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Plus ca change, plus c'est la meme chose: A study in accounting for changing price levels in Germany and the USA

Moyra J. M. Kedslic

N. M. A. Hussaen

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seen: Plus ça change, plus c'est la même chose: A study in accounting for changing price levels in Germany than positive.

Empiricism was extensive enough and substantive enough to have had considerable influence on normative theorists and the subsequent development of accounting literature. Given the surprising

frequency of empiricism, more specialized exploratory studies are desirable for the formation of hypotheses. For example, samples might be identified and drawn by specialization and/or temporally stratified samples examined.

'PLUS CE CHANGE, PLUS C'EST LA MEME CHOSE': A STUDY IN ACCOUNTING FOR CHANGING PRICE LEVELS IN GERMANY AND THE USA

by
M.J.M. Kedslie
The University of Hull

N.M.A. Hussaen
The University of Hull

Prior to World War I, accountants and academics generally advocated the preparation of accounting statements based on an assumption of a stable monetary unit. During the war, the industrialised countries experienced moderate inflation but this was reasonably quickly controlled in the USA and the UK. However, post war inflation in Germany was not so rapidly controlled and revealed the shortcomings of accounts prepared under traditional assumptions. This stimulated several academics to consider ways in which this problem might be overcome, and their studies were to provide the foundations for later work on inflation accounting in the USA and the UK.

German accounting practice up to the 1920's was influenced by several factors. The most important of these were the Commercial Codes of 1861, 1884 and 1897, but tax legislation, trade associations, the accountancy profession and academics also helped to shape accounting



MOYRA KEDSLIE

reports. Among the German academics, the most notable were Schmalenbach, Mahlbert and Schmidt, and it is their work which provides the first focus for this paper. The paper will then examine the impact of their research on Sweeney's "Stabilized Accounting" and, finally, will consider the influence of Sweeney's work on subsequent attempts to provide a solution to the problems of inflation accounting in the USA and the UK.