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## Leading contributors to accountancy

Linda M. Leinicke

Dale L. Flesher

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# THE LEADING CONTRIBUTORS TO ACCOUNTANCY

by

Linda M. Leinicke

and

Dale L. Flesher

*University of Mississippi*

Doctoral candidates at many schools are expected to be familiar with the individuals who have made a significant contribution to the field of accounting. This awareness and appreciation of individuals who have contributed to accounting is considered to be basic knowledge which any candidate for a Ph.D. in Accountancy should possess. However, when considering individuals who have helped to advance the profession of accountancy many names come to mind, names such as Luca Pacioli, Robert Sprouse, Maurice Moonitz, William Paton, A. C. Littleton, Edgar Edwards, Philip Bell, Robert Anthony, George May, Carman Blough, John Burton, Francis Wheat, and Robert Trueblood, to name but a few. Thus, being "familiar" with the works and achievements of all significant accounting contributors is a formidable task, to say the least, to a Ph.D. candidate who is studying for his/her comprehensive written and oral examinations in accounting. As a consequence, a research study was undertaken to determine the answer to the following question: Which individuals are perceived, by current accounting professors, to have contributed the most to the field of accounting?

## The Research Study

The purpose of this study was to identify the individuals who have contributed the most to the profession of accountancy. The study was *not* intended to be a "popularity" contest, but was a genuine and sincere attempt to determine if there was any general consensus of opinion among accounting professionals as to who the most outstanding contributors to the field of accounting have been.

Questionnaires, asking respondents to identify the five individuals who in their opinion had contributed the most to the accounting profession, were sent to accounting historians and other accounting educators. The accounting "historians" group consisted of 200 current American members of the Academy of

Accounting Historians, while the accounting "educators" group consisted of 200 accounting educators currently teaching at AACSB accredited schools who were not members of the Academy. Accounting historians were selected as one survey group because, as Academy members, it was assumed that these individuals had an interest in, and perhaps a greater than average knowledge of, significant contributors to the field of accountancy. Accounting educators, on the other hand, were surveyed to determine if their responses would differ from those of the accounting historians. In other words, the researchers were trying to determine if different accounting professionals (i.e., historians vs. educators) had different opinions as to whom the significant accounting contributors have been, or if a general consensus of opinion existed among accounting professionals in general.

Respondents were asked to identify the five individuals who had contributed the most to the accounting profession, and to rank their selections in order of importance, from most important (i.e., a number one ranking) to least important (i.e., a number five ranking). Respondents were also asked to give a brief statement as to why they ranked their number one choice as such.

## Results of the Study

Four hundred questionnaires were mailed: 200 to accounting historians and 200 to accounting educators. A total of 129 usable responses were returned, an overall response rate of 32 percent. Of the 129 usable responses, 77 were from historians and 52 were from educators. Thus, of the 129 questionnaires analyzed, approximately 60% represented historian responses while the remaining 40% represented educator responses.

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To analyze the responses of the survey participants, the following weighting scheme was used: any individual who was given a number one ranking by a survey participant was awarded a point total of five; any individual who was placed in the number two position was given a point total of four; similarly, individuals who were placed in ranks three, four, and five were awarded point totals of three, two, and one respectively. Total points were then accumulated for each name that appeared in the survey rankings. (For a listing of every individual whose name appeared at least once in the survey rankings, see Exhibit 1.) The top five point totals accumulated, based on the responses of all 129 survey participants, are displayed in Exhibit 2. Beyond these five, there was little consensus as to other important contributors.

As indicated by Exhibit 2, William A. Paton was perceived by the survey respondents to be the most significant contributor to the accounting profession. Note that Paton received nearly 3½ times as many first place votes as did Luca Pacioli, the individual who received the second highest total of first place votes. The other individuals who were perceived by the respondents to be significant contributors to accounting were, in order of point totals, A. C. Littleton, George O. May, Luca Pacioli, and Carman G. Blough.

In order to determine if perception of who had contributed significantly to the accounting profession differed between the historians and the educators, each group's responses were independently analyzed (see Exhibit 3 and 4). The results indicate that *both* the historians and the educators perceived William Paton to have been the most significant contributor to the accounting profession. It is also interesting to note that *both* groups ranked their second and third choices in exactly the same order.

Participant responses were also analyzed by age category to determine if different age groups had different opinions as to whom the significant accounting contributors have been. The results were the same regardless of respondent age.

### The Top Five Contributors

As mentioned previously, respondents were asked to indicate why they ranked their number one choice as such. The following paragraphs provide insight into respondents' perceptions of Paton, Littleton, May, Pacioli, and Blough. A short biographical sketch of each man is also provided.

#### *William A. Paton*

William A. Paton has proven himself to be both an innovative thinker and a prolific writer during the

course of his accounting career. As evidence of his progressive thinking, Paton, as early as 1916, was advocating that discounts on long-term debt be deducted from the face amount of the related long-term liability, rather than be shown as a deferred charge among the assets. It was not until 1971 that deducting discounts from long-term debt became a generally accepted accounting practice. Also, as early as 1918, Paton advocated the use of the terms "Allowance for Depreciation" and "Allowance for Uncollectible Accounts" when the common terminology of the day was "Reserve."

Paton has authored many texts and journal articles. His textbook writing endeavors began in 1916 when he was a graduate student in economics at the University of Michigan. Paton's first three textbooks, all entitled *Principles of Accounting*, and all co-authored with Russell A. Stevenson, appeared in 1916, 1917, and 1918. In 1922 Paton's *Accounting Theory—With Special Reference to the Corporate Enterprise* was published. Paton continued his writing with *Accounting* (1924), *Essentials of Accounting* (1938 and 1949), *Advanced Accounting* (1941), *Asset Accounting* (1952), and *Corporation Accounts and Statements* (1955). Perhaps his best known published work, however, was a monograph entitled *An Introduction to Corporate Accounting Standards* which he co-authored with A. C. Littleton.

Paton was president of the American Association of University Instructors in Accounting in 1922; he was the first editor of *The Accounting Review*. He also served as a member of the Committee on Accounting Procedure. In 1944 he received the AICPA's Gold Medal for distinguished service to the profession and in 1950 he was inducted into the Accounting Hall of Fame of Ohio State University.

Indicative of the survey participants' perceptions of William Paton are the following three comments. One respondent wrote, "Paton expressed many concepts and innovative views long before others." Another respondent described Paton as a "trailblazer" during the early development of the accounting profession in the United States. And yet another survey respondent indicated that Paton's "writings are as appropriate now as they were decades ago." *A. C. Littleton*

Ananias Charles Littleton was another significant contributor to the profession of accounting. Many of Littleton's ideas and beliefs still permeate present day accounting practices. For example, Littleton believed the central goal of accounting was that of income determination. He was an advocate of the concept of matching revenues and expenses, and a strong proponent of historical costs.

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### Exhibit 1 List of Individuals Whose Names Appeared in the Survey Rankings

Alexander	Haskins	Richardson
Andersen	Hatfield	Saliers
Anthony	Hendriksen	Sanders
Barr	Himmeublauf	Schmalenbach
Beaver	Horngren	Schrader
Bedford	Ijiri	Scott
Bell	Jones	Scovill
Bladeraster	Kester	Seidler
Blough	Kirk	Sells
Briloff	Kohler	Smith
Burns	Kojima	Sorter
Burton	Leonardo of	Spacek
Canning	Pisa	Sprague
Carey	Linowes	Sprouse
Carter	Littleton	Sterling
Chambers	Mattessich	Sterrett
Church	Mautz	Sweeney
Cooper	May	Taggart
Davidson	McKinsey	Thom
DeFliese	Miller	Trueblood
Demski	Mitchell	Vatter
Devine	Montgomery	Waterhouse
Dickinson	Moonitz	Wellerowicz
Dicksee	Mueller	Welsch
Edwards	Murphy	Wheat
Emerson	Nelson	Wildman
Finney	Neuman	Wixon
Garner	Oldcastle	Yamey
Gillman	Pacioli	Young
Grady	Paton	Zeff
Hand	Philippe	Zimmerman
	Previts	

Over 300 of Littleton's articles, editorials, comments, and reviews were published in various accounting journals and periodicals during his lifetime. Littleton co-authored with William A. Paton *An Introduction to Corporate Accounting Standards*, a landmark achievement in the quest for an internally consistent set of corporate accounting standards. In addition to several other books, Littleton authored *Accounting Evolution to 1900*, a work which gives insight and perspective to the historical evolution of accounting. Cognizant of Littleton's special contributions to the topics of accounting history, one survey respondent ranked Littleton as the number one accounting contributor, "for his overall contribution to the field and [his] special emphasis on this history of accounting."

A. C. Littleton was a Professor of Accounting at the University of Illinois; he served on the faculty of that institution from 1915 to 1952, and helped

establish the first doctoral program in accountancy in the United States at the University of Illinois. At least one survey respondent recognized Littleton's pioneer effort in establishing doctoral studies in accountancy when he stated, "A. C. Littleton is ranked first because of his early writing and his development of the Ph.D. program at [the University of] Illinois."

*George O. May*

George O. May is probably best remembered for the invaluable service contributions he made to the profession of accounting through his long association with the American Institute of Certified Public Accountants. To name but a few of his service contributions, George O. May was: vice-president of the Institute, 1917-18; on the Board of Examiners, 1916-19; chairman of the Special Committee on Cooperation with stock Exchanges, 1930-35; chairman of the Special Committee on Development of Accounting Principles, 1933-36; vice-president of the American Institute of Accountants Foundation, 1923-24; vice-chairman of the Committee on Accounting Procedure, 1937-45; and chairman of the Committee on Terminology, 1939-47. George O. May was offered the Presidency of the Institute, but declined. In 1944 he received the AICPA's award for service to the accounting profession.

Survey respondents who ranked George O. May as the number one contributor to the accounting profession stressed his understanding of "the societal role of accountancy," his "great intellectual depth," and his emphasis on the "ethical aspects" of accounting.

*Luca Pacioli*

Luca Pacioli, often referred to as the "Father of Accounting," is given credit for writing the first widely published description of the double-entry system of bookkeeping. Pacioli's work which was entitled *Summa de Arithmetica, Geometria, Proportione et Proportionalita*, or "Everything concerning Arithmetic, Geometry, and Proportion," was published in Venice in 1494. Pacioli's *Summa* was primarily a treatise on mathematics and geometry; however, the last section of his book, entitled "Of Reckonings and Writings," consisted of thirty-six chapters on bookkeeping.

Pacioli started his chapters on bookkeeping by stating that three things were essential to anyone who wished to be successful in business. Those three things were: (1) ready money, (2) good bookkeepers and clerks, and (3) the keeping of one's affairs in good order. Pacioli then went on to describe the mechanics of the double-entry system of bookkeeping and the function of the Memorial, the Journal, and the

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**Exhibit 2**  
**Responses of All 129 Participants**

	Total No. 1 Votes (weighted 5 points each)	Total No. 2 Votes (weighted 4 points each)	Total No. 3 Votes (weighted 3 points each)	Total No. 4 Votes (weighted 2 points each)	Total No. 5 Votes (weighted 1 point each)	Total Points
William A. Paton	275	108	36	18	4	441
A. C. Littleton	70	128	42	16	5	261
George O. May	55	36	39	12	9	151
Luca Pacioli	80	4	12	10	5	111
Carman G. Blough	30	16	27	24	5	102

**Exhibit 3**  
**Responses of 77 Historians**

	Total No. 1 Votes (weighted 5 points each)	Total No. 2 Votes (weighted 4 points each)	Total No. 3 Votes (weighted 3 points each)	Total No. 4 Votes (weighted 2 points each)	Total No. 5 Votes (weighted 1 point each)	Total Points
William A. Paton	120	52	33	12	4	221
A. C. Littleton	35	80	27	8	4	154
George O. May	40	16	24	8	6	94
Luca Pacioli	65	4	9	6	5	89
Carman G. Blough	20	16	12	20	5	69

**Exhibit 4**  
**Responses of 52 Educators**

	Total No. 1 Votes (weighted 5 points each)	Total No. 2 Votes (weighted 4 points each)	Total No. 3 Votes (weighted 3 points each)	Total No. 4 Votes (weighted 2 points each)	Total No. 5 Votes (weighted 1 point each)	Total Points
William A. Paton	155	56	3	6	0	220
A. C. Littleton	35	48	15	8	1	170
George O. May	15	20	15	4	3	57
Luca Pacioli	15	0	3	4	0	22
Carman G. Blough	10	0	15	4	4	33

Ledger. Although Pacioli did not originate the double-entry system of bookkeeping (i.e., Pacioli merely put into writing the current bookkeeping practices of the time), his description of the double-entry system helped to spread the so-called "Italian method" throughout Europe.

The responses of two survey participants who ranked Luca Pacioli as the number one contributor to the profession of accounting aptly summarize the importance of Luca Pacioli as follows: "He brought together in writing the accounting principles and practices in his era." Furthermore, "His writing laid the foundation or structure necessary for reflection and the consequent development of accounting theory."

*Carman G. Blough*

According to one survey respondent who ranked Carman Blough as the number one contributor to

the accounting profession, Carman Blough was the Man "responsible for *not* transferring standard setting to the SEC." Indeed, Carman Blough served as the first chief accountant of the Securities and Exchange Commission until 1938, at which time he left the SEC and joined the firm of Arthur Andersen & Co. In 1942 he left Arthur Andersen & Co., and in 1944 began a 16-year term as Director of Research of the AICPA. Blough is a past president of the American Accounting Association and has been elected to the Ohio State University Accounting Hall of Fame.

#### **Accounting History Education**

In order to get some idea of whether or not the teaching of accounting history has been a prevalent practice at institutions of higher learning, respondents were asked to indicate whether or not they had

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been exposed to accounting history, no matter how briefly, at the bachelor's, master's, and/or doctoral levels. Survey results indicated that 33% of the respondents had encountered some mention of accounting history at the bachelor's level, 67% at the master's level, and 87% at the doctoral level. It would appear, then, that accounting students are much more likely to encounter the subject of accounting history as they progress through their academic careers. This trend is understandable considering the wealth of technical accounting information which must be covered at the bachelor's level. However, it is encouraging to note, that, overall, one-third of the respondents encountered at least minimal exposure to accounting history while still at the undergraduate level.

#### Limitations of the Study

As stated previously, accounting "historians" and accounting "educators" were surveyed to determine their perceptions of who the top five contributors to the accounting profession had been. It should be borne in mind, however, that the distinction between accounting historians and accounting educators may be a nebulous one at best, since it is probable that most of the historians hold full-time teaching positions at institutions of higher learning. Furthermore, the study is limited in that no full-time practicing accountants were included as a separate survey group in the study. Thus, results should not be generalized to the total population of accounting professionals. Nevertheless, it is intuitively appealing that the survey results *do* incorporate the opinions and perceptions of the "real world" accountant since the demographic data provided by each respondent indicated that many of the survey participants had experienced long careers in private, public, and/or government accounting.

Another aspect of the study which requires elaboration is the use of the phrase "contributed the most to the accounting profession" on the questionnaire itself. This phrase was deliberately intended to be vague in order to elicit respondents to indicate exactly *why* they ranked their number one choice as such, and to generate insight into exactly what various accounting professionals perceived a "contribution" to the accounting profession to be.

Finally, it should be mentioned that a list of 58 names of possible accounting contributors was attached to the questionnaire. This list was provided in order to stimulate respondent interest and provoke respondent thought. However, the attached list may

have given individuals whose names appeared on the list an unfair "edge," or advantage, over individuals whose names did not appear on the list. Nevertheless, the authors do not believe this phenomenon to be a significant limitation of the study primarily because 51 individuals whose names did *not* appear on the attached list were indicated by participants as having made a significant contribution to the field of accounting. Actually, out of a total of 93 different responses, more names that did *not* appear on the attached list (51 in total) ended up in the survey results than did names (42 in total) which *did* appear on the attached list. In other words, 16 of the names on the list received no votes at all.

#### Conclusion

This study has attempted to determine if any general consensus of opinion exists among accountants as to who the significant contributors to the field of accounting have been. Survey results indicated that participants in the study, for a variety of reasons, viewed William A. Paton to be the most significant contributor to the accounting profession, followed by A. C. Littleton, George O. May, Luca Pacioli, and Carman G. Blough.

The author is cognizant of the fact that *numerous* individuals have contributed to the progress and development of the accounting profession, and wishes to emphasize once again that *this study is in no way intended to minimize the contributions of other individuals to the field of accounting*. The study was simply the result of a desire to determine if any common agreement existed as to who the significant accounting contributors have been. Since a total of 93 individuals received votes, there are obviously many who have made significant contributions. However, these contributions are not viewed as being as great as those of the top five individuals.

In conclusion, it is hoped that this study will help to foster an increased interest in, and appreciation of, the importance of accounting history and the many dynamic men who have helped the accounting profession evolve to its current esteemed position in society today.