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## Fasbing: Abracadabra again?

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## **"FASBing": ABRACADABRA AGAIN?**

The release of the report of the Study Group on the Objectives of Financial Statements—the "Trueblood Committee Report"—in October, 1973, has begun to set in motion a chain of events and will likely be the initial step in a significant episode of accounting history.

This brings up the point that the deliberation now taking place with regard to developing a conceptual framework for the Trueblood Objectives requires the attention of accounting historians in the form of historical analysis and interpretation of the previous attempts to develop a structure for accounting.

A recent paper on the history of the conceptual frameworks of accounting and reporting by William G. Shenkir, an FASB staff member, will hopefully be but the first of many fine efforts by researchers to relate the frameworks of the recent past to the needs of the present and future.

Unfortunately a "crash" program of historical analysis about these past attempts at conceptual "structure-neering" will likely fall short of satisfying the need for a complete sketch in enough time to have an impact on the current deliberations. The profession is fortunate then to have a student of history such as Mr. Shenkir heading up the FASB's project on this subject. His interests tend to assure that the past—*what was*—will not be overlooked in relation to *what is* (the positive state) and *what ought to be* (the normative objective).

There is nothing "magical" about a conceptual framework—that is it will not, if invoked as a "soothe saying," cure all of accounting's ills. But it should serve as a substantial guide for the daily decisions faced by the accountant in the front lines of practice. Too often the practitioners, in perhaps justifiable skepticism about such "novel" proposals, have dismissed the worth of conceptual models for accounting—before either the model or the practitioner has had a fair chance to become acquainted.

Indeed a study, from the historian's view, of the practitioner's immediate or ultimate willingness to follow such "frameworks" is needed. There seems to be a "time lag" between the promulgation

of a conceptual model and its effective and habitual use by the practitioners. The thrust of a general historical analysis could serve to identify and isolate major factors in this "lag." These elements might be the educational disparities between proponents of the framework and the general level of practitioners; or the practical naiveté of scholars who suggest the normative scheme; or the lack of an efficient means of transferring of the new standard of knowledge in terms which can be readily equated among all parties.

What is needed, and is being sought by accounting historians, is a way of making both an immediate and lasting impact on the *method* of conceptual framework construction. For how can there be any significant progress in the attempt to develop warranted structures for accounting if there is a lack of material on the history of modern accounting thought which would enable others to *reflect* on past efforts, *rekindle* the spark of formerly sound notions and *respond* to the changes evident in the modern environment.

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