CONTENTS

$ \sim$	rev	M	ra	VII
				V II

Preface ix

1.	Inflation	and the	Current	Value	Concent
	mination	allu tile	Cullelle	value	COLICEDE

1	1	TATE	
П.		What is inflation?	

- 1.2 The effects of inflation on private enterprise 2
- 1.3 The effects of inflation on shareholders 3
- 1.4 The concept of profit 6
- 1.5 The concept of current costs 15
- 1.6 Valuation of assets 20
- 1.7 The effects of inflation on planning and on investment decisions 24
- 1.8 The effects of inflation on income taxes 27
- 1.9 Custodial versus managerial accounting 29

2. Accounting System in Trading Enterprises

- 2.1 Based on historical costs 35
- 2.2 Based on current values 36
- 2.3 Current values and fluctuating inventories 38
- 2.4 LIFO and fluctuating inventories 40
- 2.5 Current values and standard costs 41
- 2.6 Standard costs and accounting 43
- 2.7 Standard costs and fluctuating inventories 46

3. Accounting System in Trading Enterprises (Continued)

- 3.1 Monetary assets and current values 49
- 3.2 Difference between current values of assets and equity 51
- 3.3 Variations in current values and standard costs at year end closing 53
- 3.4 Inventories lower at year end 55
- 3.5 Inventories higher at year end 58
- 3.6 Obsolescence and current values 59
- 3.7 Frequency of value adjustments 61

Index 145

4.	Concepts of Profit
4.1	Introduction 63
4.2	Financed by equity funds only 63
	Financed by equity and other funds 65
	Excess of monetary assets over liabilities 68
	Comparative summary of profits under various concepts and
	conditions 70
5.	Fixed Assets and Current Values
	Land 71
5.2	Interest as a cost item 71
5.3	Buildings, machinery and equipment 74
5.4	Cost per contribution unit and asset valuation 75
5.5	Valuation of fixed assets when price level changes 77
5.6	Replacement prices not available or not applicable 81
6.	Manufacturing Operations and Services Under the
6.1	Current Value Concept
	Advantages of standard costs in manufacturing 83
	Price level changes in manufacturing 84 Calculation of price indices 84
6.4	
	Application of price indices in manufacturing 86 Enterprises with several manufacturing departments 94
6.6	
6.7	
6.8	
7.	
1.	Integration of Management and Custodial Accounting in One Accounting System
7.1	
7.2	
7.3	, , , ,
7.4	0 /
8.	,
8.1	•
	Companies with foreign assets and income 122
	Differential costs and current values 123
	Summary and conclusions 126
9.	
9.1	
	N. V. Philips' Gloeilampenfabrieken 132
9.3	
0	