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THE ORIGINS AND DEVELOPMENTS OF FRENCH COSTING SYSTEMS (AS REFLECTED IN PUBLISHED LITERATURE)

Abstract: This paper reviews the evolution of French cost accounting from the mid-1500's to the present. As might be expected, the development of costing techniques accelerated in the late nineteenth century. Modern French cost accounting probably began with Maurice Lucas' book, *Le Prix de Revient*, and the publications of a special government commission in 1928. The commission recommended detailed costing procedures which are relevant today and are reflected in the requirements of the latest French uniform chart of accounts. The chart provides for the incorporation of imputed costs through a system of contra accounts. Today's cost and management accounting concepts and practices in France seem quite comparable to those in other industrialized countries.

The theoretical evolution of most bodies of knowledge knows no national or cultural boundaries. Our expertise in life sciences, for example, has grown based on the aggregate contributions of worldwide research and study. The theories and practices behind the science of accounting, however, have grown up within the cultural contexts, relating to the particular cultural group which they are serving. Regardless of the efforts toward worldwide harmonization of accounting standards and practices which are currently underway, there remains a great diversity in underlying theory.

One of the more important players in worldwide accounting development has been France. From the Middle Ages onwards, the French have made great contributions to the field, often parallel to, often divergent from the Anglo-American traditions or those of its continental neighbors. Accordingly, the development of French accounting theory is worth investigation.

This paper will consider the French contribution to cost ac-

counting and particularly, the evolution of how the French have worked with *le prix de revient*, roughly translated as “cost of goods sold.” The primary emphasis will be on historical development; however, there will also be discussion of how the current French uniform accounting plans incorporate these theories. Before going back in history, it would be helpful to first clarify this nebulous term, *le prix de revient*.

LE PRIX DE REVIENT

This term has been agonized over for two hundred years by theoreticians and practitioners alike. Literally translated, it means “the price at which an object returns,” which indicates the final cost to the firm of manufacturing or purchasing the product. This is not to be confused with the product’s ultimate selling price (in French, *le prix de vente*). In English, one would use “cost of goods sold,” which is a narrower term as it relates only to goods which have been sold. The French term relates to goods at any point in the purchasing or selling process.

The actual meaning of this term, let alone the method of determining its value, has been an enigma for the Frenchman. Eugene Léautey, a leading accounting author around the turn of the century lamented that this accounting term is “the secret, the Ark of the Covenant, the mysterious ‘x’” [Léautey, 1897, p. xi]. While probably lacking the metaphor of Léautey, the following historical exposition may afford a better understanding of this otherwise bewildering term.

HISTORICAL EVOLUTION: BEGINNINGS THROUGH THE 19TH CENTURY

While cost accounting as a body of theory did not truly develop until the 19th century, people have been “keeping the books” for hundreds of years. The earliest traces of actual cost or industrial accounting can be seen as far back as the 14th century. The Italians, particularly Luca Pacioli and his fellow Venetians, pioneered these practices; however, with the spread of European trade, Italian accounting techniques were diffused throughout Europe, the Low Countries being a principal destination.

Florence Edler’s studies on the accounts of Christopher Plantin, a Frenchman operating a printing concern in Flemish Antwerp using an Italian bookkeeper, illustrate this interplay be-

tween cultural sources. Established in the mid-1500's, Plantin employed an Italian bookkeeper between the years 1563-7. During this period, the journal and ledger of the business were kept in Italian, following the double-entry Venetian form. Plantin himself, however, kept his own subsidiary books in French, following the single-entry form. Aside from the ledger and journal, he kept separate books for wages paid, sales, plant assets and accounts with bookbinders. For each separate book edition printed, he kept a separate record of all direct costs (depreciation and supplies used were not included). Additionally, in his ledger, one could find accounts for raw materials, work in process and finished goods [Edler, 1937, pp. 229-231]. Plantin's accounts were obviously an early example of a cost accounting system and, specifically, attempts at calculating a product cost or *prix de revient*.

Up through the 19th century, however, that was about the extent of cost accounting — individual business owners with their individual, self-devised systems. Cost theory was not yet a discipline. With the onslaught of industrialization and increased capital investment in production processes, cost accounting suddenly became quite relevant. Accountants worked feverishly, but writing about their work was not one of their major activities [Garner, 1954, p. 29]. Although the first writer to go into detail in industrial accounting was an Englishman, one of the earliest was a Frenchman, Anselme Payen, who published in 1817, *Essai sur la tenue des Livres d'une Manufacturie*.

Payen's cost system is best characterized by his use of two sets of records: a journal and ledger "in money" for transactions with third parties and a journal and ledger "in kind." This latter set of records accounted for raw materials, labor and other inputs which had gone into products to be sold as well as construction of new capital assets. With these records, the system reconciled the total cost of goods produced with the total expenses for the period.

Payen made great strides in the treatment of manufacturing overhead. He applied to product cost (*prix de revient*) such items as wear on tools, rent, depreciation and interest. Depreciation was simply charged to manufacturing costs by valuing fixed assets at an amount lower than at the beginning of the period (while no systematic depreciation method was proposed, this does illustrate that Payen integrated double-entry bookkeeping into the manufacturing accounts). Another interesting cost applied to overhead was interest, which was that amount paid to creditors for agreeing to wait for payment until a sale was made [Garner, 1954, p. 43]. Once total overhead was computed, it was applied to each prod-

uct; however, Payen provided us with no basis of allocating the overhead.

Payen made substantial contributions in other areas as well. First, he was able to illustrate the transfer of product costs from one segment of the production cycle to another (from workshop to warehouse, for example). Second, he explained how to compute unit product cost, as well as how to allocate (on a very crude basis) production costs between products. Third, he treated waste and spoilage as an increase in the cost of inventory, rather than as a production cost per se. Finally, he approached the eventual linkage between cost and financial accounting records; in fact, a single entry between the ledger in kind and the ledger in money would have accomplished this [Garner, 1954, p. 50].

Not long after Payen's work, L.F.G. de Cazaux published a text on farm accounting which paralleled somewhat Payen's ideas, but also advanced some of his own. Cazaux, like Payen, illustrated the internal movement of products, but improved on Payen in his ability to assign values and use double-entry bookkeeping to account for each asset type and required an account for each factor of production in order to record gain or loss on each transformation [Garner, 1954, p. 52].

Cazaux was a bit more radical than his contemporaries in his desire to isolate the true profit, not just some conservative underestimation [Edwards, 1937, p. 7]. Examples of this are increasing a fallow field's value by five percent, or adding five percent imputed interest cost for any asset requiring several years to attain full production potential. He also used straight line depreciation rates for each asset, allocating it to each production process deriving benefit from the asset. Unfortunately, he, like Payen, left no clue to a basis for allocating overhead.

Another cost scholar of the early nineteenth century was Godard, who published in 1827, *Traité General et Sommaire de la Comptabilité Commercial*. Godard was a very early proponent of the establishment of cost analyses, such as classifications based on departments and processes as well as statistical cost summaries. He also gave a more thorough explanation as to how costs would flow through the production process, building upon each other. He did have some new ideas relating to raw materials, in that the account should be debited at actual purchase cost but credited at some average cost, given the constant fluctuation of materials prices. Additionally, similar to Cazaux, Godard employed a concept of opportunity cost, an example of his being the foregone yield of a field which has been planted as a vineyard (a vineyard

requires around four years to become productive) [Edwards, 1937, p. 13].

In spite of the fact that Godard never provided a workable method of pricing the final inventory, he was very diligent in isolating the actual costs of that inventory (*prix de revient*). He did recognize that his costing method would portray a “faithful image of the progress of manufacture” and that the total cost of the product as shown in the last stage of work in process would be the factory cost of goods sold for the period [Garner, 1954, p. 53].

While all of the preceding authors alluded to some sort of intermediate manufacturing account, Maurice Jeannin was the first to actually identify, in 1829, a specific work in process account (*d'objets en fabrication*). His modern treatment included raw materials used, direct labor and overhead on the debit side of the account. On the credit side were completed goods to go to finished goods inventory and losses and waste, to go directly to the profit and loss statement. Of course, all of these values would be “at cost.” The problem remains, however: what is cost?

Several other 19th century authors also deserve mention for their contributions to the *prix de revient* dilemma. F. N. Simon was the first to recommend that costs such as rent, administrative salaries and taxes be allocated as overhead among the production processes instead of directly to the profit and loss statement. To do so, he employed an arbitrary allocation scheme — 50% to the factory and 50% to the forges, for example. Adolphe Guilbault provided detailed discussion of cost behavior (fixed versus variable) as a tool of evaluation of results. He also advocated that commercial and selling expenses not be allocated to product cost [Garner, 1954, p. 62]. Finally, M. E. Claperon discussed a monthly overhead application, using one twelfth of the estimated total annual cost.

By the end of the 19th century, there was quite an assortment of cost accounting literature in the French language, the trend being towards texts tailored to specific industries such as agriculture, foundries, etc. According to Garner, the French contribution to cost accounting was on the decline by 1890, with the English and the Americans take the lead, especially in the area of overhead application and standard costing. However, the Anglo-American scholars virtually ignored the French traditions, an unfortunate fact since the French and their continental neighbors had, among other things, a superior mastery

of accommodating double entry bookkeeping to cost accounting [Garner, 1954, pp. 62-3].

FROM THE TURN OF THE CENTURY THROUGH 1928

Probably one of the most influential and widely-published accounting authors of the late nineteenth and early twentieth centuries was Eugene Léautey. One of his earlier works, co-written with Adolphe Guilbault, *La Science des Comptes mise à la portée de tous* (*The Science of Accounts Within the Reach of All*), gives some very general, but important advice regarding industrial accounting. In it, Léautey and Guilbault criticize the popular practice of the time of opening a single production account and waiting until the end of the year to update it to determine production results. They stress that there must be a constant determination of inventory cost (*prix de revient*) and that waiting for actual figures at year-end or making arbitrary estimations will plunge the firm into a "dangerous obscurity" [Léautey and Guilbault, undated, p. ix].

In his 1881 work, *Questions Actuelles de Comptabilité*, Léautey explains the importance of overhead as a component of product cost and that too many practitioners are simply marking up purchase price or production cost (excluding overhead) by an arbitrary percentage which supposedly approximates overhead [Léautey, 1881, p. 151]. He goes on by delineating between fixed and variable overhead and how manipulating the two can have an effect on fixing selling price and maximizing profit.

Also in his 1881 book, Léautey points out the difference between product cost (*prix de revient*) in a manufacturing versus a merchandising firm. Of course, the former receives the bulk of his attention.

In 1897, Léautey devoted an entire book to inventory, *Traité des Inventaires et des Bilans*. According to Léautey in this work, "every object enters into inventory at a determined cost and must leave it at this same cost" and, following his encouragement of a perpetual inventory system, "the balance (in inventory) must always indicate that existing at its cost (*prix de revient*)" [Léautey, 1897, p. 168]. He also outlines five elements of a product's cost: raw materials; labor; directly attributable expenses; factory and administrative overhead; and waste and spoilage [Léautey, 1897, p. 169]. Here, it seems that cost theory regarding product costing is rapidly approaching modernity. Of course, a basis of allocation is still lacking.

In the preface to his 1897 book, Léautey makes some inter-

esting observations regarding the determination of the *prix de revient*. Here, he introduces a source of conflict between accountants and engineers. To determine this value effectively, he reasons, the accountant must put on a technician's hat, which to the firm's engineers and, in many cases, management, is not a desirable situation. He notes that the overriding practice at the time was to keep the actual product cost a mystery to the bulk of factory personnel, including the accountants, out of fear or "indiscretions of the crew" [Léautey, 1897, pp. xi-xii]. As a result, most companies preferred an arithmetic estimation of costs.

Léautey continued writing well into the twentieth century, often with the assistance of Adolphe Guibault. In his works, he continued to emphasize the importance of accurate and constant determination of product cost, or *prix de revient*.

Up to the early 1900's, there was not yet much discussion concerning the application of production costs, especially overhead to particular products. Alfred and Henri Croizé's 1907 book, *De l'Inventaire Commercial*, was one of the first to treat this problem in any great detail. First, they broke down overhead into two separate components, selling overhead and manufacturing overhead. The first type is to be treated as a period expense related to the selling function and expensed as incurred. The second type, though, would include those expenses related to the production function and should be allocated as part of the product costs. The Croizés' use an allocation basis which is very familiar to today's student of managerial accounting: direct labor hours.

These authors felt that direct labor hours were the most reliable basis of overhead allocation in that they represented a stable cost of the firm, especially relative to fluctuating materials costs. Also, labor is very often the primary cost of a firm, making it a good indicator of production activity. As an example of their allocation method, assume a company had 400,000FF direct labor cost and 100,000FF in manufacturing overhead. This makes overhead 25% of direct labor cost. Applying this, then, in a separate division of the company, if direct labor costs were 50,000FF, then overhead would be applied to that division at 12,500FF [Croizé and Croizé, 1907, p. 98].

Consistent with their dichotomization of overhead, the Croizés' insist that selling expenses related to the product should not be included in its inventoried cost, a familiar idea to today's practice. They do note that it is important to set selling price of the

product at a sufficient level to cover these expenses [Croizé and Croizé, 1907, p. 92].

One of the most comprehensive texts obtained from this period was *Comptabilité Industrielle*, by Louis Daubresse. While undated, it is known that this was written sometime between 1901 and 1919. It is particularly useful because it treats industrial accounting as an entire discipline, not just a single issue or related to a specific industry.

Daubresse's system is pervaded by a single account entitled "Production," which seems to be parallel to a more familiar work in process account. Under this system, the debits to this account are to synthesize and explain all of the activity of the enterprise. Daubresse lists five possible debits to this account (there is only one credit, to finished goods or stores): raw materials used, salaries, depreciation, maintenance and repairs, and general factory overhead [Daubresse, 1908, p. 7]. He then discusses each of these categories in turn.

Daubresse's consideration of raw materials places direct and indirect materials in the same debit to the production account. In addition, the monthly debit is for the average cost of the materials used. If a physical inventory is conducted on materials, then any differences between recorded inventory and actual inventory should be "plugged" to the production account as a product cost [Daubresse, pp. 13-14].

Depreciation as a product cost is not quite so simple. Daubresse recommends a straight line method, using a salvage value of one franc. He also advocates a shortened useful life, since technological progress is probably occurring more rapidly than wear and tear [Daubresse, p. 11].

Arbitrary estimation is the norm for his maintenance and repairs debit to the production account. The recommended method here considers these costs as wildly fluctuating from month to month; therefore, some smoothing of these costs is necessary. Daubresse makes an estimation of the total cost for the year, divides this by twelve and takes that amount as the monthly repairs and maintenance cost. If there is any difference at year-end between actual and estimated, the production account should be adjusted accordingly [Daubresse, pp. 15-16].

Finally, there is a required debit for overhead. First, the author distinguishes between fixed and variable overhead, but then becomes rather vague by noting that since maintenance and repairs are covered separately, there is not much need to consider variable overhead any further [Daubresse, p. 18]. Again, he pro-

posed using the one-twelfth estimation method as he did with repairs and maintenance or an arbitrary basis such as direct labor hours [Daubresse, p. 19].

While Daubresse contributes very little to the allocation of cost between production processes, he does provide extensive guidance in setting up a costing system. He describes the requirements of a process passing through several intermediate stages, industries with several different product lines and those with different operating divisions. His pervasive recommendation is that the firm be diligent in assigning cost proportionately to each of these stages, products or divisions.

To truly view the state of the art in French product costing around the mid-1920's, Maurice Lucas' short book, *Le Prix de Revient*, would be an excellent guide. The first page of the book presents a complex formula for calculating this figure (reproduced in English in Table 1). In this formula, Lucas breaks product cost down into the successive costs which build upon each other to finally produce the final cost of general production (*prix de revient final d'exploitation générale*). From this amount, he continues through to a determination of the selling price of the particular product [Lucas, 1926, p. 36].

Again, the primary concern of the author is the adaptation of a firm's accounting system to these cost calculations as a divisional performance evaluation tool. Unfortunately, he devotes most of his discussion to the components of all of the production costs, but very little to an allocation of these costs to particular products or processes.

Two years after Lucas, L. Duboc published a description of the overhead components of product costs. While nothing very original was added, other than detailed explanation of each component such as rent, managers' salaries and cleaning supplies, he did discuss an interesting addition. Duboc, like some of his contemporaries felt that an important part of overhead costs was the opportunity of having working capital tied up in inventory. Accordingly, he charged a 5% rate of interest on inventory to variable overhead costs [Duboc, 1928, p. 16].

POST-1928 COSTING METHODS

By this time, there was great opposition in the French accounting profession to overhead application using some arbitrary allocation base such as materials used or direct labor hours. As a result of this opposition, the C.E.G.O.S. (*Commis-*

Table 1

Lucas' step-by step determination of product cost (from purchase of materials to sale of final product):

Nominal purchase price of material to product
-Purchase discounts or allowances
+Markups or billed expenses
=Cost at site of delivery
+Costs of preparation
=Purchase cost on departing mode of transport
+Shipping Costs
=Purchase cost at arrival point
+Receiving costs
=Purchase cost, stocked inventory
+Increases or decreases in value
=Average cost, existing inventory
+Storage costs
=Cost at entry into fabrication
+Fabrication costs, 1st phase
=Cost from 1st phase workshop
+Fabrication costs, 2nd phase
=Cost from 2nd phase workshop
+Fabrication costs, nth phase
=Final fabrication cost
+Costs of a group of workshops
=Final production cost
+Factory overhead
=Final cost of technical operations
+Administrative overhead
=Final cost of general operations
+Commercial overhead
=Net selling cost
+Financial overhead
+Net profit
=Net selling price
+Sales discounts or allowances
=Nominal selling price

(From Maurice Lucas' *Le Prix de Revient*, 1926, p. 36)

sion Générale d'Organisation Scientifique du Travail), a government agency involved with research in industrial management, formed an ad-hoc committee in 1927, under the direction of Lieutenant-Colonel Rimaillho, charged with investigating the problem. A year later, the committee published a pamphlet describing their results and recommended method, entitled the homogeneous sections method (*la méthode des sections*). This method has become the accepted method in France for inventory valuation after being accepted by the Accounting Normalization Commission and later incorporated into the Uniform Accounting Plans of 1945 through the present.

The committee's report began by defining three types of costs, or *prix de revient*. The first is the accounting cost (determined *a posteriori*), the second is the rational imputation cost (which normalizes the imputation of fixed costs) and the third is the estimated cost (used primarily for billing purposes). For each of these costs, the report directs the user to net the costs at each stage of the production process: purchases of raw materials and their reception at location of delivery; storage of raw materials inventory; the product's transformation in the factory; its storage on the sales floor; and finally, the required activities of the company's commercial and administrative services [Lauzel, 1971, pp. 43-4].

One of the areas in which this method truly made progress is its linkage with the financial accounting system. To accomplish this, the expenses of the entity are recorded for financial purposes in a given set of accounts (today's class 6 of the chart of accounts). From there, they flow through to the cost system via a set of *comptes réfléchis*, or contra accounts. These accounts are simply transfer accounts, being credited for the exact amounts found on the debit side of the expense accounts. Once "re-debited" into the cost system, they may or may not be applied at the same amount as in the financial system. An example of this would be the use of a different depreciation method for each system. Any differences would be applied to a special account for application differences.

The C.E.G.O.S. report differentiates between two different kinds of costs, the distinction having a bearing on their application into the cost system. The first type is direct costs which can be easily applied to a single product or process. The other, indirect costs, concerns several different products or processes and must be allocated. The method of applying these costs to production was the major work of Rimaillho's committee.

The method proposed and accepted was to divide the operations of the firm into "sections." Each section should correspond to an actual division of the company and, ideally, to a specific manager. Not only will this form of responsibility accounting work for costing purposes, but it will also assist in budgeting, control and performance evaluation [Lauzel, 1971, p. 51]. The primary characteristic of a section is its ability to relate its costs to a single "work unit," thus making it a "homogenous" section. With this common work unit in place as a measurement device, the section's costs can be applied to production costs.

Based on these definitions, sections are often designated functionally, such as administrative (including accounting), purchasing, or distribution. Further, a section may be principal, the costs of which would normally be traceable directly to a product or process, or auxiliary, whose costs would have to flow first through a principal section before being applied directly to production. For example, a foreman's salary could be directly applied to a principal section (such as "Product A"), but the costs of the maintenance crew would probably need to be collected into an auxiliary section, to be distributed under a common work unit to a principal section [Lauzel, 1971, p. 52].

The measurement of a section's contribution to a product cost has been described as a work unit. The unit must be the common denominator of that section's effort. For instance, the trucking section may use kilometers, the maintenance section may use direct labor hours or supplies may use volume of materials [Burlaud and Simon, 1981, p. 41]. Additionally, a per unit cost must also be determined. Finally, when applying section costs, all that is required is to multiply unit cost by the number of work units applied to a single product.

A problem which has been encountered with this system is that it does not show the original breakdown of various cost components. If such information is desired, it must be presented on a supplementary schedule [Fortin, 1986, p. 98].

This costing plan has had a profound effect on and has become the accepted procedure for French accounting practice. Burlaud and Simon hypothesized that the French manner of product costing, embracing the idea of a "complete cost" is an attempt to link scientific precision with practical policies. Their opinion is that while the procedure is rooted in the law, it also has gained popular acceptance due to the Cartesian element of the French psyche [Burlaud and Simon, 1981, p. 22]. They even

go on to enumerate some of Descarte's tenets and how the accountant can follow them through the use of this system.

THE UNIFORM ACCOUNTING PLANS

A distinguishing feature of French accounting is the influence of legal requirements on accounting policy. This is highlighted by the Uniform Accounting Plans (*Plans Comptables Généraux*). These plans represent not only financial accounting procedures and accounts, but also those related to a company's cost accounting system. The first plan was instituted in France in 1942, with revised plans being introduced since then.

Probably influenced by the German occupation of France, the plan of 1942 bears a great resemblance to the 1937 German plan. A difference between the two came in the area of cost accounting. While the German plan used pre-established departmental prices, registering discrepancies with real costs in a separate class, the French allocated real costs to the products via the homogenous sections method, discussed earlier. An important part of this costing system, the contra accounts linking the financial and cost systems were also present [Fortin, 1986, p. 98].

After the war, the French went to work on producing their own uniform accounting plan, the result being the 1947 plan. The role of cost accounting in this plan was threefold: the periodic determination of the cost of manufactured or purchased products; a perpetual inventory record; and the isolation of operating results by branch or subdivision. The plan was quite general in nature, leaving application to specific situations up to supplementary industrial plans. The homogeneous sections method remained intact, as it will through the present [Fortin, 1986, pp. 136-7].

With the 1947 plan still in effect, a study group was formed in 1953, the object of which was to investigate possible revisions to the cost portion of the plan, given the huge advances in cost theory during the 1950's. These studies were part of the impetus toward the 1957 uniform accounting plan.

The 1957 plan signaled a trend away from the post-war national accounting pattern towards a more individual manager-oriented cost accounting system. Provisions were added for budgeting and variance analysis, standard costing and fixed/variable cost behavior. The firm was given the choice of using real or standard costs in its cost analyses; however, real costs via the homogenous sections method were required for inventory pricing [Fortin, 1986, pp. 136-7].

The 1957 plan has basically carried over to the more recent plan revisions, with certain modifications. For instance, the 1979 revisions discusses the effects of data processing [Fortin, 1986, p. 465]. All in all, though, there has been a definite movement towards the needs of the individual manager. Nonetheless, the C.E.G.O.S. plan for determining the *prix de revient* remains. In the French terminology of the current "Plan Comptable Général" the term "prix" in the concept of "prix de revient" has been replaced by the term "coût". Depending on the level of cost analysis it may include acquisition cost, production cost or all costs of operations, in which case the expression is "coût de revient". The term "prix" is now used only for transactions with outside parties, (e.g., *prix d'achat* = purchase price, or *prix de vente* = sales price).

CONCLUSION

The French system of cost accounting as an integrated portion of the uniform accounting plan and its cost allocation methods are well-regarded from within the country as well as from without. According to the 1957 Plan, "the method of allocation which proceeds from a distribution of expenses over similar cost centers is far more satisfactory than that which proceeds to apply a fixed percentage to the cost of direct materials or direct labor" [Most, 1957, p. 596].

Additionally, the Anglo-American author Kenneth Most has praised the system of contra accounts employed by the French. He notes that by crediting cost transfers to contra accounts instead of to expense accounts, there is a full integration of cost and financial data, while at the same time keeping the two systems autonomous and complete. This avoids the problem of "netting" in accounts, giving greater clarity to and respect for budgets and control [Most, 1957, p. 596].

The French have always viewed cost accounting as something clearly distinct from financial accounting. French writers stress that it is *auxiliaire* and *facultative*, that is, something that is in addition to financial accounting, but not obligatory. Throughout the evolution of costing in France, the emphasis has been on the importance of accurate cost numbers for management purposes, such as product profitability evaluation or pricing policies, and not on the needs of the financial accounting system. A clear example of this separation would be the inclusion of non-manufacturing costs in the definition of a global *prix de revient*. Dating

back to the late 1800's there are frequent references to the usefulness of cost numbers in management decision-making.

The major U.S. influence on French accounting dates back to the early years of the Marshall Plan (early 1950's), when a number of leading French accountants studied management accounting in the United States. Thus we notice in the following years an increased emphasis on budgeting and management control. This is reflected in the writers' terminology. Authors using the term *comptabilité analytique* began using the term *comptabilité de gestion* as a broader concept, roughly equivalent to management accounting and *contrôle de gestion*, comparable to the American notion of controllership.

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