



YEAR BOOK

1914

THE INSTITUTE OF
Chartered Accountants
OF BRITISH COLUMBIA

Incorporated
"Chartered Accountants' Act, 1905"
"Amendment Act, 1914"



LIST OF MEMBERS, 1914
ACT OF INCORPORATION & BY-LAWS
ETC.

VANCOUVER, B. C.
WESTERN SPECIALTY LIMITED, STATIONERS AND PRINTERS
331 DUNSMUIR STREET

1914

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The
Institute of Chartered Accountants
of British Columbia

COUNCIL, 1914-15.

Hon.-President—JOHN BLACK MCKILLIGAN

President—WALTER ERNEST HODGES

First Vice-President—ARTHUR HARPER EDWARDS

CHIENE, Hall Campbell	.....	.....	.....	Vancouver, B. C.
EDWARDS, Arthur Harper	.....	.....	.....	Vancouver, B. C.
GRIFFITHS, Albert F.	.....	.....	.....	Victoria, B. C.
HODGES, WALTER ERNEST	.....	.....	.....	Vancouver, B. C.
MIDDLETON, Robert Walter	.....	.....	.....	Vancouver, B. C.
ROBERTSON, Campbell Hill Duncan	.....	.....	.....	Vancouver, B. C.
SHAW, Alfred	.....	.....	.....	Vancouver, B. C.
STEWART, Andrew	.....	.....	.....	Vancouver, B. C.
WINTER, George Edward	.....	.....	.....	Vancouver, B. C.

Secretary-Treasurer

GEORGE EDWARD WINTER.

Auditors

HAROLD DOUGLAS CHRISTIE *and* WILLIAM BENVIE ANDERSON

Representatives on the Council of the Dominion Association
of Chartered Accountants

ALFRED SHAW *and* WALTER ERNEST HODGES

Institute Offices

210 BANK OF OTTAWA BUILDING, VANCOUVER, B. C.

COMMITTEES OF COUNCIL

(President and Secretary, Ex-officio Members of all Committees.)

Finance

HALL CAMPBELL CHIENE, Chairman.

ROBERT WALTER MIDDLETON

ROBERT BELL

Membership

ROBERT WALTER MIDDLETON, Chairman.

HALL CAMPBELL CHIENE.

WILLIAM MACNEILLE MACLACHLAN

Legislation

ANDREW STEWART, Chairman.

SPECIAL COMMITTEES.

Examining Board.

ARTHUR HARPER EDWARDS, Chairman.

ANDREW STEWART.

GEORGE EDWARD WINTER.

CAMPBELL HILL DUNCAN ROBERTSON

Students' Society

CAMPBELL HILL DUNCAN ROBERTSON, Chairman.

The Institute of Chartered Accountants of British Columbia

MEMBERSHIP

July, 1914.

Hon. Fellows.....	2	Resident in B. C.....	57
Fellows	27	Non-resident	24
Associate	52		
Total.....	81	Total.....	81

Alphabetical List of Members

- ALDERSON, EDWARD REGINALD (*Associate*) 1836 12th Avenue West,
Vancouver, B. C.
- ANDERSON, WILLIAM BENVIE (*Associate*) c/o Marwick, Mitchell
Peat & Co., 515 Winch Building,
Vancouver, B. C.
- BAWDEN, WILLIAM ALFRED (*Associate*) P.O. Box 200, Victoria,
(Albert F. Griffiths) B. C.
- BAILEY, RALPH (*Associate*) c/o Bray, Markham &
Reiss, Ltd., Blackburn Lane,
London, E. C.
- BELL, ROBERT (*Associate*) 901 London Building,
(Buttar & Chiene) Vancouver, B. C.
- BERDOE, ARNOLD LESLIE (*Fellow*) c/o Vancouver Club,
Vancouver, B. C.
- BLYTHE, GEORGE PERCY (*Associate*) 124 Moss Street, Vic-
toria, B. C.

- BOWMAN, ARCHIBALD
(Marwick, Mitchell,
Peat & Co.) (Fellow) 79 Wall Street, New
York, U. S. A.
- BRODIE, ALEXANDER BERTRAM (Fellow) Commercial Union Bldg.,
(Price, Waterhouse & Co.) Montreal, Que.
- BUTTAR, WILLIAM SHAW (Fellow) 901 London Building,
(Buttar & Chiene) Vancouver, B. C.
- BUCHANAN, JOHN GEORGE (Associate) c/o Dominion Trust
Co., 402 Pender Street, Van-
couver, B. C.
- CARTER, FREDERICK W. (Hon. Fellow) c/o Carter, Greig &
(Carter, Greig & Co.) Co., Edinburgh, Scotland.
- CHIENE, HALL CAMPBELL (Fellow) 901 London Building,
(Buttar & Chiene) Vancouver, B. C.
- CHRISTIE, HAROLD DOUGLAS (Associate) 905 Yorkshire Building,
(H. D. Christie & Co.) Vancouver, B. C.
- CLAXTON, ARTHUR CECIL² (Associate) Kamloops, B. C.
(Godby & Claxton)
- CREHAN, MATTHEW JOSEPH (Fellow) 507 Crown Building,
(Crehan, Martin & Co.) Vancouver, B. C.
- DEWAR, DOUGLAS (Fellow) 1211 MacArthur Build-
(Marwick, Mitchell, Peat ing, Winnipeg, Man.
& Co.)
- DICKINSON, ARTHUR LOWES (Fellow) 3 Fredericks Place, Old
(Price, Waterhouse & Co.) Jewry, London, E. C., England.
- EDWARDS, ARTHUR HARPER (Fellow) 710 London Building,
(Edwards, Morgan & Co.) Vancouver, B. C.
- EDWARDS, GEORGE (Associate) 18 King Street West,
(Edwards, Morgan & Co.) Toronto, Ont.
- FORSYTHE, CHARLES ANDER- (Associate) 114 Belmont House,
SON Victoria, B. C.
(Charles A. Forsythe)
- FORSYTH, JOHN DODDS (Associate) c/o Yorkshire Guarant-
(Associate) c/o Yorkshire Guarant- tee & Security Co., 525 Sey-
mour St., Vancouver, B. C.
- FOSTER, ALBERT PERCY (Associate) 822 Rogers Building,
(A. P. Foster & Co.) Vancouver, B. C.
- GARNSEY, GILBERT FRANCIS (Associate) 3 Fredericks Place, Old
(Price, Waterhouse & Co.) Jewry, London, E. C., Eng.
- GILLESPIE, JOHN CHARLES (Associate) Canada Permanent
(J. C. Gillespie) Building, Victoria, B. C.

- GODBY, HILTON WOOLRIDGE (*Associate*) Kamloops, B. C.
(Godby & Claxton)
- GRIFFITHS, ALBERT F. (*Fellow*) P. O. Box 200, Victoria,
(Albert F. Griffiths) B. C.
- HALL, JAMES (*Fellow*) 105 South LaSalle Street,
(Marwick, Mitchell, Peat Chicago, Ill.
& Co.)
- HAWKINS, LESLIE WHITTEM (*Associate*) Basildon House, Mar-
(Geo. A. Touche & Co.) gate Street, London, E. C., Eng.
- HELLIWELL, JOHN FREDERIC (*Fellow*) 708 Yorkshire Building,
(Helliwell, Moore & Mac- Vancouver, B. C.
lachlan)
- HODGE, THOMAS KENWYN (*Associate*) 325 Westminster Trust
(T. K. Hodge) Bldg., New Westminster, B. C.
- HODGES, WALTER ERNEST (*Fellow*) 210 Bank of Ottawa Bldg.,
(Riddell, Stead, Hodges & Vancouver, B. C.
Winter)
- HUDSON, OSCAR MURRAY (*Associate*) 32 Church Street, Tor-
(Oscar Hudson & Co.) onto, Ont.
- HUGHES, GRIFFITH R. (*Associate*) 201 Pemberton Build-
(G. R. Hughes & Co.) ing, Victoria, B. C.
- HUMPHRIES, THOMAS (*Associate*) c/o Tinney & Humph-
ries, 429 Pender Street, West,
Vancouver, B. C.
- ISMAY, ERNEST WILFRED (*Associate*) 306 Jones Block, Fort
(Ismay & Grimison) Street, Victoria, B. C.
- JACKSON, JOHN HERBERT (*Associate*) 3 Tunstall Block, 709
Dunsmuir St., Vancouver, B. C.
- KENDALL, JOHN (*Fellow*) 1201 Dominion Building,
(Kendall, Sewell & Co.) Vancouver, B. C.
- LEICESTER, GERALD (*Associate*) Suite 8, Nicola Apart-
ments, Vancouver, B. C.
- LENNARD, WALTER J. BAR- (*Associate*) 303 Rogers Building,
RETT Vancouver, B. C.
- MACLACHLAN, WILLIAM (*Associate*) 708 Yorkshire Building,
MACNEILLE Vancouver, B. C.
(Helliwell, Moore & Mac-
lachlan)
- MARTIN, WILLIAM SEEDS (*Associate*) 508 Crown Building,
(Crehan, Martin & Co.) Vancouver, B. C.

- MARWICK, JAMES (Fellow) 79 Wall Street, New York, U. S. A.
(Marwick, Mitchell, Peat & Co.)
- MAY, GEORGE OLIVER (Fellow) 54 Williams Street, New York, U. S. A.
(Price, Waterhouse & Co.)
- McKILLIGAN, JOHN BLACK (Hon. Fellow) Surveyor of Taxes, Victoria, B. C.
- MIDDLETON, ROBERT WALTER (Associate) 405 Bank of Ottawa Bldg., Vancouver, B. C.
(Marwick, Mitchell, Peat & Co.)
- MITCHELL, SIMPSON ROGER (Fellow) 79 Wall Street, New York, U. S. A.
(Marwick, Mitchell, Peat & Co.)
- MOORHOUSE, ELI (Fellow) White Building, Seattle, Wash.
(Smith, Robertson & Moorhouse)
- PEAT, SIR WILLIAM BARCLAY (Fellow) 11 Ironmonger Lane, London, E. C., Eng.
(Marwick, Mitchell, Peat & Co.)
- PLAYLE, GEORGE HERBERT (Associate) Nelson, B. C.
(G. H. Playle)
- PRICE, FRANK STEANE (Associate) 3 Fredericks Place, Old Jewry, London, E. C., Eng.
(Price, Waterhouse & Co.)
- RATHIE, ANDREW HOGARTH (Associate) 616 Metropolitan Bldg., Vancouver, B. C.
(Robertson & Rathie)
- REED, HENRY KERR (Associate) c/o Alliance Investment Co., Calgary, Alta.
- RIDDELL, ALEXANDER FOWLER (Associate) 80 St. Francois Xavier St., Montreal, Que.
(Riddell, Stead, Hodges & Winter)
- ROBERTSON, CAMPBELL HILL (Fellow) 515 Metropolitan Bldg., Vancouver, B. C.
DUNCAN
(Geo. A. Touche & Co.)
- ROBERTSON, PATRICK (Associate) Smith Block, 3rd Avenue, Prince Rupert, B. C.
(Patrick Robertson)
- RICHARDSON, FRANK (Associate) 210 Bank of Ottawa Bldg., Vancouver, B. C.
- ROSS, FREDERICK ALBERT (Fellow) 515 Winch Building, Vancouver, B. C.
(Marwick, Mitchell, Peat & Co.)
- ROSS, JAMES (Associate) 744 Hastings St. West, Vancouver, B. C.

- RORIE, GEORGE (*Associate*) c/o Ceperley, Rounsefell & Co., 543 Hastings St., West, Vancouver, B. C.
- RUNNER, FLOYD LONDON (*Associate*) 515 Winch Building, Vancouver, B. C.
- SEWELL, FRANK CROMPTON (*Fellow*) c/o Crompton, Sewell & Co., 88 Exchange Building, Vancouver, B. C.
- SHAW, ALFRED (*Fellow*) 210 Bower Building, Vancouver, B. C.
(Alfred Shaw & Co.)
- STEIN, WILLIAM THOMAS (*Fellow*) 930 Rogers Building, Vancouver, B. C.
(Abbott, Stein & Co.)
- STODDART, CHARLES TEMPLEMAN (*Associate*) 901 London Building, Vancouver, B. C.
- STEWART, ANDREW (*Fellow*) 515 Winch Building, Vancouver, B. C.
(Marwick, Mitchell, Peat & Co.)
- STUART, JOHN MACKERRILL (*Associate*) 606 Vancouver Block, Vancouver, B. C.
(John M. Stuart)
- TAIT, ANDREW WILSON (*Associate*) Basildon House, Margate Street, London, E. C., Eng.
(George A. Touche & Co.)
- TANSLEY, GORDON (*Associate*) 1010 Metropolitan Bldg., Vancouver, B. C.
- TOUCHE, GEORGE ALEXANDER (*Associate*) Basildon House, Margate Street, London, E. C., Eng.
(George A. Touche & Co.)
- TOWNSEND, RONALD TRAVIS (*Associate*) c/o Geo. A. Touche & Co., Victoria, B. C.
- TUTTLE, WILLIAM HARRY (*Associate*) 1201 Dominion Building, Vancouver, B. C.
- WATSON, JOHN B. (*Associate*) P. O. Box 308, Calgary, Alta.
(John B. Watson)
- WEBB, FRANK (*Associate*) c/o South Shore Lumber Co., 1 Front Street, Vancouver, B. C.
- WEBB, T. HARRY (*Associate*) 610 MacArthur Building, Winnipeg, Man.
(Webb, Read, Hegan, Callingham & Co.)
- WEBSTER, GEORGE R. (*Fellow*) 54 Williams Street, New York, U. S. A.
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- WICKS, HENRY JOSEPH (*Associate*) 2724 Grahame Street, Victoria, B. C.

WILSON, GEORGE	(Associate) P. O. Box 644, Kelowna, B. C.
WINTER, GEORGE EDWARD (Riddell, Stead, Hodges & Winter)	(Associate) 210 Bank of Ottawa Bldg., Vancouver, B. C.
WYON, ALBERT WILLIAM (Price, Waterhouse & Co.)	(Fellow) 3 Fredericks Place, Old Jewry, London, E. C., Eng.
YOUNG, JOHN HAYDN (Webb, Read, Hegan, Callingham & Co.)	(Associate) 312 Dominion Building, Vancouver, B. C.

Those members who are resident in Canada are also members of the Dominion Association of Chartered Accountants, as By-Law No. 1 of that Society provides that the membership shall be, *ipso facto*, the members in good standing resident in Canada of the Provincial Societies.



The
Institute of Chartered Accountants
of British Columbia

ACT OF INCORPORATION.

Chartered Accountants Act, 1905, Amendment Act, 1914.
(Chapter 59, Statutes 1905—Chapter 85,
Statutes 1914.)

An Act to incorporate the Institute of Accountants Preamble
of British Columbia.

WHEREAS, an Association has been organized under the name and style of the Institute of Accountants of British Columbia, on the basis of like Institutes duly chartered in Great Britain and in other Provinces of the Dominion of Canada;

AND WHEREAS, the Institute so formed comprises among its members (1) Chartered Accountants, being members in good standing of recognized Associations of Accountants and now resident in British Columbia; (2) Public Accountants practising the profession of Accountancy in the Province of British Columbia; (3) the Accountants of leading financial and business houses in the Province of British Columbia;

AND WHEREAS, members of the Council of the said Institute, on behalf of the members thereof, have petitioned to be granted a Charter of Incorporation to enable them more efficiently to give effect to the aims they seek to accomplish as an intellectual and educational movement to raise the standard of Accountancy with such corporate powers as are hereinafter mentioned, and it is expedient to grant the prayer of the said petition;

THEREFORE, His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

Incorporators

1. William Thomas Stein, of the City of Vancouver; A. L. Berdoe, of the City of Vancouver; E. B. McDermid, of the City of Nelson, and John B. McKilligan, of the City of Victoria, and all other persons who may hereafter from time to time be admitted to membership of the Corporation, are hereby constituted a body politic and corporate by the name of The Institute of Chartered Accountants of British Columbia (hereinafter called the Institute);

Persons
Entitled to
Become
Members.

2. The Institute shall be composed of the persons set out in section 1 hereof and of all members in good standing of existing Institutes and Associations incorporated under the Acts of any Parliament of Great Britain or the Dominion of Canada, or any province thereof, who shall apply for membership within one year after the passing of the Act, provided that such applicants shall have been members of their respective Institutes and Associations for the period of two years prior to the passing of this Act, and shall have been residents of the Province of British Columbia for a like period; and of all other persons of whose qualifications and fitness the Examining Board and Council shall approve.

Constitution
of Council.

3. The affairs and business of the Institute shall be managed by a Council to be constituted in such manner as may be provided by by-law, and the aforesaid incorporators shall be the Officers and Council of the Institute until others under the provisions of this Act shall be elected to fill their place.

First Annual
Meeting.

4. The first annual general meeting of the Institute shall be held during the year 1905 at such time and place and upon such notice as the Council may decide.

Constitution
and By-laws.

5. The objects and powers of the Institute shall be carried out and exercised under a Constitution and By-Laws to be framed and adopted by the Institute in general meeting, which Constitution and By-Laws shall not come into force until approved by the Lieutenant-Governor-in-Council.

Objects of
the Institute.

6. The Institute is hereby empowered to promote and increase by all lawful ways and means the knowledge, skill and proficiency of its members (or others desirous of joining its membership) in all things relating to the profession or calling of an Accountant, and

to that end to establish and conduct or contribute towards Colleges, Libraries, Classes, Lectures and Examinations, and prescribe such tests of competency, fitness and moral character as may be thought expedient. Every member of the Institute shall have the right to use the designation "Chartered Accountant" or the initials "C. A." and may use after his name, if the Institute shall have granted to him a Certificate of Fellowship, the initials "F. C. A." signifying "Fellow of the Chartered Accountants", and if the Institute shall have granted him a Certificate of Membership the initials "A. C. A." signifying "Associate of the Chartered Accountants."

7. The first examination shall be held before a Board of three examiners, who shall be Chartered Accountants, appointed by the Lieutenant-Governor-in-Council, and one of whom shall be one of the Incorporators named in section 1 hereof. All subsequent examinations shall be governed by the by-laws of the Institute. Examinations.

8. The Institute may take, purchase and hold any personal property, lands, buildings or hereditaments necessary for the purposes of the Association, and may dispose thereof and re-invest the proceeds in such manner as they may deem fit, but so that the Institute shall apply all its profits, if any, and other income in promoting its objects, and shall not at any time pay any dividend to its members. Institute
May Hold
Certain
Property.

The provisions of this section shall not prevent the remuneration of members of the Council or Officers of the Institute for services rendered.

9. The Institute shall have power to affiliate with any other Institute or Association of Accountants, whether in the Dominion of Canada, Great Britain, the United States of America, or elsewhere, for purposes of mutual benefit to the profession. Affiliation
with other
Institutes.

10. The Institute shall have power by by-law to fix entrance fees and annual fees or subscriptions to be paid by members, and may vary the amount from time to time, and no member shall be personally liable for any debt of the Institute beyond the amount of his unpaid fees or subscription as aforesaid. Entrance
Fees and
Subscriptions.

11. If any member ceases from any cause whatever to be a member of the Institute, he shall not, nor shall his representatives have any interest in or claim against the funds and property of the Institute. Ex-members
have no
Claim on
Institute
Property.

Right to use
Designation
Chartered
Accountant,
etc.

11a. No person shall be entitled to take or use the designation "Chartered Accountant" or the initials "C. A.," "F. C. A.," "A. C. A.," or "C. A. A.," either alone or in combination with any other words nor shall he use any name, title or description implying that he is a member of the Institute unless he is a member of the Institute in good standing and registered as such. Provided, that any firm of Chartered Accountants whose Head Office is outside the Province of British Columbia but who maintain an office and practice within the Province, shall be entitled to take and use the designation "Chartered Accountants," and the initials "C. A.," and to practice as such, but only if at least one member of such firm and the Manager thereof for British Columbia are members of the Institute and at least one of such members or said Manager permanently resides in British Columbia; provided, that if the said member or Manager of such firm who is a member of the Institute of Chartered Accountants of British Columbia, should die or resign from such firm, the said firm shall be entitled to continue the use of such designations, provided that another member or Manager of such firm becomes a member of the said Institute within six months of the death or resignation of such member."

Penalty.

11b. Every person who contravenes any of the provisions of the last preceding section, shall for every such contravention, be liable to summary conviction and to a penalty not exceeding one hundred dollars.

Register.

11c. The Council shall cause to be kept by the Secretary or other Officer appointed for the purpose a book or register in which shall be correctly entered in alphabetical order, the names of all members in good standing and those members only whose names are entered in the book or register aforesaid, shall be deemed entitled to the privilege of membership in the Institute, and such book or register shall at all times be subject to inspection by any person, free of charge.

Register to
be Evidence.

11d. Such book or register or copy of the same duly certified by the Secretary, shall be prima facie evidence in all Courts and before all persons that the persons whose names are entered are members of the Institute in good standing, and the absence of the name of any person from such register shall be prima facie evidence that such person is not a member of the Institute."

Admission.

12. The Council shall by By-law prescribe the conditions upon which persons who have passed the examinations of other corporate bodies having the same or

similar objects, may be admitted as members of the Institute, and such conditions shall be reasonable and subject to amendment by the Lieutenant-Governor-in-Council, and if the Council omits to pass such By-law, the Lieutenant-Governor-in-Council may prescribe such conditions.

13. Nothing in this Act shall affect or interfere with ^{Non-members.} the right of any person not a member of the Institute to practice as an Accountant in British Columbia, nor with the right of any person not residing or having an office therein, to use any designation as accountant.

14. Nothing in this Act contained shall prevent any ^{Dominion} person who on the 16th day of December, 1909, was a ^{Chartered} member of the Dominion Association of Chartered ^{Accountants.} Accountants from using the designation to which he would be entitled by reason of such membership.

15. The Examining Board of the Institute shall be ^{Examining} appointed by the Lieutenant-Governor-in-Council. ^{Board.}

16. This Act may be cited as the "Chartered Ac- ^{Short Title.} countants Act, 1905, Amendment Act, 1914."





The Institute of Chartered Accountants of British Columbia

CONSTITUTION.

ARTICLE I.

The name of the Corporation shall be "The Institute Name of Chartered Accountants of British Columbia."

ARTICLE II.

The membership of the Institute shall be composed Members of members in good standing of existing incorporated Institutes and Associations of Chartered Accountants (as prescribed in the Chartered Accountants Act, 1905), and of any persons of whose qualifications and fitness the Council approves.

ARTICLE III.

(a) The objects of the Institute are: (1) To promote Objects and increase by all lawful ways and means the knowledge, skill and proficiency of its members (and others desirous of joining its membership) in all things relating to the profession and calling of an accountant; (2) to cultivate a spirit of professional co-operation among its members; and (3) to secure the better recognition of the practice of accountancy as a profession.

(b) To attain these objects it is proposed to establish and conduct or contribute towards Colleges, Libraries, Classes, Lectures and Examinations.

(c) To enable the Institute to more efficiently carry out these objects, it has been granted power to take, purchase and hold personal property, lands, buildings and hereditaments, and to dispose thereof and re-invest the proceeds as may be deemed fit, but so that the Institute shall apply all its profits (if any) and other income in promoting the aforesaid objects, and the Institute shall not, at any time, pay any dividend to its members. The provisions of this section shall not prevent the remuneration of members of the Council or Officers of the Institute for services rendered.

ARTICLE IV.

Affiliation. The Institute shall have power to affiliate with any other Institute or Association of Accountants whether of the Dominion of Canada, Great Britain or the United States of America, or elsewhere, for purposes of mutual benefit to the profession.

ARTICLE V.

Forfeiture of Membership. If any member ceases from any cause whatever to be a member of the Institute, he shall not, nor shall his representatives have any interest in or claim against the funds and property of the Institute.

ARTICLE VI.

Amendments. Notice to amend any Article in the Constitution, or to introduce a new one, shall be made in writing to the Council, who shall cause notice of the same to be mailed to each member at least ten days previous to the meeting at which it is intended to be considered. No such amendment shall take effect until it has been passed by a vote of two-thirds of the members present at such meeting and ratified at a subsequent Special General Meeting (held not less than 14 days nor more than one month from the date of the meeting at which such amendment was first passed), and been approved of by the Lieutenant-Governor-in-Council.



The Institute of Chartered Accountants of British Columbia

BY-LAWS.

MEMBERSHIP.

1. The membership of the Institute (other than Classes of Honorary) shall be divided into two classes, namely: Membership, "Fellows" and "Associates."

2. All persons admitted to membership in terms of Associates. Article II. of the Constitution shall be known as Associate Chartered Accountants. The election of any person as an Associate shall entitle him to a Certificate of Membership granting him the privilege of using the initials "A. C. A." after his name.

3. Associates may be elected Fellows by the Council Fellows. provided they have been in practice as Chartered Accountants for a period of not less than five years.

4. Every member elected as a Fellow shall be entitled to receive a Diploma of Fellowship, granting him the privilege of using the initials "F. C. A." after his name.

5. The Association by the unanimous vote of its Honorary members present at any Annual General Meeting or at a Special General Meeting may, on recommendation of the Council, confer Honorary Membership on any person who may be considered as entitled to receive such an honor on account of his standing or celebrity in the community, or on account of his having rendered some special service to this Institute. The election of any person to Honorary Membership shall entitle him to a Diploma of Fellowship which shall carry with it all the privileges of that degree except voting or holding office in the Institute.

COUNCIL.

- Members of Council. 6. The Council shall consist of not less than nine nor more than twenty-one members. The number of members of the Council shall be fixed by resolution at the Quarterly General Meeting preceding the Annual General Meeting, and may be altered from time to time at such meeting in each year.
- Nomination. 7. Nominations for the Council may be made by any member of the Institute and must be delivered in writing at the Secretary's office at least 14 days before the date of the Annual Meeting.
- Election. 8. A voting paper containing the names, alphabetically arranged, of the persons nominated for election to the Council shall be sent by mail to each member at least ten days before the date of the Annual Meeting, and the Council shall be elected by means of such voting papers whether the members voting be present at or absent from the Annual Meeting.
- Term of Office. 9. At the General Meeting in 1915 the whole of the Council shall retire from office and at the General Meeting in every subsequent year one-third of the Council for the time being shall retire from office.
The members of the Council to retire each year shall be those who have been longest in office, since the last election, but as between persons who become members of the Council on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- Vacancies. 10. Any casual vacancy occurring in the Council may be filled up by the Council but the person so chosen shall be subject to retirement at the same time as if he had become a member of the Council on the day on which the member in whose place he is appointed was last elected to the Council.

OFFICERS.

- Officers. 11. The officers of the Institute shall be as follows:
- (1) Honorary President.
 - (2) President.
 - (3) Vice-President.
 - (4) Secretary.
 - (5) Treasurer.
 - (6) Two Auditors.

12. The Honorary President shall be elected annually from among the Honorary Members at the Annual General Meeting of the Institute. Election of Honorary President.

13. Immediately after the election of the Council the members elected shall meet and elect a President, Vice-President, Secretary and Treasurer from among their number. Election of President and Officers.

14. No member shall be eligible for election as President for more than two years in succession, nor shall he again be eligible for election to that office until two years shall have elapsed. Re-election of President.

15. The same person shall be eligible for both the offices of Secretary and Treasurer. Secretary-Treasurer.

16. At the Annual General Meeting in each year, two members of the Institute shall be elected for the ensuing year. No member of the Council shall be eligible for the position of Auditor. Election of Auditors.

COMMITTEES.

17. There shall be three standing committees : Standing Committees.
(1) Finance Committee.
(2) Membership Committee.
(3) Committee on Legislation.

18. Each Standing Committee shall consist of at least three members of the Institute.

19. Special Committees may be appointed by the Institute, or by the Council, at any meeting. Special Committees.

20. The President and Secretary shall be ex-officio members of all Committees.

MEETINGS.

21. The Annual General Meeting of the Institute shall be held in each year, at such time and place in the Province of British Columbia as the Council shall from time to time determine. Annual Meeting.

22. The Quarterly General Meetings of the Institute shall be held in such months and at such places in the Province of British Columbia as may be decided at the Annual General Meeting in each year. Quarterly Meetings.

23. Special General Meetings of the Institute may be called by the President at any time, and shall be Special Meetings.

called by the President to be held within one month after the receipt of a requisition signed by not less than ten members. Such requisition shall state the business for which the meeting is to be called, and the business shall also be stated in the notice calling the meeting.

- Ordinary Meetings. 24. Ordinary Meetings of the Institute for lectures, reading of papers or discussions of questions of interest to the profession, may be held whenever the Council shall deem expedient.
- Adjournments. 25. Meetings of the Institute may be adjourned from time to time by resolution of a majority of the members present, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- Quorum. 26. At any meeting of the Institute ten shall constitute a quorum.
- Voting. 27. At meetings of the Institute each member (Fellows and Associates) shall be entitled to one vote.
28. If a member is unable to be present he may vote by proxy (on a form approved of by the Council), but no member shall represent or vote on more than one proxy at any meeting.
29. At any meeting of the Institute two members present may demand a vote by ballot upon any question before the meeting, and the Chairman shall thereupon appoint two scrutineers for the purpose of taking the vote.
- Notice of Meeting. 30. Notices of the Annual Meeting, Quarterly General Meetings and Special General Meetings shall be mailed to each member at least ten days before the date of the meeting, but the non-receipt of such notice shall not invalidate the proceedings at any meeting.
- Meetings of Council. 31. Meetings of the Council shall be held at such time and place as the Council may from time to time determine.
32. At any meeting of the Council three shall constitute a quorum.
- Meetings Committee. 33. Meetings of committees shall be convened by the chairman thereof at such time and place as he deems advisable.

34. At any meeting of a committee a majority shall constitute a quorum.

DUTIES OF OFFICERS.

35. It shall be the duty of the President (a) to preside at all meetings of the Institute; (b) to enforce the By-Laws of the Institute; (c) to countersign cheques for accounts passed by the Council, and generally to perform such other duties as appertain to the office of President. President.

36. The President shall, on the advice of the Council appoint the standing committees, and shall, previous to the annual meeting, appoint two scrutineers to act at that meeting.

37. The President and the Secretary shall sign all papers and documents requiring signature or execution on behalf of the Institute.

38. In the absence of the President, the Vice-President shall possess all the powers and prerogatives of the President. Vice-President.

39. In the event of the absence of the President and Vice-President from a meeting of the Institute or Council, the members shall elect one of their number to preside. Chairman.

40. The Secretary shall conduct the correspondence, notify members of the Institute and Council of all meetings to be held, record proceedings thereat, keep a register of the members with their address, have custody of the corporate seal and affix the same to all documents when required, see that the applications for admission and the recommendations accompanying the same are in order, make the necessary investigations in respect thereto, send all required notices to the members of the Institute and of the Council, and generally perform such other duties as appertain to the office of Secretary. Secretary.

41. The Treasurer shall receive the fees, subscriptions and moneys accruing to the Institute, dispose of the same as the Council may direct, draw and sign all cheques, keep correct accounts, prepare proper financial statements at the termination of each fiscal year, and generally perform such other duties as appertain to the office of Treasurer. Treasurer.

Auditors. 42. The report of the Auditors on the accounts of the Institute shall be read at the Annual General Meeting. The annual statement of accounts shall be delivered to the Auditors at least ten days before each Annual Meeting, and the report of the Auditors shall be filed with the Council five days at least before the date of the Annual Meeting.

DUTIES OF COMMITTEES.

Finance. 43. It shall be the duty of this Committee to supervise the finances of the Institute.

44. No account shall be passed for payment till it has been approved of by the Committee or reported upon by them to the Council.

Membership. 45. The Committee shall enquire into the standing, character and qualifications of each person proposed for membership or examination and report their finding to the Council. They shall also report the result of each examination, together with such suggestions or recommendations as they may deem fit.

Legislation. 46. The Committee on Legislation shall watch all Acts or amendments to Acts affecting the rights of members of this Institute or in any way relating to the profession of an accountant.

ENTRANCE FEES, DUES AND ASSESSMENTS.

Fees. 47. Every candidate shall pay the following fees :
For the preliminary examination or certificate of exemption therefrom\$10.00
For registration of articles..... 10.00
For the intermediate examination..... 15.00
For the final examination..... 25.00

Entrance Fee Associate. 48. Each person who shall have passed the examinations and paid the foregoing fees, shall, before being elected as an Associate, pay to the Institute an Entrance Fee of \$50.00.

49. Any person being a member, in good standing, of any existing Incorporated Institute or Association of Chartered Accountants, applying for admission in terms of the Act of Incorporation, shall, before being admitted as an Associate, pay to the Institute an Entrance Fee of \$50.00.

50. Each Associate, before being admitted as a Fellow, shall pay to the Institute a Fellowship Fee of \$50.00.

51. The annual fees shall be due and payable on the 1st day of February in each year, for the year then ensuing. Such fees shall not in any year exceed the sum of \$30.00 for Fellows and \$15.00 for Associates, and shall be fixed by the Council at a meeting prior to the Annual General Meeting in each year.

FUNDS.

52. The funds of the Institute shall be controlled by the Council, who shall apply the same in payment of the current expenses of the Institute, and in furthering the objects of the Institute as set forth in the Act of Incorporation and Constitution.

CANDIDATE FOR ADMISSION.

53. Any person desiring to become a member of the Institute shall apply in writing in such form as may be approved of by the Council.

54. All applications for membership shall be submitted to the Council, and no person shall be elected as a member except on a favorable report from the Council. A majority vote of the members present at any meeting shall be necessary to elect.

55. The Council shall from time to time make such regulations as regards registration, qualifications and examinations as they may deem advisable.

56. Any person who has passed the prescribed examinations of any Incorporated Institute or Society of Accountants whose standards of skill and proficiency have been approved by the Council and who is certified by the Secretary of such Institute or Society to be a member thereof in good standing, and who shall satisfy the Council that he has reasonable grounds for seeking to be admitted a member of this Institute shall be entitled to exemption from the Final Examination. (Subject to the provisions of Chapter 85 of the Statutes for 1914, being the Chartered Accountants Act, 1905, Amendment Act 1914. See Sec. 12, Act of Incorporation.)

57. Any Incorporated Institute or Society of Accountants may submit for the consideration of the Council, such information as to their courses of study

and examinations and as to conditions of membership therein as may be necessary to enable the Council to determine whether such examinations and conditions are equivalent to the examinations and conditions of membership of this Institute; and if such courses of study, examinations and conditions of membership are deemed equivalent to the examinations and conditions of membership of this Institute, the name of such Institute or Society shall be entered in the Register and published in the Year Book of the Institute." (Subject to the provisions of Chapter 85 of the Statutes for 1914, being the Chartered Accountants Act, 1905, Amendment Act 1914. See Section 12, Act of Incorporation.)

RESIGNATIONS, ETC.

- Resignations.** 58. Any member may tender his resignation, which must be in writing, but the same shall not take effect until the arrears of fees (if any) have been paid.
- Suspensions.** 59. Any member whose fees are not paid within three months of the date when such fees have become due and payable, may be suspended by the Council from the privileges of membership during the non-payment of the same.
- Termination of Membership.** 60. If such default shall continue for twelve months, the Council may thereupon direct that his name be removed from the List of Members. Such person may be re-admitted by ballot of the members upon such terms as the Council shall approve.

MISCELLANEOUS.

- Rules and Regulations.** 61. The Council shall from time to time frame such Rules and Regulations in accordance with these By-Laws as they may deem advisable to carry out the purposes of the Institute more efficiently.
- Complaints.** 62. Any member or any aggrieved person may prefer to the Council, in writing, charges of default, misconduct or infraction of the Constitution or By-Laws on the part of a member or a student, and the Council shall thereupon investigate the same. In the event of the charges being sustained, the offender may be dealt with as the Council shall see fit.
63. Notices to any member with regard to any complaint which may have been laid, requiring his attendance before the Council, shall be served upon him, either personally or by registered letter to his last known address.

64. Members of the Institute practising in partnership with persons who are not members of some recognized Institute or Association of Chartered Accountants or Certified Public Accountants, shall not describe the firm as "Chartered Accountants" nor use the initials "F.C.A." nor "A.C.A." after the title of the firm. Partnerships.

65. The Corporate Seal of the Institute shall be circular in form, bearing the inscription, "The Institute of Chartered Accountants of British Columbia, Incorporated 1905." Corporate Seal.

66. The Council shall from time to time make regulations for the official recognition and registration of students, and for the conducting of a Chartered Accountants' Students' Association. Students.

67. The Institute may also contribute towards the expenses of Colleges or similar institutions, or conduct the same for the efficient training of its students and members.

68. The Institute may affiliate with any other Institute or Association of Chartered Accountants, subject to such arrangements as the Council may from time to time approve of. Affiliated Institutes.

69. Educational institutions having a department devoted to the study of accounts may become affiliated with this Institute upon such terms and for such purposes as the Council may from time to time prescribe.

70. Notice to amend any By-Law, or to introduce a new one, shall be made in writing to the Council, who shall cause notice of the same to be mailed to each member at least ten days previous to the meeting at which it is intended to be considered. No such amendment shall take effect till it has been passed by a vote of two-thirds of the members present and been ratified at a subsequent Special General Meeting (held not less than fourteen days nor more than one month from the date of the meeting at which such amendment was first passed) and been approved of by the Lieutenant-Governor-in-Council. Amendments.



THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA.

APPROVED EXAMINATIONS.

To be read with, and form a part of By-law No. 57.

The Examinations of the following Societies, having been duly considered, have been approved by the Council, and the Societies are declared for the purposes thereof to be "REGISTERED SOCIETIES."

The Association of Accountants in Montreal.

The Institute of Chartered Accountants of Ontario.

The Institute of Chartered Accountants of Manitoba.

The Institute of Chartered Accountants of Nova Scotia.

The Institute of Chartered Accountants of Saskatchewan.

The Institute of Chartered Accountants of Alberta.

The Institute of Chartered Accountants in England and Wales.

The Society of Accountants in Edinburgh.

The Institute of Accountants and Actuaries in Glasgow.

The Society of Accountants in Aberdeen.

The Institute of Chartered Accountants in Ireland.

The Society of Incorporated Accountants and Auditors.

THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA.

Form of Application for Preliminary Examination
(Or Exemption Therefrom)

I hereby apply for permission to take, or exemption from, the Preliminary Examination under the By-Laws of the Institute, and in accordance with the Chartered Accountants Act, 1905.

I enclose the following :

1. Statement as to age and qualifications.
2. Certificate as to character.
3. Fee, \$10.00.
4. Certificate of having passed.....Examination.

Signature of Applicant.....

P. O. Address.....

Date.....

Note.—Where exemption is applied for, Certificate of having passed an equivalent examination must be produced.

THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA.

Statement as to Age, Qualifications, Etc.

1. Name in Full.....
2. Date of Birth.....
3. Place of Birth.....
4. Nationality
5. Present Address.....
6. How long resident in B. C.....
7. Name of present employer.....
8. What is your present employment?.....
9. Address of present employer.....

Signature

P. O. Address.....

Date

This Statement must accompany Application for Preliminary
Examination.

THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA.

Certificate as to Character

To be signed by not less than three responsible persons.

THIS IS TO CERTIFY that I am personally acquainted
with
and that I believe him to be of good character, and that I can
honestly recommend him as a fit person to take the Prelimin-
ary Examination of the Institute of Chartered Accountants
of British Columbia.

1. Name
Address
Occupation
Applicant known to me for.....years.
2. Name
Address
Occupation
Applicant known to me for.....years.
3. Name
Address
Occupation
Applicant known to me for.....years.

This Certificate must accompany Application for Preliminary
Examination.

THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA.

THIS INDENTURE, made the.....day of.....
19...., Between.....of....., of the One Part, Pupil.
AND.....of....., Chartered Accountant, of
the Other Part.

WITNESSETH that the said....., Pupil,
by these presents doth place and bind himself under the said
.....to serve him from the date hereof in the
Profession of Chartered Accountant for the term of four years.
And the said.....hereby covenants with the said.....,
that he will faithfully serve the said.....as his
pupil from the date hereof in the profession of Chartered Ac-
countant for the term of four years and that he shall not
during the said term wilfully cancel, obliterate, injure or make
away with any of the books, papers or other property of the
said.....or his clients which may be entrusted
to his care, or to which he may have access, and that he.....
.....will during the said term keep the secrets of the
said.....and his clients and readily and cheerfully
comply with and obey the reasonable requests and demands of
the said.....and shall not depart or absent
himself from the service of the said.....during
the said term without his consent, but shall during the said
term conduct himself as an honest and faithful pupil ought
to do in all respects whatsoever and that he will make good
and reimburse to the said.....any loss or demand
occasioned to him by his misconduct.

In consideration whereof and for the sum of \$.....
by the said.....paid to the said.....,
Pupil, on or before the execution of these presents (the receipt
whereof the said.....doth hereby acknowledge, he the
said....., Pupil, doth hereby covenant with the said
.....that the said.....will to the

best of his skill and knowledge and according to his practice teach and instruct the said.....in the said profession of Chartered Accountant so far as the said..... shall be able to conceive and learn the same so as to enable the said.....to be admitted as a member of the Institute of Chartered Accountants of British Columbia, and will pay to the said.....wages as follows :

PROVIDED, however, and it is hereby expressly agreed and understood that the said.....is empowered to cancel these articles at any time by reason of misconduct on the part of the said....., Pupil, and written notice specifying the misconduct complained of from the said....., Pupil, to the said.....that these Articles are cancelled shall have the effect of cancelling them, after the period of fourteen days shall have elapsed after service of such written notice, and there shall be no claim in damages or otherwise sustainable in law or equity against the said.....for or on account of such notice or cancellation.

And it is further agreed that the breach of any of the covenants contained herein on the part of the said....., Pupil, to be performed shall be deemed to be misconduct on the part of the said....., Pupil, but not so as to restrict or in any way limit the full interpretation of the Covenants contained herein, or the interpretation of the word misconduct.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year first hereinbefore written.

SIGNED, SEALED AND DELIVERED

By the said.....

In the presence of.....

And by the said.....

In the presence of.....

THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA.

Certificate of Service Under Articles.

I, the undersigned.....
of....., a Member of the Institute
of Chartered Accountants of British Columbia, hereby certify
that..... of.....
who was articulated to me on.....,
has duly served a term of.....years, months,
and is thereby entitled under the Regulations of the Institute,
to sit for the Intermediate Examination, to be held.....
.....

Signed.....

Date.....

THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA.

Certificate of Due Performance of Term of Service under
Articles.

I, the undersigned.....
of....., a Member of the Institute
of Chartered Accountants of British Columbia, hereby certify
that..... of.....
who was articled to me on.....,
and whose Articles expired on....., has
duly served the term of.....years agreed upon by
the said Articles, and that from any knowledge of him ob-
tained during that period, I consider him a fit and proper
person to be permitted to sit for his Final Examination, and
if successful, to be elected an Associate of the Institute.

Signed.....

Date.....

THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA,

To the Council of the Institute of
Chartered Accountants of British Columbia,
Vancouver, B. C.

I,,
of....., hereby apply to be
admitted as an Associate of the Institute of Chartered Ac-
countants of British Columbia.

Of the conditions set forth in the Act of Incorporation,
By-Laws and Regulations of the Institute, I have fulfilled the
following:—

I am an (a).....in good standing,
of....., having been
(Society of which Applicant is Member)
admitted a member of this Society on.....

I hereby undertake that if elected an Associate of the
Institute I will be bound by the provisions of the Act of In-
corporation and Constitution, and by the By-Laws and Regu-
lations from time to time in force.

I enclose Certificate of Membership and Receipt for Cur-
rent Year's Dues, and attach the further information required
by the Council.

Signature.....

Date.....

Reg. No.....

Cert. No.....

**THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA.**

THIS IS TO CERTIFY that.....
of.....was admitted an.....
.....of the Institute of Chartered Accountants of
British Columbia, Canada, on the.....day of
.....

Given under the Seal of the Institute of Char-
tered Accountants of British Columbia, this



.....day of.....
..... President
..... Secretary.

**THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA.**

REGULATIONS FOR ADMISSION TO MEMBERSHIP.

1. Any person being a registered student, who has not before 16th December, 1912, passed the Preliminary Examination or been exempted therefrom, and all other persons (not otherwise qualified by membership in "Registered Societies") desirous of becoming members of the Institute, shall enter into Articles of Clerkship.

2. Every person about to become an Articled Clerk shall, before he is articled, pass a Preliminary Examination, the certificate of which shall be dated as of the last day of such Examination, in order to test his general education, save those holding certificates of equivalent examinations approved by the Council, who may be deemed exempt from such Preliminary Examination.

3. No person shall be articled under the age of 17 years.

4. Articles shall be entered into with a practising Member of the Institute of Chartered Accountants of British Columbia, resident in British Columbia. No such member shall have more than three (3) Articled Clerks at any one time.

5. Articles must be registered with the Institute within three months of date. Fee for Registration \$10.00. The Council shall have power to refuse the registration of any Articles and also to cancel Articles. Articles may be assigned, such assignment to be registered within three months. Registration of Articles and Assignment after three (3) months from date, may be made with the approval of the Council.

6. The term of the Articles to be four (4) years.

7. An Articled Clerk may apply to sit for his Intermediate Examination after having served eighteen (18) months of his Articles, and submitting to the Council satisfactory proof of said service.

8. An Articled Clerk may sit for his Final Examination after two (2) years shall have elapsed from the passing of the Intermediate Examination, and upon production of a certificate from the Member with whom he has served Articles,

that the Articles have been completed and that his conduct and character during the period of Articles have been satisfactory. Failing such certificate, some other proof as shall satisfy the Council must be produced.

9. An Articled Clerk, after passing the Final Examination, upon proof that he is over 21 years of age, shall be entitled to apply to the Council for admission to Membership.

10. The Scale of Fees is as follows:

Preliminary Examination or Exemption.....	\$10.00
Registration of Articles.....	10.00
Intermediate Examination.....	15.00
Final Examination.....	25.00
Associate Membership.....	50.00
Fellowship	50.00
Annual Dues for Members.....	10.00

Any candidate failing to pass an examination, shall be entitled to sit at the subsequent examination on payment of half the regular fees.

11. Membership is obtainable by the election of such persons as have passed the examinations set by the Institute, or such persons as are members in good standing of those societies duly designated as "Registered Societies."

**THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA.**

EXAMINATIONS

1. PRELIMINARY EXAMINATION.

The requirements in an applicant for the Preliminary Examination are:

1. He must reside within the Province.
2. He must submit certificate as to his character, giving references, and complete the application forms required by the Council.
3. A fee of \$10.00 must accompany his application, which must reach the Secretary at least one month prior to the date of examination.

The Preliminary Examination occupies two days, and includes the following subjects:

1. **English Grammar and Composition**—Handwriting will be taken into consideration when awarding marks.
2. **Commercial Arithmetic**, including Vulgar and Decimal Fractions, Proportion, Interest, Discount, Commission and Brokerage.
3. **Algebra**—Elementary.
4. **Canadian History**.
5. **Geography** (Particularly the British Empire).

2. INTERMEDIATE EXAMINATION.

The requirements in an applicant for the Intermediate Examination are:—

1. He must have passed the Preliminary Examination of the Institute or been exempted therefrom.
2. He must have completed eighteen (18) months service of Articles, and produce a certificate to that effect.

3. He must reside within the province.

4. A fee of \$15.00 must accompany his application, which must reach the Secretary at least one month prior to date of examination.

The Intermediate Examination occupies two and one-half days, and includes the following subjects:

1. Arithmetic (Commercial), including Proportion, Simple and Compound Interest, Discount, Equation of Accounts, Annuities and Sinking Funds.

2. Statute Law—British Columbia Companies Act and Creditors' Trust Deeds Act.

3. Bookkeeping and Accounts—Theory and Practice (two papers), including Single and Double Entry, Balance Sheets and Profit and Loss Accounts.

4. Auditing—Elementary principles.

3. FINAL EXAMINATION.

The requirements in an applicant for the Final Examination are:

1. He must be at least 21 years of age.

2. He must have passed the Intermediate Examination of the Institute, or been exempted therefrom.

3. He must reside within the province.

4. He must have completed his four years service of Articles, and produce a certificate to that effect.

5. A fee of \$25.00 must accompany his application, which must reach the Secretary at least one month prior to date of examination.

The Final Examination occupies three days, and includes the following subjects:

1. Statute Law—The Companies Acts, including Dominion of Canada and British Columbia Statutes, Dominion Winding-Up Act, B. C. Creditors' Trust Deed Act, B. C. Municipal Act, Dominion of Canada Bank and Insurance Acts, B. C. Trust Companies Regulations Act.

2. Advanced Accounting—The Theory and Practice of Book-keeping, including the preparation of Balance Sheets,

Profit and Loss Accounts, Manufacturing and Trading Accounts, Partners Accounts, Executorship Accounts, Consignment Accounts, and General Knowledge of Capital, Debentures and Bonds.

3. **Business Investigations**—Including investigations necessary upon the sale or purchase of a business and to ascertain information required by creditors, stockholders, parties to litigations or disputes, or where fraud is suspected; also investigations necessary for the purpose of floating shares, bonds and debentures of Public Companies.

4. **Auditing**—The procedure and requisites in the audit of Accounts and Books, including those of Public Bodies, Companies, Firms and Trust Estates, Management of Bankrupt Estates, Private Trusts, etc., and the formation of the necessary Accounts, Statements, etc.

5. **Business Systems**—The devising and installing of modern systems of accounts for Partnerships, Estates, Companies, Public Utility Corporations, etc., which will permit of full and accurate reports of operation and financial conditions from time to time.

6. **Commercial Law**—General Principles of Mercantile Law. Dominion Statutes—Bills of Exchange Act. B. C. Statutes—Arbitration Act, Partnership Act, Sale of Goods Act, Sale of Goods in Bulk Act, Mechanics' Liens Act, Trustee Act, Administration Act, Succession Duty Act, Statute of Frauds, Fraudulent Conveyances Act, Land Registry Act, Landlord and Tenants Act, Bills of Sale Act, Act Relating to Mortgages.

THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA.

TEXT BOOKS FOR STUDENTS.

The following list of books has been drawn up in the hope that it may be of assistance to students in selecting their course of reading. The examination papers are not necessarily based on any text book, and students will therefore regard the course of reading suggested, as not in any way limiting their choice, but rather of assistance as supplementing the term of practical experience required by the Regulations for Admission.

COMMERCIAL CALCULATIONS.

New Method Arithmetic.....	McIntosh & Norman
Canadian Commercial Arithmetic.....	.....
Text Book of Accountancy of Investment.....	Sprague
Elementary Algebra.....	Borchardt

COMMERCIAL LAW

Digest of Canadian Mercantile Law.....	Anger
Elements of Mercantile Law.....	Stevens
Negotiable Securities.....	Willis
Elements of Contracts.....	Carter
Bills of Exchange, Notes and Cheques.....	Johnson

AUDITING

Auditing, Theory and Practice.....	Montgomery
Depreciation, Reserve and Reserve Funds.....	Dicksee
Goodwill and Its Treatment.....	Dicksee
Depreciation and Wasting Assets.....	Leake
Auditing	Dicksee

BOOK-KEEPING AND ACCOUNTS

Accounting Practice and Procedure.....	A. L. Dickinson
Trust Accounts.....	Chandler
Executors' Accounts.....	Caldicott
Accounting in Theory and Practice.....	Lisle

Book-keeping for Accountant Students.....	Dicksee
Advanced Accounting.....	Dicksee
Canadian Accountant.....	Johnson
Joint Stock Company Accounts.....	Hoskins
Factory Cost Accounts.....	Eddie & Tindall
Cost Accounts.....	Hawkins
Book-keeping and Accounts.....	Spicer & Pegler
Accounts, Their Construction and Interpretation.....	Cole
Accounts, Philosophy of.....	Sprague
Modern Accounting.....	Hatfield
Accountancy Problems—Vols. I. & II.....	Greendlinger
Science of Accounts.....	Bentley
Ronald Press Series of Books on Accountancy.....	Various Authors
Municipal Accounts.....	MacPherson

GENERAL

Office Organization and Management.....	Dicksee & Blain
Auditors' Duties and Responsibilities.....	Pixley
Shop Management.....	Taylor
Principles of Scientific Management.....	Taylor
Theory of International Trade.....	Bastable
Outlines of Economics.....	Ely
Shareholders' Manual.....	Warde

MAGAZINES

Canadian Chartered Accountant.....	Toronto
Journal of Accountancy.....	New York
The Accountant.....	London

STATUTE LAW

Those Dominion and British Columbia Acts which are mentioned in the Syllabus of Examination.

THE CHARTERED ACCOUNTANTS' STUDENTS' SOCIETY OF BRITISH COLUMBIA.

Under the Auspices of the Institute of Chartered Accountants of British Columbia.

Articled Clerks and employes of practising Members of the Institute are eligible for membership in the Society upon payment of an annual fee of \$3.00.

The Society was organized in September, 1912. During the season 1913-1914 meetings were held frequently, and a number of lectures were arranged for and delivered by Members of the Institute.

During the coming season it is intended to hold meetings weekly, alternate meetings being devoted to lectures and discussions on subjects of study for the Institute Examinations.

The
Institute of Chartered Accountants
of British Columbia



Examination Papers
1913



Intermediate Examination, Nov. 1913

ARITHMETIC.

(Time Allowed, 3 hours.)

1. In what proportion must two kinds of coffee which cost 50c and 65c per pound, respectively, be mixed to give a mixture worth 54c per pound?
2. Jones purchases a house from Smith and gives a demand note, bearing interest at 5% on January 1st, 1912. Subsequently, the following payments were made and endorsed on the note:

1912—March	15.....	\$ 59.00
July	28.....	10.00
August	8.....	157.00
January	1.....	214.00

On the last mentioned date, a renewal note is given for the balance then due, to run for one year and bear interest at 7%. Smith immediately discounts this note at 5% and realizes \$508.25. Find the purchase price of the house. (In reckoning for last mentioned note, omit days of grace.)

3. What sum of money will give \$150.00 interest in 4 years, at $3\frac{1}{2}\%$ per annum, compounded yearly?
4. Which is better and how much—to buy property worth \$2,600.00 at 6% discount for cash or on 8 months time without interest when money is worth 6%?
5. On a debt of \$3,000.00 due in 9 months from April 1, 1913, the following payments were made:—

1913—July	1.....	\$600.00
August	1.....	500.00
October	1.....	700.00

What is the equitable date for payment of the balance?

6. Find the amount of an annuity of \$500.00 for 3 years, reckoning money at 10% per annum, compounded semi-annually.

7. What amount will be required to be raised annually at the beginning of each year for 5 years so that there may be sufficient to provide a sinking fund of \$25,000.00 at the end of the 5th year and to pay interest on \$25,000.00 in the meanwhile at 5% per annum, money being worth 4%?
8. What should be paid for a \$1,000.00 coupon bond, maturing five years hence and bearing 4% interest, payable annually, so that the investor will receive 5% per annum compound interest on his money?
9. The contents of a livery stable are worth \$3,000.00; one-seventh the value of the horses is equal to one-fifth the value of the wagons, harness, etc. Find the value of the horses.
10. Find by the nearest half-penny the value of 506 tons 19 cwt. of coal at 16s. 6½d. sterling per ton. What is the equivalent of this sum in Canadian currency at par, (\$4.86 2/3) to the nearest cent?

STATUTE LAW.

(Time—3 hours.)

“B. C. Companies’ Act, 1910.”

1. Explain generally what regulations there are concerning Mining Companies in this Act.
2. What special Books and Records are required to be kept by Companies incorporated under this Act?
3. What are the regulations concerning the office and name of a Company incorporated in B. C.?
4. Explain what you mean by Share Capital of a Company and tell generally what you know about Shares, how dealt with in the records, how issued, etc., etc.
5. Explain what is meant by a Company with or without limited liability and explain the different kinds of Companies mentioned in the Act.

"Creditors Trust Deeds Act"

6. What is the effect on an assignment on land owned by the Assignor?
7. What effect has the omission to publish or register the assignment over an assignment made?
8. What must an assignment instrument contain to be valid and sufficient under this Act?
9. Describe the general proceedings at a first Meeting of Creditors as if you were the Assignee calling the meeting.
10. Explain how an Assignee obtains his discharge, and outline his reports.

BOOKKEEPING AND ACCOUNTS (THEORY).

(Time Allowed—3 hours.)

1. Discuss the following Balance Sheet :

A. B. COMPANY LIMITED

BALANCE SHEET

as at June 30th, 1913.

ASSETS

Real Estate :

Cost	\$10,000.00
Appreciation	2,500.00

\$12,500.00

Plant and Machinery :

Amount expended to date.....	\$22,500.00
Repairs and Renewals.....	1,500.00

24,000.00

Current :

Inventory of Product (market value)	5,750.00
Accounts Receivable.....	8,400.00
Preliminary Expenses.....	500.00
Commission on shares.....	750.00
Cash on hand.....	200.00
Calls in arrears.....	100.00

15,700.00

\$52,200.00

LIABILITIES.

Capital Stock:

Issued;	
1 share of \$100.00 each.....	\$ 100.00

Current:

Accounts Payable.....	\$25,500.00	
Dividend Payable.....	10,000.00	
Mortgage Payable.....	16,400.00	
		51,900.00

Surplus:

Balance as at June 30, 1912.....	450.00	
Profit for year 1912-13.....	9,750.00	
	\$10,200.00	
Less Dividend.....	10,200.00	
		200.00
		\$52,200.00

2. Describe the advantages (if any) and the disadvantages (if any) to be derived by a company from the use of a synoptic journal.

3. A private Manufacturing concern with the view of being floated desires a certificate of its average annual profits for three years; after charging up all costs, expenses and depreciation, and an allowance for bad debts, it is found that the profits for the first year were \$5,000.00, for the second year \$6,000.00 plus \$2,000.00 profit on sale of investments, and for the third year \$7,000.00 plus \$3,000.00 profit on the sale of real estate. Give the annual average profit to be certified.

4. Explain the difference between a trading account and a Profit & Loss Account, and state in which account you would place the following items, giving your reasons:—

Purchases Carriage and freight Debenture Interest Depreciation Allowances Bad Debts Wages Commission	Advertising Sales Stock on hand Returns Discounts Fuel Packages Directors' Fees.
---	---

5. The Profit and Loss Account of a manufacturing company at the close of the fiscal year. Shows on the debit side stock on hand at beginning of the year, purchases of raw material, manufacturing expenses, general and selling expenses; and on the credit side—sales, stock on hand at the close of the year. Does the balance of these accounts constitute the net profits for the fiscal year, or should other charges be taken into account? If so, what are they?
6. Johnston & Co., Wholesale Dealers in Notions, whose books have not been kept by double entry, wish to improve their system of book-keeping. Write a brief report advocating double entry, setting forth the superiority of that method generally and showing by specific references to the mode of book-keeping employed by them the advantages that will accrue from the change.
7. (a) Distinguish between "Receipts and Disbursements" and "Revenue and Expense."
(b) Distinguish between "Fixed Assets" and "Current Assets."
8. How do the accounts of a limited company and those of a co-partnership differ in treatment of the following:
(a) Capital invested; (b) Distribution of profits.
9. You are asked to complete a balance sheet from books you were unable to balance.
What would you do with the difference in figures?
What are the dangers attending differences in figures?
10. State briefly the principles governing cost accounts.

BOOK-KEEPING AND ACCOUNTS (PRACTICAL)

(Time Allowed—3 hours.)

1. The following is a trial balance of the books of Field and Dale at December 31st, 1912:

	Dr.	Cr.
Purchases	\$32,600.00	
Wages	5,200.00	
Trade Liabilities		\$ 1,650.00
A. Field—Capital		19,500.00
J. Dale—Capital		6,500.00
Office Salaries	1,150.00	
Stock at January 1st, '12.....	8,600.00	
Travelling Expenses	320.00	
Bills Payable		470.00
Freight	210.00	
Rent and Taxes.....	420.00	
Repairs to Machinery.....	220.00	
Office Charges	270.00	
Advertising	180.00	
Discount	640.00	
Bank	1,540.00	
Sales		44,900.00
Trade Debts	8,700.00	
Machinery	4,700.00	
Bills Receivable	840.00	
Goodwill	5,250.00	
Cash	60.00	
A. Field—Drawings.....	1,400.00	
J. Dale— "	720.00	
	\$73,020.00	\$73,020.00
	\$73,020.00	\$73,020.00

The stock at December 31, 1912, was valued at \$8,750.00. Each partner was to be entitled to interest on his capital at 5% and the profits thereafter were to be divided in proportion to the capital. 10% of the debts due to the firm (exclusive of Bills Receivable) were to be set aside as a fund to meet bad debts. 10% was to be written off goodwill, 5% off machinery, and taxes to the value of \$55.00 were unexpired.

Prepare Profit and Loss Account and Balance Sheet as at December 31st, 1912.

2. The following balances are found in the books of B. Jones :

J. Ross	\$1,700.00	
A. Thompson & Sons	2,430.00	
P. Smith	750.00	
D. Young		\$1,000.00
Capital Account		4,000.00
Andrews & Son.....		2,000.00
A. Johnston		1,500.00
	<u>\$4,880.00</u>	<u>\$8,500.00</u>

The store and building lot belong to them and are valued at \$4,000.00, Stock in Trade, per Inventory, \$3,000.00. Store Fixtures are valued at \$460.00. Cash on hand, \$25.00, and Cash in Bank, \$375.

Give the Journal entries to convert books into Double Entry System.

3. On November 1st, 1913, Adam Black borrows \$500.00 from John White and gives him a bill of exchange for that amount payable in three months at the Royal Bank of Canada, Vancouver, B. C., with interest at the rate of 7% per annum.

Frame the bill and show entries which should appear on the books of John White.

4. Alexander Brown is in business and has a capital of \$450,000.00 made up as follows :

Plant and Machinery.....	\$160,000.00
Stock-in-trade	120,000.00
Book Debts.....	180,000.00
Bills Receivable	5,000.00
Cash	26,500.00

	<u>\$491,500.00</u>
Less Sundry Creditors.....	41,500.00
	<u>\$450,000.00</u>

He converts his business into a limited liability company with a nominal capital of 75,000 shares of \$10.00 each.

The limited company acquires the Goodwill and the whole of the Assets and takes over the liabilities for the sum of \$500,000, Alexander Brown receiving \$200,000.00

in cash and \$300,000.00 in fully paid shares. The limited company also undertakes to pay the preliminary expenses, amounting to \$4,000.00, and issues 55,000 shares of \$10.00 each (including the vendors') which are all fully paid. Assuming the transactions to be completed, prepare the following:

- (1) The vendors' account in the books of the limited company.
 - (2) The balance sheet of the limited company.
5. An Oil company agrees to pay the owner of the mineral rights a royalty of one-eighth of all oil produced with a minimum royalty, redeemable out of future production of $12\frac{1}{2}\%$ on $\frac{1}{3}$ of a barrel per day. Settlement monthly. The following are the quantities shipped as certified to by the refinery:

January	80 bbls.	April	shut down
February	75 "	May	3 bbls.
March	40 "	June	10 "

Show ledger account for royalty after closing the books at end of June. Oil worth say \$2.20 per bbl.

6. A, B and C are partners whose books are kept by single entry. They share losses in the proportion of $\frac{1}{2}$, $\frac{1}{10}$ and $\frac{2}{5}$ respectively. At the 30th November, 1911, the balance in favor of the firm was \$14,080 as follows:

A	\$6,080.00
B	5,000.00
C	3,000.00

At the 30th November, 1912, their assets were \$47,250, Accounts Payable \$33,297. Their salaries are: A, \$1,200; B, \$820, and C, \$600. They have been charged with these amounts as drawn, but not credited. Interest is to be allowed on Capital at the rate of 5 per cent. per annum. Show the partners' accounts after adjusting for the year.

Final Examination, Nov. 1913

COMMERCIAL LAW.

(Time—3 hours.)

1. What are the rules as to distribution of Intestate Estates in B. C., both in the case of real and personal property?
2. (a) Explain the different kinds of Contracts.
(b) What contracts must be made under seal?
(c) What contracts are voidable?
(d) What are the requirements of the "Statute of Frauds" as relating to Contracts?
(e) Who are legally incapable to contract?
(f) What are the requirements of a valid contract?
3. (a) Would a stolen note falling into the hands of a third party before maturity for value, be valid against the maker?
(b) Would one obtained by fraud?
(c) Would a forged note?
4. What is legal tender in Canada?
5. Explain fully the legal force of the words "without prejudice"? Give illustration.
6. (a) What is negotiable paper? Explain fully each kind.
(b) What alterations in a bill or note are held to be material?
(c) Describe fully the various ways of endorsing a note or draft and give examples.
7. (a) How are Canadian Bank Notes secured?
(b) Does the Statute of Limitations apply to Bank Notes?
8. (a) Explain fully Chattel Mortgages.
(b) How long are they good for without renewal?
(c) What are some of the usual causes for taking possession under a Chattel Mortgage?
9. (a) What leases in this Province require to be registered?
(b) For how long will a verbal lease be valid?
(c) What are the tenant's privileges and rights, and what his liabilities under the usual lease?
(d) What goods may a landlord distrain?

10. You are acting as Agent for another at a distance and you are asked by him to make certain collections. In one particular instance, you find that there is a judgment secured,—an endorsed note held, an open Book Account, and a Chattel Mortgage held. How would you apply payments received where no instructions accompanied the payments?

STATUTE LAW.

(Time Allowed—3 hours.)

1. What provisions are contained in the Creditors' Trust Deeds Act for the calculations of votes at Creditors' Meetings?
2. In what ways may an Assignee appointed under the Creditors' Trust Deeds Act be removed? Explain procedure fully up to vesting of the Estate in the new Assignee.
3. What steps may be taken by an assignee appointed under the Creditors' Trust Deeds Act, to protect the Creditors where he learns:
 - (a) that the assignor has retained part of his property after the assignment.
 - (b) that the assignor is about to abscond.
4. An Assignee of a Lumber Company, you find that the Logs and Lumber valued at \$2,000.00, are held by the Bank as security for advances under Section 88 of the Bank Act and that the mill is mortgaged for its total value. The free Assets are no more than sufficient to meet the expenses of the assignment—\$1,000.00—and the Mill Wages for three months prior to the Assignment—\$1,000.00—have not been paid. Will the wage-earners receive payment of the wages owing or any part of them? Give authority for your answer.
5. On what ground may the Registrar refuse to issue a Certificate of Incorporation to a proposed Company after it has filed its Memorandum of Association?
6. Can a Company, incorporated in British Columbia, which has not adopted Table "A" and whose articles are silent in the matter, pay a dividend in proportion to the amount paid up on each share where all shareholders have not paid up the same amounts?

7. When must the following meetings of a Company incorporated in British Columbia be held and what returns require to be filed with the Registrar in connection therewith? What information must these returns contain?
 - (a) Annual General Meeting.
 - (b) Statutory Meeting.
 - (c) Final Winding-up Meeting.
8. What restrictions on the allotment of shares appear in the British Columbia Companies' Act?
9. Under what conditions may a Company incorporated in British Columbia charge interest to capital?
10. In the winding-up of a Company incorporated in British Columbia which is not being wound up for bankruptcy or insolvency, what rules would guide you, as Liquidator, in settling the list of contributories?
11. What reports require to be made by a Trust Company? Answer fully, stating the information required, the dates of the reports and to whom they should be forwarded.
12. What constitutes fraudulent preferences under the Fraudulent Preferences Act?

BUSINESS SYSTEMS.

(Time—3 hours.)

1. What are the chief considerations to be kept in mind in formulating the Accounting System of any business?
2. Explain how you would instal a System of Book-keeping arranged so that only the Proprietor, Officers and Auditor shall be cognizant of the Financial condition and Annual Profits and Losses?
3. In a large Manufacturing Concern, purchases for material and supplies pass through the Storekeeper. What System of Book-keeping and check would you advise to safeguard and control the distribution of both? Explain fully.
4. Give the ruling of a Share Register for a Corporation whose Shares are sold as follows:—
 - 10% on Application,
 - 15% on Allotment,
 - Balance, 10% every three months.
 Show how this Book is kept and indicate its relation to the general Books of Account.

5. Devise a system of accounts for an Executor. What accounts must be necessarily kept?
6. (a) Explain the uses of a Cost Accounts System, and state fully the advantages to a Company employing such a system over a Company basing their costs on the profit and loss account at the end of the year.
(b) State wherein Manufacturing or Factory Costs differ from Commercial or Selling Costs.
(c) Give Form of Factory Cost Sheets suitable to a Manufacturing Business, entering not less than 6 items of cost relating thereto.
7. The Budget of a Municipality includes appropriations for seven separate departments. Set up such accounts as you believe will cover the financial operations incidental thereto with supposed receipts and disbursements.
8. Devise and explain a system of accounts for a law firm who handle numerous trusts, collect for clients, act as agents for other law firms in other cities, besides conducting a large court practice.
9. A Lumber Company with offices in Vancouver and Mills and Logging Camps at various points in B. C., desire you to prepare for them a system of monthly reports which will enable them to keep track at the Head Office of cost and quantity of logs and lumber on hand at each Mill and Lumber Camp; Cut at Mill; Cut overrun; Cost per M.; Shipments, quantity and value; selling prices per M., etc. The Lumber Camps ship logs to the Mills, and Sales are arranged by Head Office when Mills sufficiently supplied with logs. Draw up your Report to be submitted to the Manager with brief explanations as to use of forms and information needed from the Mills and Lumber Camps.
10. In a Manufacturing business where a large number of work people are employed, what checks would you recommend should be in existence to prevent fraud, either by workpeople claiming for work not done or time not devoted to the business of the firm, or by clerks falsifying the wage books or including in the Pay Sheets the names of work people not engaged?

ADVANCED ACCOUNTING.

(Time Allowed—3 hours.)

1. The B. C. Drug Manufacturers Ltd., was incorporated on Jany. 1, 1912, to manufacture and to market certain patent medicines, with an authorized capital of \$500,000.00, made up of 50,000 shares of \$10.00 each. In response to an invitation, the public subscribed for 38,000 shares which were duly allotted by the Directors. On December 31st, 1912, \$7.50 per share had been called up, and with the exception of \$2.50 per share on 400 shares, had been paid. In addition to the transactions represented in the foregoing, the following balances appeared in the Ledgers of the Company at December 31st, 1912:

Cash at Bank.....	\$ 36,230.00
Cash in Hand.....	960.00
Sales	229,470.00
Returns inwards	4,290.00
Manufacturing Expenses.....	6,474.00
Bank Interest—Savings	140.00
Plant and Machinery	96,735.00
Fixtures and Fittings.....	9,763.00
Manufacturing Wages	86,102.00
Advertising	142,059.00
Salaries	9,420.00
Freight on Purchases.....	4,130.00
" " Sales	6,411.00
General Expenses	2,162.00
Purchases	64,287.00
Returns Outwards	3,140.00
Rent, Rates and Taxes.....	6,145.00
Lighting	978.00
Accounts Receivable—Ledger.....	54,147.00
" Payable— " 	21,417.00
Bills Payable	6,123.00
Preliminary Expenses	2,073.00
Discount Account—excess of discount allowed over discount received.....	924.00
Directors' Fees	1,500.00
Electric Power	9,500.00

After allowing for the following, prepare Trading and Profit and Loss Account for the year ended December 31st, 1912, and a Balance Sheet as at that date.

- (1) Depreciation on Plant and Machinery at 7½%.
- (2) Depreciation on Fixtures and Fittings at 5%.

- (3) Create a Reserve for Bad and Doubtful Debts amounting to 3% on the Accounts Receivable.
 - (4) The amount expended on Advertising has to be written off over three years ending December 31st, 1914, by equal annual instalments.
 - (5) Write off Preliminary Expenses.
 - (6) 5% Commission to the Manager of the Company on net profits earned after charging such commission and all other charges and appropriations of profits.
 - (7) Insurance unexpired at December 31st, 1912, was \$392.00.
 - (8) Taxes unexpired at December 31st, 1912, was \$471.00.
 - (9) Stock on hand at December 31st, 1912, was valued at \$39,420.50.
2. The Doitnow Colliery Ltd. obtained a lease of a coal mine for a period of 20 years from June 1st, 1908. The royalty payable under the lease was 12.5 cents per ton upon the actual output with a minimum rent of \$1,900.00 per annum. In terms of the lease, power was given to recoup "short workings over the first five years."

The output for the first years was as follows:

Year to May 31st, 1909.....	10,000 tons.
1910.....	15,000 "
1911.....	17,000 "
1912.....	18,000 "
1913.....	20,000 "

Show the Royalty, Short-workings, and Landowners accounts in the books of the Company.

3. The Trial Balance of the Books of Green, Gray & Co., at December 31st, 1909, shows the following figures:

	Dr.	Cr.
Land	\$ 1,200.00	
Buildings	4,300.00	
Plant and Machinery.....	6,076.00	
Trade Creditors		\$ 6,070.00
Book Debts	9,540.00	
Goods Account		16,420.00
Insurance & Taxes	820.00	
Discount and Interest.....	640.00	
Charges	1,250.00	
Salaries and Wages.....	14,740.00	

Bank Account		1,860.00
Cash Account	70.00	
Repairs and Renewals	370.00	
J. Green		6,310.00
A. Gray		7,280.00
W. Black		1,060.00
		<hr/>
		\$39,000.00
		<hr/>
		\$39,000.00

At this date the business is sold to "The Manufacturers' Trust Ltd" who pay for Goodwill \$4,700.00, taking over the ground, buildings and machinery at a valuation of \$13,200.00, and stock-in-trade on hand at \$10,600.00, the book-debts at the amount in the books less 5 per cent., whilst they are to pay the trade liabilities and to get the benefit of any unexpired taxes, insurance, etc. Gray and Green have each four-ninths of the profits and Black one-ninth, but he has no interest in the good-will. Each partner is entitled to a salary of \$250.00 before division of the profits and by arrangement between Gray and Black one-half of the salary of the former is credited to the latter.

To the extent of \$10,000.00, the price is laid in \$10.00 Ordinary Shares of "The Manufacturers Trust Ltd.", which are allocated amongst the partners as nearly as possible in their respective interests in the profits.

Prepare Profit and Loss Account and statement for adjustment of the partners' accounts. (Questions of interest may be ignored.)

4. How should the following be shown in a Balance Sheet? Give reasons:
 - (a) Preference Dividends accrued.
 - (b) " " in arrear.
 - (c) " " declared but not paid.

5. What relation do maintenance charges bear to allowances for depreciation? Take the case of a gas company and discuss the matter fully.

BUSINESS INVESTIGATIONS.

(3 hours.)

1. You are retained by the prospective purchaser of a business to make an examination of the accounts covering a period of five years, ended December 31st, 1911.

The vendor has furnished the following statements to the prospective purchaser:

Cash Profits—yearly average.....	\$315,000.00
Expenses—yearly average	220,000.00
Net Profit	\$ 95,000.00

Also Balance Sheet as follows:

Assets:

Cash	\$ 20,000.00
Accounts Receivable	250,000.00
Bills Receivable	50,000.00
Merchandise on hand as inventoried	500,000.00
Deferred charge for commissions due Salesmen	10,000.00
Total	\$830,000.00

Liabilities:

Accounts Payable	\$120,000.00
Bills Payable	200 000.00
Accrued Commissions	10,000.00
Capital	500,000.00
Total	\$830,000.00

You find from the books that the following items constitute the entries in the Profit and Loss Account for the period:

Gross Sales.	Selling Expenses.
1907 .....\$1,000,000.00	1907 .....\$175,000.00
1908 900,000.00	1908 125,000.00
1909 1,250,000.00	1909 160,000.00
1910 1,000,000.00	1910 115,000.00
1911 1,000,000.00	1911 115,000.00
Cost of Goods Sold.	Administrative & Genl. Ex.
1907 .....\$650,000.00	1907 .....\$100,000.00
1908 600,000.00	1908 95,000.00
1909 925,000.00	1909 80,000.00
1910 700,000.00	1910 75,000.00
1911 700,000.00	1911 60,000.00

Gradual reduction of administrative expenses has been effected by proprietor taking smaller compensation for his own services each year.

Losses incurred through failure to collect sundry debtors' accounts during the last three years, amounting to \$15,000; \$45,000.00 and \$65,000.00, respectively, were charged to the Proprietor's Capital Account.

The terms under which the business is to be sold are based on the value of the net assets at December 31st, 1911, plus an amount equivalent to one-half of the net profit for the five years. On this basis, the vendors have asked for \$737,000.00.

Write such a report as you would submit to your client (using the figures and other information continued in this question) with the proper exhibits and comments upon them as to features which would be of interest to your client as a purchaser of the business.

2. A, B, C and D enter into Partnership with a Capital of \$100,000.00. A invests \$40,000.00; B, \$30,000.00; C, \$20,000.00, and D, \$10,000.00. They are to share profits or losses in the following proportions: A, 35%; C, 22%; B, 28%, and D, 15%. They are also to receive stipulated salaries chargeable to the business.

At the end of six months there is a loss of \$8,000.00 and meantime the partners have drawn against prospective profits as follows:

A.....	\$400.
B.....	600.
C.....	600.
D.....	400.

They dissolve partnership and agree to distribute proceeds of firm assets monthly as realized. C and D enter other businesses and A and B remain to wind up the firm's affairs; it being stipulated that from all moneys collected and paid over to C and D, a commission of 5% is to be deducted and divided equally between A and B for their services in the winding-up.

The realization and liquidation lasts four months and the transactions are as follows:

	Assets Realized	• Liabilities Liquidated	Expenses and Losses on Realization, exclusive of Commissions
1st month	\$ 30,190.00	\$ 7,900.00	\$ 400.00
2nd "	50,300.00	6,100.00	750.00
3rd "	20,010.00	3,800.00	340.00
4th "	9,500.00	2,200.00	110.00
	<u>\$110,000.00</u>	<u>\$20,000.00</u>	<u>\$1,600.00</u>

As a Chartered Accountant you are engaged to go into the matter and prepare partner's accounts showing the amount payable monthly to each one.

3. A firm (in business two years) made an assignment for benefit of creditors. The assignee is of opinion that one or more of the following causes contributed to the failure:—
 - (a) Inflation of inventory at inception of the business (owned formerly by one of the firm who took stock for his equity);
 - (b) Loss through trading;
 - (c) Loss through bad debts;
 - (d) Peculations of employees;
 - (e) Excessive cash drawings of principals;
 - (f) Transfer of assets to the individual use of members of the firm, such transactions not having been entered in the books.

You are called in to investigate the accounts in order to fix the responsibility for the failure, and to determine which of the several causes did contribute to the bankruptcy. State the steps which you would take in each case to do this. Answers to be full and explicit.

4. You are engaged to make an examination of the affairs of a company where fraud is suspected. The books are in poor condition with little or no explanation for most of the journal entries. Many necessary entries are omitted and the Sales Ledger accounts are almost entirely inaccurate. There is no purchase ledger; these accounts being taken care of through a purchase voucher record.

The only employee of the concern familiar with the Ledger and other accounts is the book-keeper and all have to go to him for information.

Outline the method of your investigation bearing the foregoing conditions in mind. Full answer is required.

5. (a) What is meant by the term business investigations.
- (b) Enumerate the various classes of investigations.
- (c) Describe briefly the scope of the work.

AUDITING.

(Time Allowed—3 hours.)

1. You are instructed to thoroughly audit the accounts of A. B. and Co., Ltd., for the 12 months ending the 31st December, 1912.
 - (a) State in detail the work done by you or your staff in carrying out this audit and the reasons for each part of the same.
 - (b) Prepare full report for the firm, and let such report be of an advisory character.

Below are given Balance Sheets, Trading Accounts and Profit and Loss Accounts for years ending 31st December, 1911, and 31st December, 1912.

Trading Account.

	31st Dec. 1911.	31st Dec. 1912.
Inventory at commencement.....	\$19,000.00	\$ 29,200.00
Purchases, including Freight and Duty	51,200.00	48,700.00
	\$70,200.00	\$ 77,900.00
Less Inventory on hand.....	29,200.00	28,700.00
	\$41,000.00	\$ 49,200.00
Wages	3,000.00	4,100.00
Factory Expense	1,500.00	2,000.00
Gross Profit	45,500.00	47,400.00
	\$91,000.00	\$102,700.00
By Sales, Less Rebates, Returns, etc.	\$91,000.00	\$102,700.00

Profit and Loss Account.

Selling and Management Expenses.....	\$23,800.00	\$27,400.00
Depreciation Machinery, etc.....	600.00	1,300.00
Provision for bad and doubtful debts	400.00	200.00
Profit for 12 months.....	20,700.00	18,500.00
	<u>\$45,500.00</u>	<u>\$47,400.00</u>
Gross Profit	<u>\$45,500.00</u>	<u>\$47,400.00</u>

Balance Sheet.

Assets—

Cash, Accounts & Bills Receivable (less prov.)	\$22,528.39	\$29,313.61
Inventory Merchandise	29,200.85	28,758.99
Machinery, Plant & Sundry Accts	8,384.08	14,136.27
	<u>\$60,113.32</u>	<u>\$72,208.87</u>

Liabilities—

Accounts Payable	\$ 6,105.19	\$ 1,553.74
Reserve for Depreciation.....	930.13	2,155.13
Profit and Loss Account.....	21,078.00	18,500.00
Capital Stock Paid up.....	32,000.00	50,000.00
	<u>\$60,113.32</u>	<u>\$72,208.87</u>

N.B.—Inventories of Merchandise are to be taken as correct and all outstanding accounts and provisions for depreciation have been provided for.

Selling prices have practically remained the same as last year.

2. State briefly the duties of a Municipal Auditor as set forth in the Municipal Act.
3. A Company has issued common and preferred stock, also three classes of debentures. The last issue of stock is only partly called in. State the books required to properly record transactions in the Company's stocks and Debentures, including payments of dividends and interest; and state also how such books may be tested for accuracy with the other books of the Company.

4. In auditing the affairs of a Railway Company, how should the Auditor determine whether or not the earnings are correctly stated?
5. State in detail the successive steps to be taken in auditing the accounts of an executor of an estate.
6. Give examples of such Assets and Liabilities not usually found on books of account, as should be considered by the Auditor when preparing an income and profit and loss account at the close of a fiscal period.
7. On the formation of a limited company to take over an established business, it frequently happens that a considerable sum is paid for the goodwill.

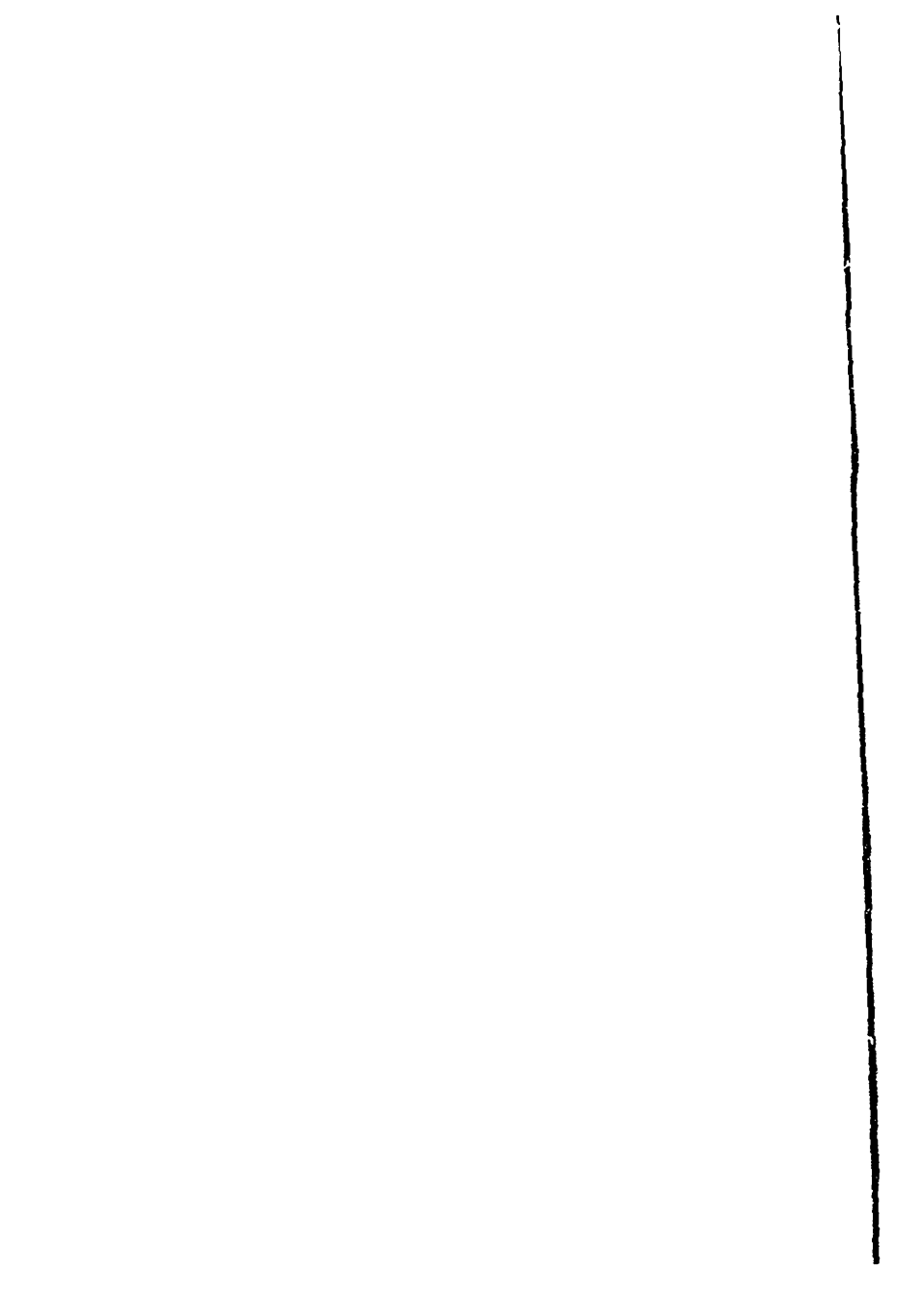
Give an instance where you would consider it necessary that yearly provision should be made out of profits to extinguish the asset, and a further instance where you would consider such a course unnecessary and state your reasons.

8. The Annual accounts of the Bedford Bank Ltd., contain the following information:

(a) Cash in Bank of England.....	£ 560,254
(b) Cash in Hand (including £10,000 in the Company's own notes).....	472,124
(c) Money at call and short notice.....	721,560
(d) Rebate on Bills not due.....	5,420

To what investigations should you, as Auditor, submit the above items?

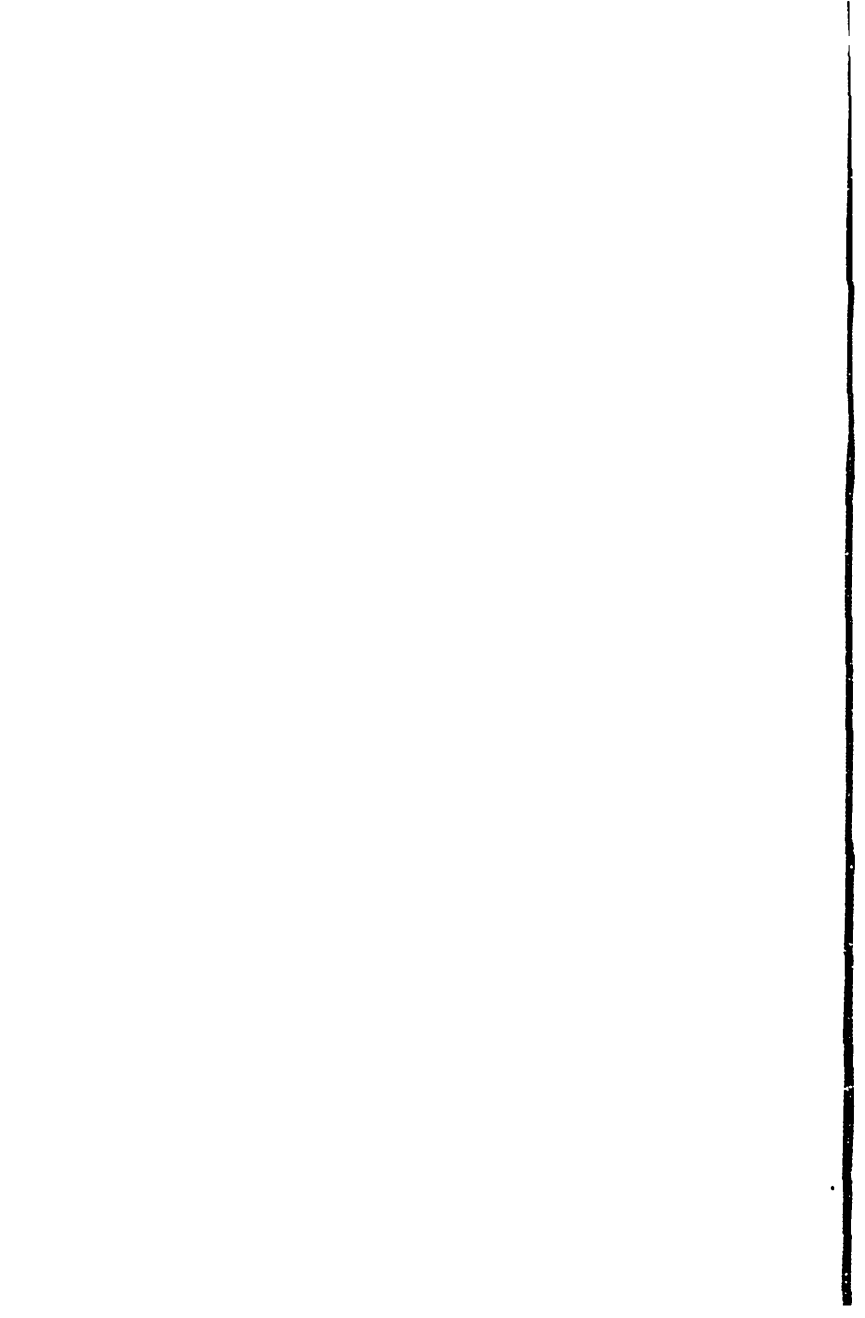
9. The preferred stock of a Corporation is entitled to Cumulative dividends of 7% a year. The Company has paid dividends on this stock at the rate of 5% a year for 10 years. How should the arrears of dividends appear on the Balance Sheet?
10. What account should be charged with discount on bonds sold for construction and the expense of disposing of such bonds. Give reasons.



The
Institute of Chartered Accountants
of British Columbia



Examination Papers
1914



Preliminary Examination, May, 1914

ENGLISH GRAMMAR AND COMPOSITION.

Time Allowed 2½ Hours.

Penmanship will be judged from the general appearance of the entire work done upon this paper.

1. Write a reply to the following advertisement which appeared in the Daily Province of May 23rd, 1914: Wanted—Assistant in a Chartered Accountant's office. Apply in own handwriting, giving experience and references. State salary. Box 634, Daily Province, Vancouver, B. C.

2. Re-write the following words, correcting the spelling where necessary:

synopsys	seperatley	recommend
testator	condem	valueable
unnecesary	acurate	skillfull
preum	inventory	litigation
affidavit	prommoter	dubeous
prefferance	similar	seculer
leasure	procede	

3. Write a brief description (not more than 150 words) of any one character in fiction or of any one place in which you are interested.
4. Write down:
 - (1) Examples of adverbs of time, place, manner and degree.
 - (2) The degree of comparison, where such exist, of silly, extravagant, unfortunate, will, bad, evil, principal, late, nigh, near, old.
 - (3) Sentences to show the use of the following words as prepositions: Between, among, but, since.
 - (4) The past tense and past participle of choose, eat, saw, sew, lie, lay.
5. Write an essay on one of the following subjects (about 400 words):
 - (1) The Boy Scout Movement.
 - (2) The Dominion of Canada.
 - (3) The Lumber Industry of British Columbia.
 - (4) Canadian Railroads.

6. Analyze:

Go, lovely Rose:
Tell her, that wastes her time and me,
That now she knows,
When I resemble her to thee,
How sweet and fair she seems to be.

ALGEBRA.

(Time Allowed—1½ Hours.)

- (a) Subtract $3A+4AB-4AC+2BC$ from $A+3AB+2AC-BC$.
(b) Divide $27X^3+9X^2-3X-10$ by $3X-2$.
- Find the product of:
 $(7M-2N)(3M+4N)$
 $(4C+3D)(C+2D)$
- Resolve into factors:—
 $2X^2-X-1$
 $16A^2-(3A+1)^2$
 X^3-Y^3
- Find the lowest Common Multiple of:—
 X^2-X-6 , X^2+X-2 , X^2-4X+3 .
- Solve the following equations:—
(a) $15(X-1)+4(X+3)=2(7+X)$.
(b) $\frac{X-8}{7} + \frac{X-3}{3} + \frac{5}{21} = 0$.
(c) $2X+3Y+4Z=20$.
 $3X+4Y+5Z=26$.
 $3X+5Y+6Z=31$
(d) $X^2-3X=10$.
- In a building of eight stories including the ground floor, the ground floor is half as high again as the other floors, 15 feet is taken up with floors, roof, etc. The total height of the building is $6\frac{1}{2}$ times that of the ground floor. What is the height of the building and of the various floors?

ARITHMETIC

(Time allowed, 2½ Hours.)

1. Find the sum of
21, $15\frac{2}{3}$, $5\frac{5}{9}$, $4\frac{8}{27}$, 6% .
2. Find the greatest common measure of
2, $\frac{6}{7}$, 9, $\frac{12}{21}$, $\frac{9}{28}$, $\frac{18}{27}$.
3. Divide 1 by 1.007633 correct to six decimal places.
4. What is the cost of 17 cwt. 2 qr. at \$7.50 per ton?
5. If 5 barrels of flour cost \$60.00, how many cords of wood at \$4.00 a cord will pay for 3 barrels of flour?
6. A carriage wheel 12 ft. 3 in. in circumference will make how many revolutions in a distance of 65.5 miles?
7. A tailor has $67\frac{2}{5}$ yards of cloth, from which he wishes to cut an equal number of coats, pants and vests. What number of each can he cut if they contain respectively $3\frac{3}{8}$, $2\frac{3}{4}$, $1\frac{4}{5}$ yards?
8. Find the numbers of which 48 is 24%, 16%, 12%, 10%, 24% and 36%.
9. If water in freezing expands $\frac{1}{10}$, find the weight of a cubic foot of ice, a cubic foot of water weighing 1,000 ounces.
10. Telegraph poles are placed 8 rods apart, and a train passes one every $4\frac{1}{2}$ seconds. How many miles an hour is the train travelling?

FRENCH.

(Time allowed, 2 hours.)

1. Translate the following into French:
A Black Coat A Round Table
A Busy Man A Good and Just King.
2. Give five examples of adjectives which are placed before the noun.
3. Translate the following into English:
Marie était fière de sa robe neuve.
Ont-elles use leçon ce matin?
N'était-il pas fier de son livre?
Étais-je heureux? Oui, et ma soeur était heureuse.
Étais-tu attentive pendant la leçon, ma fille?

4. Write out the masc. pl. and fem. sing. and pl. of
- | | | |
|----------|---------------|------------------|
| Las | heureux | dangereux |
| Anglais | royal | principal |
| Précieux | malade | piere (f) |
| la temps | eu (p. part.) | travaillé (p.p.) |

5. Write out the present of "trouver."
future of "apporter."
imperfect of "gagner."

Write out imperfect of "agir" and "fournir."
conditional present of "saisir."

6. Translate the following into English:—

- (1) N'aura-t-il jamais fini ses devoirs?
- (2) Ne seront-elles pas arrivées au château avant midi?
- (3) Ces enfants n'ont-ils pas eu un congé d'un mois?
- (4) Ces trois filles n'ont qu'un chapeau.
- (5) Le maître n'était guère assez sévère.
- (6) Nous n'avons rien vendu toute la matinée.
- (7) M. soeur était à la gare, mais elle n'a rencontré personne.
- (8) Je ne finirai point ma lettre avant dix heures.
- (9) Il ne perd plus ses livres, parce qu'il est plus soigneux.
- (10) Elle n'aura jamais lu son livre, car elle n'est point appliquée.
- (11) Le chien est entré dans la boutique, mais il n'a rien saisi.
- (12) Qui est la? Personne.
- (13) Est-ce que vous n'avez jamais vu la Reine?

7. Translate the following into French:

- (1) Did he not sell a horse?
- (2) Will not the leaves fall when they are dry?
- (3) The master will not supply these pupils with books, because they are not careful.
- (4) Will he not lend his horse to his friend?
- (5) He had never been in that old church before.
- (6) You shall have no more wine.
- (7) I was shutting my purse when the robber seized my arm.
- (8) We have only one horse.
- (9) They had seen no one.
- (10) This dog no longer bites our children.
- (11) Had they not left the school at noon?
- (12) Have they not gone this way?

GEOGRAPHY.

(Time allowed, 2 hours.)

1. Draw a map of Australia showing the position and names of the states and their capitals, and state the principal products and exports.
2. What states of the U. S. A. border on Canada in order from East to West? State the boundaries of Canada.
3. What are the principal water routes and ports of call between England and (1) Europe, (2) North America, (3) Australia, (4) China?
4. For what are the following places in Britain principally noted:

Liverpool	Cardiff
Glasgow	Stratford-on-Avon
Newcastle-on-Tyne	Cambridge
Grimsby	Portsmouth
Brighton	Aberdeen
Huddersfield	Coventry
Sheffield	
5. Draw a map of Canada giving the names and positions of the Provinces with the Capitals, principal Mountain Ranges, Lakes and Rivers, and the main line of the Canadian Pacific Railway.
6. What and where are the following:

Honolulu	Aetna
Borneo	Nebraska
Baikal	Erie
Volga	Yellowhead
Bosphorus	Puget
Tampico	Skeena
7. What parts of Africa are subject to British rule, or to that of any other European nation?

CANADIAN HISTORY.

(Time Allowed, 2½ hours.)

1. State briefly what you know about the following characters in Canadian History: Jacques Cartier, Champlain, Frontenac, Montcalm, Papineau, Sebastian Cabot, William Baffin, Joliet, George Brown, John A. McDonald.

2. When and by whom was Cataroqui (Kingston) founded?
3. (a) Where in Canada was founded the first Government by the English?
(b) Who was the first British Governor?
4. (a) When was the "Constitutional Act" passed by Parliament?
(b) What were its chief provisions?
5. (a) How was the uprising in Upper Canada occasioned?
(b) Who were the prominent characters in the uprising?
6. (a) What was the purpose of the British North America Act?
(b) Briefly enumerate the important provisions.
7. (a) What do you¹ understand were the reasons for the Alaska Boundary Treaty?
(b) When and by whom was it ratified?
8. When and how did the Northwest Territory come into Confederation?
9. State briefly what you know of Sir Wilfrid Laurier's administration.
10. (a) When was the National Act passed?
(b) What province was affected thereby?



Intermediate Examination, May, 1914

PRACTICAL BOOKKEEPING.

(Time Allowed—3 hours.)

Balance Sheet.

Liquid Assets
Viz.

Liabilities to the public
Viz.

Total
Fixed Assets

Liabilities to shareholders
for Capital and Reserves
Viz.

Total

Total

Trading Account.

To Stock
add purchases

Less Stock
Total

To Gross Profit

To Cost of Selling
To Profit c/d.

By Gross Profit

To administration Exps.
Viz.

By Profit B/D

To Net Profit

Fill in the above form of Balance Sheet and Trading Account with imaginary accounts and figures. Show

clearly the basis of valuation of the assets, and give three examples of conditional liabilities. Compare the above form of Balance-Sheet with the usual form.

Do you consider the form of gross trading account a satisfactory one? Give your reasons.

- The Head Office of a Manufacturing Company receive from their factory Superintendent the following certified figures and ask you to frame a Manufacturing Cost Account, showing the total cost of the factory's output for the year, and showing the average (a) prime cost; (b) on cost or indirect charges, and (c) gross cost of each of the 11,000 articles manufactured.

1st January, Inventory—Finished articles, \$1,000; value of work in progress (say half material and half labor), \$20,000; raw material, \$30,000, and fuel, \$870.

31st December Inventory: Finished articles, \$3,000; value of work in progress, \$22,000; raw material, \$42,000, and fuel, \$860.

The Head Office books show in respect of the Factory: Creditors, 1st January: Wages, \$1,000, for material, \$18,000, for expenses \$300, and that the following were paid during the year: Purchases, \$100,000, Wages \$90,000, Expenses \$5,200, Rent \$6,000, Superintendence \$4,000, Fuel \$2,500. There is a charge of \$1,200 for Interest on Capital invested in the business.

- A Company with a capital of \$100,000, in shares of \$100 each, all paid up, has accumulated undivided profits of \$80,000 hitherto credited to Reserve Account. From this the Directors decide to declare a cash dividend of 8% on original Capital, a bonus of 2% and a stock dividend of one share in two to present holders. Make necessary entries leading to and in, General Ledger, to effect this.
- From the following trial balance of the A. B. Sash & Door Factory prepare Trading Account, Profit and Loss Account and Balance Sheet as of December 31, 1913.

Accounts Payable.....		\$ 24,953.00
Accounts Receivable	\$48,090.00	
Advertising	285.00	
Bills Receivable	10,000.00	
Bank Account		927.00
Bank Charges	1,630.00	
Bills Payable		42,904.00
Buildings	26,000.00	
Cash	145.00	
Cash Sales		2,166.00

Office Furniture	1,500.00	
Management Salaries	6,500.00	
Commission	3,960.00	
Capital		84,700.00
Contingent Account		3,450.00
Factory Expense	4,075.00	
" Wages	43,900.00	
Insurance	4,200.00	
Freight and Cartage.....	3,400.00	
Interest and Discount.....	2,350.00	
Materials Purchased	80,975.00	
Office Salaries and Expenses.....	4,540.00	
Machinery and Equipment	60,500.00	
Power	4,200.00	
Profit and Loss Acct.....		12,800.00
Rent and Taxes.....	2,500.00	
Bank Loan at 7% (Interest accrued for 2 months).....		10,000.00
Sales		165,000.00
Yard Expenses.....	4,150.00	
Inventory, Dec. 31, 1912.....	34,000.00	

Allow 10% for depreciation on Office Furniture, 7½% on Machinery and Equipment, and 5% on Buildings. Unearned Insurance amounts to \$1,750. Bad Debts aggregating \$2,750 appear on the Books as open accounts. Provide Reserve for doubtful debts 1% of Sales, Taxes unexpired amount to \$87. Inventory Dec. 31, 1913, is \$45,000.

5. Three partners, A, B and C, share profit in the proportion of 2, 3 and 4. They decide to wind up the business as at December 31, 1913. The realization of the Assets yields 70 per cent. of the debts, 55 per cent. of the Machinery and Equipment, and 75 per cent. of the Buildings. Make out a final Balance Sheet and Capital Accounts.

Assets—

Debtors	\$20,500.00
Machinery and Equipment.....	32,500.00
Buildings	23,000.00

\$76,000.00

Liabilities—

Creditors	\$13,500.00
Loan to A.....	8,500.00
Capital—A.	12,000.00
B.	18,000.00
C.	24,000.00

\$76,000.00

6. As Bookkeeper of a Manufacturing concern you are required to close up the Books and prepare Manufacturing Accounts, Trading and Profit & Loss Accounts, and Balance Sheet as at the Company's year end, December 31, 1913. Explain fully how you would go about this, setting out the necessary year and adjustments.

BOOKKEEPING (THEORY)

(Time Allowed—3 hours.)

1. A and B started business in partnership on 1st January, 1911, and kept a Cash Book and Personal Ledger only. They brought in equal capitals and they drew equal amounts on account of profits. Having carried on business for a year they require statements showing the profit made, and the financial position of the firm. State clearly how you would prepare these statements with pro forma statements.
2. The above statements having been prepared A and B are not satisfied with the results and ask for a detailed Trading Account and Profit and Loss Account. How would you proceed to obtain the necessary information? State the arguments you would use when advocating a more complete system of bookkeeping? What further books would be required and how would you open a new set of books?
3. Outline a system of keeping the Petty Cash where there are a number of payments of small amount, which can easily be analysed under six or seven heads. The Petty Cash Book is to be closed weekly and the weekly payments amount to between \$40.00 and \$50.00.
4. Distinguish between :—
 - (a) "Fixed Assets," "Current Assets," "Wasting Assets," "Real Assets".
 - (b) "Receipts and Payments" and "Income and Expenditure."
 - (c) "Balance Sheet" and "Statement of Affairs."
 - (d) "Trading Account" and "Profit and Loss Account."
5. Explain how you would determine whether certain expenditure should be charged to Capital or Revenue Account? What is meant by "Deferred Charges to Revenue" and of what may these consist?

6. Define Goodwill. How may a Goodwill Account be created? Should Goodwill be written off and if so when and to what extent?
7. What is Depreciation and how is it caused? What method would you adopt to provide for Depreciation on the following assets in the Annual Accounts of a Company:—
 - (a) Fixed Plant
 - (b) Loose Tools
 - (c) Live Stock
 - (d) Leases.
8. How would you proceed to agree a Cash Book with the Bank where all receipts are deposited and all payments are made by cheque? Give example of Bank Reconciliation, using your own figures.
9. Show by means of Journal entries the effect on the books of A, B & Co., of the following transactions:—
 - (a) Sale of goods to D.
 - (b) Part payment by D in cash when discount is allowed.
 - (c) Bill of Exchange received from D for balance.
 - (d) Bill discounted with Bank.
 - (e) Bill returned dishonoured.
 - (f) Balance of account written off as bad.
10. State briefly the purpose of cost records. How do these differ from and how are they related to the financial records?

STATUTE LAW.

(Time Allowed—3 hours.)

Creditors Trust Deeds Act.

1. You are appointed Assignee of the Jones Hardware Co. on May 10th, 1914. Write out form of notice, explain to whom you would send this, how and when, and what directions you would follow in having it published.
2. Describe what action you would take or what you would proceed to do in connection with the above assignment until the first meeting of Creditors.

3. You find that several premises are being used—one under lease. You are to continue the business, but the landlord wants you to give up possession—what may you do?
4. Prepare a report of the above business for the creditors' meeting, using your own figures, but showing fully secured claims, preferred claims, for wages, partially secured claims, taxes and rents due, ordinary claims. Assets comprise Stock in trade, Book accounts assigned, Shares partly paid, Real Estate (balance still owing), etc., etc.
5. Write Minutes of the above Creditors' meeting, describing vote called on question of confirming your appointment as Assignee (explain how the creditors are entitled to vote and how the votes are listed), and any resolution which might be placed on the Minutes at any Creditors' Meeting.

B. C. Companies Act, 1910.

6. You are requested to submit to clients of yours a memo dealing with the various kinds of companies which may be incorporated under this Act, and to suggest to them which kind might suit them best. They have a Mining property which they desire to develop but only wish to include a certain number of their friends in the Company.
7. Draw up for the above Company a sample Share Register and Share Journal.
8. Explain to the Directors in a memo what Books and records must be kept by the Company. What meetings must be held say during the first year, and what reports must be sent to the Registrar.
9. Draw up a sample Statutory Report for the Company.
10. As the Auditor of this Company what rights have you under the Act and what does the Act call upon you to do?

ARITHMETIC.

(Time Allowed—3 hours.)

1. An agent sold 2,000 bushels of Alsike Clover seed at \$7.85 per bushel, on a commission of 5%; and 1,200 bushels medium red at \$5.20 per bushel, on a commission of $2\frac{1}{2}\%$, taking the purchaser's three months note for the amount of the sales. If the Agent charges 4% for his guaranty of the notes, what amount does he earn by the transaction?

2. The Net proceeds of a consignment of wheat was $96\frac{1}{2}\%$ of the net proceeds of a consignment of oats, and the rate of commission on each was $4\frac{1}{2}\%$. The sum of the net proceeds on both consignments was \$5,895, and the sum of the charges, other than commission, was \$330, of which \$175.00 was charged to the consignment of wheat. How much was the commission on the consignment of oats?
3. Four Companies join in insuring a ship and cargo for \$60,000. One Company takes $\frac{1}{3}$, at $\frac{3}{5}$ of 1%; a second takes \$10,000 at $\frac{3}{4}$ of 1%; a third \$15,000 at $\frac{5}{8}$ of 1%, and a fourth, the remainder at $\frac{1}{2}$ of 1%. How much is paid for insurance?
4. A tax of \$11,466 besides the cost of collecting at $2\frac{1}{2}\%$ is to be raised in a certain town. The polls, 560 in number, are taxed \$1 each. The real estate is assessed at \$1,270,000 and the personal property at \$130,000. Determine the rate, make an assessors' Table for that rate, and find A's tax for 2 polls, \$2,300 real estate and \$1,400 personal property?
5. What principal at 10% will amount to \$265.33 in 10 years, interest payable semi-annually?
6. Find the maturity, the term of discount, and the proceeds of a note of \$5,250 on 60 days, dated July 1st, 1889, and discounted August 21st, 1889, at 5%.
7. A person owing for 117 A. 5 sq. rd. of land, which he had bought for \$32.00 per acre, paid on account the proceeds of a sixty-day note for \$2,000 which he got discounted at a bank, for 7%, on the day it was drawn. How much remained due?
8. On Oct. 1st, 1885 a note for \$1,000 was given, payable in 4 years, with 6% interest. A payment of \$50 was made 1 year from date; a payment of \$250 was made 1 year 6 months from date; a payment of \$224 was made 2 years from date; a payment of \$20 was made 2 years 8 months from date, a payment of \$110 was made 2 years 10 months from date. How much remained due at the maturity of the note?
9. A man in Owen Sound has \$4,800 due him in Quebec; how much more will he realize by making a draft for this sum on Quebec and selling it at $\frac{1}{2}\%$ discount, than by having a draft on Owen Sound remitted to him, purchased in Quebec for this sum at $\frac{3}{4}\%$ premium?

10. When the course of exchange between London and Paris is $9\frac{1}{2}$ d. per franc, and 3.63 francs are equivalent to 1 Prussian thaler, and 24.5 thalers to 34 Austrian florins, and 25 Austrian florins to 12.6 Venetian ducats, if a London merchant owe to one in Venice 1,000 ducats, will it be more advantageous to remit by way of Paris, Berlin and Vienna, or direct to Venice, supposing a ducat to be equivalent to 4s. 2d.?
11. Mr. A. aged 36, insured his life for \$5,000 and paid an annual premium of \$135; supposing he died at the age of 68, how much did the premiums he paid exceed the face of his policy, money being worth 6% compound interest?
12. A widow is entitled to \$140 a year for 18 years, at 10% semi-annual compound interest. What is its final value.



Final Examination, May, 1914

STATUTE LAW.

(Time Allowed—3 hours.)

1. What procedure must an applicant follow to obtain a Water License and what evidence would you think satisfactory to prove to you as Auditor that a Company had certain Water Rights as shown by their Books of Account?
2. What is the rate of duty payable under the Succession Duty Act on Property situate in Province passing on the death of a person to Father, Mother, Husband, Wife, Child, Daughter-in-law, or Son-in-law?
3. Explain as fully as you can
 - (a) How a Company is formed under the Dominion Companies Act?
 - (b) What return must be made by such a Company and to whom?
 - (c) What must such a Company do to transact business in B. C.?
4. In what form might the Timber Holdings of a Lumber Company be, and explain how you would be satisfied as to their title and rights, being in order at the date of your Audit.
5. When must the following meetings of a Company incorporated in British Columbia be held and what returns require to be filed with the Registrar in connection therewith? What information must these returns contain?
 - (a) Annual General Meeting;
 - (b) Statutory Meeting;
 - (c) Final Winding-up meeting.
6. In the winding up of a Company incorporated in British Columbia, which is not being wound up for bankruptcy or insolvency, what rules would guide you, as Liquidator, in settling the list of contributories?

7. What are the provisions of the Trust Companies Act, 1914, regarding:
 - (a) Capitalisation;
 - (b) Borrowing powers;
 - (c) Deposit with Government;
 - (d) Holding of Real Estate;
 - (e) Annual Report by Directors.
8. Describe fully the regulations relating to auditors under the B. C. Companies Act and what reports are they required to sign, and give example of an auditors' report to the shareholders of a Company.
9. Draw up a sample set of Accounts to be submitted by you as assignee to a Judge when asking for your discharge.
10. State the specific requirements as to particulars of a prospectus of a Company incorporated in B. C.

AUDITING.

(Time Allowed—3 hours.)

1. An examination of the Minutes and other records of the Books of a Corporation preceding an audit, discloses that a revaluation of the buildings, plant and machinery had been made by expert appraisers called in for the purpose. The reports of these appraisers state that the values as determined by them were greater than those shown in the Books:
 - (a) Should such increased value be entered on the Books of the Corporation? And if so what entries should be made to show this in the Profit and Loss Account and Balance Sheet?
 - (b) If the Reports of the Appraisers showed a less value than the Book value, what entries should be made to show it?
2. After auditing the Books of a Manufacturing Company for a period of ten years, you are asked to give a certificate as to the net earnings of the business for those ten years for the purpose of a sale based on the earning capacity of the property. What items of expense heretofore charged annually through Profit & Loss Account may be properly eliminated in the preparation of your Certificate, and why?

3. If a Company, duly organized, acquires several plants that are found on inspection in a "Run Down" condition and to require extensive outlays for repairs, and renewals to bring them to the required state of efficiency, should such outlay be charged against Capital or against Revenue? Give reasons fully.
4. A Company was organized in February, 1900, for the purpose of constructing and operating two iron furnaces as one plant, and of owning and mining ore properties.

An issue of Mortgage Bonds was arranged for the purpose of providing funds to finance the constructing of the plant and the purchase and development of ore properties. The mortgage provided that the property should be maintained by the Company in first class condition.

The first furnace was put in blast in May, 1901, and the second in June, 1902. The ore property was developed and mining commenced in April, 1901, at which date the total cost of the property and development amounted to \$50,000. The superintendent of the plant reports monthly the quantities of ores and material received, and also the quantities used at the furnaces. Stores accounts are kept for each kind of ore, and material. Piles of ores and materials are cleaned up periodically. The plant superintendent also reports the quantities of pig iron produced monthly and the quantities of pig iron shipped monthly.

January 2nd, 1905, you are appointed in the interest of the bondholders and shareholders to audit the accounts of the Company for five years ending February 28th, 1905. Apart from the accuracy of the clerical work and book-keeping, what are the principal points to be ascertained with regard to

- (a) Expenditures;
- (b) Issue of Bonds;
- (c) Maintenance of the properties?

State how you would satisfy yourself of the accuracy of the following assets and liabilities at the close of the period of your examination; stocks of ores and materials, stock of pig iron, mortgage bonds outstanding, capital stock outstanding.

5. The machinery used by a firm has been purchased on the instalment plan with monthly payments, and under the stipulation that the title shall pass only when the last

payment has been made. At the close of the fiscal year there are yet several payments to be made. The firm also pays a royalty, on the output of some of the machines secured on this plan. How should the auditor in his annual statement deal with the machinery, the instalments paid, and the royalty?

6. A construction Company has at the close of its fiscal period a number of uncompleted contracts in various stages of progress. How should they be carried into the Balance Sheet? Mention two other ways in which they might appear in the Balance Sheet.
7. In auditing the accounts of a fiduciary chargeable with income arising from rents, interest, securities and cash in bank, how should the auditor satisfy himself that a full return was shown by the books submitted?
8. You are asked by a client how to treat inventories at the time of closing the books, e.g., should they be figured at cost or market price, or otherwise? Is the common, old-fashioned method of adding the inventory of merchandise on hand, to the credit side of the merchandise account before closing the books, theoretically correct? Explain fully.
9. The market value of the investments of a Trust Company has fallen considerably, while the Company has earned enough income to pay the usual dividend. How should you deal with this position of affairs in auditing the annual accounts?

BUSINESS INVESTIGATIONS.

(Time Allowed—3 hours.)

1. State the principal causes which may lead to an investigation by a professional accountant. Select one of these and state what instructions you would require from your client before proceeding with the work.
2. You are instructed to investigate the affairs of a Lumber Mill for a period of five years for the purpose of a certificate as to the profits of those years. You are provided with accounts covering the whole period audited by a competent accountant. How would you proceed with your investigation, and what adjustments would it probably be necessary to make in arriving at the profits for your certificate?

3. The Gigantic Fishing Co., Ltd., was incorporated with a nominal capital of \$500,000 in \$1.00 shares. As on 1st January, 1911, the Company took over the following assets and liabilities:

Real Estate	\$ 20,000.
Buildings	150,000.
Plant	100,000.
Power and other boats.....	30,000.
Nets and Gear.....	10,000.
Stocks on hand.....	30,000.
Sundry Debtors	20,000.
	<u>\$360,000.</u>
Sundry Liabilities	10,000.
	<u>\$350,000.</u>

The Vendors received \$250,000, in fully paid shares and the balance in cash. The remainder of the share capital was subscribed and paid for in full. Preliminary Expenses amounted to \$25,000. The Company incurred further Capital Expenditure as follows:

	1911	1912	1913
Buildings	30,000.	20,000.	25,000.
Plant	20,000.	13,000.	15,000.
Power Boats, etc.....	25,000.	15,000.	10,000.
Nets and Gear.....	12,000.	10,000.	13,000.

After providing \$10,000. each year for Depreciation the accounts show a profit of:

\$50,000. for the year 1911.
40,000. " " " 1912.
90,000. " " " 1913.

Dividends of 7% for 1911 and 1912, and 10% for 1913 were paid on the total share capital.

The current assets and liabilities at 31st December, 1913, were:

Assets:	Sundry Debtors	\$20,000.
	Stocks on hand.....	80,000.
	Cash	5,000.
Liabilities:	Bank Loan	\$33,000.
	Sundry Creditors	25,000.

You are called upon to investigate the affairs of the above Company for the three years ending 31st December,

1913. You find in the main the facts to be as stated above, but find it necessary to make the following adjustments :

Instead of the provision made for depreciation you provide 5% on Buildings and Plant, 10% on Power Boats, etc., and 20% on Nets and Gear, on the original cost plus additions as at the end of each year.

You readjust the provision for Bad Debts by writing off an additional \$2,000. in 1911 and \$3,000. in 1912, and crediting \$4,000. to Profit and Loss in 1913.

You also find that the stocks on hand at 31st December, 1913, have been overvalued to the extent of \$20,000.

Prepare a concise report accompanied by statements to be submitted to the Directors.

4. As a result of the investigation referred to in the last question (No. 3) you were asked to give a certificate of profits for the three years, 1911, 1912 and 1913. Find the adjusted profits and draw up your certificates.

Would you consider it desirable to give a certificate as to (a) the profits before providing for Depreciation? (b) The average profits for the three years? (c) The profits of the last year only? Give your reasons.

5. The cashier of a wholesale house is suspected of embezzlement and you are instructed to examine the books with this in view. You find that the suspected man has had entire control of the cash, petty cash, and wages, and the corresponding books and the General Journal. He has, however, had nothing to do with the purchase or sale, receipt or shipment of goods, or the books recording these transactions, neither has he made any ledger postings, or had any part in sending out the monthly statements. Outline the work you would do to obtain the desired information as quickly as possible.

COMMERCIAL LAW.

(Time Allowed—3 hours.)

- (a) What is a negotiable instrument? What documents are covered by this definition?
(b) Define (1) Bill of Exchange; (2) Promissory Note; (3) Cheque.
- How may a person become a party to a Bill of Exchange? What steps must a holder take to secure payment? In the event of dishonour what steps should the holder take

to protect himself, and what is the position of the various parties to the Bill?

3. What facts must be looked to in ascertaining whether the business relations of certain parties constitute a partnership? In what cases is sharing in the profits of a business not evidence of partnership?
4. To what extent are the partners in a firm liable for the firm debts? Is a partner who has retired liable for debts of the firm incurred (a) while he was a member, (b) after he ceased to be a member? What steps should he take to protect himself as far as possible? Is a new partner liable for debts incurred before he became a partner? Explain the term Novation.
5. What transaction does the "Sale of Goods in Bulk Act" cover, and to whom does it not apply?
6. (a) A Contract provides that any dispute shall be referred to arbitration. Does this prevent either party taking action in the Courts?
(b) State briefly the steps in an arbitration to settle a dispute under the above mentioned contract.
(c) What are the requisites of a valid award?
7. (a) What are the requisites of a valid will?
(b) How is an executor appointed, and, briefly, what are his duties?
(c) How and in what circumstances is an administrator appointed, and in what respect do his duties differ from those of an executor?
8. What is the effect of fraud on a contract? State the rules with regard to consideration as relating to contracts and distinguish between "good" and "valuable" consideration.

ACCOUNTING SYSTEMS.

(Time Allowed—3 hours.)

1. What matters would you consider to be of first importance in arranging a system of bookkeeping?
2. A Company has two thousand customers, buys variously from two hundred Manufacturers, and has three departments for which separate trading accounts will be required. You are instructed to instal an accounting system

which will best meet the following conditions: (a) Economical division of labor, (b) Facilities for analysis of transactions, and (c) application of tests for accuracy. Name the books you would employ, and state briefly how they would effect the objects desired. Describe the arrangement of the books and their relation to each other, so far as may be necessary to make your points clear.

3. Discuss briefly the advantages, if any, of the card and loose leaf system of keeping ledgers.
4. Explain fully the system you would recommend for ascertaining the profit of the merchandise account without actually taking stock.
5. A Manufacturing concern has branches in several large cities, where goods are sold and collections made. Purchases—with few exceptions and then only for cash—are made by the Head Office purchasing department. Branch books record all the daily transactions but all the impersonal accounts are kept at the Head Office, the books at the branches only keeping accounts with their customers and with their travellers for expenses. The books at the branches are to be kept on the double entry system and daily reports are to be furnished the Head Office. A monthly report has also to be prepared showing a summary of the month's business and a trial balance of the books.

All collections are reported to the Head Office daily, and these are deposited in full in a local bank, to be transferred to Head Office. Disbursements are made from funds supplied by drafts on Head Office.

- (a) Devise a system of branch books and accounts to give effect to these requirements, and
 - (b) prepare suitable forms of both daily and monthly reports.
6. Explain how you would instal a system of bookkeeping for a Company arranged so that only the officers and auditor shall be informed of its financial condition and annual profits or losses.
 7. In a large manufacturing concern purchase of material and supplies pass through the storekeeper. What system of bookkeeping and check would you advise to safeguard and control the distribution of both? Explain fully.
 8. Outline a system for determining the cost of the monthly output of a Bakery, and the method of handling deliveries to customers on the ticket system.

ADVANCED ACCOUNTING.

(Time Allowed—3 hours.)

1. The firms of A, B and Co., and C, D and Co., agree to amalgamate and a company has been formed under the name of A, D Limited, to take over all assets (excepting cash) and all liabilities of each firm. The authorized capital is \$300,000, divided into 3,000 shares of \$100 each. The purchase price for the assets and liabilities of A, B and Co., is stated at \$30,000, and the purchase price of the assets and liabilities of C, D and Co. is stated at \$155,000.

Fully paid shares of the Company are issued to the firms of A, B Co. and C, D & Co. for their equity in the respective transfers.

E, F and G apply for 50 shares each, and pay cash in full on allotment. The Balance Sheets of the two firms at this date showed as follows:

Balance Sheet of A, B and Co.

Assets.

Cash	\$ 4,600.
Accounts Receivable	58,000.
Real Estate	5,000.
Stock	10,000.
Machinery	4,000.
Goodwill	3,000.
	<hr/>
	\$84,600.
	<hr/> <hr/>

Liabilities.

Accounts Payable.....	\$24,000.
Bills Payable	30,000.
Capital—A.....	20,600.
B.....	10,000.
	<hr/>
	\$84,600.
	<hr/> <hr/>

A and B share profits equally.

Balance Sheet of C, D and Co.

Assets.

Cash	\$ 2,000.
Accounts Receivable	100,000.
Stock	25,000.
Machinery	15,000.
Horses and Wagons.....	1,500.
Goodwill	30,000.
	<hr/>
	\$173,500.
	<hr/>

Liabilities.

Accounts Payable	\$ 10,000:
Bills Payable	5,000.
Capital—C.....	100,000.
D.....	58,500.
	<hr/>
	\$173,500.
	<hr/>

C and D share profits equally.

- (a) Make Journal entries in the Books of A, D Limited, and show Balance Sheet after amalgamation.
- (b) Make Journal entries in the Books of C, D & Co., to wind up the partnership, showing what disposition is made of the Cash and Shares.
- (c) Show Capital Accounts of A and B showing disposition of Cash and Shares on the assumption that they agree to value the shares at 90 instead of at par.
- (d) At the end of the year's trading operations, the net profit amounted to \$37,850. A stock dividend is declared by the directors to absorb all the profit, fractional parts of shares being paid in cash. Draw up a dividend sheet showing:
 - (1) Name of shareholder.
 - (2) Number of shares held.
 - (3) Par Value of shares.
 - (4) Amount paid up.
 - (5) Shares to be issued by way of dividend.
 - (6) Cash to be paid for fractional parts of shares.

2. A Company's inventory on Jan. 2, 1914, was :

Raw Materials	\$32,467.18
Goods in process.....	4,212.22
Plant	18,673.18
Made up goods.....	19,753.47
	<hr/>

The Company suffered a fire loss on May 1, 1914, the interim transactions affecting merchandising, Manufacturing and Plant were as follows :

Purchases raw materials.....	\$46,375.22
Productive labor paid out.....	21,618.06
Manufacturing expenses.....	5,167.20
Rent of show room and Offices.....	400.00
Selling expenses.....	7,618.25
Advertising	360.22
General expenses	2,561.12
Sales	95,714.66
Allowance to customers.....	2,167.29
Plant Purchases	361.22
	<hr/>

The figures ascertained for the years 1911, 1912 and 1913, for the identical items, were as follows :

	1911	1912	1913
Purchases raw materials..	\$186,320.16	\$104,360.22	\$157,316.20
Productive labor paid out	90,322.24	61,212.06	72,106.14
Manufacturing expenses..	20,163.12	16,208.17	20,216.23
Rent of show room and offices	1,500.00	1,200.00	1,200.00
Advertising	1,000.00	750.00	1,000.00
Selling expenses.....	28,672.18	16,314.12	22,312.18
General expenses.....	10,750.16	9,746.22	11,116.20
Sales	386,924.12	217,306.01	321,672.18
Allowances to customers	1,116.24	3,605.75	975.00
Returns of customers.....	8,614.08	540.22	409.00
Inventories beginning of year:—			
Raw materials	39,223.16	31,316.20	33,416.20
Goods in process.....	6,104.12	3,107.12	3,726.18
Made up goods.....	21,223.10	17,306.29	18,622.12
Plant	17,223.96	17,723.96	18,264.18
	<hr/>	<hr/>	<hr/>

You are employed by the assurers; all policies concur under the 80% co-insurance clause and the insured claims his loss is 42½% of the cost of his goods and value of his machinery at time of the fire; the percentage claim

is adjusted at that figure. The amount of insurance in force was as follows: On merchandise stock, \$40,000; on plant, \$12,500.

Prepare requisite statements showing the value of the assets destroyed.

3. Morton Brown of the City of Vancouver, B. C., died April 1, 1913, leaving a will appointing four executors. The will was probated May 1, 1913, showing the following bequests:

A $\frac{1}{3}$ share, B $\frac{1}{4}$, C $\frac{5}{12}$ of the entire estate after payment of funeral expenses, debts, etc., a specific bequest to the City Hospital consisting of \$20,000 and a parcel of improved property valued at \$50,000.

The inventory filed by his executors was as follows: 5% mortgage for \$40,000, interest payable semi-annually on June 30 and December 31; 500 shares common stock of Manufacturers Limited, par value \$100, appraised \$110; 50, 5% first mortgage bonds of the X Railway Company, par value \$100, appraised @ 104, interest payable semi-annually on March 1 and September 1; accounts receivable valued at \$20,000; cash in banks and on hand, \$69,250; household furniture and effects appraised at \$5,500.

The executor's transactions were as follows:

Cash Receipts.

500 shares of Manufacturers Limited sold at \$115 per share.

45 first mortgage bonds sold July 1 @ \$111 and accrued interest.

Accounts collected, \$18,500 (balance worthless).

6% dividend on Manufacturers stock declared May 1, 1913.

Interest on bank balances \$1,300, of which \$400 accrued prior to testator's death.

Interests on bonds and also on Mortgages duly collected.

Rents collected \$4,000, of which \$1,500 accrued prior to death of testator.

The household furniture and effects were taken by A at the appraised valuation.

Cash Payments.

Funeral expenses	\$ 2,000.00
Expenses of probating will.....	335.00
General legal services.....	1,000.00
Rent of safe deposit vault.....	50.00
Care of cemetery lot, etc.....	500.00
Premium on executors' bonds.....	100.00
Stationery, postage, etc.....	125.00
Debts of deceased.....	12,865.00
Taxes	1,025.00
A on account of legacy.....	12,000.00
C on account of legacy.....	20,000.00
	20,000.00

The inventory on December 31, 1913, the date on which the executors wish to render an accounting, is as follows:
5% Mortgage, \$40,000.

Five 5% first Mortgage bonds of the X Railway Co.

Interest on A's advances amounting to \$350 and on C's advances, \$575.

Prepare (a) a summary statement separating principal and income, (b) a statement showing amounts due beneficiaries, (c) a statement showing the commission due executors.

4. M and N, General Merchants at Victoria, make an assignment for the benefit of their creditors, and you are requested by the assignee to prepare a balance sheet, statement of affairs and deficiency account. You find from the ledger that the assets and liabilities are as follows:

Assets.

Cash in hand.....	\$ 500.00
Book Debts	7,000.00
Store and Land.....	15,000.00
Farm Lands	10,000.00
Store Fixtures	400.00

Inventory.

Hardware	\$3,000.00
Groceries	2,500.00
Dry Goods	4,000.00
Boots and Shoes.....	1,100.00
	10,600.00
M's Drawings	2,100.00
N's Drawings	1,400.00
	\$47,000.00

Liabilities.

Bills Payable	\$ 8,000.00
Accounts Payable	6,000.00
Mortgage on Farm Lands.....	5,000.00
Mortgage on Store.....	8,000.00
M Capital	12,000.00
N Capital	8,000.00
	<hr/>
	\$47,000.00
	<hr/> <hr/>

On a valuation of the assets being made, it is found that of the book debts \$4,000 are good, \$2,000 doubtful and \$1,000 bad, and in order to be on the safe side 10 per cent is to be deducted from the good, 40 per cent from the doubtful, and the bad are not to be taken in. The store and land are valued at 20 per cent and the farm lands at 10 per cent less than they stand at in the ledger, the fixtures are only worth 60 per cent on the dollar and the inventories are to be reduced as follows: Hardware 10 per cent, groceries 15 per cent, dry goods 30 per cent, and boots and shoes 25 per cent. M has property valued at \$1,000 and N has no assets outside of the partnership. Give statement of affairs and deficiency account.



REPORTS OF
THE VICE-PRESIDENT, SECRETARY AND
TREASURER

PRESENTED TO

THE NINTH ANNUAL MEETING

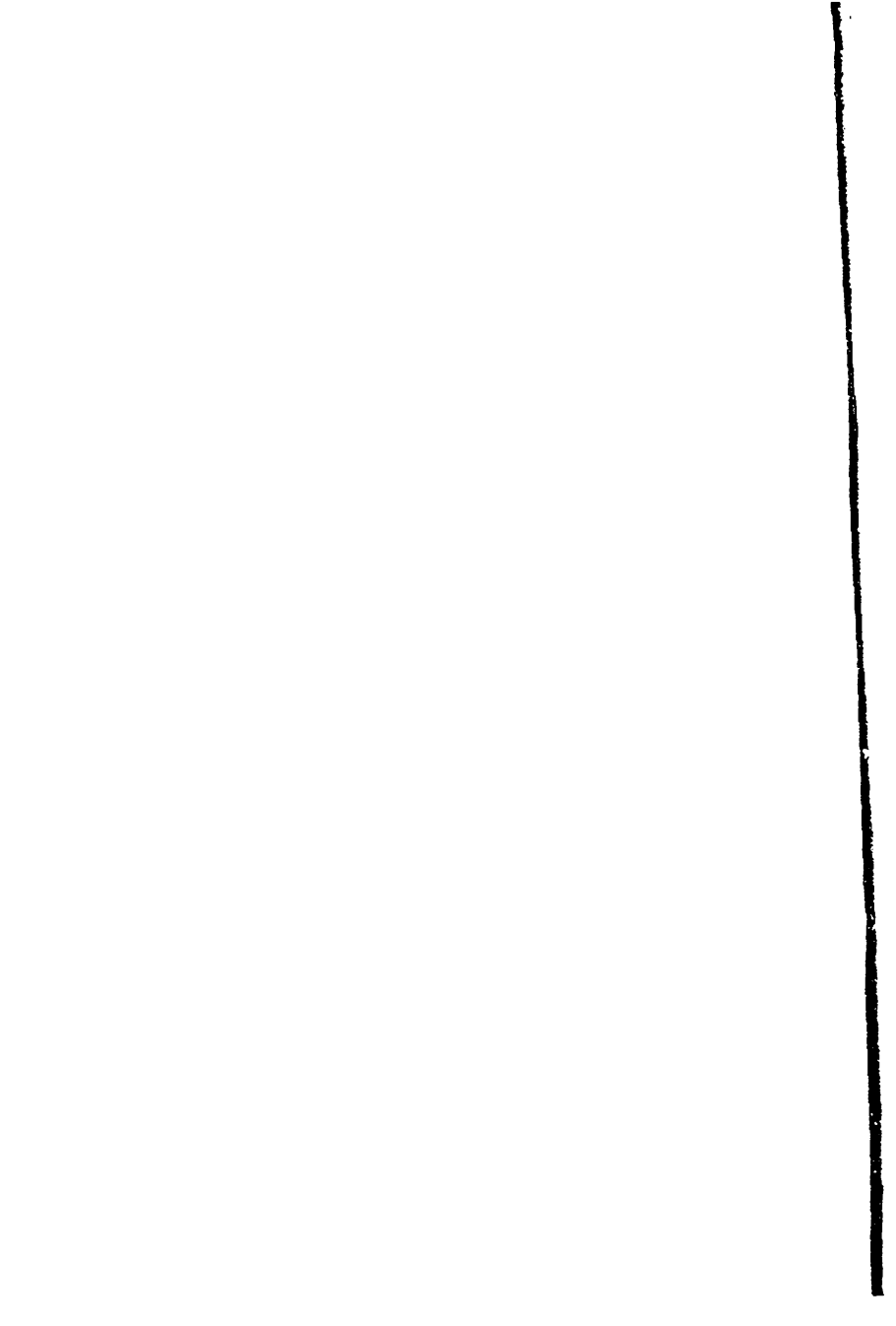
OF

**The Institute of Chartered Accountants
of British Columbia**

HELD AT

VANCOUVER, B. C.

ON WEDNESDAY, THE 8TH DAY OF JULY, 1914
AT 3 O'CLOCK P. M.



REPORT OF THE VICE-PRESIDENT.

To the Members of
The Institute of Chartered Accountants
of British Columbia,
Vancouver, B. C.

Gentlemen:—

I have pleasure in reporting to you that during the past year our Institute has made the greatest progress in its history. The Membership has increased from 46 as reported by the Secretary to the 8th Annual Meeting held in July, 1913, to 81, at June 30th, 1914.

The Secretary in his report deals fully with the details of this membership as to Fellows and Associates, etc., which will be of interest to you.

Considerable time and attention was devoted by the Council to the Amendments desired to the Chartered Accountants Act, and while we may not have secured all we had hoped for, we are now in a much stronger position than ever before to forward the interests of the profession in this Province. Amendments were also secured to the By-laws of which you have all had full information. These various amendments will be incorporated in the 1914 Year Book, which it is purposed to issue shortly.

The financial position of the Institute is very satisfactory. At June 30th, 1913, the balance in the Bank was \$1,318.38, and though the Treasurer only reports a Balance of \$1,421.85 in the Bank at June 30th, 1914, all accounts have been paid, including large sums for printing and stationery, the 1913 Year Book, legal fees, etc., securing the desired amendments to the Act and By-laws, etc., etc. Many of these were of the nature of extraordinary expenditures, and will *not need to be duplicated in the coming year.*

The Examinations of the Institute have been conducted in November, 1913, and May of this year, and the thanks of the Institute are due to the members of the Examining Committee who have spent a great deal of time and trouble in setting the examination papers, and in supervising the conducting of the examinations.

The attention of the Members is directed to the question of increasing the interest in the "Students' Society" of those who are preparing for their examinations, and suggestions will be gladly welcomed by the Council as to how this Society may be made the strong force it should be in the building up of the Institute. It is to be regretted that so far those young men who hope to take up the practice of Public Accounting have not shown sufficient interest to carry on the work of the "Students' Society" themselves, and therefore an effort must be made by the Members of the Institute to assist and advise them so that the "Students' Society" may be of valuable assistance to all concerned.

It has been very gratifying to those older Members of the Institute to welcome as members during the past year, practically all of those Chartered Accountants in the Province who had not earlier affiliated with the Institute, and since our Regulations were amended to admit members of the Incorporated Society, applications have been received and accepted also from almost all of the members of that Society resident in this Province.

Our Institute has been very much strengthened by these additions to the membership; it will undoubtedly be of great service in establishing a strong and energetic body of Public Accountants, united for the best interests of the profession in this Province.

The Council of the Institute has been asked several times during the last Session of the Legislature, to submit suggestions, concerning the drafting of new Company Legislation, etc., and a number of suggestions and recommendations have been given effect to in recent enactments.

It is hoped that arrangements may be made later on with the University of British Columbia, whereby to some extent the lectures in certain commercial subjects may be open to Students of the Institute, and that it may be found possible to arrange or work out some method by which the Examinations of the Institute and of the University might in some way be combined. The arrangements made in other Provinces and in some of the States of the Union will likely serve as a good basis for any arrangements which might be entered into here.

In accordance with By-law No. 7, notices were sent to all the members requesting nominations for the Council for the ensuing year. The only nominations received were the members of last year's Council, whose names will be submitted to you for election.

The Amendments to certain of the By-laws are to be submitted to you as per notices already sent you. These By-laws have been carefully considered by the Council and have been approved by them.

It is to be regretted that the President of the Institute is at present absent from the Province, and that therefore the duty has fallen upon me to submit this report to you. On behalf of the President, I take this opportunity of thanking the Officers, and the members of the various Committees for the very able assistance they have rendered at all times during the past year.

Yours faithfully,

W. E. HODGES,

Vice-President.

Vancouver, B. C.,
July 7th, 1914.





REPORT OF THE SECRETARY.

To the Members,
The Institute of Chartered Accountants
of British Columbia,
Vancouver, B. C.

Gentlemen:

I submit to you herewith the Ninth Annual Report on the Membership of the Institute.

Membership.

The Number of Members on the roll at July 21st, 1913, as reported to you at the last Annual Meeting was as follows:

Honorary Fellows.....	2
Fellows	21
Associates	23
	<hr/>
Total	46
	<hr/> <hr/>

There had been admitted during 1912-13:

Fellows	3
(Fellows raised from Associates, 2)	
Associates	15
	<hr/>
or a total of.....	18
	<hr/> <hr/>

added from May, 1912, to July, 1913.

There has been admitted since July 21st, 1913,

Fellows	2
(Associates raised, 5)	
Associates	36
	<hr/>
Total	38
Less Associates ceased to be members.....	3
	<hr/>
Net increase during past year.....	35
	<hr/> <hr/>

You will be asked to confirm the election of these members added to the roll during the past year.

The qualifications of the members making application, and admitted were as follows:

Scottish Societies.....	12
Institute in England and Wales.....	7
Institute in Ireland.....	1
Dominion Association (Members-at-large).....	2
Montreal Association	2
Manitoba Association	1
Alberta Institute	1
Ontario Institute	1
Incorporated Society	7
By Examination	1
Total	<u>35</u>

The Members on the roll at June 30th, 1914, were as follows:

Honorary Fellows	2
Fellows	27
Associates	52
Total	<u>81</u>

Of these, there are resident in the Province 57, and non-resident 24.

Meetings.

There have been held during the year 2 Special General Meetings to consider amendments to the By-laws.

The Council have held 11 regular meetings and 10 special meetings, a total of 21 meetings, average attendance of 5.2.

Articled Clerks.

During the year 16 Articles of Clerkship have been registered, these Clerks serving four years under Articles with practising Members of the Institute.

Examinations.

Examinations were held during November, 1913, and May, 1914, with the following results:

NOVEMBER EXAMINATIONS.

	Intermediate Examination	Final Examination
No. of Candidates.....	2	2
Passed	1	0
Failed	1	2

(Allowed three subjects) (Allowed four subjects each)

MAY EXAMINATIONS

	Preliminary Examination	Intermediate Examination	Final Examination
No. of Candidates.....	4	4	3
Passed	3	3	1
Failed	1	1	2

Yours faithfully,

GEORGE E. WINTER,

Secretary.

Vancouver, B. C.,
July 7th, 1914.





REPORT OF THE TREASURER.

THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA, VANCOUVER, B. C.

Balance Sheet as at June 30th, 1914.

Liabilities.

Revenue Account—Balance at Jan. 1st, 1913.	\$1,154.68
Deduct—Amounts written off:—	
Fees Uncollectable	\$40.00
Registration Fees Refunded.....	70.00
	<u>110.00</u>
	\$1,044.68
Add—Surplus of Revenue Account at June 30th, 1914	985.82
	<u>\$2,030.50</u>

Assets.

Cash in Bank of British North America :—	
Current Account	\$ 148.90
Savings Account	1,272.95
	<u>\$1,421.85</u>
Sundry Debtors—Fees and Dues in arrear....	570.00
Furniture and Fixtures—at cost.....	38.65
	<u>\$2,030.50</u>

We have examined the above Accounts with the Books, Vouchers, and Banker's Certificates relating thereto, and certify the same to be in accordance therewith.

WM. BENVIE ANDERSON, C.A.,

HAROLD D. CHRISTIE, A.C.A.,

Auditors.

Vancouver, B. C.,

July 7th, 1914.

THE INSTITUTE OF CHARTERED ACCOUNTANTS
OF BRITISH COLUMBIA, VANCOUVER, B. C.

Revenue Account for the eighteen months from January 1st,
1913, to June 30th, 1914.

Income.

Fellowship Fees	\$ 350.00
Associate Fees	2,025.00
Annual Dues—1913.....	\$520.00
1914.....	790.00
	<hr/>
	1,310.00
Examination Fees	682.50
Registration of Articles.....	160.00
Interest on Money Held in Savings Account....	22.95
	<hr/>
	<u>\$4,550.45</u>

Expenditure.

Expense of Management—	
Stationery and Printing.....	\$294.85
Sundry Expenses	197.62
Secretary's Salary	475.00
1913 Year Book	256.25
Subscriptions to—	
Dominion Association	35.50
Canadian Chartered Accountant.....	96.75
	<hr/>
	\$1,355.97
Expenses of Examinations—	
Examiners' Fees	535.00
Hire of Room and other expenses.....	37.25
	<hr/>
	572.25
Allowance to Students' Society.....	27.40
Delegates' Expenses to Dominion Association's Annual Meeting at Winnipeg.....	250.00
Legal Expenses re Legislation.....	1,359.01
Surplus for the Period, carried to Balance Sheet	985.82
	<hr/>
	<u>\$4,550.45</u>

GEORGE E. WINTER,
Treasurer.