revenue or capital.

## FACTS

The main business of the company was to invest their monies in longterm mortgages upon adequate security. The company was founded in 1956 and since inception and up to the year 1965 the vast proportion of the capital of the company was annually invested in a maximum number of mortgages not exceeding four per annum throughout the relevant tax periods. In 1963 they executed a mortgage in respect of which they advanced to the mortgagor a sum of \$1,150,000. The venture was a failure and as a result the appellants incurred a loss of \$394,505 out of the principal sum of \$1,150,000 advanced by them to the mortgagor. For the relevant tax year of assessment they therefore claimed to be entitled to deduct the whole of that sum by reason of the first proviso to Section 16(1)(d) of the Ordinance as a bad debt in respect of money lent by them in the ordinary course of their business as money lenders. The assessor disallowed the claim on the ground that the appellants were not carrying on the business of money lending and that this was in fact a loan of a capital nature and therefore not deductible by virtue of the provisions of Section 17(1)(c) of the Ordinance. The company appealed against that decision to the Board of Review.

The Board of Review upheld the decision and further held that under Section 68(4) of the Ordinance the company had not discharged the onus of proving that the decision of the assessor was incorrect. From that decision the appellant company appealed to the Court by way of case stated on what was said to be a point of law.

### DECISION

Held, upholding the decision of the Board of Review that the appellant company was not carrying on a money lending business and was, therefore, not entitled to make any deduction under the first proviso to Section 16(1)(d) in respect of their loss of \$394,505 incurred by them for the tax year under consideration, and affirming the view of the assessor that this was a loss of capital and, therefore, not deductible by reason of Section 17(1)(c).

## **PRINCIPLES** and **DICTA**

In the judgment, the learned Judge said (inter alia) he was in agreement with the argument of Counsel for the Respondent who had stressed that the an investment company and a money crucial distinction between lending business lay in the frequency of the turnover of the latter's money in the course of business. Money has been defined as "the stock-intrade of a money lender', and for the purpose of carrying on his business and livelihood the money lender requires not only regular and frequent payments by way of interest on account of his numerous loans, but also regular repayments on account of principal. An investment company, on the other hand, was content to outlay its fixed capital in a much more limited number of loans, upon security of mortgages, in very much more substantial sums of money and over very much longer periods in respect of the repayment or repayments on accounts of principal. In the present case, the maximum number of mortgages entered into by way of loan made by the company at any one time was four, and the period for repayment of the principal amount lent upon the security of the mortgage now under consideration in this case was two years. In view of the extremely small number of mortgages entered into by the appellant company during any given year, coupled with the length of time allowed for repayment of the principal amount lent, it could not be said that the monies lent by the company upon the security of mortgages was circulating as distinct from fixed capital and it could not be said that the appellant company was carrying on a money lending business.

## **CASES REFERRED TO**

Newton v. Pyke 25 T.L.R. p.127 Litchfield v. Dreyfus 22 T.L.R. p.385 Simon's Income Tax Vol. 1 1964-65 p.308

# TAI SHUN INVESTMENT CO., LTD. v. COMMISSIONER OF INLAND REVENUE

### Supreme Court-29th January, 1968.

Before Senior Puisne Judge Sir Ivo Rigby, Mr. Justice Briggs and Mr. Justice Huggins.

Cessation or continuation: Flats sold payable by instalments: Company subsequently in liquidation: Collection of rent, instalments and interest due after liquidation: Whether company ceased or continued trading.

#### FACTS

The appellant company was created to purchase and develop land. In pursuance of its objects it bought land and then, having resold part of that land, built four blocks of flats on the remainder. Most of the flats were sold but the market having become depressed the company found itself unable to sell 16 of them. Eleven of these flats were the subjects of tenancies. At this stage it was decided by the directors that it would be desirable to wind up the company and an Extraordinary Meeting was called for that purpose. At that meeting it was resolved that the company should be wound up voluntarily and at a later meeting it was resolved that the 16 unsold flats should be distributed in specie to shareholders by ballot. By 31st March, 1965 all except 8 of the flats had been paid in full, these 8 having been sold on terms which allowed payment by instalments, completion to be effected upon payment of the final instalment. No new rent fell due after 31st March, 1965, but after that date three things were done by the liquidator: (1) he collected some arrears of rent; (2) he collected some arrears of instalments and also some instalments which fell due after that date, together with interest; and (3) he conveyed the legal estates in the 8 flats which had not previously been paid for in full.

The liquidator claimed that the company ceased to trade on March 31, 1965, but the Commissioner came to the conclusion that it continued to trade into the new year of assessment and the Board of Review upheld the Commissioner's decision upon appeal to the Board.

#### DECISION

Held, that there was no evidence upon which it could reasonably be found that the liquidator did carry on any trade or business after the 31st March, 1965, and that the appeal was allowed with costs.

#### **PRINCIPLES and DICTA**

In delivering his judgment, one of the learned Judges said, inter alia, that "it seems to me that looking at the present case solely upon the basis of these authorities it cannot be said that the company was "trading" after 31st March, 1965. All that the liquidators did was to receive moneys which fell due under contracts made before that date and to execute conveyances which the company was legally bound to execute by virtue of contracts made before that date. He added that he was persuaded that the case before the Court came nearer to Cohan's Executors v. C.I.R. than it did to the case of Hillerns & Fowler v. Murray. He was also of the opinion that "the mere collection of debts is not the continuation of a trade-at least not where there is evidence that the company has started a new trade". "In our case it seems to me" he went on, "that it would be an abuse of language to say that the evidence of receipt of interest on the outstanding instalments was evidence of "trading" as distinct from "winding up". I do not say the position would necessarily have been the same if the instalments had been payable over, say, a period of 5 years". In his views there was no fundamental difference between the position of a liquidator and that of an executor.

## **CASES REFERRED TO**

Hillerns & Fowler v. Murray (1932) 17 Tax Cases 77. Cohan's Executors v. C.I.R. (1924) 12 T.C. 602.

Tryka Ltd. v. Newall (1963) 41 T.C. 146.

Bennett v. Ogston (1930) 15 T.C. 374.

Parker v. Batty (1941) 23 T.C. 739.

Henry Briggs & Co., Ltd. v. C.I.R. (1960) 39 T.C. 410.

C.I.R. v. South Behar Railway Co., Ltd. (1924) 1 K.B. 390 and (1925) A.C. 476.

J & R O'Kane Co. v. C.I.R. (1920) 12 T.C. 303.

Baker v. Cook (1937) 21 T.C. 337.

Wilson Box (Foreign Rights) Ltd. v. Brice (1936) 20 T.C. 736, 741.

## INTEGRATION OR INTEGRITY

By Frederick Yu, B.A.(Econ.), A.A.S.A.(Prov.)

The proposed integration scheme initiated by the Institute of Chartered Accountants has created storm in the quiet pools of accountancy. The proposal has been applauded by some as a long overdue reform necessary for the strength and prestige of the profession, but regarded as a "down grading" movement by others. The rest just watch silently with the typical professional attitude of caution and conservatism. No matter what course such a movement may take, a new wind is apparently on the way and it is up to the members of the profession to take up the challenge as regards the role they shoud play in respect of their contribution to the progress and well being of the modern society.

The man in the street may appreciate the work which a professional accountant can do for his business or his private financial and taxation affairs, but he is definitely intrigued by the different designations which members of the different professional societies manifest themselves. To him, a certified accountant or a public accountant is analogous to a chartered accountant, and to a Chinese in particular, a "  $\Rightarrow$   $\ddagger$  # " means a chartered accountant. It is apparently fruitless to explain to the man in the street that different designations signify the different professional societies which respective members belong, because to their way of reckoning, any accountant other than the chartered accountant is of inferior standing.

The dictum that unity means strength is obviously prevalent in the minds of the councilors of the six institutes comprising of the English, Scottish and Irish Institutes of Chartered Accountants and the other three major professional accountancy bodies, the Association of Certified and Corporate Accountants, the Institute of Cost and Works Accountants and the Institute of Municipal Treasurers and Accountants when they sat together to formulate a proposed scheme for the integration of the profession. In a letter addressed to the individual members of the Institute in July, 1968, the President of the Institute of Chartered Accountants in England and Wales proclaimed that "the scheme is bold and imaginative. Its aim is to strengthen the profession and to adapt it to meet the needs of a changing world. It proposes to do this by bringing the members of all the participating bodies under similar professional disciplines and by raising the standards of general education and technical proficiency throughout the profession. It will be a major step forward dispelling the confusion and misunderstanding which are caused in the public mind by a multiplicity of professional designations, and to securing that the profession in Great Britain and Ireland is in a position to speak with a united voice on matters of professional, national and international importance."

At the present stage, it is perhaps too early to predict the outcome of the scheme, the fate of which are in the hands of the individual members who may accept the proposal with full blessings, and perhaps, an even bolder and tar fetching scheme may emerge.

Like a plague which spreads far and wild beyond a country's borders, the proposed integration scheme is echoed by the kindred professional associations in the British Commonwealth; a scheme of integration is now under active discussion between the Chartered Institute of Accountants in Australia and the Australian Society of Accountants in Australia.

As both the Association of Certified and Corporate Accountants and the Australian Society of Accountants have examination centres in Hong Kong, anyone who is interested in taking up the accountancy profession can have ample chance of being qualified. Nevertheless, the number of members of these two societies in Hong Kong is very small indeed for a community with a population of nearly four million. The register of the Hong Kong group of the Australian Society of Accountants reveals a membership (including provisional members) of three hundred whereas the Association of Certified and Corporate Accountants has a membership of only forty-seven. With the closure by the Australian Society of Accountants of its examination centre in Hong Kong by 1970, and the possibility of cancelling its overseas centre by the Association of Certified and Corporate Accountants in event of the proposed scheme for integration coming into effect, one is practically deprived of the opportunities of being qualified as a professional accountant in Hong Kong. A dilemma thus exists that Hong Kong, one of the highly developed industrial and commercial centres in Asia with its own two universities, is destitute of the facilities for the training of professional accountants. This is most unfortunate, because in an industrial and commercial community like ours, there is always a persistent demand for executives of high calibre with training in accountancy and management as well as professional accountants.

With an effort to fill the vaccum which has hereto been created, two working parties (one of which being initiated by local professional societies) are in active discussion on the possibility of forming a Hong Kong Society of Accountants, one of the principal aims of which is to provide facilities for conducting its own professional examinations in Hong Kong. The two universities and the technical college which express keen interests in the field of accountancy education are prepared to provide courses leading to professional examinations.

Whichever direction the wind may blow, the proposed integration scheme initiated by the Institute of Chartered Accountants will certainly have a positive repercussion on Hong Kong. Perhaps it is time for the professional accountants in Hong Kong to realise that time is ripe for them to stand on their own feet and declare that they have come of age.

# ADVISABILITY OF AN INTERNATIONAL ACCOUNTING SECRETARIAT PLUS A REGIONAL SECRETARIAT IN EVERY CONTINENT

## (Memorandum prepared by The Middle East Society of Associated Accountants)

At the Meeting of Heads of Delegations of the Fifth Conference of Asian and Pacific Accountants (CAPA), an important proposal was discussed regarding the formation of a regional secretariat for CAPA, to accelerate progress in the area.

The summary of proceedings of the said meeting showed:

- (a) That most delegates were sympathetic to the proposal.
- (b) That a number spoke against such formation, at the present time. One reason was that it might conflict with the work of the Working Party which was set up after the 9th International Congress, which was asked to determine the future format of international congresses and their relationship to regional conferences.

The said meeting decided unanimously to ask each delegation to convey the considered views of their councils by a memorandum to the chairman of the next CAPA conference.

Herebelow are the considered views of my Council:

#### (1) Absence of Follow-Up in I.C.A. and C.A.P.A.

It is quite true of both the International Congress and CAPA, that they have so far been held at intervals, without any constructive work between. Many speakers at past I.C.A. congresses noticed this important weakness and suggested that this great profession should have some set-up which could carry on activities between one congress and another. Many voices were heard at the New York congress (1962) and recently at the Paris congress (1967). The Working Party of I.C.A. was specifically formed in 1967 to prepare specific plans for international cooperation and coordination in this great profession and it is expected that all accounting organizations would contribute thoughts on the matter.

On the contrary, we see that the U.E.C. has bridged the gap between congresses and has established a secretariat and other working groups.

Similarly, the Inter-American Accounting Conference has established its Bylaws and created a Permanent Committee and a Permanent Secretary to help in fulfilling the objectives of the conference.

#### (2) The International Body and the Regional Body.

At the Delegates' Meeting in New Zealand, a fear was entertained by some members to the effect that the formation of a regional secretariat may conflict with the Working Party set-up by the Paris Congress. Our society believes that the subject is equally important from the international side, as well as the regional side. In fact, it is one and the same subject, viz. How best could the accounting community cooperate and harmonize matters between them? In fact, the Working Party would surely welcome the views of the societies in Asia and the Pacific. We are thus dealing with both the international set-up and the regional set-up, in this memorandum. It is only natural that the two systems should be harmonious.

From the International Congress point of view, we do not see it easy or practicable, that the International Secretariat be linked directly with eighty or one hundred societies in the world. The task would be tremendous and the regional needs would differ between continents. This is why we have favoured an easy system of a set-up based on continents, in which each continent would take care of its own needs and would be linked with the international permanent secretariat.

This continental set-up has already existed and needs only to develop and join the international set-up, as soon as it exists. Let us take these continents in some detail.

(a) **Europe** already has its U.E.C. (Union Europeenne Comptable etc.) and its permanent secretariat and committees.

(b) Asia and Australasia already have their periodic conference. They need a permanent secretariat to take care of their activities between one conference and another.

(c) **The American Continents** already have their periodic conference and their permanent body, under the "Inter-American Accounting Conference". It is important for them to study, whether one body should encompass North and South America, or that one body would be set-up for each of the two American continents. It looks that the latter method would be more practical, since the situation in North America differs considerably from that in South America. There is nothing, however, to prevent societies in North America from being affiliated to the South American Conference or to C.A.P.A.

(d) Africa is the only continent which has, so far, not started periodic conferences. Such conferences are bound to exist in the future, and it is expected from the accounting community, outside Africa, to encourage the creation of an African Region for accountancy. With this new organization the pyramid of world accountancy would be complete and would be easy to manipulate.



We can thus see that, to answer the need for the C.A.P.A. area, we had first to check the whole world problem, in order to make sure that the set-up would prove practicable and useful. There can be no doubt that such an organization would allow cooperation, coordination and harmonization between world societies; but at the same time leave a good amount of spade work for each Continent to take care of its problems.

#### (3) Objects of the International Secretariat.

(a) To promote cordial relationships among accounting organizations of the world.

- (b) To assist the host countries in organizing the international congresses.
- (c) To plan and perform research work, with the assistance of the Regional Secretariats, in order to harmonize accounting principles, audit procedures and rules of professional conduct, as much as possible.
- (d) To publish research bulletins, professional magazines and other literature that may be useful to the profession.
- (e) To assist in promoting new accounting societies or regional secretariats, where such do not exist.

### (4) Objects of CAPA Secretariat.

Like any other continental secretariat, the CAPA secretariat would have, among others, the following objects:

- (a) To promote cordial relationships among accounting organizations in the area.
- (b) To assist the host countries in organizing the C.A.P.A. conference.
- (c) To plan and perform research work in the area, with the view to coordinate it with the work carried on by the International Secretariat.
- (d) To publish research bulletins or other professional literature for the benefit of the area.
- (e) To assist in promoting new accounting societies in the area, where such societies do not exist.

#### (5) Finances.

The budgets of the International Secretariat and the C.A.P.A. Secretariat could be mainly met by the addition of one U.S. dollar to the yearly membership fee in every society. A part of this dollar fee would be used for C.A.P.A. and the balance would be turned over to the International Secretariat for its own expenses. In this way, the accountants of the world would be financing their own area sercetariat, as well as the International one.

It is not strange also that the regional secretariats may receive financial assistance from governments in the area; while the International Secretariat may be able to receive financial assistance from world agencies.

#### (6) Conclusion.

Our view is that it is already high time that a Regional Permanent Secretariat be established for Asia and the Pacific, while it is also high time that an International Secretariat be also established to coordinate the work of the regions and develop all possible cooperation and all possible harmonization in principles, procedures and professional ethics.

Allowed for publication in the professional press.

(Sd.) F. S. SABA President

#### Beirut, Lebanon

November 9, 1968.

The above Memorandum is reproduced by kind permission of the Middle East Society of Associated Accountants and should prove of interest to our readers.

#### ANCIENT CHINESE ECONOMIC QUOTES

Collected and translated by Lau Chung Him

生財有大道:生之者眾,食之者寡,爲之者疾,用之者舒,則財恒足矣。 ----大學

This is the magnificent way to production of wealth: let producers be many; let consumers be few; let all work speedily and consume at leisure, then and only then will wealth be in great abundance.

-the Book of Great Learning

一孔子

---Confucius

#### 工欲善其事,必先利其器。

Workers who wish to have their work well done must first have their tools efficient.

不違農時,穀不可勝食也。数罟不入污池,魚鼈不可勝食也。斧斤以時入 深林,材木不可勝用也。 —— 孟子

If the farmers' cultivating time is not bothered, there is an abundance of grains for food. If nets of small eye-lets are not allowed to the breeding pools, there is an abundance of fishes and turtles for food. If axes are allowed to the woods only at appropriate times, there is an abundance of woods and timbers for use.

—Mencius 不稼不穩,胡取禾三百塵兮;不狩不獵,胡瞻爾庭有縣貆兮;彼君子兮, 不素餐兮。 ——詩經

How can you expect to drain three hundred lots of grains from the market, if you do not work on the farm at all? How can you expect to have deer seen posted in your front hall, if you do not hunt at all? Gentlemen of good morality do not live to eat without well performing their duties.

—The Book of Odes 用利而事節,時順而物成,上下和睦,周旋不逆,求無不具。 ——左傳

Efficient performance saves a lot of work; orderly timing helps accomplishing matters. With harmony among the upper and lower ranks, smoothness rolls on without hindrance and there are no wants not to be met. —T'so Ch'uan 農不出,則乏其食;工不出,則乏其事;商不出,則三寶絕; 虞不出,則 財匱少;財匱少,則山澤不辟矣。 ——周書

Food will be insufficient, if farmers do not turn out to the farm; accomplishments will be few, if artisans do not turn out to the workshop; three kinds of wealth will not make appearance, if merchants do not turn out to the market; resources will be scarce, if forest and mineral preservers will not turn out to perform their duties; when resources are scarce, there is no hope to explore the mountains and to tame the rivers.

---Chou Shu

量錯

--Ch'ao Tso

and the second second

#### 貧生於不足,不足生於不農。

Poverty comes from insufficiency, and insufficiency originates from non-farming.

農之家一,而食栗之家六;工之家一,而用器之家六;賈之家一,而資馬 之家六;奈之何民不窮且盜也。——韓愈

There are six families to consume grains, while there is only one family on the farm; there are six families to consume articles and utensils, while there is only one family to work as artisans. There are six families to rely on merchandise, while there is only one family to be merchants. Under these circumstances, how can the people not be poor and thievish!

—Han Yu

- 賈 誼

生之有時,而用之亡度,則物力必屈。

الداري المرتزع المراجع المعلامين

Where there is a limited time devoted to productions coupled with unrestricted consumption, material storage is bound to diminish.

—Chia Yi

## 生之者甚少,而糜之者甚多,天下財產,何得不蹶。 \_\_\_\_\_ 賈誼

If very few people produce, but very many people consume, how can wealth on carth not tend to decline. —Chia Yi 日本戰後迅速增長的原因和對新興國家經濟的關係

## 何載昭節譯

# 前言

原文的作者大北先生(Saburo okita)是日本著名的經濟學家, 在一九四五年八月十 六日第二次世界大戰結束之第二天,在日本外交部研究組指示之下,他和四十名教授,工 商界領袖和政府官員等,成立了一個調查團,調查日本經濟復興的基本問題,後來編成的 一份報告,對日本戰後經濟復興有重大貢獻。在一九五二至五三年間,他在聯合國亞洲及 遠東經濟組織服務,并多次出席可倫坡會議,對開發中國家的經濟,有深刻的認識,以後 歷任日本政府發展計劃的重要職務,本文就是他根據工作所得的資料,作實際報導。

日本戰後的經濟增長,不論和其他國家或日本過去的紀錄比較,都是非常出色,其增 長迅速之原因,為日本及外國觀察家所感興趣,茲總括其四大原因於後:

(甲)戰後復興及改革。

(乙) 半落後性的經濟結構。

(丙)政策及態度。

(丁)國際環境。

現在試把每個原因詳細分析:

(甲)戰後復興及改革。

可以從這個原因,再分為三個主要因素。(一)從戰敗最低之經濟活動去復元。(二) 戰後改革使到經濟有生氣,(三)放棄了殖民地和裁減軍費開支。

戰敗最低之經濟活動——在第二次世界大戰終止時,經濟活動幾平完全停頓,工業生產也只及戰前的一小部份,但生產之機器未完全被破壞,所以只畧為投資,生產便立即增加,大約在戰後十年的一九五五年,國民收入已經達到戰前之水平。

戰後改革——在佔領當局推動下,實行了土地改革,倡導工會運動和分解財閥,土地 改革鼓勵了農民用較好的方法去生產和改善生活,工會運動雖然帶來了一些麻煩,但因為 工會要求增加工資,較好的管理及效能,所以也成為刺激發展的因素,財閥的分解,開闢 了很多機會予年青人進入管理階層,而成為後來的工商界領袖。

跟着過去帝國主義眩耀歷史之脫落,日本減少了很多國內和國際間的負担,廢除貴族,解散軍備和貨幣貶值都大大地刺激了經濟活動,因為戰敗,國人都知道勤力,嚴肅的 生活和較多儲蓄的重要。

放棄了殖民地和裁減軍費——因爲戰敗,日本放棄了一切殖民地和中國東北和華北的 「勢力範圍」,在一九三五年間,日本在其殖民地和勢力範圍內的投資,大約佔了國家收

### THE CHINESE ACCOUNTANT

入百分之三 , 在同時間內 , ( 比較太平沒有戰爭 ) 花在軍費上的約等於國家收入百分之 七,戰後因爲解散軍備, 花在軍費上的只佔國家收入百份之一點五而已。

(乙) 半落性的經濟結構。

日本的經濟,雖然在很多方面已經開發,但仍然處於落後與半落後的階段,這種情形,助長了經濟迅速增長,因為日本面臨過這個問題,一些新興的國家,也可以成功地創 造有利的因素以促進它的經濟增長,在經濟未開發到開發的過程中,有一個「效力界限」, 跟着便是迅速的經濟增長。以下分為五個因素詳細申述:

一、爭取技術——自明治維新以來,日本從外國輸入之技術,對其經濟發展担任了重 要角色,這種情形在戰後再次出現,在戰爭時期,日本和外國的進步技術隔離,一旦戰爭 停止,外國的技術大量輸入,一九五九至六四年之經濟繁榮,主要原因就是能夠把這種技 術運用到生產上,從戰爭做成國內與國外技術之差異,一變而爲刺激投資及推動經濟發展 之主要力量。

有一個特點就是日本對輸入之技術,常常能夠加以改良,很多例顯示,有些工廠在外 國技師設計和訂定生產額之後,經過一段時間和改良,生產額都比預定的為高,例如一個 鋼鐵熔爐,最初設計生產為每一千五百噸,但實際是二千五百噸。一家合成膠廠最初設計 生產為每年五萬噸,但實際為七萬噸,這樣改良,生產成本及投資便可以大大減低,很多 新興國家就忽留了這個問題,只知買最新的機器,而沒有注意到成本及投資因素,最新的 機器,倘若不加改良,幾年後也一樣變舊的。

二、生產力高及消費低

外國技術的輸入和國內的研究及改良所引致的技術的急速進步,使到全國的勞働生產 力提高(Labour Productivity),但另一方面,直至最近數年,消費仍然保持不變,生產 效率高再加上低的消費,便做成很有利的環境使到國民儲蓄也增加,這些儲蓄再用來投資 發展,循環不息,同時生產力和工資關係也值得注意,在有些工業,生產力增加很快,但 工資增加較慢特別是在一九五〇至一九六〇之間,但現在這個情形剛剛是相反的了。

生產力增加快而工資增加慢,使到生產成本有降低的餘地,因為很多出口國家正面臨 工資不斷上漲的威脅,所以工資增加慢,使到日本的產物在世界市場上有更大的競爭力, 同時,在上文說過因為有較多的儲蓄以供投資,很多機器設備都是新購入的,用新機器生 產使出口貨增加,增加出口抵消了購機器花去的外滙,這就是上文所說「效力界限」一個 很好的例子。

三、充沛的勞工。

雖然日本一九六〇年便開始感到勞工缺乏,但仍然不及其他工業國家嚴重,西德在一 九五八年,工人已經全數就業,因爲勞工缺乏生產增長率從每年百份之八降到百份之五, 但日本現在還沒有面臨西德一九五八年勞工缺乏之情况。

日本在戰前已面臨人口過擠,特別是在農村,每家農戶只有兩英畝田,剛在二次大戰 之前,農民佔全國勞働力百份之四十,戰爭停止,人口急激增加,原因是有大批僑民被遣

送回國,出生率增加和死亡率降低,使到人口過擠情形比戰前更嚴重,很多人都認為日本 四個主要海島是沒有辦法維持這個龐大的人口的。

但情形剛剛與便這個不利的環境相反,因為迅速的發展,在一九六〇年日本便開始面臨勞工缺乏問題,龐大的人口被吸收到工業生產裏去,但有很多勞工是在生產力低的社會 裏工作的,例如農村,小型工業和零售商店等,能夠把這些勞工從生產力低的社會轉到生 產力高的社會,工業出品就可以增加數倍,所以發展新的工業和去增加勞働生產力對經濟 增長就有很大的貢獻。

四、經濟的雙重結構。

日本的經濟特點就是傳統性與現代化的社會經濟同時存在,現代化社會是採用西方技 術及組織去工作,傳統性的當然是用日本的舊方法,因為可供投資現代化設備的資源有 限而需要工作的勞工又多,所以只有一部份的勞工能夠進入現代化的機構服務,其他的便 留在傳統性的社會裏工作。工資在這兩社會比較就有很大的差別,在僱用五百工人以上的 機構,工資就相等於小型企業只有五至廿九人的兩倍。這種情形就有助於經濟發展,第 一,大部份的出口貨都是來自小型企業的,人工成份高,所以成本較低而爭取了很大的國 際市塲,賺得的外匯就用來購買原料和機器,第二,大企業可以僱用小工廠加工,費用比 較在大廠裏製造廉宜。

五、僱用及工資制度。

「工人終身服務」及「升級以年資為基礎」,是日本勞工制度的特點,很多人都知道 大部份的大公司,包括政府機關在內,所有的職員工人都是在他們剛出學校時便被聘請去 工作,直至退休為止。雖然退休,公司還設法替他們辦一些加工的工廠,使他們繼續工 作,所以他們得到終身保障,而公司也希望他們付出全部精力去發展業務,升級也以服務 時間長短為根據,工會多數在公司內設立,公司和工會都感到彼此是伙伴,並不是對立而 是互相協助。以上這個制度,不但使到各企業間為發展而熱烈地互相爭取進步,做成勤力 及忠誠服務的氣氛,

(丙)政策及態度

政府度的政策及人民的態度,對經濟增長都是很重要的關鍵,以下再分為五點詳細講 述。

一、「經濟第一」原理——經過用武力擴充失敗的教訓之後,日本人的態度轉為「經 濟第一」,很多有才能的年青人,精力充沛的科學家和工程師,都投身到工業和改良產品 等工作上。

二、重視生產——直至最近,政府才進行改善人民的生活和居住問題,在大戰之後, 政府的政策完全受工業農業和商業所影响,基本的工業如煤,鐵,鋼,電力及食品等急待 復興,而新的工業如化學纖維,出口貿易,農業生產也吸引了政府的注意力,銀行貸欵制 度政府也要注意建立,以幫助工商業發展。

三、擴充重工業。

#### THE CHINESE ACCOUNTANT

在很早以前進入現代化階段的初期,日本的口號是「建立一個富庶的國家和一枝强大 的軍隊」,政府就是促進工業革命的領導者,在第二次世界大戰之前,政府提倡在私人企 業方面,注重絲和棉織工業,在重工業方面,不計成本,爲着軍事價值,必需大量建立和 擴充,雖然戰後,軍事價值失去,但重工業仍然繼續擴充,這可能是政府和工業家知道如 果要提高國民收入,重工業特別是機器製造是絕對需要的,在戰時,重工業爲着要供應軍 需品,本來已經規模很大,戰後,這些重工業因爲要爭取商業地位以求生存,所以要繼續 擴充,很多國內的機器,都由這些重工業供給,這一來,外國進口的機器減少,節省了很 多外滙,同時,因爲國內機器的需求,刺激了重工業的生產,做成工業非常蓬勃。

四、提倡出口貿易。

為着提高人民生活水準和改善經濟低落,出口貿易是非常重要,倘若沒有出口貨,就 不能賺取外滙去購買生產設備以供發展,很多入口的機器,如果要用自己的機器去代替, 首先要從外國買了設備囘來,然後自己才可以生產,沒有外滙,這些設備便不能買囘來。 日本的出口貨,可以類別為幾個時期,(一)輸出銅、銀、茶及米。(二)輸出棉織品、 多數是廉價的產品。(三)因品質改良,輸出較高質素輕工業產品。(四)輸出重工業製 品。

五、儲蓄較高。

日本人戰後的儲蓄,比其他國家也高,儲蓄率大約是等於個人收入百份之廿,其他國 家只是百份之十,以全國收入計算,儲蓄約等於全部收入百份之四十,其他國家只是百份 之廿。一半之儲蓄來自私人企業,三成來自個人,二成來自政府。因為沒有安全感,個人 儲蓄越來越多,以前,老年人退休後可以倚靠他的兒子生活,但是現在的家庭觀念續漸減 低,做父母的却感到要儲蓄以留待將來,這情形在中年人特別顯著。同時也因為大家庭制 度瓦解,大家都要建立一個小家庭,所以儲蓄以備購一所房子也是非常重要。

(丁)國際環境

戰後日本失去土地約佔其全國總面積百份之四十四。在戰爭停止的一九四五年至四七 年內,因大批僑民和軍人被遣囘日本,人口增加了約一千萬,同時也失去了亞洲大陸原料 的供應,商船隊被破壞,喪失了國際市塲當時的環境實在是困難,但侥幸後來有了轉變, 對日本的經濟復興非常有利,茲分述如下:

一、佔領當局的政策——初期的政策是解除日本的軍備,防止饑餓和疾病,但後來更 幫助日本改革社會和經濟結構,在佔領期間,美國會不斷派遣專家到日本改進工業,雖然 有很多改良不符合實際需要,但無可否認,這些改革給日本的工業及社會灌輸了一批新知 識,對後來的經濟發展奠下了基礎。至一九五二年經濟援助停止計算,日本從美國得到的 援助共二十億一千六百萬美元,在一九四九年日本訂定三百六十日元兌一美元,這個滙率 至今不變。

二、韓戰

一九五〇年韓戰爆發,日本從美國接到很多定單供應軍需品,所以賺取了很多外滙。

雖然韓戰後來結束,但駐在日本的美軍,也給日本每年帶來五億元的外滙。

三、國際合作以發展貿易

大戰以後,世界列强對入口貨都不加限制,並且互相合作促進國際貿易,這種情況, 對日本出口貿易非常有利,日本便把很多廉價的工業製品推到市塲上去。

四、其他國家經濟增長

戰後已開發的國家多數經濟增長都很迅速,工人全部就業,日本就利用這個機會,推 進很多的廉價製品到這些國家的市場,在全面就業的情况下,廉價的製品對入口的國家來 說不但可以減輕通貨澎漲,並且可以使工人及資金轉移到更有利的生產上,例如,美國從 日本在一九五〇年輸入一億八千萬元貨品,一九六〇年十一億元,一九六五年二十五億 元,很明顯,美國購入日本貨品,不但對日本有利,對美國的經濟增長也有很大的幫助。

五、入口的原料價格降低

地戰前日本因為國內原料缺乏,以致經濟發展受到阻礙,這個原因就被解釋為引起日本去擴充它的軍事力量,現在日本的原料來源仍然是一個困難問題,它要輸入百份二十的 穀米,百份九十九的石油,百份之八十五的鐵砂,幾乎全部的羊毛及棉花都是輸入的。現 在因為航運發達,它可以建造很大的油船和貨船,從北美洲甚至南美洲運入原料,因爲數 量大,所以運費比以前廉宜。

#### 未來的問題及展望

以上所講的各種因素,做成日本經濟發展的所謂「效力界限」,如果要瞭解日本未來 的經濟發展,我們先要看看以上的各種因素是否繼續對它有利,或者是不利以致影响它的 發展,從下面各點觀察,我們可以預知日本的未來經濟發展速度將續漸減慢。

一、國內與國外之技術差異減少——上文已經說過,日本在戰後曾大量輸入外國的技 術,同時在國內更把這些技術改良,所以現在日本的技術與外國比較,只有很少的距離。

二、有大批受過高等教育的勞工的供應,對日本的經濟發展也有很大的幫助,因為經 濟擴張,勞工的供應已續漸缺少,同時,因為更多的年青人要進大學,相信在一九七〇年 以後,廉價的勞工便很難找到,日本現在以年資計算的升級制度也要改變,年青的勞工與 年老的勞工的薪金將沒有很大的距離,工作時間,也將縮減為每起五天,所以將來的人工 成本將會增加。

三、社會福利的發展

戰後日本人的生活和居住環境,沒有受到很大的注意,大部份的資源投到生產上,但 是經濟擴張,社會給與的服務就要增加,例如住屋,交通,城市建設,更好的社會環境等 等,都要不斷去增加投資,這樣投資到工業上的金錢便相對地減少。

四、零售價格提高

日本的批發與零售價格,直至一九五九年都非常安定,以後零售價格便每年增加百份 之六,批發價格仍然保持不變,因爲零售價格提高,工人的工資也跟着上漲,從一九六〇 年至六五年,工資上漲了百份之六十三,倘若零售價格保持每年增加百份之六,經過一段

長時間之後,批發價也要跟着上漲這樣便減低了出口貿易的增長。

五、日本未來的對外貿易。

出口貿易可以帶來外滙,但未來的出口貿易將遭遇以下的幾個問題:

(甲)日本的輕工業出口將遇到新興國家出品的競爭。

(乙)因為國內與國外的技術很接近,日本已不可能從外國輸入更好的技術,以發展 生產。

(丙)工人福利增加影响工廠費用上漲,製造成本也跟着上漲。

以上數點,雖然影响了日本的經濟增長,但日本的國家收入將繼續每年增加約百份之 八,在較後時間,國民收入將達到先進國家的水平,經濟增長的成果將由國民平等受惠, 一九六六年的國民收入為每人一千美元,倘若說一九七五年能夠達到每人二千美元,一九 八五年達到三千五百美元,並非是不切實際的說法。到那時日本的經濟發展將超過西歐國 家並且達到美國的水平了。

# 中國珠算之精髓---口訣

## 劉仲謙

# 口訣之難易問題

珠算口訣,有人以其為難,亦有人以為易。以其為難者,毀之為累贅難解;以其為易 者,譽之為簡單易明。竊意以為對於感覺一種事物之難易,在乎個人之年齡程度及禀賦而 各有不同。珠算為數學初基之一部份,初習珠算之人,年齡多在十歲至十二歲之間。但運 用珠算之人,則可至終身而不替。故稚童之以為難者,成年人或未必亦以為難。難易之分 界,須先說明從某一觀點觀察所得,乃下斷語,方為中肯。茲將珠算口訣,集中於此篇, 而假定以中資之稚童智力判斷其難易,表列如下,但此乃臆測而已。如能向學童作一次實 際測驗,則能作出更公允之論斷也。

	1 加 法	口訣	
(A)本位上下珠夠加	l	(C)本位上下珠夠去	
~ <u></u>	(易)	一去九進一	(易)
<u>-</u> ±-	(易)	二去八進一	(易)
三上三	(易)	三去七進一	(易)
四上四	(易)	四去六進一	(易)
五上五	(易)	五去五進一	(易)
六上六	(易)	六去四進一	(易)
七上七	(易)	七去三進一	(易)
八上八	(易)	八去二進一	(易)
九上九	(易)	九去一進一	(易)
( B)本位下珠不夠加		( <b>D</b> )本位下珠不夠去	
一下五去四	(易)	六上一去五進一	(易)
二下五去三	(易)	七上二去五進一	(易)
三下五去二	(易)	八上三去五進一	(易)
四下五去一	(易)	九上四去五進一	(易)
	2 減 法	口訣	
(A)本位上下珠夠去	I	五去五	(易)
一去一	(易)	六去六	(易)
二去二	(易)	七去七	(易)
三去三	(易)	八去八	(易)
四去四	(易)	九去九	(易)

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( B )本位下珠不夠去		五退一還五	(易)
一上四去五	(易)	六退一還四	(易)
二上三去五	(易)	七退一還三	(易)
三上二去五	- ( 易.。)	八退一還二	(易)
四上一去五	(易)	九退一還一	(易)
( C )本位上下珠夠容所得差:	數	( <b>D</b> )本位下珠不夠容所得差數	較
一退一還九	(易)	六退一下五去一	(易)
二退一還八	(易)	七退一下五去二	(易)
三退一還七	(易)	八退一下五去三	(易)
四退一還六	(易)	九退一下五去四	(易)

# 3 乘法口訣

乘法口訣一種,即九因歌。

	米石口跃	但 、 FL 口口 可 。	10 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -
一一如一	(易)	三 三六一十八	(易)
一二如二	(易)	三七二十一	(易)
一三如三	(易)	三八二十四	(易)
一四如四	(易)	三九二十七	(易)
一五如五	(易)		
一六如六	(易)	四四一十六	(易)
一七如七	(易)	四五二十	(易)
一八如八	(易)	四六二十四	(易)
一九如九	(易)	四七二十八	(易)
		四八三十二	(易)
二二如四	(易)	四九三十六	(易)
二三如六	(易)		
二四如八	(易)	五五二十五	(易)
二五一十	(易)	五六三十	(易)
二六一十二	(易)	五七三十五	(易)
二七一十四	(易)	五八四十	(易)
二八一十六	(易)	五九四十五	(易)
二九一十八	(易)		
		六六三十六	(易)
三三如九	(易)	六七四十二	(易)
三四一十二	(易)	六八四十八	(易)
三五一十五	(易)	六九五十四	(易)

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七七四十九	(易)	八八六十四	(易)
七八五十六	(易)	八九七十二	(易)
七九六十三	(易)	九九八十一	(易)

# 4 除 法 口 訣

除法分為(A)一個位除法 (B)兩個位除法 (C)三個位除法
(A)一個位除法有九種,即由一歸至九歸。

一歸口訣		五歸口訣	
逢一進一	(易)	五一分作二	(易)
逢二進二	(易)	五二分作四	(易)
逢三進三	(易)	五三分作六	(易)
逢四進四	(易)	五四分作八	(易)
逢五進五	(易)	逢五進一	(易)
逢六進六	(易)	六歸口訣	
逢七進七	(易)	六一下加四	(易)
逢八進八	(易)	六二三剩二	(難)
逢九進九	(易)	六三分作五	(易)
二歸口訣		六四六剩四	(難)
二一分作五	(易)	六五八剩二	(難)
逢二進一	(易)	逢六進一	(易)
逢四進二	(易)	七歸口訣	
逢六進三	(易)	七一下加三	(易)
逢八進四	(易)	七二下加六	(易)
三歸口訣		七三四剩二	(難)
三一三剩一	(難)	七四五剩五	(難)
三二六剩二	(難)	七五七剩一	(難)
逢三進一	(易)	七六八剩四	(難)
逢六進二	(易)	逢七進一	(易)
逢九進三	(易)	八歸口訣	
四歸口訣		八一下加二	(易)
四一二剩二	(難)	八二下加四	(易)
四二分作五	(易)	八三下加六	(易)
四三七剩二	(難)	八四分作五	(易)
逢四進一	(易)	八五六剩二	(難)
逢八進二	(易)	八六七剩四	(難)

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八七八剩六	(難)	九四下加四	(易)
逢八進一	(易)	九五下加五	(易)
九歸口訣		九六下加六	(易)
九一下加一	(易)	九七下加七	(易)
九二下加二	(易)	九八下加八	(易)
九三下加三	(易)	逢九進一	(易)
(B)兩個位	涂法・即由一	歸一除起,至九歸九除止。	
一歸一除至一歸九除撞歸	<b>打</b> 口訣	無除起一下還四	(易)
見一無除作九一	(易)	五歸一除至五歸九除撞歸	口訣
無除起一下還一	(易)	見五無除作九五	(易)
無除起二下還二	(易)	無除起一下還五	(易)
無除起三下還三	(易)	六歸一除至六歸九除撞歸	口訣
無除起四下還四	(易)	見六無除作九六	(易)
二歸一除至二歸九除撞歸	打決	無除起一下還六	(易)
見二無除作九二	(易)	七歸一除至七歸九除撞歸	口訣
無除起一下還二	(易)	見七無除作九七	(易)
無除起二下還四	(易)	無除起一下還七	(易)
無除起三下還六	(易)	八歸一除至八歸九除撞歸	口訣
三歸一除至三歸九除撞歸	<b>訂</b> 決	見八無除作九八	(易)
見三無除作九三	(易)	無除起一下還八	(易)
無除起一下還三	(易)	九歸一除至九歸九除撞歸	口訣
無除起二下還六	(易)	見九無除作九九	(易)
四歸一除至四歸九除撞歸	打決	無除起一下還九	(易)
見四無除作九四	(易)		
此外尚有一種口訣,應	用之將「積	」數由「被除數」之「餘數」減去	0
——除一	(易)	一八除八	(易)
	(易)	— 力 降力	(易)

一一除一	(易)	一八除八	(易)
一二除二	(易)	一九除九	(易)
一三除三	(易)		
一四除四	(易)	二一除二	(易)
一五除五	(易)	二二除四	(易)
一六除六	(易)	二三除六	(易)
一七除七	(易)	二四除八	(易)

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二五除十	(易)	二八除十六(易)
二六除十二	(易)	二九除十八(易)
二七除十四	(易)	其餘類推,至九九除八十一止。

以上口訣,共198句,其中列作「難」者14句,列作「易」者184句,是則列作 「難」之口訣,祇佔口訣全數之7.07%而已。以珠算口訣為難解難記者,實屬過慮而已。

## 口訣乃指揮撥珠之良好號令

珠算口訣之優點,在乎甚有助於撥珠動作。吾人試於操算之時,默察口所唸之數目, 與手所指揮撥動之珠數,實完全一致。是不啻藉口訣以發施號令,而撥珠則為接受號令 也。

# 每句口訣之全義

口訣為指揮撥珠動作之號令,故簡而明。其實在每一句口訣之背面,似尚有詳盡之全 句,以闡明每句口訣。作者不敏,曾將每句口訣,作一全句,以闡明每句口訣之全義。此 種全句,聊作學習者之一助而已。深恐未盡前賢之原意。大雅君子,進而教之,則幸甚 矣。茲將各全句臚列如下:

## - 加法口訣

口。	全句
(A) 一上一	(如要加一,則上一)
<u>-</u> <u>+</u> -	(如要加二,則 <b>上二</b> )
· ELE Contraction and the	(如要加 <b>三</b> ,則上三)
四上四	(如要加 <b>四</b> ,則 <b>上四</b> )
五上五 gan and gan	(如要加 <b>五</b> ,則上五)
六上六	(如要加 <b>六</b> ,則上六)
七上七	(如要加 <b>七</b> ,則上七)
八上八	(如要加 <b>八</b> ,則上八)
九上九	(如要加 <b>九</b> ,則 <b>上九</b> )
( <b>B</b> )一下五去四	(如要加一,則下五 <b>去四</b> )
二下五去三	(如要加二,則下五 <b>去三</b> )
三下五去二	(如要加 <b>三</b> ,則下五去二)
四下五去一	(如要加 <b>四,</b> 則下五去一)
(C)一去九進一	(如要加一,則 <b>去九進一</b> )
二去八崙一	(如要加二,則 <b>去八進一</b> )

		مرد د <u>مه می مو</u> د بازده م		
三去七進一				(如要加三,則 <b>去七進一</b> )
四去六進一				(如要加 <b>四</b> ,則 <b>去六進一</b> )
五去五進一				(如要加 <b>五,</b> 則 <b>去五進一</b> )
六去四進一				(如要加六,則 <b>去四進一</b> )
七去三進一				(如要加 <b>七</b> ,則 <b>去三進一</b> )
八去二進一				(如要加 <b>八</b> ,則 <b>去二進一</b> )
九去一進一				(如要加 <b>九,則去一進一</b> )
( <b>D</b> ) 六上一去五進一		er in		(如要加六,則 <b>上一去五進一</b> )
七上二去五進一				(如要加七,則上二去五進一)
八上三去五進一				(如要加 <b>八</b> ,則 <b>上三去五進一</b> )
九上四去五進一				(如要加 <b>九</b> ,則 <b>上四去五進一</b> )
	accession in the second	د <u>ام</u> ر.	· <b>-</b>	
	(Self-Simon)	减	法口	
口訣				全 句 。
(A)一去一				(如要減一,則 <b>去</b> 一)
二去二				(如要減二,則 <b>去二</b> )
三去三				(如要減 <b>三</b> ,則 <b>去三</b> )
四去四				(如要減 <b>四</b> ,則 <b>去四</b> )
五去五				(如要減 <b>五</b> ,則 <b>去五</b> )
六去六				(如要減六,則去六)
七去七				(如要減七,則去七)
八去八				(如要減 <b>八</b> ,則 <b>去八</b> )
九去九		ili T		(如要減 <b>九</b> ,則 <b>去九</b> )
( B)一上四去五				(如要減一,則 <b>上四去五</b> )
二上三去五				(如要減 <b>二,</b> 則上三去五)
三上二去五				(如要減三,則上二去五)
四上一去五				(如要減 <b>四,則上一去五</b> )
( C )一退一還九				(如要減 <b>一</b> ,則 <b>退一下還九</b> )
二退一還八				(如要減二,則 <b>退一下還八</b> )
三退一還七				(如要減 <b>三</b> ,則 <b>退一</b> 下 <b>還七</b> )
四退一還六				(如要減 <b>四,則退一下還六</b> )
五退一還五				(如要減 <b>五</b> ,則 <b>退一下還五</b> )
六退一還四				(如要減六,則 <b>退一下還四</b> )
七退一還三				(如要減七,則 <b>退一下還三</b> )

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八退一還二	(如要減 <b>八</b> ,則 <b>退一下還二</b> )
九退一還一	(如要減 <b>九,則退一下還一</b> )
(D)六退一下五去一	(如要減 <b>六,則退一下五去一</b> )
七退一下五去二	(如要減 <b>七,則退一下五去二</b> )
八退一下五去三	(如要減 <b>八</b> ,則 <b>退一下五去三</b> )
九退一下五去四	(如要減 <b>九,則退一下五去四</b> )

# 三乘法口訣

5	물고노
<b>6</b> 0	<b>P</b> A

全	句
(註:如	,同也)
(一乘一	,積如一)
(一乘二	<b>,積如二</b> )
(一乘三	,積如三 )
(一乘四	,積如四)
(一乘五	,積如五)
(一乘六	,積如六)
(一乘七	,積如七)
(一乘八	,積如八)
(一乘九	,積如九 )
(二乘二	, 積如四 )
(二乘三	,積如六)
(二乘四	,積如八)
(二乘五	,積一十)
(二乘六	,積-+二)
	,積一十四)
(二乘八	, 積一十六)
(二乘九	,積一十八 )
(三乘三	,積如九 )
(三乘四	<b>,積一十二</b> )
(三乘五	,積 <b>一十五</b> )
(三乘六	,積一十八 )
(三乘七	,積 <b>二十一</b> )
( 三乘八	,積二十四 )
(三乘九	,積 <b>二十七</b> )

н	武
——如-	
一二如二	<u> </u>
一三如三	<u> </u>
一四如	四
一五如	Ħ.
一六如	六
一七如一	七
一八如	л.
一九如	九
二二如	피
二三如	
二四如	
二五一	
二六一	十二
二七一	十四
二八一	十六
二九一	十八

二九一十八
三三如九
三四一十二
三五一十五
三六一十八
三七二十一
三八二十四
三九二十七
-------
口訣
四四一十六
四五二十
四六二十四
四七二十八
四八三十二
四九三十六
· · ·
五五二十五
五六三十
五七三十五
五八四十
五九四十五
六六三十六
六七四十二
六八四十八
六九五十四
· · ·
七七四十九
七八五十六
七九六十三
八八六十四
八九七十二
九九八十一
口訣

逢一進一 逢二進二 逢三進三 逢四進四

#### È U

(逢一被一除,則去一進一以作商) (逢二被二除,則去二進二以作商) (**逢三**被三除,則去三**進三**以作商) (**逢四**被四除,則去四**進四**以作商)

					and the second
逢五進五	. —				( <b>逢五</b> 被五除,則去五 <b>進五</b> 以作商)
逢六進六					(逢六被六除,則去六進六以作商)
逢七進七					(逢七被七除,則去七 <b>進七</b> 以作商)
逢八進八					(逢八被八除,則去八進八以作商)
逢九進九					( <b>逢九</b> 被九除,則去九 <b>進九</b> 以作商)
			鯞	口	訣
口款					全句
二一分作五					(二除一,則分作商五)
逢二進一					(逢二被一除,則去二進一以作商)
逢四進二					( <b>逢四</b> 被二除,則去四 <b>進二</b> 以作商)
逢六進三					(逢六被三除,則去六 <b>進三</b> 以作商)
逢八進四					( <b>逢八</b> 被四除,則去八 <b>進四</b> 以作商)
		=	歸		訣
口款					全句
三一三剩一					(三除一,則得商三,剩一為餘)
三二六剩二					(三除二,則得商六,剩二為餘)
<u> </u>					( <b>逢三</b> 被三除,則去三 <b>進一</b> 以作商)
達 <u>一</u> 進 逢六進二					( <b>逢六</b> 被三除,則去六 <b>進二</b> 以作商)
逢九進三					( <b>逢九</b> 被三除,則去九 <b>進三</b> 以作商)
庄九些			4-1	_	
		四	歸		訣
口訣					全句
四一二剩二					(四除一,則得商二, <b>剩</b> 二爲餘)
四二分作五					( <b>四</b> 除二,則分作商五)
四三七剩二					( <b>四除三,</b> 則得商 <b>七,剩二</b> 為餘 )
逢四進一					( <b>逢四</b> 被四除,則去四 <b>進一</b> 以作商)
逢八進二					(逢八被四除,則去八進二以作商)
		Ħ.	歸	口	訣
口訣					全句
五一分作二					(五除一,則分作商二)
					(五除二,則分作商四)

- (五除三,則分作商六)
- (五除四,則分作商八)

(逢五被五除,則去五進一以作商)。

五一分作二 五二分作四 五三分作六 五四分作八 逢五進一

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		六	歸	Ц	訣	
口訣						全句
六一下加四						(六除一,則一爲商,下加四爲餘)
六二三剩二						(六除二,則三為商, <b>剩二</b> 為餘)
六三分作五						(六除三,則分作商五)
六四六剩四			1.1			( 六除四,則六為商 <b>,剩四</b> 為餘 )
六五八剩二						( 六除五,則 <b>八</b> 爲商, <b>剩二</b> 爲餘 )
逢六進一						( <b>逢六</b> 被六除,則去六 <b>進一</b> 以作商)
		七	鯞		訣	
口 訣						全句
七一下加三		1				(七除一,則一為商,下 <b>加三</b> 爲餘)
七二下加六	· · · ·					(七除二,則二爲商,下加六爲餘)
七三四剩二	$= \frac{1}{2} \sum_{i=1}^{n} $					(七除三,則四為商, <b>剩二</b> 爲餘)
七四五剩五						( <b>七除四,則五</b> 爲商 <b>,剩五</b> 爲餘)
七五七剩一						(七除五,則七爲商 <b>,剩一</b> 爲餘)
七六八剩四					••	(七除六,則八為商, <b>剩四</b> 為餘)
逢七進一						(逢七被七除,則去七 <b>進一</b> 以作商)
an a		八	歸		訣	
口訣	· · · · · ·		1			全句
八一下加二						(八除一,則一爲商,下加二爲餘)
八一下加二 八二下加四		•				
		•			. 1	(八除一,則一爲商,下加二爲餘)
八二下加四					, I	(八除一,則一爲商,下加二爲餘) (八除二,則二爲商,下加四爲餘)
八二下加四 八三下加六						(八除一,則一為商,下加二為餘) (八除二,則二為商,下加四為餘) (八除三,則三爲商,下加六爲餘)
八二下加四 八三下加六 八四分作五						(八除一,則一為商,下加二為餘) (八除二,則二為商,下加四爲餘) (八除三,則三爲商,下加六爲餘) (八除四,則分作商五)
八二下加四 八三下加六 八四分作五 八五六剩二						(八除一,則一爲商,下加二爲餘) (八除二,則二爲商,下加四爲餘) (八除三,則三爲商,下加六爲餘) (八除四,則分作商五) (八除五,則六爲商,剩二爲餘)
八二下加四 八三下加六 八四分作五 八五六剩二 八六七剩四			÷		, , , , , , , , , , , , , , , , , , ,	<ul> <li>(八除一,則一為商,下加二為餘)</li> <li>(八除二,則二為商,下加四為餘)</li> <li>(八除三,則三為商,下加六為餘)</li> <li>(八除四,則分作商五)</li> <li>(八除五,則六為商,剩二爲餘)</li> <li>(八除六,則七為商,剩四爲餘)</li> </ul>
八二下加四 八三下加六 八四分作五 八五六剩二 八六七剩四 八七八剩六		九				<ul> <li>(八除一,則一為商,下加二為餘)</li> <li>(八除二,則二為商,下加四為餘)</li> <li>(八除三,則三為商,下加六為餘)</li> <li>(八除四,則分作商五)</li> <li>(八除五,則六為商,剩二為餘)</li> <li>(八除六,則七為商,剩四爲餘)</li> <li>(八除七,則八為商,剩六爲餘)</li> </ul>
八二下加四 八三下加六 八四分作五 八五六剩二 八六七剩四 八七八剩六			鯞		訣	<ul> <li>(八除一,則一為商,下加二為餘)</li> <li>(八除二,則二為商,下加四為餘)</li> <li>(八除三,則三為商,下加六為餘)</li> <li>(八除四,則分作商五)</li> <li>(八除五,則六為商,剩二為餘)</li> <li>(八除六,則七為商,剩二為餘)</li> <li>(八除七,則八為商,剩六爲餘)</li> <li>(逢八被八除,則去八進一以作商)</li> </ul>
八二下加四 八三下加六 八四分作五 八五六剩二 八六七利剩 八七八剩六 逢八進一 日 訣			鯞		訣	(八除一,則一為商,下加二為餘) (八除二,則二為商,下加四為餘) (八除三,則三為商,下加六為餘) (八除五,則六為商,剩二為餘) (八除五,則六為商,剩二為餘) (八除六,則七為商,剩四爲餘) (八除七,則八為商,剩六爲餘) (逢八被八除,則去八進一以作商)
八二下加四 八三下加六 八四分作五 八五六剩二 八六七利剩 八七八剩六 逢八進一 日 訣			鯞		, 。 。 ( 、 、	<ul> <li>(八除一,則一為商,下加二為餘)</li> <li>(八除二,則二為商,下加六為餘)</li> <li>(八除三,則三為商,下加六為餘)</li> <li>(八除五,則六為商,剩二為餘)</li> <li>(八除五,則六為商,剩二為餘)</li> <li>(八除七,則八為商,剩六為餘)</li> <li>(逢八被八除,則去八進一以作商)</li> <li>全 句</li> </ul>
八二下加四 八三下加六 八四分作五 八五六剩二 八六七剩 八七八剩六 逢八進一 <b>口 訣</b> 九一下加一			鯞		· · · · · · · · · · · · · · · · · · ·	<ul> <li>(八除一,則一為商,下加二為餘)</li> <li>(八除二,則二為商,下加六為餘)</li> <li>(八除三,則三為商,下加六為餘)</li> <li>(八除五,則六為商,剩二為餘)</li> <li>(八除五,則六為商,剩二為餘)</li> <li>(八除七,則八為商,剩六為餘)</li> <li>(八除七,則八為商,剩六為餘)</li> <li>(逢八被八除,則去八進一以作商)</li> <li>全句</li> <li>(九除一,則一為商,下加一為餘)</li> </ul>
八二下加四 八三下加六 八四分和二 八五六七八剩 八五六七八 八七八進一 上一下加二 九二下加二	•		歸			<ul> <li>(八除一,則一為商,下加二為餘)</li> <li>(八除二,則二為商,下加四為餘)</li> <li>(八除二,則三為商,下加六為餘)</li> <li>(八除五,則六為商,剩二為餘)</li> <li>(八除五,則六為商,剩二為餘)</li> <li>(八除七,則八為商,剩六為餘)</li> <li>(入除七,則八為商,剩六為餘)</li> <li>(逢八被八除,則去八進一以作商)</li> <li>全句</li> <li>(九除一,則一為商,下加一為餘)</li> <li>(九除一,則二為商,下加二為餘)</li> </ul>

5**5**-

56		香港華人會計師公會會利
	口訣	全句
	九六下加六	(九除六,則六為商,下加六為餘)
	九七下加七	(九除七,則七為商,下加七為餘)
	九八下加八	(九除八,則八為商,下加八為餘)
	逢九進一	(逢九被九除,則去九進一以作商)
		一歸一除至一歸九除撞歸口訣
	口款	全。  句
	見一無除作九一	(見一被兩個位除數之第一位數字除,但在被除數內,無足量
		之餘數以減 <b>除</b> 積數,(此積乃指欲求得之商,乘除數第二位數
		字,所得之積)則暫作九為商,一為餘) 註:此處除字,不
		作分(divide)解,乃作除去或减去(deduct)解。
	無除起一下還一	(在被除數內, 既 <b>無</b> 足量之餘數, 以減 <b>除</b> 積數, 則須從暫時之
	2 	商九, <b>起</b> 去商一,在下位 <b>還一</b> ,以回復作爲被除數,以作預備
		減除積之用。 )
	無除起二下還二	(在被除數內,既無足量之餘數,以減除積數,則須從暫時之
		商九,起去商二,在下位還二,以囘復作爲被除數,以作預備
		減除積之用。 )
	無除起三下還三	(在被除數內, 既無足量之餘數, 以減除積數, 則須從暫時之
	·····	商九,起去商三,在下位還三,以间復作為被除數,以作預備
e 1		减除積之用。)
	無除起四下還四	(在被除數內, 既 <b>無</b> 足量之餘數, 以減 <b>除</b> 積數, 則須從暫時之
	· · · · · · · · · · · · · · · · · · ·	商九,起去商四,在下位還四,以回復作為被除數,以作預備
		减除積之用。)
	• •	二歸一除至二歸九除撞歸口訣
	口訣	全句
	見二無除作九二	(見二被兩個位除數之第一位數字除,但在被除數內,無足量
		之餘數以減除積數(此處所指之積,上已詳釋,茲不再贅),
		則暫作九為商,二為餘。)
	無除起一下還二	(在被除數內, 既 <b>無</b> 足量之餘數, 以減 <b>除</b> 積數, 則須從暫時之
	· · ·	商九,起去商一,在下位還二,以回復作為被除數,以作預備
	en andre state andre state andre state andre state andre state andre state and state and state and state and st	减除積之用。)
•	無除起二下還四	(在被除數內, 既 <b>無</b> 足量之餘數, 以減 <b>除</b> 積數, 則須從暫時之
		商九,起去商二,在下位還四,以回復作為被除數,以作預備
		减除積之用。)

## THE CHINESE ACCOUNTANT

無除起三下還六	(在被除數內, 既無足量之餘數, 以減除積數, 則須從暫時之 商九, 起去商三, 在下位還六, 以回復作為被除數, 以作預備 減除積之用。)
	三歸一除至三歸九除撞歸口訣
口訣	全。  句
見三無除作九三	(見三被兩個位除數之第一位數字除,但在被除數內,無足量
	之餘數以減除積數,(此處所指之積,上已詳釋,茲不再贅。
	〕則暫 <b>作九</b> 為商,三為餘。 )
無除起一下還三	(在被除數內,旣無足量之餘數,以減 <b>除</b> 積數,則須從暫時之
	商九, <b>起</b> 去商一,在下位 <b>還三</b> ,以囘復作爲被除數,以作預備
	減除積之用。 )
無除起二下還六	(在被除數內, 既無足量之餘數, 以減除積數, 則須從暫時之
, ··	商九,起去商二,在下位還六,以同復作為被除數,以作預備
	減除積之用。 )
and the second se	四歸一除至四歸九除撞歸口訣
口訣	全句
<b>口 訣</b> 見四無除作九四	<b>全</b> 句 (見四被兩個位除數之第一位數字除,但在被除數內,無足量
	( <b>見四</b> 被兩個位除數之第一位數字除,但在被除數內,無足量 之餘數以減 <b>除</b> 積數,則暫作九為商,四為餘。) (在被除數內,旣無足量之餘數,以減 <b>除</b> 積數,則須從暫時之
見四無除作九四	(見四被兩個位除數之第一位數字除,但在被除數內,無足量 之餘數以減除積數,則暫作九為商,四為餘。)
見四無除作九四	( <b>見四</b> 被兩個位除數之第一位數字除,但在被除數內,無足量 之餘數以減 <b>除</b> 積數,則暫作九為商,四為餘。) (在被除數內,旣無足量之餘數,以減 <b>除</b> 積數,則須從暫時之
見四無除作九四	( <b>見四</b> 被兩個位除數之第一位數字除,但在被除數內,無足量 之餘數以減除積數,則暫作九為商,四為餘。) (在被除數內,旣無足量之餘數,以減除積數,則須從暫時之 商九,起去商一,在下位還四,以囘復作為被除數,以作預備
見四無除作九四	( <b>見四</b> 被兩個位除數之第一位數字除,但在被除數內,無足量 之餘數以減除積數,則暫作九為商,四為餘。) (在被除數內,旣無足量之餘數,以減除積數,則須從暫時之 商九,起去商一,在下位還四,以囘復作為被除數,以作預備 減除積之用。)
見四無除作九四 無除起一下還四	<ul> <li>(見四被兩個位除數之第一位數字除,但在被除數內,無足量之餘數以減除積數,則暫作九為商,四為餘。)</li> <li>(在被除數內,旣無足量之餘數,以減除積數,則須從暫時之商九,起去商一,在下位還四,以囘復作為被除數,以作預備減除積之用。)</li> <li>五歸一除至五歸九除撞歸口訣</li> <li>全</li> <li>句</li> </ul>
見四無除作九四 無除起一下還四 <b>口 訣</b>	(見四被兩個位除數之第一位數字除,但在被除數內,無足量 之餘數以減除積數,則暫作九為商,四為餘。) (在被除數內,旣無足量之餘數,以減除積數,則須從暫時之 商九,起去商一,在下位還四,以囘復作爲被除數,以作預備 減除積之用。) 五歸一除至五歸九除撞歸口訣
見四無除作九四 無除起一下還四 <b>口 訣</b>	<ul> <li>(見四被兩個位除數之第一位數字除,但在被除數內,無足量之餘數以減除積數,則暫作九為商,四為餘。)</li> <li>(在被除數內,旣無足量之餘數,以減除積數,則須從暫時之商九,起去商一,在下位還四,以囘復作為被除數,以作預備減除積之用。)</li> <li>五歸一除至五歸九除撞歸口訣</li> <li>全</li> <li>句</li> <li>(見五被兩個位除數之第一位數字除,但在被除數內,無足量</li> </ul>
見四無除作九四 無除起一下還四 <b>口 訣</b> 見五無除作九五	<ul> <li>(見四被兩個位除數之第一位數字除,但在被除數內,無足量之餘數以減除積數,則暫作九為商,四為餘。)</li> <li>(在被除數內,旣無足量之餘數,以減除積數,則須從暫時之商九,起去商一,在下位還四,以囘復作為被除數,以作預備減除積之用。)</li> <li>五歸一除至五歸九除撞歸口訣</li> <li>全</li> <li>句</li> <li>(見五被兩個位除數之第一位數字除,但在被除數內,無足量之餘數以減除積數,則暫作九為商,五爲餘。)</li> </ul>
見四無除作九四 無除起一下還四 <b>口 訣</b> 見五無除作九五	<ul> <li>(見四被兩個位除數之第一位數字除,但在被除數內,無足量之餘數以減除積數,則暫作九為商,四為餘。)</li> <li>(在被除數內,旣無足量之餘數,以減除積數,則須從暫時之商九,起去商一,在下位還四,以囘復作為被除數,以作預備減除積之用。)</li> <li>五歸一除至五歸九除撞歸口訣</li> <li>全</li> <li>句</li> <li>(見五被兩個位除數之第一位數字除,但在被除數內,無足量之餘數以減除積數,則暫作九為商,五爲餘。)</li> <li>(在被除數內,旣無足量之餘數,以減除積數,則須從暫時之</li> </ul>
見四無除作九四 無除起一下還四 <b>口 訣</b> 見五無除作九五	<ul> <li>(見四被兩個位除數之第一位數字除,但在被除數內,無足量之餘數以減除積數,則暫作九為商,四為餘。)</li> <li>(在被除數內,旣無足量之餘數,以減除積數,則須從暫時之商九,起去商一,在下位還四,以囘復作爲被除數,以作預備減除積之用。)</li> <li>五歸一除至五歸九除撞歸口訣</li> <li>全</li> <li>句</li> <li>(見五被兩個位除數之第一位數字除,但在被除數內,無足量之餘數以減除積數,則暫作九為商,五爲餘。)</li> <li>(在被除數內,旣無足量之餘數,以減除積數,則須從暫時之商九,起去商一,在下位還五,以囘復作爲被除數,以作預備</li> </ul>

見六無除作九六 (**見**六被兩個位除數之第一位數字除,但在被除數內,無足量 之餘數以減**除**積數,則暫作九為商,六為餘。)

58	17 <u>9 11 18 18 18 18 18 18 18 18 18 18 18 18 </u>	香港華人會計師公會會利
:	無除起一下還六	( 在被除數內, 既 <b>無</b> 足量之餘數, 以減除積數, 則須從暫時之
9 . <sup>1</sup>		商九, <b>起</b> 去商一,在下位還六,以回復作為被除數,以作預備
		減除積之用。 )
		七歸一除至七歸九除撞歸口訣
	口 訣	全。  句
	見七無除作九七	(見七被兩個位除數之第一位數字除,但在被除數內,無足量
• • •		之餘數以減除積數,則暫作九為商,七為餘。)
	無除起一下還七	(在被除數內, 既 <b>無</b> 足量之餘數, 以減 <b>除</b> 積數, 則須從暫時之
		商九 <b>,起</b> 去商一,在下位 <b>還七</b> ,以囘復作為被除數,以作預備
an - 5		減除積之用。 )
×		八歸一除至八歸九除撞歸口訣
	口訣	全句
	見八無除作九八	(見八被兩個位除數之第一位數字除,但在被除數內,無足量
		之餘數,以減 <b>除</b> 積數,則暫作九為商,八為餘。)
	無除起一下還八	( 在被除數內, 既 <b>無</b> 足量之餘數, 以減 <b>除</b> 積數, 則須從暫時之
		商九 <b>,起</b> 去商一,在下位 <b>還八,</b> 以囘復作為被除數,以作預備
		減除積之用。 )
		九歸一除至九歸九除撞歸口訣
	口訣	全句
	見九無除作九九	(見九被兩個位除數之第一位數字除,但在被除數內, <b>無</b> 足量
		之餘數,以減除積數,則暫作九為商,九為餘。)
	無除起一下還九	(在被除數內, 既 <b>無</b> 足量之餘數, 以減 <b>除</b> 積數, 則須從暫時之
	·	商九 <b>,起</b> 去商一,在下位 <b>還九</b> ,以囘復作為被除數,以作預備
		減除積之用。 )
		每句口訣分爲兩部
		in a state of the

每句珠算口訣,可分為兩部份。一部份是構題,一部份乃答案。加法及減法之口訣, 則答案在前部,構題在後部;乘法及除法之口訣,則構題在前部,答案在後部。茲舉例如 下;

ал так ул Так так ул	加法	↓ · · · · · · · · · · · · · · · · · · ·	法
答案	構題	答案	構題
	<u>⊢</u>		去一
<u>هــــ</u>	下五去三		上三去五
Ξ	去七進一	an the state of ${f \Xi}$ and ${f \Xi}$ and ${f \Xi}$	退一還七
六	上一去五進-	t	退一下五去二

\_\_\_\_

## THE CHINESE ACCOUNTANT

			īΔ	۲+
乘	法		除	法
構題	答案		構題	答案
م <sup>ت</sup> ـــم	如一		六一	下加四
	如四		六二	三剩二
==	如九	6. 1. 1.	六三	分作五
四四	一十六		六四	六剩四
五五	二十五		六五	八剩二
六六	三十六		逢六	進一
七七	四十九	-	- <u>t</u>	下加三
八八	六十四		七二	下加六
九九	八十一		七三	四剩二
	· ·		七四	五剩五
除	法		七五	七剩一
構題	答案		七六	八剩四
逢一	進一		逢七	進一
Æ			n an an Aragan an Aragan an An Aragan an Aragan a	·
na seconda de la companya de la comp	分作五		- 八一 	下加二 下加四
逢二	進一			下加西下加六
			八四	分作五
<u> </u>	三剩一		八五	六剩二
	六剩二		八五	七剩四
逢三	進一	2	八七	八剩六
			逢八	進一
四—	二剩二			
四二	分作五		九一	下加一
四三	七剩二		九二	下加二
逢四	進一		九三	下加三
			九四	下加四
五一	分作二		九五	下加五
五二	分作四		九六	下加六
五三	分作六		九七	下加七
五四	分作八		九八	下加八
逢五	進一	1	逢九	進一

除	法	除	法
構題	答案	構題	案答
見一無除	作九一	見五無除	作九五
無除	起一下還一	無除	起一下還五
見二無除	作九二	見六無除	作九六
無除	起一下還二	無除	起一下還六
見三無除	作九三	見七無除	作九七
無除	起一下還三	無除	起一下還七
見四無除	作九四	見八無除	作九八
無除	起一下還四	無除	起一下還八
		見九無除	作九九
1		無除	起一下還九

由上觀之,則可知對於珠算口訣感覺困難之心理,實不應存在。口訣更無若何虛玄之 處。初學珠算之時,則照口訣撥珠,熟習之後,則指法純熟,撥珠動作,宛已成爲吾人本 能之一。加一則上一,減二則去二,與見强光而立局雙眸,聞巨響而迅掩兩耳,幾相埓也。

1.1.1

### 香港華人會計師公會會刋

## 帳頁染污數字查算法

#### 楊緝甫

某公司之帳簿,裏面有一筆帳灑上了墨水,成了這個樣子(圖示):

H	H	摘		要	1 De la	額
12	31	鲍魚 斤	(每斤價4936元)		57	28_
		98		المراجع	4837	

所賣鮑魚之斤數看不出來,但無疑地此不是分數;在收入疑數之全額項裏只辨別得出 後三位數碼,但仍可以决定在其前面還有三位數字。

查帳員能由該點痕跡來决定此筆帳否?

以x代表件數。則收入總數以分爲單位可寫成

4936 x

這總數中被墨水掩蓋之三位數碼所表示的數可用 y 來代表;顯然就是分的千數,而總 數以分為單位可表示成為:

1000 Y + 728

於是有此方程式:

4936 x = 1000 y + 708

或以8約之得

617 x-125 y=91

在此方程式裏×與У都是整數,並且У不能大於999,因為大過就不能是三位的數。 照以前所指示的方法來解此方程式:

> 125 y = 617 x - 91y = 5 x - 1 +  $\frac{34 - 8 \text{ x}}{125}$  = 5 x - 1 +  $\frac{^{2}(17 - 4x)}{125}$ = 5x - 1 + 2t

(這裏我們取 $\frac{617}{125} = 5 - \frac{8}{125}$ ,因爲餘數越小對越有利。分數式爲: $\frac{2(17-4x)}{125}$ 應該代表的是整數,並且旣然2不能用 125 除盡,則 $\frac{17-4x}{125}$ 應該是整數,可以t用來代表。)

再由方程式 <u>17-4x</u>=t

卽有

17 - 4x = 125t

$$x = 4 - 31t + \frac{1 - t}{4} = 4 - 31t + t_{1}$$
$$t_{1} = \frac{1 - t}{4}$$

內裏

於是

 $4t_1 = 1 - t$ 

••1	-	-	-	~		
x =	125	$t_1 - 27$	у =	-617	$t_1 - 134$	

(注意內裏 t<sub>1</sub> 係數等於原方程式 617x-125y=91 中 x 與 y 之係數,只有 t<sub>1</sub> 的係數中 有一個是變了符號。並不是出於偶然的:我們可以證明,在 x 與 y 的係數是互爲素數時 就是沒有公約數時」總有這種情况)

t = 1 - 4t.

我們知道

100≤y<1000

所以

$$100 \le 417t_1 - 134 < 1000$$

由此

$$t_1 \geq \frac{234}{617} \overline{m} t_1 < \frac{1134}{617}$$

顯然, t<sub>1</sub> 只有一個整數值:

 $t_1 = 1$ 

於是 x = 98, y = 483, 就是說, 賣去 98 斤之鮑魚, 收入 483728 分, 即 4837.28 元。 這筆帳如此就弄清楚矣。

62

#### VALUATION OF STOCK-IN-TRADE AND WORK IN PROGRESS.

Instances have recently been discovered where the valuation of the stock and work in progress shown in a taxpayer's annual accounts has not been acceptable for tax purposes. Additional assessments and action under Section 80 have followed these discoveries as it was felt that there was no reasonable excuse for not advising the Assessor of the specific nature of the values used when estimating or valuing stock below cost or market value.

2. The correct valuation of stock and work in progress each year is important for many obvious reasons; the argument that an incorrect value in one year can be adjusted by a proper valuation in a subsequent year is not a valid one for tax purposes.

3. However, it seems that in some cases there may not have been a clear understanding as to what valuations are acceptable for tax purposes as distinct from those acceptable to Auditors as a matter of practical commercial accounting.

4. Guidance as to the best accountancy practice was given in Recommendation No. 22 issued in November 1960 by the Council of the Institute of Chartered Accountants in England and Wales. This publication has been reproduced in professional journals and is available at prices One Shilling from the Institute.

5. These recommendations were largely acceptable to the U.K. Board of Inland Revenue, and the Revenue viewpoint was very fully explained by a spokesman in a paper (under the title "The Relationship between the Inland Revenue and the Accountant as regards Stock Valuation") read before a Student Society of the Institute in October 1961—reproduced in "The Accountant" of 17th February, 1962. Many members of the profession will have this publication.

6. Recommendation No. 22 is also broadly acceptable to the Inland Revenue Department in Hong Kong, and similar views are held on the tax position generally to those expressed in the paper referred to above. In considering these questions, I have also had my attention drawn to the Statement by the Institute of Chartered Accountants entitled—"General Principles of Auditing—Stock-in-Trade and Work in Progress" issued on 15th March 1962. This statement is available for purchase at One Shilling and has also been reproduced in professional journals.

7. Without attempting to reiterate the whole of the ground covered by the publications and documents referred to above, I would like to say that a mutual understanding of the generally accepted accountancy principles, and where these might not be acceptable in determining profit for tax purposes, would not only avoid future difficulties as between the Revenue and taxpayers, but would also improve relationships between the Department and practitioners.

8. Directions are being issued to all Assessors regarding the generally accepted accountancy principles as in Recommendation 22, and they will look to see indications whether those are being followed in the presentation of accounts and computations for Profits Tax.

9. Where however the basis adopted for valuation of stock-in-trade and work in progress is one which is not acceptable for tax purposes, I would ask that this be made apparent in returns and the necessary adjustment made in the computation. As to what this adjustment should be, is a matter for agreement with the Assessor.

10. In Recommendation 22 under the heading-"Description in the Annual Accounts" it is pointed out that-

- (a) the expression "market value" is not an appropriate description as it does not indicate whether it refers to net realisable value or replacement price, and
- (b) such terms as "at or under cost" or "as valued by the company's official" are also not suitable;

so where terms such as these are used in the prepared accounts, then it should be made clear to the Assessor exactly what basis of valuation has been used. It is proposed to incorporate in the forms of return for Corporation Profits Tax and Business Profits Tax, provision for stating the precise basis of valuation of stock-in-trade, and if this cannot be done in the forms for 1964/65 year of assessment, then a separate questionnaire will be enclosed in appropriate cases.

11. There are no statutory provisions as to the basis or principles of stock valuation for tax purposes other than Section 15C, operative on cessations, so ordinary commercial principles and practice have first to be looked at. Further guidance can be found in the decided cases. As was stated in Whimster v. C.I.R. 12 T.C. 813, the general basis for commercial accounting is to value stock at cost or market value whichever is the lower.

12. The basic Revenue view is that "cost" means the actual or historical cost, and as set out in Recommendation 22, this includes all expenditure incurred directly in the purchase or manufacture of the stock and the bringing of it to its existing condition and location, together with such part, if any, of the overhead expenditure as is appropriately carried forward in the circumstances of the business instead of being charged against the revenue of the period in which it was incurred.

13. It is accepted that there may be practical difficulties in arriving at actual or historical cost, and for that reason some other method may have to be used. For example, where the adjusted selling price method has been adopted, the reasons for desiring to continue on this basis should be given, and there should be indicated (a) the nature and amount of expenses deducted as necessary to bring the goods to their saleable condition and location (such as commission, transportation and other selling expenses) and (b) the deduction for the estimated margin of profit. Again, in the case of slow moving stocks, e.g. spare parts or books, it is not sufficient that an arbitrary reduction be made from original cost. The Revenue asks that the trader apply his knowledge and experience in the trade, to make a genuine estimate of the loss reasonably expected to arise from ultimate sale in his market.

14. The Courts have also ruled on certain methods of valuation-

- (i) The case of Ahmedabad New Cotton Mills Ltd. v. Bombay Commissioners of Income Tax, 8 A.T.C., 575; confirmed that the same general basis of valuation should be applied at the beginning and end of each accounting period.
- (ii) C.I.R. v. Cock Russell & Co. Ltd., 29 T.C. 387, established the right to apply cost or lower market value to individual items of stock.
- (iii) In Minister of National Revenue v. Anaconda American Brass Ltd., 34 A.T.C. 330, the L.I.F.O. method of determining cost was rejected by the Privy Council.
- (iv) In Patrick v. Broadstone 35 T.C. 44, the base stock method was rejected, even though it was accepted as sound commercial practice in the cotton spinning trade.
- (v) The Duple Motor Bodies case stressed the importance of consistency in the basis of valuation of stock and work in progress. The Courts however, in refusing to decide between the rival claims of direct cost and oncost as a broad principle, found that the direct cost method, which had been consistently applied in the past, was one of the methods recognized as sound accountancy practice and saw no reason in the circumstances of that case, to compel a change to the oncost basis.

15. These decisions have not removed all grounds for differences of opinion, but they have made it clear that there can be no one universal basis of valuation for all cases, and that the basis must be considered in relation to the circumstances of each business.

16. In broadly covering some of the major aspects of this question, I am merely outlining what has been the basic policy and practice of this Department all along, in the hope, as mentioned earlier, that this will help in avoiding future misunderstanding. I intend shortly to address you further, more particularly with regard to certain aspects of the valuation of work in progress in the building and engineering trades.

17. I propose also to consult from time to time with the local professional and representative bodies on other aspects on which there may be divergence of opinion or differences in practice as between accounting and taxation treatment. This I feel sure will lead to better understanding and a mutual saving of time and correspondence in agreeing assessments.

18. Where it is found that any of your clients have adopted an approach to the valuation of their stock-in-trade and work in progress which is not in keeping with or acceptable as a proper taxation practice, it is asked that your clients take the opportunity of making an early voluntary disclosure as to any resultant understatement of profit, so as to avoid the full impact of the penal provisions of the Ordinance.

19. Where an adjustment is made in the next return for the change from a non-valid basis to a valid basis of valuation, the question of penalties will not normally arise unless there has been what I may regard as deliberate or wilfully misleading irregularities.

20. There will not normally be any review of back years unless the apparent loss to the Revenue is likely to be substantial. In cases where it is necessary to look at past liabilities, it may be possible to agree that these be regarded as covered by what would be the uplift in the opening valuation of the year of change and to therefore leave the opening figure and the earlier years undisturbed.

21. Generally it is intended that there be a reasonable approach to this question, primarily to establish a common understanding of the basic principles from a tax viewpoint and to secure a better degree of accuracy in returns. It is not proposed to embark on any form of general witch hunt, or to expect a strict application of the full requirements in small and unimportant cases. It is recognised that many small concerns may not have adequate costing records and the Department has no desire to attempt to impose requirements which will require an increase in staff or costs.

#### NOTES AND COMMENTS

#### Nineth International Congress of Accountants

The Society was represented at this international function in Paris in 1967 by a 4-member delegation headed by Mr. Ronald F. S. Li. Other members present included Messrs. Poon Wing Cheung, M. B. Lee and Kang Chen.

#### Tenth International Congress of Accountants

The 10th Congress of International Accountants will be held in Sydney in October 1972. The first news release from the Congress Secretariat is reproduced on page 72.

#### The Fifth Conference of Asian and Pacific Accountants

Mr. Charles Mar Fan was again the representative of the Society at the Fifth Conference of Asian and Pacific Accountants held in Wellington and Christchurch, New Zealand in February 1968. His report appears on page 5.

#### Urban Council

It is with pleasure and pride to record that one of the senior members of the Society, namely Mr. Peter Chan Po Fun, has been appointed member of the Urban Council, Hong Kong, by His Excellency the Governor as per Gazette of March 29, 1968.

To Mr. Chan are extended the Society's warmest congratulations for the distinction achieved.

#### Authorised Auditors Board

The Authorised Auditors Board has had undergone some changes since the last issue of this Journal in 1966. The present panel consists of the following:—

Registrar of Companies (Chairman ex officio)
Accountant General (ex officio)
Commissioner of Inland Revenue (ex officio)
Fook-Shu LI, Esq., O.B.E., B.A., F.C.A., J.P.
Charles MAR FAN, Esq., F.A.C.C.A., F.C.I.S., F.A.S.A.
WONG Peng-Cheung, Esq., M.A. (Cantab.), F.C.A.
K. A. MILLER, Esq., C.A.
P. G. WILLIAMS, Esq.
G. M. MACWHINNIE, Esq., F.C.A.
CHAN Ying-Hung, Esq., J.P. (To be a member and Legal Adviser)
Leslie FOO, Esq., (Secretary)

## Inland Revenue Ordinance Review Committee Report

The full report (Part I and Part II) of the Inland Revenue Ordinance Review Committee is out and obtainable at the Government Publication Centre, Star Ferry Concourse, Hong Kong, at \$8.50 per copy.

### 1969 New Year Honours List

It is with pleasure to record that among the recipients of Honours bestowed by Her Majesty the Queen on the New Year Day, Mr. A. D. Duffy, A.A.S.A., A.C.I.S. A.C.A.A., J.P., Commissioner of Inland Revenue, was prominent, meriting an Order of the British Empire (O.B.E.). To Mr. Duffy, the Society offers its heartfelt congratulations.

## Proposed Hong Kong Society of Accountants

The subject proposal had been broached upon in the last issue (1966) of this publication. Since that date, meetings have frequently been held by the Working Party to consider ways and means of creating a local examination system of accountancy topped with official recognition.

The Woking Party consists of the following up to date:--

Hon. S. S. Gordon, O.B.E., J.P. (Chairman)
G. M. Macwhinnie, Esq., F.C.A. (Vice Chairman)
A. D. Duffy, Esq., O.B.E., A.A.S.A., A.C.I.S., J.P., C.I.R. (Represented by Mr. F. E. Rainbow, F.C.A.)
John Allen, Esq., A.A.S.A., F.C.I.S.
Poon Wing Cheung, Esq., LL.B. (Lond.), A.A.S.A., F.C.I.S. etc.
M. W. Kwan, Esq., M.B.E.. F.A.C.C.A.
Charles Mar Fan, Esq., F.A.C.C.A., F.A.S.A., F.C.I.S.
A. G. Hutchinson, Esq., A.A.S.A.
J. R. Marshall, Esq., C.A. (Secretary)

A draft Ordinance has been submitted to the Authorities for consideration and a group of officers have been appointed by the said Authorities to study the related contents with a view to expediting the formation of the proposed society to the hopes of all concerned.

#### **Comparative Taxation Statistics**

The Hong Kong Revenue income had been in steady upclimb since the last two decades. The following comparative statement serves with statistics for reference:---

	Year of A	ssessment (Yr.	to Mar. 31)
Nature of Tax	1947/48	1957/58	1967/68
	\$	\$	\$
Corporation Profits Tax	6,419,695	54,108,434	241,118,483
Business Profits Tax	4,366,928	18,615,190	49,629,64 <b>6</b>
Salaries Tax	728,062	15,034,473	75,970,383
Personal Assessment	14,354	1,459,009	16,711,419
Interest Tax	374,389	3,744,699	38,423,361
Property Tax	2,231,532	18,712,092	67,442,527
Total Earnings & Profits Tax	14,134,960	111,673,897	489,295,819
Estate Duty	<b>2,</b> 437,732	16,533,943	18,327,217
Stamp Duty	10,886,544	26,114,082	50,568,674
Entertainment Tax	4,352,187	11,465,211	29,640,575
Betting Duty	3,346,665	10,570,767	20,449,507
Public Dancing Halls Tax	450,006	2,132,795	2,350,845
<b>Business Registration</b>		6,381,546	3,146,301
Hotel Accommodation Tax			1,900,365 (1)
Total Revenue Collected	35,608,094	184,872,241	615,679,303

(1) Hotel Accommodation Tax was introduced in the year to 31/3/67 when its collection totalled \$1,000,519.

#### Sixth Conference of Asian and Pacific Accountants - 1970

An invitation from the Secretariat of the 6th Conference of Asian and Pacific Accountants—1970 is reproduced below for the information of the members of the Society and those who may be interested therein:—

The Society of Chinese

Accountants and Auditors, GPO Box 982,

Hong Kong.

#### 22nd January, 1969.

Dear Sir,

We have much pleasure in announcing that at the heads of delegates meeting held in New Zealand during the Fifth Conference of Asian and Pacific Accountants, Singapore was unanimously elected to host the Sixth Conference. As indicated the Malaysian Institute of Accountants has agreed to be the joint host to the Conference. It has now been decided that the 6th Conference shall be held in Singapore and Kuala Lumpur during the period Monday 17th August to Wednesday 26th August, 1970. We shall be sending under separate cover detailed information concerning technical sessions and other arrangements made to date concerning this Conference.

The main objective of the Conference as stated in the unanimous resolution passed by official delegates meeting in New Delhi in December, 1965, is the bringing together of official representatives of various professional bodies for the purpose of discussing:--

- (i) Means of developing their own services to their own communities in education for accountancy including continuing education for professional men, in accounting research, in ethical professional conduct and associated activities.
- (ii) Means of developing professional standards, practice and techniques at national and international levels.
- (iii) Separate from but associated with this provide opportunity for the participation of local members in the Conference wherever it may be held.

Invitations have been sent out to the accounting bodies of the following countries:—Cambodia, Pakistan, South Vietnam, Australia, Burma, Canada, Ceylon, Hong Kong, India, Indonesia, Japan, South Korea, Lebanon, New Zealand, Philippines, Taiwan, Thailand and United States of America.

In addition we have also sent out invitations to countries outside this region to attend the Conference as observers.

We have arranged a series of interesting programmes awaiting you in Singapore and Kuala Lumpur ranging from serious technical discussions to light pleasant entertaining social evenings and touring activities.

Singapore and Malaysia are world renowned for its tourist attractions. You will find that we have a harmonious mixture of races—Malays, Chinese, Indians, Eurasians and Europeans with their colourful costumes, customs, festivals and interesting places to visit, all with a difference. The hotels here are of international standards, Our excellent shopping facilities are second to none. From here our exotic Southeast Asian neighbours are only a jet hour or so away. We assure delegates that a trip to Singapore and Malaysia will be an enjoyable and unforgettable one.

We therefore extend to members of your organisation our warm invitation to attend this Conference. A detailed brochure containing the programme, activities, accommodation, travel facilities and registration form will be sent to you in the near future.

To assist us in the planning we should appreciate if you would kindly let us have an early reply and indicate the approximate number of delegates and observers you intend to send.

We look forward to seeing you in Singapore in 1970.

Yours faithfully, Yew Chong Kew Secretary.

#### Tenth International Congress of Accountants

The first News Release on the Tenth International Congress of Accountants, which is scheduled to be held in Sydney, Australia from 16th to 20th October, 1972, was received in December, 1968 and is reproduced below for the information of our members and readers. The address of the Congress Secretariat is—London Assurance House, 16 Bridge Street, Sydney, Australia.

Mr. R. A. Irish, O.B.E., will be President of the Tenth International Congress to be held in Sydney, Australia in October, 1972, according to a recent announcement of the Presidents of the two host organisations—the Australian Society of Accountants, and The Institute of Chartered Accountants in Australia. Vice-President of the Congress will be Mr. G. W. Bottrill, and Treasurer Mr. G. W. Kelleher.

A former president of the Institute, Mr. Irish is a partner in the chartered accountancy firm of Irish, Young & Outhwaite, and is a very well known figure in the accountancy profession and business circles in Australia. Mr. Bottrill is Deputy Chairman of Philips Industries Ltd., and currently a Vice-President of the Society, while Mr. Kelleher is a partner in the firm of Peat, Marwick, Mitchell & Co., Chartered Accountants, Sydney.

Preliminary arrangements for the Congress are well advanced. Shortly after receipt of advice that the profession in Australia had been accorded the honour of arranging the Tenth Congress, a joint Planning Committee was set up. This Committee has completed its task of formulating a general pattern for the Congress and the basis of its organisation. The host organisations have approved of its proposals in principle and have appointed the Committee which will be responsible for the direction and co-ordination of the overall organisation. This Congress Committee will be Mr. C. W. Andersen (Executive Director, Australian Society of Accountants), Chairman, and Messrs. A. F. Batley (Priestley and Morris, Chartered Accountants), P. J. Davidson (Spry Walker & Co., Chartered Accountants), J. N. Miles (Cooper Bros. & Co., Chartered Accountants), G. H. Peterson (W. D. Scott & Co. Pty. Ltd., Management Consultants) and E. W. Waldron (Finance Director, Philips Electrical Pty. Ltd.,) with the President, Vice-President and Treasurer as ex officio members. Other Committees, which will be responsible for the technical and social programmes, information and publicity, reception and accommodation and tours and excursions, are in the course of being set up.

"Financial measurement and communication" is contemplated as the theme of the technical programme. This theme is of great public importance to the sixty nations expected to be represented at the Congress. Authors and commentators will be selected to achieve the widest possible international coverage of related topics.

An important change is proposed in the format of the technical sessions with the object of providing for a greater degree of personal participation by individual registrants at the Congress. This will be achieved by arranging for the main papers to be first discussed in study groups. Conclusions of study groups will then be summed up by the authors of main papers and commentaries at subsequent short plenary sessions. Consequently, greater emphasis will be given to discussions in small groups than at large plenary sessions,

## QUALIFICATIONS OF AN AUTHORIZED AUDITOR

1. The Authorized Auditors Board accepts membership of the following bodies as sufficient evidence of professional qualification for admission to the Authorized List:--

- (a) The Institute of Chartered Accountants in England and Wales,
  - (b) The Society of Incorporated Accountants and Auditors (England),
  - (c) The Association of Certified and Corporate Accountants (England),
  - (d) The Institute of Chartered Accountants in Scotland,
  - (e) The Institute of Chartered Accountants in Ireland,
  - (f) The Institute of Chartered Accountants in Australia,
  - (g) Natal and other provincial societies of Accountants of South Africa, and
  - (h) The Australian Society of Accountants.

2. A member of the Australian Society of Accountants must, however, produce, in addition to his membership certificate, evidence to show that

 (i) he has passed the Society's own examinations or the examinations of one of the bodies now incorporated in the Society (other than the International Institute of Accountants) or of any university, institute of technology or technical college accepted by the Society as being of equivalent standard to the Society's own examinations; and

(ii) he has had not less than four years' full-time experience in a firm of public accountants.

3. Where an applicant is also desirous of being admitted to Part II of the Authorized List, he will be required to show, additionally, that he has sufficient knowledge of the Chinese language to enable him to carry out efficiently the duties required by the Companies Ordinance to be performed by authorized auditors on that Part of the Authorized List.

## THE CHINESE ACCOUNTANT

銜 義 名 矡 

查本會會員榮獲名銜頗多,惟均用英文字母簡寫,故非一般人士可能了解。 茲為使讀者易 於明瞭起見,特將於本刋所載之各類名銜表列於後,附以註釋,併將中文譯意列出,以供參考 。倘有舛誤,希各同道正之爲幸。 一編者識-

INITIALS	DECODIDITION	4710 <b>- 1-3</b> (1974
	DESCRIPTION	中文 譯意
A.A.	Authorised Auditor	香港會計師通稱
<b>A.A.C.A.</b>		$(1,1) = \frac{1}{2} \left( \frac{1}{2} + \frac{1}{2} \right)$
A.A.C.C.A.	of Cost Accountants (Australia) Associate of the Association of Certified	澳洲成本會計師公會會員
A.A.S.A.	& Corporate Accountants (England) Associate of the Australian Society of Accountants	英國公認會計師公會會員
A.A.S.A.		澳洲會計師公會會員
(Senior)	Senior Associate of the Australian Society of Accountants	
A.A.I.A.	Associate of the Association of International	澳洲會計師公會(成本科)會員
and the second secon	Accountants (England)	英國國際會計師公會會員
A.B.S.C.	Associate of British Society of Commerce	英國商業會社會員
A.C.A.	Associate of the Institute of Chartered	
A.C.A.	Accountants in England & Wales Associate of the Institute of Chartered	英國御准會計師公會會員
(Aust.)	Accountants in Australia	澳洲御准會計師公會會員
A.C.A.	Associate of the Canadian Institute of	沃河仰电音訂師公曾曾員
(Canada)	Chartered Accountants	加拿大御准會計師公會會員
A.C.A.A.	Associate of the Australasian Institute of	
A.C.A.A.	Cost Accountants (Incorporated) Provisional Associate of the Australasian	海洋洲成本會計師公會會員
(Prov.)	Institute Cost Accountants	After the Mittanda La Attenda and Attenda
	Associate of the Corporation of Secretaries	海洋洲成本會計師公會準會員
A.C.I.S.	(England) Associate of the Chartered Institute of	英國註册秘書公會會員
	Secretaries	英國御准秘書公會會員
A. Comm. A.	Associate of the Society of Commercial	大國御史他會公會曾且
さんてい おいてい	Accountants (England) Associate of the Institute of Cost & Works	英國商業會計師公會會員
	Accountants (England)	and the trust of the second
A.E.A.A.	Associate of the English Association of	英國成本會計師公會會員
그 사람이 가지 않는 것이 같아.	Accountants & Auditors	本間会社にへららり
A.F.C.S.	Associate of the Faculty of Secretaries	英國會計師公會會員
	(England) (Corporate Secretary)	英國秘書學會會員
A.I.C.S.	Associate of the Institute Chartered a charter	
	Shipbrokers (England)	英國御准船務經紀公會會員

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Associate of the International Corporation A.I.C.S. **澳洲國際秘書公會會員** of Secretaries (Australia) Associate of the International Institute of A.I.I.A. 澳洲國際會計師公會會員 Accountants (Australia) Associate of the Institute of Incorporated A.I.I.S. 澳洲秘書公會會員 Secretaries (Australia) Associate Member of the British Institute A.M.B.I.M. 英國管理學會準會員 of Management Associate Member of the Incorporated A.M.C.I.A. Association of Cost & Industrial 英國工業成本會計師公會會員 Accountants (England) Associate (Public Accountants) of New A P.A.N.Z. 息絲崙會計師公會會員 Zealand Society of Accountants A.T.I.I. Associate of the Institute of Taxation 英國稅務專門人員公會會員 (England) 大學文學士 Bachelor of Arts B.A. Bachelor of Commercial Law 大學商法系學士 B.C.L. 大學商學士 B.Comm. Bachelor of Commerce B. Sc. (Econ.) Bachelor of Science in Economic with Honours. (Hons.) (Lond.) University of London 倫敦大學榮譽經濟學士 蘇格蘭征准會計師公會會員 C.A. Chartered Accountant (Scotland) Commander of the Most Excellent Order of C.B.E. the British Empire 英國 CBE 勳爵 公認會計師通稱(美國,日本 Certified Public Accountant C.P.A. 非島,馬來亞等處適用) 教育系畢業 Diploma of Education Dip. Ed. F.A.C.A. Fellow of the Incorporated Association of 澳洲成本會計師公會晋級會員 Cost Accountants (Australia) F.A.C.C.A. Fellow of the Association of Certified & 英國公認會計師公會晋級會員 Corporate Accountants (England) F.A.I.A. Fellow of the Association of International 英國國際會計師公會晋級會員 Accountants (England) Fellow of the Australian Society of F.A.S.A. Accountants 澳洲會計師公會晋級會員 F.B.S.C. Fellow of British Society of Commerce 英國商業會社晋級會員 F.C.A. Fellow of the Institute of Chartered 英國御准會計師公會晋級會員 Accountants in England & Wales F.C.A. (Aust.) Fellow of the Institute of Chartered Accountants in Australia 澳洲御准會計師公會晋級會員 F.C.A.A. Fellow of the Australasian Institute of Cost 海洋洲成本會計師公會 Accountants (Incorporated) 晋級會員 F.C.B.I. Fellow of the Institute of Bookkeepers (England) 英國簿記員學會晋級會員

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#### 香港華人會計師公會會刋

## THE CHINESE ACCOUNTANT

F.C.C.S.	Fellow of the Corporation of Secretaries (England)	英國註册秘書公會晋級會員
F.C.I.S.	Fellow of the Chartered Institute of	
F. Comm. A.	Secretaries Fellow of the Society of Commercial Accountants (England)	英國御准秘書公會晋級會員 英國商業會計師公會晋級會員
F.C.W.A.	Fellow of the Institute of Cost & Works Accountants (England)	英國成本會計師公會音級會員
F.E.A.A.	Fellow of the English Association of Accountants & Auditors	英國會計師公會晋級會員
F.E.A.S.	Fellow of the English Association of Secretaries	英國秘書公會晋級會員
F.I.C.S.	Fellow of the Institute of Chartered Shipbrokers	英國御准船務經紀公會 晋級會員
F.I.I.A.	Fellow of the International Institute of Accountants (Australia)	澳洲國際會計師公會晋 <b>級會員</b>
F.P.A.N.Z.	Fellow (Public Accountant) of New Zealand Society of Accountants	息絲崙會計師公會晋級會 <b>員</b>
F.R.Econ.S.	Fellow of the Royal Economic Society (England)	英國御准經濟學會會士
F.S.S.	Fellow of the Royal Statistical Society (England)	英國衛准統計學會會士
F.T.I.I.	Fellow of the Institute of Taxation (England)	英國稅務專門人員公會 晋級會員
J.P.	Justice of Peace	太平紳士
Kt.	Knight	爵 紳
LL.B.	Bachelor of Laws	大學法學士
LL.B. (Hons.)	Bachelor of Laws with Honours, University	
(Lond.)	of London	倫敦大學榮譽法學士
LL.D.	Doctor of Laws	大學法學博士
М.А.	Master of Arts	大學文科碩士
M.A.	Master of Arts, Cambridge University,	
(Cantab.)	England	英國劍橋大學文科碩士
M.A. (Oxon.) M.B.E.	Master of Arts, Oxford University, England Member of the Most Excellent Order of the	英國牛津大學文科碩士
MOTA	British Empire	英國 MBE 勳爵
M.C.I.A.	Member of the Incorporated Association of Cost & Industrial Accountants (England)	英國工業成本會計師公會 晋級會員
M.Sc.	Master of Science	大學理科碩士
O.B.E.	Officer of the Most Excellent Order of the British Empire	英國 OBE 勳爵
Ph.D.	Doctor of Philosophy	大學哲學博士

ANNUAL REPORT O	F THE SOCIETY FOR THE YEAR
ENDED 3	[10] A. M. K.
Hon, Permanent President:	Hon. Sir T. N. Chau, Kt., C.B.E., J.P.,
	Barrister-at-law
Hon. Vice President.	Hon. F. S. Li, O.B.E., B.A., F.C.P., J.P.
要问题:《论论论》。 *OFFICE	BEARERS FOR 1966
Chairman:	Charles Mar Fan
Vice-Chairman:	Kwan Man Wai, M.B.E.
Council: Charles Mar Fa	an Kwan Man Wai
Wong Shang J	en Tso Chak Chun
Lo Tze Kwai	Leung Sik Kwan
Lau Chung Hir	n Poon Wing Cheung
Chen Kang	Li Shu Fong
Ronald Li Fool	s Shiu
Hon. Auditors: Norman	Mar Fan Au Yeung Yik Fung
Committee Chairman:	Lo Tze Kwai, Poon Wing Cheung (Research)
	Li Shu Fong, Chen Kang (Social)
national states Align the states and st	Lau Chung Him (Publication)
	Leung Sik Kwan (Membership)
Hon. Treasurer:	Tso Chak Chun
Hon. Secretary:	Wong Shang Jen

Report of the Council and Statement of accounts for the year ended September 30, 1966 for presentation at the annual general meeting of members of the Society of Chinese Accountants & Auditors to be held at Wing On Life Building, Hong Kong on Monday, December 19, 1966 at 6:30 p.m. Gentlemen:

Your Council takes great pleasure in submitting herewith its annual report covering its term of office and a statement of accounts for the year ended September 30, 1966.

#### THE CHINESE ACCOUNTANT

#### MEMBERSHIP

Your Council is pleased to report that, during the year, 17 members were admitted. They were Messrs. Dennis Chan, Tam Wah Kai, Selwyn Mar, Wong Sze Hang, I.am Wai Hay, Patrick Lee Ping Fun, Leung Hok Lim, Henry Au Kai Fong, Chan Sai Hoi, Leung Hon Wah, Wu Hoi Wah, Tsang Shu Nam, Wong Ying Kwan, Wong Yan Hin, Gilbert Cheng Chun-wing, Patrick Lee Kwok On and Chan Kai Cheuk.

The Council extends a warm welcome to them and entertains the hope that their association with the work and activities of the Society will be a laudatory asset bloated with pride.

A roster showing a total of 113 members is attached hereto for your perusal.

### OBITUARY

The Council expressed deep regret on the death of Mr. Y. Wang, a senior member of the Society, and offered profound sympathy to members of his family in their bereavement.

The Chairman and the Secretary representing the Society attend his funeral.

#### **MEETINGS AND ACTIVITIES**

The following events highlighted the activities of the year :--

- (1) At the request of the President of the United College and the Chinese University of Hong Kong, the Society nominated Mr. Charles Mar Fan to represent the Society at its Board of Trustees, but, for personal reasons, Mr. Mar has resigned, and, in his stead, Mr. Lo Tze Kwai was nominated to fill in the vacancy.
- (2) The Society has received an invitation to attend the 9th International Congress of Accountants in Paris from September 6 to 12, 1967, and Mr. Ronald Li was elected to be the Chief Delegate of the Society. Other delegates are Messrs. Kwan Man Wai, Chen Kang, Poon Wing Cheung and Man Kwan Wong.
  - (3) The Chinese Accountants' Journal for 1966 was published during the year and widely distributed to various accounting bodies at home and abroad, public libraries, schools, bankers, government departments and officials, advertisers, etc. Each member was entitled to five copies free. Additional ones can be obtained at \$2.50 each from the Editor.

- (4) Members of the Society were invited by the I.B.M. World Trade Corporation to attend to its presentation of I.B.M. 6400 magnetic ledger data process system on 28th July, 1966, and about 40 of our members participated.
- (5) Our First Chairman, Mr. J. M. Wong, commemorated his 90th birthday at the Oceania Restaurant on October 23, 1966, and all council members of the Society were invited to the ceremony.
- (6) The Fifth Conference of Asian and Pacific Accountants is scheduled to be held in New Zealand in February 1968. A circular to participating organisation from the Chairman of the Conference is forwarded for your perusal.
- (7) As before, members' meetings on taxation matters were held monthly at Lingnan Club every last Wednesday of the month, and Mr. T. K. Lo presided at the meetings.
- (8) The Society's Council meetings were also held at Lingnan Club on every second last Wednesday of the month.

#### **ACKNOWLEDGMENTS**

The Council wishes to record its gratitude to the Chairman, and Mr. Lau Chung-him for their invaluable efforts in carrying out the publication of the Chinese Accountants' Journal 1966.

The Council is also greatly indebted to the Committees for their valuable contributions to the Society, particularly to the Research Committee and its Chairman, Mr. T. K. Lo, who, invariably, offered to take the lead in our monthly taxation forum.

Last but not least, the Council gratefully acknowledges the constant support of members to the Society's activities throughout the year, and looks forward to receiving their continuous co-operation.

The Council takes this opportunity to wish you all "A MERRY CHRISTMAS AND A PROSPEROUS NEW YEAR".

Charles Mar Fan, Chairman. Wong Shang Jen, Hon. Secretary.

December 7, 1966.

#### THE SOCIETY OF CHINESE ACCOUNTANTS AND AUDITORS, HONG KONG.

Balance Sheet as at 30th September, 1966.

#### ASSETS LIABILITIES **FIXED ASSETS** ACCUMULATED FUND **Balance** at Depreciation Balance at 1st October, 1965 \$18,266.05 1/10/65 for year Add: \$395.45 \$ 39.55 Duplicator 8.29 33.19 Library Books Entrance Fees - 15, @ \$50.-750.00 Excess of Income over Ex-\$428.64 \$ 47.84 penditure for year to date 930.12 \$19,946.17 SHARE INVESTMENT, at cost 655 shares in Hong Kong Electric Co., LIBRARY FUND 1,030.00 Ltd., (Market Value: \$14,868.50) ACCOUNT PAYABLE (Printing) SUBSCRIPTION RECEIVABLE **ADVERTISING FEE RECEIVABLE** Charge for Chinese Accountants (1966 Journal) Journal 1966) . . . . . . . . . . . . 3.992.44 STOCK OF MEMBER'S GOLD BADGES .---Balance at 1st October, 1965 44 pcs. \$624.00 Less: Sales 6 pcs. 120.00 Balance in Hand 38 pcs. FIXED DEPOSIT -- Wing On Bank Ltd. CASH AT BANK \$24,968.61

Wong Shang-Jen, Hon. Secretary.

Charles Mar Fan, Chairman.

C. C. Tso, Hon. Treasurer.

#### AUDITORS' REPORT

We have examined the above Balance Sheet of THE SOCIETY OF CHINESE ACCOUNTANTS & AUDITORS, HONG KONG for the year ended 30th September, 1966 and have obtained all the information and explanations we have required. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Society's affairs as at 30th September, 1966 a ccording to the best of our information and the explanations given to us and as shown by the books of the Society.

Hong Kong: 15th November, 1966.

Hon. Auditors: Norman Mar Fan, Auyang Yik Fung.

THE CHINESE ACCOUNTANT

355.90

380.80

13,288.00

2.300.00

504.00

5.063.75

\$24,968.61

3,372.06

60.00

24.90

\$

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# THE SOCIETY OF CHINESE ACCOUNTANTS AND AUDITORS, HONG KONG. Income and Expenditure Account for the year ended 30th September, 1966.

## EXPENDITURE

#### INCOME

A 44	
Allowance to Bookkeeper & Messenger	\$ 200.00
Printing and Stationery	416.80
Postage and Stamp	
Cost of Printing—Chinese Accountants	174.20
Journal 1966\$3,992.44	
Less: Advertising Income 2,500.00	1,492.44
Annual Meeting Expenses	792.80
Gifts and Wreaths	180.00
Sundry Expenses—Tips	50.00
Depreciation on	
Duplicator \$ 39.55	
Library Account 8.29	47.84
Balance, being Excess of Income over	
Expenditure	930.12

Annual Subscriptions from members (108 @ \$30)	\$ 3,240.00
Fixed Deposit Interest Received	φ 3,240.00
(30/6/66 – 30/9/66)	63.75
"Chinese Accountants Journal 1963" Account	2.00
Investment Income:	
Dividends Received \$980.90	
Less: Bank Charges 2.45	978.45

4,284.20

4.284.20

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## THE SOCIETY OF CHINESE ACCOUNTANTS & AUDITORS G.P.O. Box 15222

#### HONG KONG

Annual Report of

The Society of Chinese Accountants & Auditors For the year ended 30th September, 1967

Hon, Permanent President: Hon. Sir T. N. Chau, Kt., C.B.E., J.P., Barrister-at-law

Hon. Vice President:

Hon. F. S. Li, O.B.E., B.A., F.C.P., J.P.

OFFICE BEARERS FOR 1967

Chairman:

Council:

Charles Mar Fan

Vice-Chairman:

Poon Wing Cheung an Poon Win

Charles Mar Fan Wong Shang Jen Lo Tze Kwai Cheng Hsueh Shi Mak Hing Cheung Ng Tze Choy Poon Wing Cheung Tso Chak Chun Lau Chung Him Lam Ming Kwong Lee Man Ban

Kwan Hon Fung

Hon. Auditors: Tang Tsai Shih Adviser: Kwan I Committee Chairman: Research

Kwan Man Wai Research: Lo Tze Kwai, Cheng Hsueh Shi, Lam Ming Kwong Publication: Lau Chung Him Membership: Mak Hing Cheung Social: Lee Man Ban, Ng Tze Choy

Hon. Treasurer: Hon. Secretary: Tso Chak Chun Wong Shang Jen

Report of the Council and statements of Accounts for the year ended September 30, 1967 for presentation at the Annual General Meeting of the Society of Chinese Accountants and Auditors to be held at Wing On Life Building, Hong Kong on Wednesday, December 13, 1967 at 6:30 p.m. Gentlemen:

The Council takes great pleasure in submitting herewith its annual report covering its term of office and a statement of accounts for the year ended September 30, 1967.

#### **MEMBERSHIP**

The Council is pleased to report that, during the year 19 members were admitted. They were Messrs. Wong Wai Tong, Yeung Shiu Hang, Yam Ming Kwong, Kenneth Chau, Wong Chun Ming, David B. Lam, Harry Ho Yui-Tim, Choi Chi Him, Wong Yu Pok, Michael S. H. Chan, Michael Ho Man Kiu, Paul Ho Kam Hung, Cheung Bun Bun, Timothy Chan Tit-Shuen, Dereck Kong Yip-Lum, Roger Ho Kwong Ngok and Raymond So Woon Kwong, Misses Chan Kit Hang and Dora Tong Sinn-Yee. The Council extends them a warm welcome and hopes that their association with the work and activities of the Society will be a laudatory asset,

A roster showing a total of 131 members is attached hereto for your perusal.

#### **MEETING & ACTIVITIES**

- The Ninth International Congress of Accountants 1967 in Paris in September 1967—The Society was represented by Mr. Ronald Li, Mr. K. Chen, Mr. W. C. Poon and Mr. M. B. Lee. A detail report on the Congress was circulated to members in November.
- 2. The Fifth Congress of Asian & Pacific Accountants 1968 in New Zealand in February 1968—Information about the Congress was circulated to members, and the Council has received a week response. Mr. Charles Mar Fan was elected chief delegate to the Congress.
- 3. Social Evening at Oceanic Restaurant in March 1967—About 100 members and guests participated the function. Among the guests were the Commissioner and several senior officers of the Inland Revenue Department, senior officers of Companies Registry and Commerce & Industry Department. Beautiful lucky draw prizes, fascinating floor shows, and friendly atmosphere high-lighted the evening.
- 4. Owing to disturbances in Hong Kong many of the functions scheduled to be held for the rest of the year had to be cancelled.
- 5. As before taxation forums were held at Lingnan Club every last Wednesday of each month under the chairmanship of Mr. T. K. Lo.
- 6. The Society's Council meetings were also held at Lingnan Club on every second last Wednesday of each month.

#### ACCOUNTS

The Income & Expenditure Account for the year to September 30, 1967 and the Balance Sheet as at that date are herewith presented for adoption by members. The Surplus of \$1,796.82 as shown therein has been transferred to Accumulated Fund.

#### ACKNOWLEDGMENT

We wish to record our gratitude to the Chairman for his taking the lead and Mr. T. K. Lo for his presiding at the taxation forums, Mr. M. B. Lee for his liaison effort, and also to the generosity of the following members who contributed to the deficit of the social evening: Mr. Charles Mar Fan \$142.86, Mr. Poon Wing Cheung \$142.86, Mr. Tso Chak Chun \$92.86, Mr. Lau Chung Him \$92.86, Mr. Cheng Hsueh Shi \$92.86, Mr. Lam Ming Kwong \$92.86, Mr. Mak Hing Cheung \$92.86, Mr. Lee Man Ban \$92.86, Mr. Ng Tse Choy \$92.86, Mr. Kwan Hon Fong \$92.86, Mr. Wong Shang Jen \$92.86, Mr. Lo Tse Kwai \$67.86, Mr. Tong Chiu Chung \$25, Mr. Young Kong Low \$25, Mr. Kwan Yi Suen \$20.

Last but not the least the Council gratefully acknowledges the constant support of members to the Society's activities throughout the year and look forward to receiving their continuous co-operation.

The Council takes this opportunity to wish you all A MERRY CHRISTMAS AND A PROSPEROUS NEW YEAR.

Charles Mar Fan, Chairman. Wong Shang Jen, Hon. Secretary.

### THE SOCIETY OF CHINESE ACCOUNTANTS AND AUDITORS, HONG KONG.

Balance Sheet as at 30th September, 1967.

LIABILITIES	ASSETS	
ACCUMULATED FUND	FIXED ASSETS	
Balance at 1st October, 1966 \$19,946.17	Balance at Depreciation 1/10/66 for year	
Add:	Duplicator         \$355.90         \$ 35.59           Library Books         24.90         6.22	\$ 320.31 18.68
Entrance Fees – 19 @ \$50.– 950.00		······································
Excess of Income over Ex-	\$380.80 \$ 41.81	\$ 338.99
penditure for year to date 1,796.82 \$22,692.99	SHARE INVESTMENT, at cost	
LIBRARY FUND	655 Shares in Hong Kong Electric Co., Ltd. (Market Value: 30/9/67 @ \$20 = \$13,100)	13,288.00
<b>ADVANCE RECEIPTS</b> 60.00	ADVERTISING FEE RECEIVABLE (1966 Journal) STOCK OF MEMBER'S GOLD BADGES:	200.00
	STOCK OF MEMBER'S GOLD BADGES:Balance at 1stOctober, 196638 pcs.\$504.00Less: Sales14 pcs.280.00	
	Balance in Hand 24 pcs.	224.00
	FIXED DEPOSIT — Wing On Bank Ltd. CASH AT BANK — Wing On Bank Ltd.	5,324.19 4,407.81
\$23,782.99		\$23,782.99
	Wong Shang-Jen, Hon. Secretary.	
Charles Mar Fan, Chairman.	C. C. Tso, Hon. Treasurer.	
AUDITORS'	REPORT	

We have examined the above Balance Sheet of THE SOCIETY OF CHINESE ACCOUNTANTS & AUDITORS, HONG KONG for the year ended 30th September, 1967 and have obtained all the information and explanations we have required. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Society's affairs as at 30th September, 1967 ac cording to the best of our information and the explanations given to us and as shown by the books of the Society.

Hong Kong: 5th November, 1967.

Hon. Auditors: Kwan Hon Fong, Tang Tsai Shih.

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CHINESE

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### THE SOCIETY OF CHINESE ACCOUNTANTS AND AUDITORS, HONG KONG.

Income and Expenditure Account for the year ended 30th September, 1967.

#### **EXPENDITURE**

#### INCOME

Allowance to Bookkeeper & Messe	nger	\$ 200.00 375.20	Annual Subscriptions from members	
Printing & Stationery Telegram, Postage & Stamp		416.75	(124 @ \$30-)	\$ 3,720.00
Annual Meeting Expenses Social Evening Expenses	\$ 3 327.20	842.50	Fixed Deposit Interest Received	
Less: Receipts of sale of			(1/10/66 - 30/9/67)	260.44
Dinner Tickets	1,975.00		Investment Income:	
	\$ 1,352.20		Dividends Received \$ 1,118.30	
Less: Contribution by members to cover deficit	1,352.20	Nil	Less: Bank Charges 2.79	1,115.51
Gifts & Wreaths Sundry Expenses: Legal Fee paid to M/s.		348.40	Sundry Receipts — Old X'mas Cards	22.50
Linkalters & Paines Society Plastic Badges Repairs of Duplicator	\$ 562.97 285.00 45.00			
Tips—Lingnan Club Boys Misc. Expenses	100.00 104.00	1,096.97		
Depreciation : Duplicator Library Books	\$ 35.59 6.22	41.81		
Balance, being Excess of Income over Expenditure		1,796.82		
	*	\$ 5,118.45		\$ 5,118.45

香港華人會計師公會會刋

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## THE SOCIETY OF CHINESE ACCOUNTANTS & AUDITORS G.P.O. Box 15222 HONG KONG

**Annual Report of** 

## The Society of Chinese Accountants & Auditors For the year ended 30th September, 1968

#### Gentlemen,

Once again I feel happy to chronicle the activities of the Society for 1968.

The annual general meeting for the presentation of the annual report and the statements of account of the Society for the year ended September 30, 1968 will be held at Wing On Life Building, Hong Kong on Tuesday, December 17, 1968 at 6:30 p.m.

### **OFFICE BEARERS FOR 1968**

The office bearers for the year are all staunch supporters as their predecessors. With their unfailing duties they help to cast an anchor for a welcoming progress of the Society, whose name is being made known to the world institutions of accountants and commerce. Their achievements have escalated the prestige of the Society and inspired all concerned for the years to come.

Chairman:	Charles Mar Fan	
Vice-Chairman :	Poon Wing Cheung	
Council:	Charles Mar Fan	Poon Wing Cheung
	Wong Shang Jen	Tso Chak Chun
	Lo Tze Kwai	Lau Chung Him
	Cheng Hsueh Shi	Lam Ming Kwong
	Chan Sui Hin	Mak Hing Cheung
	Lee Man Bun	
Hon. Auditors:	Tang Tsoi Shih	Ng Tze Choy
Adviser:	Kwan Man Wai	
Committee Chairman:	Research: Lo Tze Kw	ai, Cheng Hsueh Shi,
	Lam Ming	Kwong.
	Publication: Lau Chun	
	Membership: Mak Hi	
II T	Social: Lee Man Bun.	
Hon. Treasurer:	Tso Chak Chun.	
Hon. Secretary:	Wong Shang Jen.	

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#### MEMBERSHIP

What glorified the Council most during the year in the increase of 9 more members giving bigger help and co-ordination in all the Society's activities. They are Messrs.:---

Tam Kwong Wing,Vincent Wan Shui Tong,Desmund Liu Hin-chi,Ng Wan Ho,Liu Wing Kwong,Stephen Lo Nai Wai,Lam Man Sung,Yeung Ping KwanMrs Fung Cheung Yui

Lam Man Sung, Yeung Ping Kwan, Mrs. Fung Cheung Yun-choy. The Society extends them its warmest welcome and hopes they will help in promoting the Society's affairs with their concerted effort.

Up to date of this report the roster herewith shows a total of 139 members.

#### **MEETING & ACTIVITIES**

The 5th Asian & Pacific Accounting Convention was held in New Zealand in February 1968 when it bid welcome with open arms to delegates from all parts of the world, and our chairman representing the Society participated thereto. The report on the Convention by our chairman will be circulated to members separately in due course.

Monthly session on taxation was held at the Lingman Club every last Wednesday of each month under the chairmanship of Mr. T. K. Lo.

The Society's Council meeting was also held at the same premises on every second last Wednesday of each month.

#### ACCOUNTS

The income & expenditure account for the year ended September 30, 1968 and the balance sheet as at that date are presented herewith for adoption. The surplus shown therein has been transferred to the accumulated fund.

#### ACKNOWLEDGMENT

We are greatly indebted to the chairman for his many years of leadership and his untiring efforts in working for the benefit of the Society.

To Mr. T. K. Lo we also own immense gratitude for his wide experience in guiding members along in the monthly taxation forums for years.

The wave of comradeship is rolling on cheerfully as members are always thriving to offer their best in the interest and for the goodwill of the Society. Without their co-ordinating support and unremitting activities the Society will not be as healthy as it is to-day. To all the members the Council extends its warmest thanks and appreciation, and wishes that the flow of their support be unimpeded.

Taking the opportunity of these acknowledgments the Council wishes you all A MERRY CHRISTMAS AND A PROSPEROUS NEW YEAR.

> Wong Shang Jen, Hon. Secretary.

Hong Kong: November 27, 1968.

## THE SOCIETY OF CHINESE ACCOUNTANTS AND AUDITORS, HONG KONG.

Balance Sheet as at 30th September, 1968.

LIABILITIES			ASSETS		
ACCUMULATED FUND		FIXED ASSETS		<b>T</b>	
Balance at 1st October, 1967 \$22,692.99 Add:		Duplicator Library Books	Balance at 1.10.1967 \$320.31 18.68	Depreciation for year \$ 32.03 4.67	<b>x</b> \$ 288 28 14.01
Entrance Fees — 9 @ \$50 450.00			\$338.99	\$ 36.70	\$ 302.29
Excess of Income over Ex-		CIIADE INTON			φ 002.22
penditure for year to date 3,461.82	\$26,604.81	SHARE INVESTM 785 shares in			
LIBRARY FUND	1,030.00 30.00	Co., Ltd. (Ma \$19,546.50) SUBSCRIPTION R ADVERTISING FE (1966 Journal) STOCK OF MEMB Balance at 1st October, 1967 Less: Sales Balance in Hanc	ECEIVABLI E RECEIVA ER'S GOLD 24 pc 6 pc 1 18 pc	30.9.68— E BADGES:— s. \$224.00 s. 120.00 s.	14,267.00 240.00 100.00 104.00
		FIXED DEPOSIT CASH AT BANK	— Wing On — Wing On	Bank Ltd. Bank Ltd.	5,609.77 7,041.75
	\$27,664.81				\$27,664.81
		C. C. Tso, F	Ion. Treasure	er.	

Charles Mar Fan, Chairman.

Wong Shang-Jen, Hon. Secretary.

## AUDITORS' REPORT

We have examined the above Balance Sheet of THE SOCIETY OF CHINESE ACCOUNTANTS & AUDITORS, HONG KONG for the year ended 30th September, 1968 and have obtained all the information and explanations we have required. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Society's affairs as at 30th September, 1968 according to the best of our information and the explanations given to us and as shown by the books of the Society.

Hong Kong: 4th November, 1968.

Hon. Auditors: Ng Tze Choy, Tang Tsai Shih.

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CHINESE

ACCOUNTANT

# THE SOCIETY OF CHINESE ACCOUNTANTS AND AUDITORS, HONG KONG.

Income and Expenditure Account for the year ended 30th September, 1968.

### **EXPENDITURE**

#### INCCME

Allowance to Bookkeeper and Messenger	\$ 200.00
Printing and Stationery	216.40
Telegram, Postage and Stamp	198.20
Annual Meeting Expenses	1,025.00
Gifts—One Silk Embroidered Flag to New	
Zealand Accountants Conference	200.00
Sundry Expenses—Tips to Lingnan Club boys	100.00
Depreciation :	
Duplicator \$32.03	
Library Books 4.67	36.70
Balance, being Excess of Income	
over Expenditure	3,461.82

Annual Subscriptions from members	
(130 @ \$30)	\$ 3,900.00
Fixed Deposit Interest Received	
(1.10.67 – 30.9.68)	285.58
Investment Income:	
Dividends Received \$ 1,255.65	
Less: Bank Charges 3.11	1,252.54

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5.438.12

\$ 5,438.12
The Office-bearers and Committeemen of the Socie
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1913—1969

Year	Chairman	Chairman Vice Chairman		Hon. Treasurer	Committee Member	Hon. Auditors	
1913	J. M. Wong	(Note 1)	Fung Lok Yuen	(Note 1)			
1914-1932 1933-1940 1941-1945 1946	(Note 1) (Note 2) (Note 3) Lau Yuk Wan	J. M. Wong	Wai-Sun Tam	Man I-Ling	Lam Cho- Hing Li Tung P. C. Kwok K. L. Young Wing-Seen Wong	John T. O. Wong & Y. Y. Wang	
1947	Lau Yuk Wan	J. M. Wong	Wai-Sun Tam	Man I-Ling	Lam Cho- Hing Li Tung P. C. Kwok K. L. Young Wing-Seen Wong	John T. O. Wong & C. C. TSO	
1948	Wing-Seen Wong	Wai-Sun Tam	C. C. Tso	Man I-Ling	J. M. Wong Lau Yuk Wan Li Tung Li Shu Fong K. L. Young	P. C. Kwok & Lam Cho- Hing	
1949	Wing-Seen Wong	Wai-Sun Tam	C. C. Tso	Man I-Ling	J. M. Wong Lau Yuk Wan Li Tung Li Shu Fong P. C. Kwok	Lam Cho- Hing & K. L. Young	
1950	Wing-Seen Wong	Wai-Sun Tam	C. C. Tso	Li Shu Fong	Charles Mar Fan Thomas Le C. Kuen J. M. Wong Lau Yuk Wan P. C. Kwok	Man-I Ling K. L. Young	
1951	Wing-Seen Wong	Wai-Sun Tam	C. C. Tso	Fung On	P. C. Kwok Thomas Le C. Kuen Lau Yuk Wan Charles Mar Fan Man-I Ling	Li Shu Fong & Kwan Man-Wai	
1952	Wing-Seen Wong	Wai-Sun Tam	C. C. Tso	Fung On	Kwan Man- Wai Lau Yuk-Wan Thomas Le C. Kuen Mankwan Wong Charles	Li Shu- Fong & J. M. Wong	

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香港華人會計師公會會刋

Year	Chairman	Vice Chairman	Hon. Secretary	Hon. Treasurer	Committee Member	Hon. Auditors
1953	Wing-Seen Wong	Wai-Sun Tam	C. C. Tso	Fung On	Kwan Man- Wai Lau Yuk-Wan Thomas Le C. Kuen Mankwan Wong Charles Mar Fan	Li Shu- Fong & J. M. Won
1954	Wing-Seen Wong	Wai-Sun Tam	C. C. Tso	Fung On	Charles Mar Fan Wai Mankwan Wong Wong Shang-Jen Lau Yuk-Wan Thomas Le C. Kuen Man-I Ling	Li Shu- Fong & J. M. Wong
1955	Wai-Sun Tam	Charles Mar Fan	C. C. Tso	Fung On	Wing-Seen Wong M. W. Kwan Man-I Ling Li Shu-Fong Wong Shang-Jen Ka-Yau Chan Lau Chung- Him	Leung Sik- Kwan & Jackman Choy
1956	Wai-Sun Tam	Charles Mar Fan	C. C. Tso	Fung On	W. S. Wong S. K. Leung Li Shu-Fong Wong Shang-Jen M. W. Kwan Lau Chung- Him T. K. Lo	Man-I Ling & Ka-Yau Chan
1957	C. C. Tao	Charles Mar Fan	M. W. Kwan	Fung On	Wing-Seen Wong W. S. Tam Man-I Ling Li Shu-Fong S. K. Leung Ka-Yau Chan Wong Shang-Jen	Lau Chung- Him & Jackman Choy
1958	Charles Mar Fan	C. C. Tso	Wong Shang-Jen	Stephen Law	M. K. Kwan Fung On J. K. S. Thong S. K. Leung Li Shu-Fong Jackman Choy	Ka-Yau Chan & Ed. P. H. Ma

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Year	Chairman	Vice Chairman	Hon. Secretary	Hon. Treasurer	Committee Member	Hon. Auditors
1959	Charles Mar Fan	M. W. Kwan	Wong Shang-Jen	C. C. Tso	Lau Chung- Him Li Shu-Fong Fung On T. K. Lo S. K. Leung W. S. Tam J. K. S. Thong	Stephen Law & W. S. Wong
1960	Chas. Mar Fan	M. W. Kwan	Wong Shang-Jen	C. C. Tso	Lau Chung- Him T. K. Lo Li Shu-Fong S. K. Leung J. K. S. Thong Mankwan Wong W. S. Tam	Jackman Choy & Stephen Law
1961	Chas. Mar Fan	M. W. Kwan	Wong Shang-Jen	C. C. Tso	Lau Chung- Him T. L. To Li Shu-Fong S. K. Leung W. S. Tam J. K. S. Thong Jackman Choy	Stephen Law & Man-I Ling
1962	Chas. Mar Fan	M. W. Kwan	Wong Shang-Jen	C. C. Tso	Lau Chung- Him T. K. Lo Li Shu-Fong S. K. Leung W. S. Tam Chan Kang Jackman Choy	Man-I Ling & J. K. S. Thong
1963	Chas. Mar Fan	M. W. Kwan	Wong Shang-Jen	C. C. Tso	Lau Chung- Him T. K. Lo Li Shu-Fong S. K. Leung W. S. Tam Chan Kang J. K. S. Thong	Sanford Yung & Man-I Ling
1964	Chas. Mar Fan	M. W. Kwan	Wong Shang-Jen	C. C. Tso	T. K. Lo Poon Wing Cheung Li Shu-Fong Chen Kang Lau Chung- Him S. K. Leung P. C. Wong (adviser)	Ling Man, I & Norman Mar Fan

#### 香港華人會計師公會會刋

Year	Chairman	Vice Chairman	Hon. Secretary	Hon. Treasurer	Committee Member	Hon. Auditors
1965	Chas. Mar Fan	M. W. Kwan	Wong Shang-Jen	C. C. Tso	T. K. Lo, Poon Wing Cheung Li Shu-Fong Chen Kang Lau Chung Him S. K. Leung & Norman Mar Fan	W.S. Tam & Jackman Choy
1966	Chas. Mar Fan	M. W. Kwan	Wong Shang-Jen	C. C. Tso	T. K. Lo Poon Wing Cheung Ronald F. S. Li Lau Chung Him S. K. Leung Li Shu-Fong Chen Kang	Norman Mar Fan & Auyang Yik Fung
1967	Chas. Mar Fan	Poon Wing Cheung	Wong Shang-Jen	C. C. Tso	Lau Chung Him, T. K. Lo, Cheng Shueh-Shi, M. K. Lam, Mak Hing Cheung, M. B. Lee, Ng Tze Choy	Kwan Hon Fong & Tang Tsai Shih
1968	Chas. Mar Fan	Poon Wing Cheung	Wong Shang-Jen	C. C. Tso	Lau Chung Him, Michael S. H. Chan, T. K. Lo, Cheng Shueh-Shi, M. K. Lam, Mak Hing Cheung, M. B. Lee	Ng Tze Choy & Tang Tsai Shih
1969	Chas. Mar Fan	Poon Wing Cheung	Wong Shang-Jen	C. C. Tso	Lau Chung Him, Cheng Shueh-Shi, T. K. Lo, Lam Ming Kwong Sum Wai Man, Mak Hing Cheung, M. B. Lee	Norman Mar Fan, Ng Tse Choy

NOTES 1. Owing to loss of records, no particulars are available. According to reliable sources, Mr. J. M. Wong, J.P., had been Chairman of the Society for over 10 years during this period.

2. In the wake of the loss, the only scanty information available to us is that, for a few years, the late Mr. Lau Yuk Wan was Chairman of the Society, Mr. Li Tung was twice Hon. Secretary, Mr. Lam Cho Hing three times Hon. Treasurer, and Mr. Kwok Yam Kai, Hon. Secretary for once.

3. Thereafter, there has been no further enlightenment, except that, during the Second World War, the late Mr. Lau Yuk Wan was still the Chairman.

本會歷屆職員暨理監事芳名一覽表 (1913-1969)

年 份	主席	副主席	義務秘書	司庫	監 事	理事(次序不分先後)	
一九一三	黃茂林	(註一)	馮樂園	(註一)			
一九一四 至	(→:	案卷遣失	,無從查考	,據聞該一	一餘年間,	黃茂林先生均任主席云 )	
一九三二							
一九三三 至	(二:	案卷不全 林 薀 慶 尹	,祇查得該4 三任司庫,)	年間,劉朝 日朝 啓派 「 「 「 「 の 、 」 、 、 、 、 、 、 、 、 、 、 、 、 、 、 、 、 、	流芸先生 <sup>始</sup> 目一任秘書	9任主席,李桐君兩任祕書, 書而已 )	
一九四零		made a.		人 护 层 尺 /			
一九四一 至	(註三	:案卷遺	失,無從查考	考,據聞記	亥數年戰爭	計期間劉毓芸先生仍任主席云 )	
一九四五					黃電安	林藻慶 李 桐 郭佩璋	
一九四六	劉毓芸	黄茂林	譚維新	凌文義	王蘊玉	杨光露 黃永善	
一九四七	劉毓芸	黃茂林	譚維新	凌文義	黃電安 曹澤泉	林藻慶 李 桐 郭佩璋 楊光露 黃永善	
一九四八	黃永善	譚維新	曹澤泉	凌文義	郭佩璋 林藻慶	黃茂林 劉毓芸 李 桐 李樹芳 楊露光	
一九四九	黃永善	譚維新	曹澤泉	凌文義	林藻慶 楊光露	黃茂林 劉毓芸 李 桐 李樹芳 郭佩璋	
一九五零	黃永善	譚維新	曹澤泉	李樹芳	凌文義 楊光露	馬炎璋 李卓權 黃茂林 劉毓芸 郭佩璋	
一九五一	黃永善	譚維新	曹澤泉	馮安	李樹芳 關文偉	郭佩璋 李卓權 劉毓芸 馬炎璋 凌文義	
一九五二	黃永善	譚維新	曹澤泉	馮 安	李樹芳 黃茂林	關文偉 劉毓芸 李卓權 黃文袞 馬炎璋	
一九五三	黄永善	譚維新	曹澤泉	馮安	李樹芳 黃茂林	關文偉 劉毓芸 李卓權 黃文袞 馬炎璋	
一九五四	黃永善	譚維新	曹澤泉	馮安	李樹芳 黃茂林	馬炎璋 關文偉 黃文袞 王尚仁 劉毓芸 李卓權 凌文義	
一九五五	譚維新	馬炎璋	曹澤泉	馮安	梁錫鈞 蔡澤民	黄永善關文偉 凌文義 李樹为 王尚仁 陳嘉有 劉仲謙	亡 J
一九五六	譚維新	馬炎璋	曹澤泉	馮安	凌文義 陳嘉有	黃永善梁錫鈞 李樹芳 王尚仁 關文偉 劉仲謙 盧子葵	
一九五七	曹澤泉	馬炎璋	關文偉	馮安	劉仲謙 蔡澤民	黃永善 譚維新 凌文義 李樹 梁鍚鈞 陳嘉有 王尚仁	± J
一九五八	馬炎璋	曹澤泉	王尙仁	羅思雲	陳嘉有 馬沛洪	關文偉 馮 安 湯高新 梁錫 李樹芳 蔡澤民 凌文義	勻
一九五九	馬炎璋	關文偉	王尙仁	曹澤泉	羅思雲 黃永善	劉仲謙 李樹芳 馮 安 盧子享 梁錫鈞 譚維新 湯高新	1961
一九六零	馬炎璋	關文偉	王尙仁	曹澤泉	蔡澤民 羅思雲	劉仲謙(出版組)盧子葵(稅務約) )李樹芳(交際組)梁錫鈞(會員 組)湯高新 黃文袞 譚維新	and nmr
一九六一	馬炎璋	關文偉	王尙仁	曹澤泉	羅思雲 凌文義	劉仲謙(出版組)盧子葵(稅務組) )李樹芳(交際組)梁錫鈞(會員 組)譚維新 湯高新 蔡澤民	יידן נשו

本會歷屆職員暨理監事芳名一覽表(續) (1913-1969)

	·	1			1	1
年 份	主席	副主席	義務秘書	司庫	監事	理 事 ( 次序不分先後 )
一九六二	馬炎璋	關文偉	王尙仁	曹澤泉	凌文義	劉仲謙(出版組)
					湯高新	盧子葵(稅務組)
						梁鍚鈞(會員組)
						譚維新(顧問)
						陳綱 蔡澤民
一九六三	馬炎璋	關文偉	王尙仁	曹澤泉	容永道	劉仲謙(出版組)
			· .		凌文義	盧子葵(稅務組)
						李樹芳(交際組)
						梁鍚鈞(會員組)
						譚維新(顧問)
						陳 綱 湯高新
一九六四	馬炎璋	關文偉	王尙仁	曹澤泉	凌文義 馬明璋	劉仲謙(出版組)盧子葵 潘永祥 (研究組)李樹芳 陳 綱(交際 組) 梁錫均(會昌組) 黃秉章
						組) 梁錫均(會員組) 黃秉章 (顧問)
一九六五	馬炎璋	關文偉	王尙仁	曹澤泉	譚維新 蔡澤民	劉仲謙(出版組)盧子葵 潘永祥 馬明璋(研究組)李樹芳 陳 綱 (交際組)梁錫均(會員組)
一九六六	馬炎璋	關文偉	王尙仁	曹澤泉	馬 明 璋 歐陽亦凡	劉仲謙(出版組)盧子葵 潘永祥 李福兆(研究組)李樹芳 陳 綱 (交際組)梁錫均(會員組)
一九六七	馬炎璋	潘永祥	王尙仁	曹澤泉	關漢芳 湯才仕	劉仲謙(出版組)盧子葵 鄭學熙 林明光(研究組)麥慶彰 (會員 組) 李文彬 伍子材(交際組)
一九六八	馬炎璋	潘永祥	王尙仁	曹澤泉	伍子材 湯才仕	劉仲謙 陳瑞顯(出組版)盧子葵 鄭學熙 林明光(研究組)麥慶彰 (會員組)李文彬(交際組)
一九六九	馬炎璋	潘永祥	王尙仁	曹澤泉	馬明璋 伍子材	劉仲謙 鄭學熙(出版組)盧子葵 林明光 岑偉文(研究組)麥慶彰 (會員組)李文彬(交際組)

本表編列,因初期案卷遺失,而年代湮遠,資料難於查考,故由本會誕生至一九四五年, 三拾餘年間人事紀錄,祗得從略,抱歉殊深。幸由一九四八年起,已有案卷可稽,編纂較易, 倘有錯漏或會友間有知之較詳者,希不吝賜敎,使此表得趨完善,幸甚幸甚。編者謹識。

(1969年5月)

#### LIST OF MEMBERS - 1969

(Arranged in Alphabetical Order)

AU, Henry Kai Tong (區啓棠) A.A.S.A. Authorised Auditor 142, Boundary Street 2nd Floor, Kowloon Tels. K-822018, NT-402275 AU-YEUNG, Yik Fung (歐陽亦先) A.C.I.S., A.A.C.C.A.,

A.C.C.S., A.A.S.A., A.M.B.I.M., A.M.C.I.A, Authorised Auditor Au Yeung Yik Fung & Co., 1203, Hongkong Chinese Bank Building., Hong Kong Tels. H-247284-5

CHAN, Andrew Cheong Foon (陳昌寬) A.A.S.A. Authorised Auditor 47, Peking Road, 7th Floor J. Hotung House, A1 Kowloon Tel. K-667920

CHAN, Dennis ( 陳少瑜 ) A.A.C.C.A. Authorised Auditor Flat C, 4th Floor Delite Mansion 1-3, Granville Circuit Kowloon Tel. K-681040

CHAN, Eddie Kwok Shum (陳國森) A.A.S.A. Authorised Auditor 316, Des Voeux Rd., West 8th Floor, Block B Hong Kong Tel. H-473649

CHAN, Fook Man ( 陳稿文 ) B.Com., A.A.S.A. Authorised Auditor Queen's Building Queen's Rd., C. Hong Kong Tel. H-220884 CHAN, Ka Yau (陳嘉有) A.A.S.A. Authorised Auditor 331, Wang Hing Building 16-16A, Queen's Road Central Hong Kong Tel. H-223947 CHAN, Kai Cheuk (陳啓綽) A.A.S.A. Authorised Auditor 202, Man Yee Building 64, Des Voeux Road, Č. Hong Kong CHAN Kai Chi (陳啓池) A.A.S.A. Authorised Auditor Rm. 401, Shing Loon Building Stanley Street Hong Kong CHAN, Kit Hang (陳潔行) A.A.S.A. Authorised Auditor 92, Waterloo Road, 7th Floor Flat A Kowloon CHAN, Kwai Ping (陳貴平) Authorised Auditor c/o F. S. Li & Co. Alexandra House, 6th Floor Hong Kong Tels. H-235714, H-238965 CHAN, Peter P. F. (陳普芬) Authorised Auditor 501/505, Windsor House 14, Des Voeux Rd., C. Hong Kong Tels. H-238161, H-230697 CHAN, Pui Kai (陳培楷) F.R.Econ.S. (Lond.) A.A.S.A. Authorised Auditor Tung Wah Hospital 12, Po Yan Street

CHAN, Sai Hoi ( 陳世愷 ) A.A.S.A., A.E.A.A. Authorised Auditor Flat C4 20, Shan Kwong Road Happy Valley Hong Kong Tel. H-733828

CHAN, Michael S. H. (陳瑞願) Authorised Auditor Beauty Court, 9th Floor, Flat B No. 10, Man Fuk Road Waterloo Hill Kowloon Tel. K-880889

CHAN, Tit Shuen (陳鐵旋) A.A.S.A. Authorised Auditor 160, Tung Lo Wan Road 4th Floor Causeway Bay Hong Kong

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Last but not the least, the aforesaid Sub-Committee are most appreciative of the assistance given to them by all contributors of informative and constructive articles, and of the services of the members of the Society contributed directly or indirectly to this issue.



矩度為繁榮之要素,勤勞乃增產之津梁。欲求良效,先重籌謀。年來本港工 商百業,欣欣向榮,巧智通才,充份就業。為經濟奠良基,為民生厚富力。同人 等欣逢時會,心儀各方合作之誠,爰廣集鴻文,願作他山攻錯之助。對於改善管 理,增加生產之論著,均優先刋載。此項性質論著,本期來稿特多,至深欣幸。 尚希 各界賢達,今後對於本刋,仍多賜予匡助。庶使春華秋實,挹清露而矞矞 生輝,大業宏圖,奉矩繩而孜孜競展。斯為美矣,豈不懿哉。

格誦經綸偉論, 謹輸葵藿微忱。致我厚意, 資我剞劂者, 深荷眷懷, 一倂言 謝。





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