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UNEXPECTED ACCOUNTING?

Quite often the accounting historian can locate bits of accounting lore in unexpected places. A case in point is the Code of Hammurabi.

Every school child learns of this Code, but the usual historical emphasis is placed on the importance the Code had in learning how to decipher the hundreds of thousands of Mesopotamian clay tablets that contain the literary brilliance of the early Sumerian, Babylonian, and Assyrian Empires. Historians stress the Code's importance as the earliest known code of law.¹

Members of The Academy of Accounting Historians know well the literary and legal importance of the Code, but they can appreciate, too, the contributions the Code made in the development of commercial record-keeping, the seeds from which our profession grew.

To review a bit, Hammurabi was the sixth king of the first Babylonian dynasty, who ruled with considerable ability and success for an approximate reign of forty-three years, somewhere around 2200 B.C., according to many authorities.² His Code of Laws outlined a system of law and custom which had developed from remotest antiquity to Hammurabi's time. A French expedition under M. de Morgan in 1901 discovered on the acropolis of Susa the large block of black diorite upon which the Code was inscribed. On the top front of the stele is a bas-relief of Hammurabi receiving the Code from the Sun-god. Five columns (about one-eighth of the Code) have been destroyed; the remaining 44 columns contain 248 separate provisions relating to the civil and criminal law of the time. Some of the sections of the Code expressly mention commercial records and thus make a place for themselves in the history of accounting. For example:³

Section 7: If a man purchase silver or gold, man-servant or maid-servant, ox, sheep, or ass, or anything else from a man's son, or from a man's servant without witnesses or contracts, or if he receive [the same] in trust, that man shall be put to death as a thief.⁴

The startling severity of this early section states clearly the importance of preparing written records of commercial transactions. These records, or contracts, were inscribed on clay tablets and thousands have been unearthed and translated by archaeologists. Certainly here is an early law that has implications of accounting development. Commercial records *had* to be kept. Certainly the Code has literary importance, but this one section alone can delight the accounting historian with an unexpected find.

Other sections are presented below:

Section 37: If a man purchase the field or garden or house of an officer, constable, or tax gatherer, his deed-tablet shall be broken [cancelled] and he shall forfeit his money, and he shall return the field, garden, or house to its owner.

Section 48: If a man owe a debt, and Adad⁵ inundate his field and carry away the produce, or through lack of water, grain have not grown in the field, in that year he shall not make any return of grain to the creditor, he shall alter his contract-tablet, and he shall not pay the interest for that year.

Section 100: . . . he shall write down the interest on the money, as much as he has obtained, and he shall reckon its days and he shall make returns to his merchant.

Section 104: If a merchant give to an agent grain, wool, oil, or goods of any kind with which to trade, the agent shall write down the value and return [the money] to the merchant. The agent shall take a sealed receipt for the money which he gives to the merchant.

Section 105: If the agent be careless and do not take a receipt for the money which he has given to the merchant, the money not receipted for shall not be placed to his account.

Section 122: If a man give to another silver, gold, or anything else on deposit, whatever he gives shall show to witnesses, and he shall arrange the contracts [and] then he shall make the deposit.⁶

Section 123: If a man give on deposit without witnesses or contracts, and at the place of deposit they dispute with him [i.e., deny the deposit], that case has no penalty.

Section 128: If a man take a wife and do not arrange with her for the [proper] contracts, that woman is not a [legal] wife.

Section 264: If a shepherd, to whom oxen or sheep have been given to pasture, receive as his hire whatsoever was agreed upon and be satisfied, and he let the cattle or sheep decrease in num-

ber, or lessen the birth-rate, according to his contracts he shall make good the birth-rate and the produce.

In addition to the above sections which expressly mention the keeping of records, the Code included many provisions (such as Section 273 below) which imply the necessity to record and to keep information.

Section 273: If a man hire a labourer from the beginning of the year until the fifth month, he shall pay 6 se of silver per day; from the sixth month until the end of the year he shall pay 5 se of silver per day.

Furthermore, nine other sections mention "bringing to account" in case of disputations.⁷ This act suggests the examination of records.

From these sections of the Code of Hammurabi, it appears that records on clay tablets, corresponding to our modern business papers, were required by law in most important transactions. These requirements certainly accelerated the growth of commercial record-keeping and furthered the development of our profession. And the Code illustrates rather well the fascinating little side-trips the accounting historian can enjoy as he browses through the general history of man.

FOOTNOTES

¹H. G. Wells, *The Outline of History*, (New York: Doubleday & Company, Inc., 1949), p. 218.

²Hammurabi was a contemporary of Abraham according to many writers and is identified by several Bible scholars with Amraphel of Genesis xiv:1.

³The translations in this paper are according to Percy Handcock, *The Code of Hammurabi*, (New York: The Macmillan Company, 1920), p. 10 ff. Other translations are comparable. See, for example, Stanley A. Cook, *The Laws of Moses and the Code of Hammurabi*, (London: Adam and Charles Black, 1903), pp. 204-239.

⁴Cf. Gen. xxxi:32; Josh. vii:1 ff.

⁵A god.

⁶Cf. Exod. xxii:7.

⁷Sections 106, 107, 108, 112, 113, 116, 124, 255, and 265.

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