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Jack O. Hall

C. Richard Aldridge

vative splinter groups, Andrews was moderately successful in the election. He never again ran for office although he was later nominated for governor of Virginia, but declined to accept the nomination. In 1958, he was one of the twelve founders of the conservative John Birch Society. All of this government activity should have generated many government files.

Requests for FOIA information were directed to the Internal Revenue Service, the State Department, the Defense Department and the Federal Bureau of Investigation (FBI). Following minor delays, the first three agencies above provided several pages of information each. However, the FBI was less cooperative. After 29 months of delays and excuses from the FBI, the assistance of Senator Trent Lott of Mississippi was requested. Senator Lott contacted the FBI on behalf of the researchers, and within two months the FBI responded with 120 pages of information. This was 31 months after the original request had been filed. Unfortunately, much of the information from the FBI had been censored. All names of individuals were removed as was anything that would prove embarrassing to anyone. However, there was still a great deal of worthwhile information that survived the work of the censors. Apparently one reason for the delay from the FBI was that every page of the files was read and evaluated by someone at the agency. The other agencies simply sent copies of their files without reading every word.

In summary, several lessons can be learned from this particular experience of gathering data through the FOIA. In particular, it can be noted that much reliable information can be obtained. However, researchers must allow plenty of time for the completion of the project. This means that a doctoral student should be advised to identify the topic of a dissertation near the beginning of coursework and begin to make FOIA requests at that time in order to complete the dissertation research in a reasonable amount of time. Untenured faculty members should be aware of the hazards that might arise as the result of such a lengthy delay. Finally, the researcher should remember how help from a Congressman can accelerate the process. If these lessons are heeded, the Freedom of Information Act may prove to be a valuable source of material for accounting researchers.

HISTORICAL EVOLUTION OF THE EXTRAORDINARY ITEM CONCEPT

by
Jack O. Hall
Western Kentucky University

C. Richard Aldridge
Western Kentucky University

The notion of extraordinary items has been clearly defined since the Accounting Principles Board issued "Reporting the Results of Operations," *Opinions of the Accounting Principles Board No. 30* in 1973. The opinion established the criteria of infrequency and unusualness for extraordinary item treatment. In addition, the opinion discussed the proper presentation of extraordinary items in an income statement format. Although extraordinary item treatment is a well-understood concept, little has been written about the forces and developments that led to the issuance of *Opinion No. 30.* The purpose of this paper is to review the historical developments that led to the evolution of the extraordinary item concept.

The problems involved with accounting for extraordinary items came to the fore as the emphasis in financial reporting shifted from the balance sheet to the income statement. Prior to the shift in emphasis to the income statement, there was little concern with income determination or the elements to be included or excluded in the income calculation.

As environmental conditions changed, new demands were made on accounting to provide relevant information about the operations of business entities. Earning capacity, as measured by the computation of periodic net income, became a major factor in valuation of industrial enterprises. Income statements provided the necessary information for evaluating earning capacity.

By the early 1930's, the shift in emphasis to income statement data was substantially underway. Concern began to be expressed over what constituted net income for the period. One of the primary questions to be answered involved the proper treatment of extraordinary items in financial reports.

The American Institute of Certified Public Accountants recognized the problem of extraordinary items in its early pronouncements, but did little in the way of providing a solution. Not until the issuance of ARB No. 32, in 1947, did the AICPA take any definite stand on the matter. In essence, ARB No. 32 advocated a current operating performance concept of net income.

In 1953, ARB No. 32, with minor modifications, was reissued as Chapter 8 of ARB No. 43. The provisions of this pronouncement constituted the AICPA's official position on the matter until the issuance, in 1966, of Opinion No. 9 of the Accounting Principles Board, entitled *Reporting the Results of Operations.*

Despite the weaknesses inherent in the provisions of Opinion No. 9, it has generally been considered a significant improvement over the practices existing prior to its issuance. The primary advantage claimed for Opinion No. 9 is the uniformity of presentation achieved by its application.

The Securities and Exchange Commission has consistently advocated an all-inclusive concept of income. With the revision of its *Regulation S-X* in 1950, the SEC still expressed its preference for including all items of gain and loss in determining net income for the period. However, due to a compromise with the American Institute of Certified Public Accountants, *Regulation S-X* provided a means of presenting special items on the face of the income statement without having to include the effects of these items in the calculation of net income for the period.

The American Accounting Association's first official position on the treatment of extraordinary items was essentially one reflecting an all-inclusive concept. In its subsequent pronouncements, the AAA seems to have modified its position regarding income statement presentation.

In reviewing the historical evolution of the extraordinary concept, one weakness seems to permeate all of the various authoritative positions. This weakness is the failure to clearly define criteria for determining which transactions and events give rise to extraordinary items. At best, the American Institute of Certified Public Accountants, the Securities and Exchange Commission and the American Accounting Association have attempted to list specific items which would qualify for extraordinary treatment. The main thrust of the early work on extraordinary items was directed at the debate concerning the inclusion or exclusion of extraordinary items from the figure designated as net income.

ACCOUNTING FOR LABOR IN THE EARLY 19TH CENTURY: THE U.S. ARMS MAKING EXPERIENCE

by
Thomas Tyson
Clarkson University

The Springfield armory was the largest and among the most important prototypes of the modern factory establishment, and its accounting controls were the most sophisticated in use before the 1840's (Chandler, 1977). Until that time, the armory's accounting system did not integrate piece-rate accounting and a clock-regulated workday into prespecified norms of output. Hoskin & Macve (1988) have argued that accounting was unable to establish norms, increase labor productivity, and thus attain its full disciplinary power until a West Point managerial component was established in the 1840's. They then called for further discourse to verify or refute this contention.

The current study pursued this charge and concludes that West Point management training was a relatively minor determinant in the evolving nature of accounting. In the U.S. arms-making experience, at least, a more proactive accounting system emerged in response to social and economic forces that included the disintegration of the craft production tradition, an economic depression, and the termination of cost sharing and cooperative knowledge among producers.