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FOUR SCHOOLS OF EUROPEAN ACCOUNTING THOUGHT

Abstract: A feature of the history of accounting thought is the existence of contending theories of accounts in continental Europe. Four schools of accounting thought developed and are here briefly examined.

Introduction

At the end of the 19th century, two theories of accounts gradually appeared in American textbooks and treatises on accounting—the proprietary and the entity theories. A third and later development is the enterprise theory, espoused by many modern writers. According to the proprietary theory of accounts, capital is the amount of assets to which owners possess a claim after indebtedness to third parties has been recognized. Income, from this viewpoint, is the change in net assets. According to the entity theory of accounts, capital encompasses both debt and equity, income being the change in total capital. The enterprise theory of accounts emerged after the Great Crash of 1929 and takes a broader view of the business firm, emphasizing the economic effects of business operations on all of its participants and consequently, upon society as a whole. According to the enterprise theory of accounts, capital also encompasses all items on the right side of the balance sheet but in this theory net income is deemphasized and asset flows to participants are accentuated.¹ The enterprise theory of accounts is the first social theory of accounting in Anglo-Saxon countries.

Along parallel, but not very similar lines, four other categories of theories of accounts have been developed in the French and German speaking world—the personification, legal, materialist, and economic theories of accounts. The origins of these European ac-

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counting schools of thought date back to the beginning of the 16th century and as they have long life spans, they present within themselves a great variety of views. This paper provides a brief description of these theories; a more detailed study is F. Scheerer's thesis *Kontentheorien der Doppelten Buchhaltung*, (*Theories of Accounts in Double-Entry Bookkeeping*). Two other books are also considered classics in the field, Léon Gomberg's, *Histoire Critique de la Théorie des Comptes*, (*A Critical History of the Theory of Accounts*), and Joseph Vlaeminck's *Histoire et Doctrines de la Comptabilité*, (*History and Doctrines of Accounting*).

Specific theoretical views have also been developed for the following three categories of accounts:

1. Contra accounts
2. Intermediate and synthetic accounts
3. Contingent asset/liability (*Comptes d'Engagements*) and memorandum accounts.

The third category has received great attention in France and Italy, but as this category does not exist in Anglo-Saxon accounting, their study should present great interest for the historian who is not familiar with this type of account.

These views can be seen in:²

1. Textbook expositions of a normative theory of "correct" financial accounting.
2. The systematic building of a conceptual framework of accounting which will provide general accounting rules for any value transformation, and its interpretation.
3. The philosophical ideas that underlie each exposition of financial accounting and fundamental analysis of each double-entry system advocated. To the latter belong the development of normative charts of accounts and national uniform accounting "plans" which follow with consistency the advocated merits (also called "principles") of each proposed system. They aim at the formulation of a set of ledger and subsidiary accounts organized on a double-entry basis with internal coherence and maximum informational content.

Professor Most states in this respect.³

On the continent, the classification of accounts has long exercised the minds of writers and practitioners. Although the great historical figures like Pacioli and Ympyn attempted to classify ledger accounts in some kind of logical

order, by separating them into accounts for values, expenses and results, it was a certain Abraham de Graef, in his *Instructie van het Italiaans Boekhouden* (1693) (Amsterdam) whose classification provided the basis for modern developments in bookkeeping. . .

In 1864, the Belgian, H. Godefroid published his *Cours de Comptabilité Pratique, Industrielle et Commerciale*, where he included a "chart of accounts" in the form of a folded graphic insert.

In this paper, the history of four schools of accounting theories is briefly reviewed.⁴ Comparable developments of similar theoretical views in England are excluded.⁵

The Personification of Accounts

As early as the second half of the 16th century first signs of the personification of accounts appear. The personification theory is based on the concept of debiting and crediting by fictitious persons. The thought behind the more advanced later English discussions of this method of reasoning is clarified by the following examples. De Morgan stated:⁶ "If the student finds that it helps him, he may imagine a clerk to every account: one to take charge of, and regulate the actual cash. . . ." Collier also provided such an example:⁷

. . . the whole business is supposed to be carried on by clerks. There is supposed to be a clerk called Capital or Stock⁸ who represents the owner of the business (or the firm). There is supposed to be a clerk called Goods who takes charge of the merchandise. . . .

All transactions were completed by these clerks. Each transaction involved a clerk who received a certain amount and one whose position gave up the same amount. S. Dyer called this the "common sense method of double-entry."⁹

According to O. Ten Have, this sort of "imagining" a cashier, a stock clerk, etc., has its origins in Pacioli's work:¹⁰

Pacioli, who stands at the beginning of the accounting literature, did not use the terms debiting and crediting when journalising, but rather the terms "per" and "a" in accordance with common practice in Venice; these terms cannot be translated. The translators and interpreters of Pacioli reached back to the Italian words "debito" and "credito"; however, these terms refer exclusively to receivables and debts of persons. Because of this translation, the

personification aspect was present at the very beginning. Whenever Pacioli mentions “per” cash, the translator writes, “debit” cash, or in the publication, “The cash owes” as if cash were a person.

In the personalistic methodology, it is emphasized that an account represents personal relationships, claims and debts of real or fictitious persons. The personification of an account was the early attempt to define and analyze the content and role of accounts in economic life; that is why it was named “the classical theory.” It was used in the teaching of accounting for a long time because of its simplicity.

Personification facilitated the teaching of accounting in France during the 18th and 19th centuries. In Italy, Marchi revived personification in 1830. This pedagogical device caused books on accounting with a scientific basis to become very popular among bookkeepers of the time. One such book was L. Barrachin’s, *Théorie de la Comptabilité en Parties Doubles par un Mathématicien*, published in 1888. Barrachin assigned the letter “M” (Monsieur) to every account: M. Capital, M. Balance, M. Frais Généraux, etc., debiting and crediting persons.¹¹ According to Pierre Garnier, (*La Méthode Comptable-Traité de Comptabilité Générale*, first published in 1940), it marked the apogee of classical accounting as conceived by Pacioli.

Personification in One Set of Accounts

Exposition in one set of accounts (*Einkontentheorie, Unicontistes*) assumed that an enterprise was a “person,” and the management of each asset and each liability assigned to a particular manager. There was only one set of accounts—the accounts of the enterprise. The account of each manager was debited with what he received for (from) the enterprise and was credited with whatever he gave (for) it. Thus, managers received the assets of the enterprise for which they were debited, and gave the enterprise the capital they received from the owner-entrepreneur and the loans that were provided by creditors-lenders, for which they were credited. Conversely, managers were credited with whatever asset was given up and debited with whatever was returned to the capital-owner and the creditors-lenders.

There was only one posting rule—debit him who receives and credit him who gives. The owner-entrepreneur was a creditor of the business for his paid-in capital and the profit, on the one hand,

and a debtor for the losses, on the other. In Holland the main exponent of this view was N. Brenkmann, a Rotterdam merchant who was also the first to write about entity theory in his 1882 textbook. In France, support was given to this view by the then famous economist and writer of accounting books, Jean Gustave Courcelle-Seneuil (1813-1892), who presented in his book, *Cours de Comptabilité*, all the analytical peculiarities involved together with his comments.

Personification in Two Sets of Accounts

In this version, the accounts included the accounts of the entrepreneur, namely the capital and profit and loss accounts, and the accounts of the manager or the enterprise, and accounts for stocks of goods and cash. In the first set, profits, since they were capital increases, were credited to the entrepreneur and losses debited.

Personification in Three Sets of Accounts

The three sets were:

1. Accounts of the Capitalist (*Comptes du Capitaliste*)
2. Accounts of the Manager or of Values (*Comptes du Gérant ou des Valeurs*)
3. Accounts of Third Parties (*Comptes des Tiers ou des Correspondants*).

The first included the capital and profit and loss accounts, the second the accounts of things and the third, the accounts of debtors, creditors, agents, etc. (personal accounts). Thus, de Graef, who belonged to this school of accounting thought, divided accounts into the following corresponding groups:

1. Accounts of the Merchant as a Person: Capital, Profits and Losses, Insurances, Reserves, Housekeeping, Interest
2. Accounts for Merchandise: Goods in Store, Goods in Ships Afloat, Cash Available for Purchases, etc. (so called at that time "real accounts")
3. Accounts of Other Persons: Debtors. Creditors, Participants in Trade Ventures, etc.

Personification in Four Sets of Accounts

This was initially developed by the Italian, Francesco Marchi in 1867 in a critical confrontation with the theory of five sets of ac-

counts of the Frenchman, Degrange. Marchi distinguished four main accounts:

1. Account of Proprietor
2. Account of Agents
3. Account of Co-responsible
4. Account of Manager.

To this methodology also belonged the logismography of Giuseppe Cerboni (*La Ragioneria Scientifica*) which was successfully applied by the Accounting Office of the State of Italy and by the managers of military finances in Spain and Italy for many years after 1877. Cerboni initially followed the thoughts of his compatriot Catanneo. His aim was to find a method which would facilitate more accurate and faster accounting controls in the management of the Italian Treasury. As he stated in his book, *Ricomposizione dei Progetti dell'esempi etc.*, he had been working on his system since 1866 in order to allow budgeted as well as actual revenues and expenses to be recorded in account books. Its popularity urged Professor Giovanni Rossi of Bologna University to start a periodical which appeared under the title *Logismografia* for several years. According to this methodology, any administrative action creates relationships of debit and credit between natural or legal entities, as bearers of rights and obligations, either the entities themselves or their agents who have interest in or act on behalf of the enterprise. Thus logismography is simultaneously a legalistic-administrative approach, considering the economic entity "an agent" (azienda) from the viewpoint of the legal relationships that arise from the actions of the commissioners as far as its administration and third parties (persons) are concerned. These persons were classified in four categories:

1. *Proprietors*, who were the persons, or the set of persons, to whom the whole and ultimate responsibility for the results belonged.
2. *Administrators*, who were the ones who received the instructions of the proprietor to execute the administrative duties.
3. *Managers or trustees*, who were those to whom the proprietor had entrusted the custody and stewardship of tangible values of the enterprise (e.g., cashier, storekeeper, etc.). When there was not actually a manager for certain categories of goods, or when the proprietor himself or the administrator executed the duties of a manager-trustee, then the manager was still

assumed to exist in accounting terms, and had therefore to have the appropriate account.

4. *Agents* were all persons who were debtors or creditors of the enterprise.

Thus, Cerboni distinguished not between economic events but between executives of the enterprise, namely the proprietors, managers and administrators, and the agents. The debittings and creditings of a proprietor (who could in practice be also an administrator) corresponded to debittings and creditings of the trustees and agents. Administrative events were taking place, consisting of value movements, classified as follows:

Transfers were administrative events, which simply transferred values, e.g., a purchase of goods for cash, in logismography, resulted in debiting the proprietor and crediting the cashier, and simultaneously debiting the storekeeper and crediting the proprietor.

Modifications were events, which caused an increase or decrease in the so-called accounting 'substance,' e.g., the receipt of rent resulted in an increase in the substance, namely an increase in assets, without a corresponding increase in liabilities. In this case, there was only one journal entry and not two. Finally,

Composite events, which caused simultaneous value transfer and "substance" modification.

Cerboni's logismography had the following three sets of accounts:

1. Account of Proprietor, all the accounts which increase or decrease equity (proprietor's capital) and expense accounts (wages, general expenses, interest, discounts, taxes, etc.)
2. Account of Agents
3. Account of Correspondents.

The first account represented capital, the second and third represented, together, the economic action of capital and thus Cerboni's system can be viewed also as a two sets of accounts system. The account "agents" included the internal activity, namely all the property elements into which capital had been converted, except the fixed and current ones. The supporting idea here was that every element of property was an "agent" of the economic action of capital. The account "correspondents" represented the external action, namely the relationships of an enterprise with third parties

and this series of accounts showed the customers and suppliers of an enterprise considered as its "correspondents." The *Journal of Logismografia* had principally the above three general or summary accounts, each with two columns, one for debiting and one for crediting.

Gabriel Fauré in his book, *La Comptabilité Générale*, used Cerboni's logismography to develop the personification form of accounts into a framework of functions where every fictitious person-account reflected also certain functions.

Personification in Five Sets of Accounts

The sets here were the five means of exchange used as objects of trade, among which were improperly included profits and losses: (1) goods, (2) money-cash, (3) bills receivable, (4) bills payable, and (5) profits and losses (*Cinquecentiste* School of Accounting). The rule for debiting and crediting was: the person who receives is debited and the person who gives is credited. As far as profits and losses were concerned, the leading exponent of this theory, academician Edmond Degrange (*père*) argued that losses burden the trader, who was considered as receiving them, and therefore was debited and profits were the trader's, who was considered as giving them, and therefore was credited. In his book, *La Tenue des Livres Rendue Facile*, Degrange pointed out, however, that there were certain accounts outside these five classes of "real" accounts, and that his classification was therefore incomplete.

The Legal View of Accounts

The legal view of accounts was an elaboration of the personification view and formed the link between the main personal and materialist-objectivist views. The persons here were legal subjects, subjects of rights and obligations, and since the enterprise itself is also a legal entity it was almost exclusively a legal subject. It is accepted today that even a one man business is a separate legal subject, separate from the natural persons and the property of the enterprise. The French writer, Pierre Garnier, wrote about the "algebra of the law," and thought that most accounting events are, in the last analysis, legal events: purchases and sales, labour hiring, loans, etc., although he did not rule out of pure accounting theory (*Comptabilité Pure*) other applications in the spheres of law and economics, even in demography.

The legal views considered accounting as a mathematical formulation which refines and further elaborates the science of law. Each

accounting event was seen as a creation, modification or writing off of a right. The creation or increase of a claim on others caused debiting, the decrease or writing off of it, crediting, and vice versa. The leading representative of this movement was Gabriel Fauré¹² who named this kind of accounting methodology “legal” to stress his opposition to the economic methodologies of accounts. Whereas, the legal view of accounts led to the concept of the balance sheet as an aggregation of accounts, the economic view led to the concept of accounts through an analysis of the balance sheet.

The legal view of accounting formed the basis of the entity theory as it developed in Europe. The Austrian, Georg Kurzbauer, in his book on double-entry bookkeeping published in 1850, formulated the view that every business was an independent entity which had its own property as well as debts and claims, the latter not only against third parties but also against the proprietors. Thus according to this theory (*Geschäftstheorie*), the business was clearly distinct from the proprietor-entrepreneur and accounting dealt with the property of the entity and not with the property of its owner(s). W. Kreukniet included a good exposition of this view in his book, *Zur Theorie der Doppelten Buchhaltung*, together with a summary of the personification view and the developments of the materialist view of that time.

Toward the end of the 19th century or the beginning of the 20th, it became customary to summarize in textbooks all the theoretical views on accounts in an attempt to reconcile them. The legal entity was emphatically distinguished from the economic entity, but both ended up finally together in a balance sheet equation such as:

$$\text{Proprietorship} = \text{assets} - \text{liabilities}$$

and therefore

$$\text{Proprietorship} + \text{liabilities} = \text{assets}$$

or

$$\text{Capital} + \text{income retained} + \text{liabilities} = \text{assets}$$

which, in terms of the former accounting equation, becomes fixed proprietorship (capital) + temporary proprietorship (income retained + liabilities to creditors) = assets. This was the beginning of the “materialist” view of accounts and accounting theory. The legal view of accounts was elaborated in France by A. Beaumont,¹³ in a series of articles during 1920. Beaumont saw in the science of

law the whole foundation of accounting, emphasizing the fact that accounting obligations are nothing more than legal obligations.

In 1927, Robert Lefort¹⁴ described the balance sheet as a complex idea whose substance lay in three concepts: value, law, and person. Of these three concepts, he saw law as being the more pervasive one. A few years later, Louis Sauvegrain tried to de-personalize the theory of accounts examining them purely in terms of logic and value transfers dictated by the legal system.¹⁵

During the whole first half of the 20th century, legal approaches to the formation of accounting thought and practice prevailed, mainly because accounting was viewed simply as one (among many other) functions of the law. Accounting records and financial statements were just as a reporting system that reflected the legal environment at the time.

The Materialist View of Accounts

The point of departure in the materialist view of accounts was the balance sheet equation. A relatively more recent parallel development of this view was the so-called "entity theory" which is still implicit in many Anglo-American textbooks. The principle of this theory was that there were two different types of accounts—asset accounts and liability accounts, which were subject to different laws of debit and credit. In the materialist view of accounts, an account contains and represents general increases and decreases of objects; that is why this is also called an objective view. The materialist-entity theory school of accounting had many supporters in the German speaking countries, such as Berliner, Kohlmann, Novac and Seidler.

This group of theoretical views was considered by its proponents to be an elaboration and completion of the legal view of accounts, and formed the basis of the economic views of accounts that are prevalent today.

The Materialist Presentation in Two Sets of Accounts

This view started with the basic concepts of *property* (assets) and *capital* (equity and non-equity, i.e., total capital or total liabilities). The total property of an enterprise is created by the credit which is taken from the entrepreneur (equity) as well as from third parties (non-equity liabilities). Thus the left-hand side of a balance sheet shows the capital invested in the enterprise, and the right-hand side shows the capital provided to the enterprise, not just the capital

of the entrepreneur. In accounting terms, therefore, Assets = (Total) Liabilities.

There were two sets of accounts, (*Zweikontentheorie*) namely (1) accounts of property assets and (2) accounts of equity liabilities, the latter being accounts of the (total) capital of the enterprise, in Nicklisch's expression. The asset accounts had on the left, their opening balances and increases, and on their right, decreases. Liability accounts had on their right the opening balance and increases and on the left, decreases.

There were three groups of accounting events: (1) pure transformations, (2) pure transformations of results, (3) mixed events of transformations and results;

1. Pure transformations were considered any events which caused only balance sheet changes:

- a. within assets only (e.g., Dr. Machinery, Cr. Cash)
- b. within debts only (e.g., Dr. Suppliers, Cr. Bills payable)
- c. simultaneously within assets and debts
 - c.a. increase of both (e.g., Dr. Machinery, Cr. Suppliers)
 - c.b. decrease of both (e.g., Dr. Bills payable, Cr. Cash).

In all the above cases, each accounting event, without any exception, was posted in two different accounts in two different sides.

2. Pure transformations (or creations) of result were considered the events which caused unilateral changes, increases or decreases, of assets or debts. The increases of assets or decreases of liabilities constituted profits. The increases of liabilities or the decreases of assets constituted losses. Profits and losses belonged to the capital account. Since the events which created results were frequently repeated, they were not posted immediately to the capital account but were temporarily separated and posted to the various kinds of results accounts (revenues and expenses) and they were only posted to capital at the end of the annual (usually) period, in a closing account (income summary) and from this to the capital account. Thus: if + symbolizes debiting and - crediting

| Assets or Property Account | | Total Liability or Total Capital Account | |
|----------------------------|-------|--|-------|
| Dr. | Cr. | Dr. | Cr. |
| + (+) | - (+) | - (-) | + (-) |
| + | - | + | - |

The theory of two sets of accounts was developed by the Swiss accounting authors F. Hügli (who is considered the main representative of the theory) and J. F. Schär. The Schär theory is summarised below:¹⁶

| Accounts of capital components | | Capital accounts | |
|--------------------------------|-------------|------------------|--------|
| Debit | Credit | Debit | Credit |
| 1. (+ a) | | 0 | (+ a) |
| 2. (+ b) | (- b) | | |
| 3. (+ c) | | | (+ c) |
| 4. _____ | (- d) | (- d) | _____ |
| 5. (a + b + c) | (- b - d) | (a + c - d) | |
| | (a + c - d) | (a + c - d) | |

(1) represents the recording of the inventory, (2) exchange of values without gain or loss, (3) recording a profit transaction, (4) recording a loss transaction, and (5) that which had to be proved: the entries on the capital components accounts are in balance with and contra to the capital accounts.

As O. Ten Have adds:¹⁷

Kreukniet rejected this, maintaining that Schär was most unscientific. Profit is for the—fictitiously conceived—entity a debt to the owner and constitutes a diminution for the entity: thus, debit and credit have the identical significance for both groups of accounts. When such a prominent personality in Holland made this statement, Schär did not have much of a chance.

Hügli summarized this theory as follows:¹⁸

The characteristic of double-entry accounting consists of the fact, that whatever the kind or form of business on which the accounting system in question is applied, it uses simultaneously two distinguished groups of accounts: (a) the accounts of capital components with positive entries in the debit side and negative in the credit side and (b) the capital accounts with one negative debit and one positive credit. The increases of capital components (assets accounts) are recorded on the debit side and the decreases

(liabilities accounts) on the credit side, whereas the increases of capital (profits) are recorded in the credit and the decreases (losses and expenditures) in the debit side. These two groups-series of accounts are against each other.

The Materialist Theories of Three Sets of Accounts

In these theories we have three sets of accounts (*Dreikonten-theorie*): (1) assets or property accounts, (2) accounts of main (i.e., non-equity) liabilities (debts to third parties) and (3) accounts of capital or net worth, in which case we have:

$$A = L + NW$$

and if we put *i* for increases and *d* for decreases we shall have:

$$A + iA - dA = L + iL - dL + NW + iNW - dNW$$

or

$$A + iA + dL + dNW = L + iL + NW + iNW + dA$$

This theory, which was not basically different from the previous one, was developed in Germany by F. Leitner, W. Le Coutre and M. R. Lehmann. In France, J. Dumarchey founded his positive theory on it.

The Economic Views of Accounts

During the Second World War, Central Europe was under German occupation and this meant a much greater influence than before, in most fields of science and education, of German ideas and practices. On the other hand, due to political affiliations, Italy presented a parallel development to Germany in many fields.

The great innovator of Italian accounting during the 19th century, Francesco Villa, had conceived and developed ideas very similar to the ones of the materialist school, that had most of its followers in the German speaking countries.

The 1940s were the beginning of the so-called economic school of accounts which still has several followers such as P. Lauzel in France, K. Hax in Germany, G. Seicht in Austria and Karl Käfer in Switzerland. The first person to write on the economic aspects of accounting was Coffy who in 1833 broke with the personalist school by stating that value is fundamental for accounting as evidenced by political economy. He further distinguished accounts of real value

from accounts of nominal value. Coffy announced in 1833 in the French Academy his main work "About the mechanism of increase-decrease of property accounts in relation to the results accounts." He was also the first to demand the academic teaching of accounting at the university level in France.

Fabio Besta in Italy, founder of the Venetian school of accounting thought, from the early years of our century defended the idea that accounting is the science of "economic control." Although Besta was essentially a materialist¹⁹ he elaborated on the economic theory as a basis for value to become the exclusive object of accounts. This conception was later developed by Vittorio Alfieri and other disciples of Besta. Alfieri, who is considered to be a leading figure of the school of Venice, occupied the chair of accounting in the Institut Supérieur de Commerce de Bari in 1901, and in 1906 moved to Rome, where he died in 1930. His masterpiece *Ragioneria Generale* was published in 1907. In this book he pays particular attention to the notions of control and evaluation.

Due to the fact that value is a vague concept, as most followers of the economic value accounting school admit,²⁰ depending upon the monetary unit used and whether it reflects the economic reality of the time, there had to be an implicit unification of its notion. This was attempted by borrowing the various definitions of basic concepts needed from economics. Thus J. Lamson,²¹ for instance, used Irving Fisher's concept of capital and made it the departing point for his theory. In fact he considered the accounting entity as the capital itself in a Fisherian sense! Similarly, Jean Fourastié²² defined accounting as "the recording in monetary units of movements of economic values with a view to facilitating the conducting of financial, industrial and commercial affairs."

We can even find elements of this school of accounting at the beginning of our century. Jean Bournisien stated in 1919 that "the object of accounting is the measurement of economic values and their application to the fortune of individuals."²³ Marcel Pauwels, another influential figure in the French-speaking tradition of accounting, considered "accounts as having an economic function to carry out, the operations which they record are value modifications that do not always have a legal character."²⁴ This group of economist-accountants dealt also specifically with accounting measurements of economic efficiency. The Swiss, F. Scheurer, Professor of the University of Neuchâtel, popularised in parallel the term *économicit * (* konomit t* in the German language) which conceptually resulted from the comparison between the perform-

ance achieved in a period and the corresponding costs and operating expenditures in the period.

From a combination of the legal and the economic views on the role of accounts in a business community, the social or sociological school of accounts emerged during the seventies. Social accounts, made legally obligatory in France in 1977, must change radically the content and nature of accounts.²⁵

Summary

The objective of this paper has been to trace the theoretical development of bookkeeping in the French and German speaking countries of Europe. Certain types of accounts were suggested by theorists of the 18th, 19th and the first half of the 20th centuries as having a more "proper character" in terms of informative power and in terms of their inter-connections. This survey should be put by the reader in its historical perspective, where the "scientification" of accounting thought in Central Europe is compared with the corresponding developments in the English-speaking world. Thus, he or she will appreciate the higher degree of elaboration and sophistication in the continental progress of bookkeeping techniques and methodology during the period under review. Basil Yamey speaks²⁶ also about this kind of accounting

development which gained strength in the nineteenth century was the formulation of theories of the internal coherence of a set of ledger accounts organised on a double-entry basis or of general explanations of the logic of double entry. . . . Among the theories launched were personalistic theories, materialistic theories, the entity theory, logismography, statmography and mathematical theories. The sustained flow and analysis of ideas—some fanciful, others stimulating—gives an unusual flavour to much of the Continental literature of the second half of the nineteenth century.

FOOTNOTES

¹For an elaboration see Palmer. According to the writer the enterprise theory constitutes an overview of both earlier theories thus regarding management, for instance, just as one of the many factors of production.

²Käfer's *Theory of Accounts in Double-Entry Bookkeeping* covers some of the ground and constitutes probably the only English text as yet on the subject.

³Most, p. 159.

⁴The history of accounting theories is a branch of accounting history which examines the evolution of accounting theories through time and from one country to another. It can contain a comparative analysis or, alternatively, be associated with accounting practice and the academics who influenced it. The other two branches of accounting history are the history of the accounting profession and the history of accounting practice.

⁵For a description see Jackson in Littleton and Yamey.

⁶de Morgan, Appendix VII.

⁷Collier.

⁸In these times, the terms "stock" and "capital" were used interchangeably.

⁹Dyer.

¹⁰Have, pp. 101-102.

¹¹Gomberg, p. 28.

¹²Fauré, p. 39 ff.

¹³Beaumont, pp. 135-136, 305-306.

¹⁴Lefort, p. 10.

¹⁵Sauvegrain.

¹⁶Have, p. 105.

¹⁷Have, p. 105.

¹⁸Gomberg, p. 50.

¹⁹His views were popularised within and out of Italy by Francesco de Gobbi who died in 1942.

²⁰For instance see Dumarchey pp. 53 ff.

²¹Lamson was Docteur ès sciences-mathématiques, docteur en Droit, membre de l'institut des actuaires Français, etc. See also the preface of his book by the famous economist professor Bertrand Nogaro.

²²Fourastié, p. 8.

²³Bournisien, p. 4.

²⁴Pauwels, p. 38.

²⁵Chaigneau. Jessua.

²⁶Yamey, p. XXIV.

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