

# REVIEWS

*Poverty and Income Distribution in India*, edited by T. N. Srinivasan and P. K. Bardhan ; December 1974. Publisher : Statistical Publishing Society, Calcutta ; exclusive distributors : K. P. Bagchi and Company, Calcutta. pp. viii+553 ; Rs. 100.00.

This volume is a collection of twenty-three articles written on the problem of poverty in India. Among the contributors are such well-established economists as A. K. Sen, P. K. Bardhan, B. S. Minhas, T. N. Srinivasan, M. Mukherjee, N. Bhattacharya, V. V. Bhatt, P. D. Ojha, S. D. Tendulkar and V. M. Dandekar. The volume is dedicated to the memory of Pitambar Pant.

The essays are classified under three heads, namely, methodological issues, patterns and trends, and policy issues. The book opens with a paper which was prepared under the guidance of late Shri Pitambar Pant and circulated in August 1962. The title of the paper is "Perspective of Development : 1961-1976, Implications of Planning for a Minimum Level of Living". Evidently this marked the beginning of the series of writings on the issue of eradication of poverty in India which we witnessed in the last ten years.

Tendulkar's piece makes an assessment of planning models for growth and redistribution in India. It is well-known that the technical model, upon which the Draft Fifth Plan is based, claims to have demonstrated that the programme of eradication of poverty is not inconsistent with the growth strategy of building up the capital goods sector. For, even if the level of inequality parameter is reduced in such a way as to make the average per capita expenditure of the bottom 30 per cent of the population equal to the normative minimum, the average annual growth rates of the core-sector outputs over the five-year period is found to remain unaffected. Empirically it indicates that there is no conflict between growth and redistribution in the Indian context as of 1973-74. Furthermore, it implies a convenient decomposition for policy purposes, namely, that the two sets of policies required for these two objectives can be pursued independently of each other. Tendulkar has questioned these two properties — 'invariance' and 'decomposition' — of the basic Fifth Plan model.

As for the patterns and trends of poverty in India, understandably there are controversies on major and minor points. But there is no difference of opinion as to the staggering dimension of poverty in rural and urban India. Over 200 million people in India are below the so-called poverty line ; they barely survive in a grim world. If their income could somehow be raised, obviously the market for India's industry would expand beyond recognition. The thirteen essays

which are grouped together under this section, called patterns and trends, provide useful information regarding income distribution and rural-urban consumption profile.

The third part of the book which deals with policy issues is its weakest spot. In the very preface the editors have observed : "In India, eradication of poverty and economic inequality have been among the important objectives of each of our Five Year Plans and the Draft Fifth Plan goes even further in this direction. But as compared to the rhetoric of the plan documents and public policy pronouncements, concrete achievements have been insignificant". Without analysing in depth why this hiatus between pronouncement and achievement had occurred, some contributors jump straight into policy recommendations, much like writing a prescription for a patient without proper diagnosis.

Yet, this is a useful volume — useful for sophisticated economists, ambitious students and technical planners. Presumably it is meant to be so ; the price is way above the poverty line. In that case, the volume has well served its purpose.

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***Accounting for Depreciable Assets*** by Charles W. Lamden, Dale L. Gerboth, Thomas W. McRae ; American Institute of Certified Public Accountants, New York, 1975.

*Accounting for Depreciable Assets* is the first of a new series of accounting research monographs of the American Institute of Certified Public Accountants.

"Volumes have been written on the question of Depreciation...yet, despite years of consideration depreciation accounting continues to be probably the most discussed and most disputatious topic in accounting." (p. 1) This admission in the very beginning explains the relevance of the present study.

The problem of 'Depreciation' has been widely discussed in different disciplines including accounting, given different meanings with varying connotations and interpretations. The objective of this study, as stated by the authors, is "to develop recommendations for changes that would narrow the alternatives in accounting for depreciable assets and improve the usefulness and comparability of the general purpose financial statements from the standpoint of users" (p.3), within the framework of generally accepted accounting principles, particularly, that assets are accounted for on the basis of their historical cost.

The book includes the results of two questionnaire surveys of preparers and users of accounting reports. The survey results reveal that "managements of companies with significantly large