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THE ACCOUNTING SYSTEM PRACTICED IN THE NEAR EAST DURING THE PERIOD 1220-1350 BASED ON THE BOOK *RISALE-I FELEKIYYE*

Abstract: This study examines the governmental accounting practice in the Near East during the Il-Khan Dynasty period (1120-1350 A.D.). The survey is based on a handwritten manuscript, *Risale-i Felekiyye*. The accounting system introduced in the *Risale-i Felekiyye* is an elaborate governmental accounting system. The system was based on seven major books and a number of special journals. Documents used in the system formed the basis for recording events in the books. Furthermore, the system included concepts and rules for accounting and resulted in a final report.

This accounting system emerged primarily from social and economic necessities caused by agricultural and fiscal reforms introduced by Ghazan Khan in 1295-1304. As a result of these reforms, budgeting practices and accounting regulation by the state were introduced to control state tax revenues and expenditures and to prevent fraud. These regulations introduced the use of a single monetary unit for recording, the use of an accounting fiscal period, duality, classification, substance, procedural rules which introduced a bilateral journal entry form, agency account rules, and correction and control rules. Also the rule of "revenues have to be equal to expenditures" presented itself as a balance sheet identity equation. These regulations, however, were not based on the accrual principle; instead, a cash basis of accounting was the recognized practice.

The study concludes that the rudiments of double-entry accounting were practiced in the Near East and were developed independently from the accounting practices used in the West.

INTRODUCTION

The objectives of this study were to examine the accounting system practiced in Iran and the Near East, from 1220 to 1350 A.D., during the Mongol Dynasty of the Il-Khans, and to appraise accounting practice and its regulation which were introduced through fiscal reforms. The study is based on a handwrit-

ten manuscript, *Risale-i Felekiyye*, written by Abdollah Ibn Mohammed Ibn Kiya al-Mazandarani, 765 H/1363 A.D.¹

Risale-i Felekiyye is a public finance book, but a substantial portion of it covers the principles and procedures to be followed in governmental accounting. The book provides factual examples related to that period. Thus, it is plausible to assert that the content of the book is also representative of the actual accounting practices in the domain of the Il-Khans. Furthermore, extant manuscripts on public finance which were written during this period confirm this practice by their references and content.²

The study is arranged in four sections. The first section portrays the socio-economic situation and the fiscal reforms, then explains the Il-Khan state organization and the structure of the governmental accounting system which regulated bookkeeping practices in the Il-Khan Dynasty. The second section gives a detailed explanation of the major source documents, accounting books, and procedures which were used to govern the accounting system as well as the financial reporting process. The third section gives a critical evaluation of the accounting concepts and rules. The final section presents concluding remarks.

THE IL-KHAN DYNASTY

The Il-Khans ruled Iran and neighboring territories from 1220 to 1350 [Manz, 1988]. The Il-Khan, who was head of state, had a number of *vezirs*, the approximate equivalent of ministers. The *Diwan* or Chancery of State, which was independent of the Khan, kept the accounts of the state and administered the state's financial affairs, postal service, public construction, and the financial affairs of the army. The First *Vezir* served as head of the *Diwan*. Each of the 16 regions was administered by a regional governor appointed together with an army commander and a tax administrator who were subordinate to the governor.

After 1220 when the Il-Khans had taken over Iran from the Seljuk Turks, heavy taxes were levied on the settled population comprised of urban people, landlords, and peasants, including

¹ Mazandarani, Abdollah B. Mohammed, Kiya, *Risale-i Felekiyye*, St. Sofia Library, No. 2756, Istanbul, Turkey, 1363. Transcribed in 1433.

² Felek, Ala-i Tebrizi, "Saadetname", Yusuf Aga Library No. 516, Konya, Turkey, 1307. Imad, as-Seravi, "Camiu'l Hesab", Yusuf Aga Library, Konya, Turkey, 1340.

many non-Muslims. The resulting massive social and economic upheaval forced much of the settled population either to leave the country or go into hiding. As a result, the country's tax revenue, which had been 2,871,200 dinar in the Fars period and 2,335,000 dinar in the Seljuk period, fell to 350,000 dinar [Boyle, 1968]. The country was administered so corruptly that little revenue reached the central Il-Khan government. Out of concern about this decline in revenue, an effective reform package consisting of agriculture and fiscal policy was introduced by Ghazan Khan (1295-1304) [Spuler, 1987; Skyes, 1969].

Some of the measures of this fiscal reform which had an impact on accounting practices are as follows:

- Prohibition of indiscriminate writing of drafts by officials of the central government and prohibition of all draft writing by provincial provinces.

- Establishment of a stable rate of currency by introducing silver *dinar* as the monetary unit.

- Introduction of fiscal year.

- Appointment of a treasurer to every province and an auditor to some provinces to determine the tax rate for the province.

- The requirement of a detailed list of liabilities of each taxpayer to the *Diwan*.

THE ACCOUNTING SYSTEM

The Il-Khan governmental accounting system was designed to function parallel to the decentralized governmental system. Some of the books were kept centrally, others by regional authorities. The recording of the major revenue items was categorized regionally. Regions were treated as principal responsibility centers for recording expenditures, and within regions, additional responsibility centers were identified. Thus the recording of all revenues and expenditures was done first on the basis of principal centers and then recorded again within regions, under subclassifications [Mazandarani, para., 63b, 66b, 67b]. The starting point of the accounting system was state budgets. Each region had a state operational budget (*Mukarrariye*), and a discretionary budget (*Itlakiye*) [Spuler, 1987]. The Khan had authority only over the discretionary budget, while the operational budget was under the control of the *Diwan*. The regions oper-

ated within the limits of the state budget. The regional agency of the state had the authority to collect taxes and remunerate all the regional expenditures from these taxes. The tax administrator was accountable to the central authority and his accounts were subject to an external audit whenever it was deemed necessary [Spuler, 1939]. This accounting system was based on seven major accounting books and some special journals. Recording was done according to bookkeeping rules that were regulated during the fiscal reform period (c. 1300 A.D.). Examples in Exhibit I show how the accounting system functioned.

THE SOURCE DOCUMENTS

The accounting system used two kinds of major source documents for recording financial transactions [Mazandarani, para. 43b, 44b, 51a]. The first document called *receipt* was used to record the amount of tax collected by the regional administrator. The second document called *acquittal* was used to show the transfer of tax funds from the region to the state. As soon as the tax collection orders were issued by the *Diwan*, the regional administrator became accountable for the designated amount of tax collection. The document called *acquittal*, therefore, was used to release the administrator from his accountability and financial responsibility to the *Diwan*. The following items of information were required in preparation of a document:

1. date of the transaction,
2. place of the transaction,
3. name of the payer,
4. name of the payee,
5. exact budget allocation for the item,
6. specification of the payment,
7. amount of money or equivalent in kind,
8. half of the amount, to verify the whole amount received,
9. the official seal.

The requirements for documents clearly reflect the extent of the awareness on providing objective and verifiable data for recording. These documents also contained a built-in control mechanism, as seen in requirement number 8. It would be fair to infer that other kinds of external and internal documents were utilized which the author of the *Risale-i Felekiyye* did not regard as directly related to public finance. It is plausible to

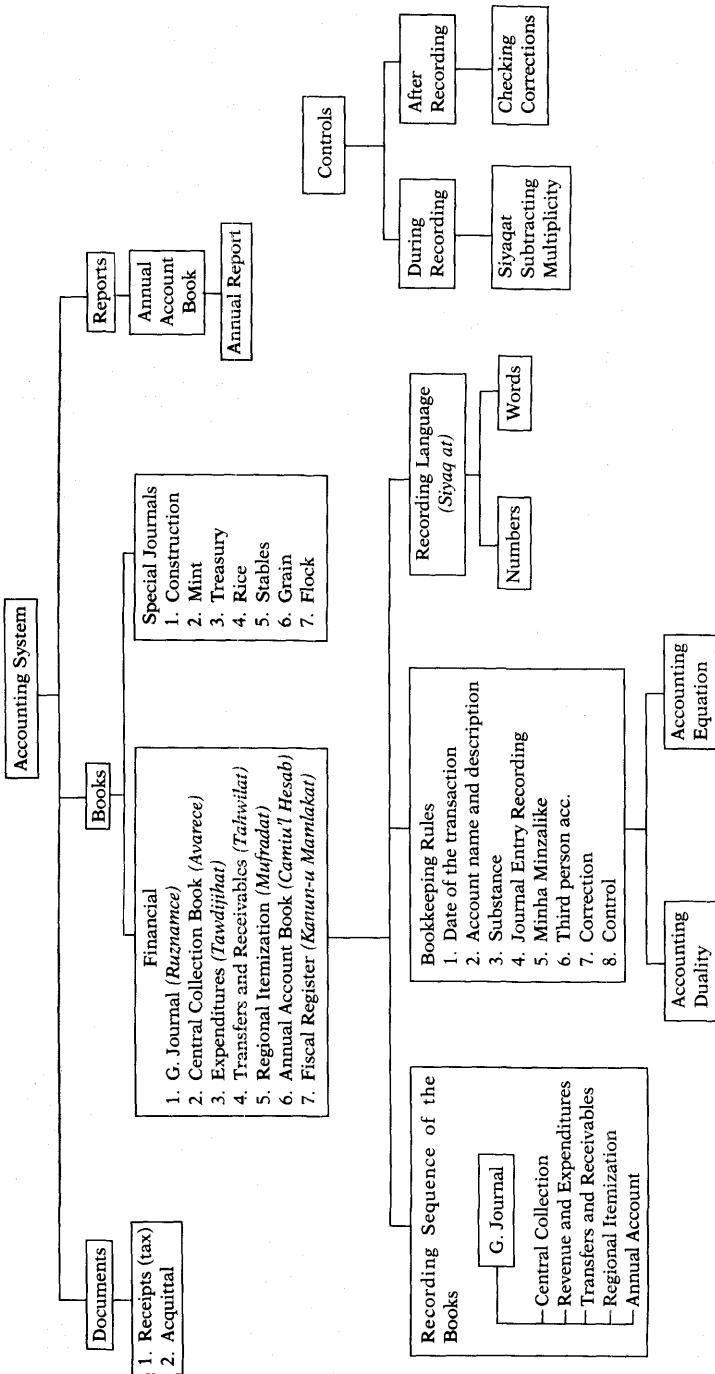
EXHIBIT I
General Journal Book
(Risale-i Felekiyye Para. 55b)

| | <u>DEBIT</u> (Silver Dinar) | <u>CREDIT</u> (Silver Dinar) |
|---|-----------------------------------|------------------------------------|
| Material expense | 300,000 | |
| Revenue | | 300,000 |
| From Siraz rev. 100,000 | | |
| From Tebriz rev. 50,000 | | |
| From Isfahan rev. 50,000 | | |
| From Bagdat rev. 70,000 | | |
| From Diyarbeker rev. <u>30,000</u> | | |
| Expenses incurred for Bagdat region and paid from the sources shown above. | | |

Central Collection Book
(Risale-i Felekiyye, Para. 66a, 66b)

| | <u>DEBIT</u> (Silver Dinar) | <u>CREDIT</u> (Silver Dinar) |
|--------------------------------------|-------------------------------------|------------------------------------|
| Bagdat Account, Governor Tebrizi | | |
| <u>Tax revenue</u> | <u>2,000,000</u> | |
| Expenditures from operational budget | 400,000 | |
| Grants 110,000 | | |
| Postal service 90,000 | | |
| Travel exp 100,000 | | |
| Construction exp <u>100,000</u> | | |
| Payment | | 400,000 |
| <u>from that balance</u> | <u>1,600,000</u> | |
| Expenditures | 540,000 | |
| | <u>Allocation</u> <u>Collection</u> | |
| Material | 100,000 | 30,000 |
| Material | 300,000 | 70,000 |
| Construction | 500,000 | 200,000 |
| Material | 100,000 | 50,000 |
| Material | 185,700 | 40,000 |
| Postal service | — | 30,000 |
| Wages | 40,000 | 30,000 |
| Salaries | — | <u>90,000</u> |
| payment (based on acquittals) | | 540,000 |
| <u>from that . . . balance . . .</u> | <u>1,060,000</u> | |

FIGURE I



argue, however, that without such verifiable documents, it would not have been possible, for example, to calculate the labor cost of a building which was recorded in the construction journal.

THE BOOKS

According to the *Risale-i Felekiyye*, accounting books are to be categorized into two groups in terms of information: financial accounting books and special journals. Some of the latter recorded only physical information rather than financial and some others recorded both.

A special language, *Siyaqat*, was practiced for recording. *Siyaqat Signs* were special short-hand signs that were used by the *Il-Khan* public finance authorities and accountants to record amounts of money and numbers of people, animals and goods.³

The Financial Books

1. General Journal (*Ruznamce*)

All documents and decisions that came through the *Diwan* concerning revenue and expenditure were recorded chronologically in the General Journal [Mazandarani, Para. 52a, 52b].⁴ The first page was reserved for the dates of the beginning and end of each financial year. A statement of the objective of the book followed:

This is the journal which recorded all revenues and expenditures incurred as arising from the decisions of the *Diwan*.

The General Journal functioned as general ledger in terms of posting the transactions to other books and classifications. All posting was made from this journal to the other related books. Ledger accounts in the contemporary sense did not exist. The General Journal was the major source of financial information and included every detail of the information.

³Solas, C., and Otar, I., "Bookkeeping Rules and Accounting Signs During the Il-Khan Dynasty, 1220-1350", paper presented at the AAA Convention 1992, Washington, D.C.

⁴*Risale-i Felekiyye* did not have page numbers but showed paragraph numbers; (para.) indicates the paragraph number of the book.

2. Central Collection Book (*Awaradje*)

The central authorities kept a collection book, the *Awaradje*, to record both general revenue collections for the regions and the overall and general expenditures incurred regionally for the whole country. Information posted to this book from the General Journal was classified as to responsibility centers — that is, the principal regional administrative centers of the country. Although the revenue collection was itemized by its kind, it was not classified but rather summarized. So itemized revenue collection figures were not easily available to the users. It was not possible to know the detail of a particular account for the region. However, revenues and expenditures were related to their budget allocations. All the regional expenditures incurred in the region were deducted from the above-mentioned revenues. Then the residual was clearly shown in the book to provide prompt and precise information when it was needed [Mazandarani, para., 63b, 64a, 64b, 65a, 65b].

3. Expenditure Book (*Tawdjihat*)

Also kept by the central authorities was the Expenditure Book, or *Tawdjihat*, whose purpose was to record expenditures items classified by activity. Each expenditure was linked with its respective items classified by activity. Each expenditure was linked with its respective revenue budget allocation. This revenue allocation was made either from the operational budget (*Mukarrariye*) or from the discretionary budget (*Itlakiyye*). This book facilitated the administrative authorities' control over state expenditures [Mazandarani, para., 67a, 67b].

An explanation of the style of recording in this book gives more insight into the accounting practices. First, incurred expenditures were recorded in detail by primary account and then by auxiliary account for region.⁵ Immediately under that the corresponding revenue budget allocations were recorded including how they were paid (See Exhibit I). In other words, the debit side of the entry showed the expenditures and the revenues created the credit side of the entry. Also, this book showed the residual balance of the revenue after reduction of expenditures.

⁵Since this system did not define ledger accounts, it is preferred to identify those accounts which were recorded by using (*from that*) rule as "primary" accounts and others which were recorded by using (*from this*) rule as "auxiliary" accounts.

Under the recording rule of this book, it was not possible to make an expenditure if there was not allocation for that particular expense item. Recording an expenditure and its respective revenue together provided the administrators an effective means of control over the expenditures and their related budget allocations.

4. Transfers and Receivables (*Tahwilat*)

This book was first designed to establish accountability of regional administrators for fiscal transactions (effective collection of revenues and the efficient control of expenditures). One book was kept by each regional authority. Authorization of budgeted revenues and expenditures of the region was sent to the public administrators by the *Diwan*. This authority enabled the administrator to act as a government agency and collect taxes and remunerate the expenditures. [Mazandarani, para. 72b, 73a]. This book primarily showed tax collections, budget transfers to and from the region, and payments made to the individuals by the administrator.

The written budget authority given by the *Diwan* entitled the administrator to make all necessary payments for his region from the tax revenue which he collected from his region. The balances were displayed periodically. At the end of the fiscal year, the balance remaining in credit, indicating unutilized revenue, had to be paid out to the government of the *Il-Khan*. Any balance in the debit of the regional receivables account either had to be deferred to the following year or had to be cancelled by transfers from other regions' budget allocations or the government.

5. Regional Itemization Book (*Mutradat*)

Details of the regional revenue and expenditure transactions were incorporated in this book. For each region, a separate book was maintained for recording the collected revenues that had been assessed for the region. The realization of the assessed revenues by their types, e.g., poll-tax, income tax or sales tax, was shown. All expenditures incurred in the region were similarly recorded, being classified as wages, construction, mail services, etc. The residual amount was displayed [Mazandarani, para., 75b]. Revenues were classified first as primary types of taxes. Then, every primary tax was classified by the sub-type of tax. In addition, each region was sub-classified.

Expenses were classified similarly, the residual amount of the account again being displayed. This book provided information for the General Journal and the Expenditure and Receivables books [Mazandarani, para. 84b, 85b, 85a, 86a, 86b]. Tables were prepared for receivables or expenditures based on the *Regional Itemization Book*.

It may be inferred that the control mechanism of the responsibility centers, in terms of recording and reporting, functioned satisfactorily through *Regional Itemization Book* records. This book enabled the authorities to calculate the total amount of state revenues and expenditures for both the region and the entire country. A summary of regional revenues was presented as a table in *Risale-i Felekiyye* [Mazandarani, para. 96a, 96b, 97a, 97b].

6. Final Annual Account or Trial Balance (*Camiu'l Hesab*)

This book was similar to a trial balance. It contained a regional summary of all revenues and the expenditures for the entire country. For each region, aggregated sums for the various classifications of such revenues and expenditures were reported. A final report based on this information was submitted to the Khan at year-end. Thus the Khan was able to keep track of the total revenue collected from various provinces and regions and to monitor the different provincial expenditures [Mazandarani, para. 87a, 87b].

For presentation purpose, this account was prepared on a long sheet that was rolled and presented to the Khan, usually semi-annually. For this reason, we interpreted this account as an annual report whereas its Arabic meaning is "aggregated accounts."

7. Tax Register Book (*Kanunu Mamlakat*)

The Arabic meaning of this book is "The Law of the Country." In this context, however, it functioned as a regional tax rate book. This was a book of tax laws which showed tax assessments for those people subject to taxes and tax rates. Thus it should be considered to be more than an accounting book.

The Tax Register Book listed the regional tax levies according to the kinds of taxes and the tax rates, which differed from region to region. Further, this register prevented taxpayers from being taxed more than once or at varied rates. This book was prepared by the regional treasurer.

Special Journals

Section nine of the *Risale-i Felekiyye* gives us information about the second group of accounting books which were used for special activities: the Construction Journal, Mint Journal, Treasury Journal, Warehouse Journal, Cracked Rice Journal, Flock Journal and Stabler Journal.

1. Construction Journal

The Construction Journal was used to determine the actual cost of construction and to control the materials in terms of physical units as well as material and labor cost, which were recorded in the narrative section. Also, *Risale-i Felekiyye* showed hourly, daily and weekly wage rates for each labor type and the total amount of the labor cost [Mazandarani, para. 117b, 118b, 120b]. In the financial accounting books, construction accounts were also established according to expenditure assessment and tax revenue allocation [Mazandarani, 56a, 56b]. It is plausible to argue that there existed an awareness of cost concept, but that cost accounting was limited to labor and material costs.

2. Mint Journal

The Mint Journal showed the inventory of the gold and silver at the beginning of the period in terms of both physical units and monetary units. This was followed by transactions of units started in the minting process [Mazandarani, 126a-128a]. Physical units were recorded in the narrative section of the journal. Both physical units (gold unit, or *miskal*) and monetary units (silver *dinar*) were recorded together, but in the monetary unit section, only money was shown.

In the Il-Khan state, the mint was a separate entity managed by a private company or an independent state agency under the direct control of the Khan. This entity was accountable for the amount of gold and silver transferred to it at the beginning of the period.

For the mint operations, one *miskal* of gold was a service charge for every 100 *miskal* units of gold minted. Private companies also paid this amount to the authorities at the end of the period [Mazandarani, 129a, 129b, 130a].

3. Treasury Journal

The purpose of this journal was two-fold: to determine the inventory of the treasury and to trace the treasury transactions.

According to the general rules of this journal, given in the *Risale-i Felekiyye* [Mazandarani, 132a-138b], all the treasury inflows had to be recorded first, then all treasury outflows of the day had to be recorded. Two methods of recording were recommended for the treasury transactions. The first method, referred to as the "Arabic Method," recommended a single journal. The second, referred to as the "Persian Method," recommended keeping separate journals for inflows and outflows. This journal showed transactions in terms of money values of the treasury and their physical units and amounts concurrently.

4. Warehouse Journal

The purpose of this journal was to control the person who was accountable for storing the grain. Also, this journal showed every movement of the grain as to the inflows from different regions and outflows to regions and persons. Recording in this journal was done in terms of physical units only. Recording, however, followed the general bookkeeping rules.

5. Flock Journal

The existing flocks of the state were entrusted to shepherds, who were made accountable for the animals. All sheep were classified as male or female and recorded in this journal by debiting each shepherd's account in terms of physical units. Following increases and decreases, due to birth and death or outflows for other reasons, the accounts were debited or credited to provide an inventory of the sheep in the state.

6. Cracked Rice Journal

This journal showed the yield of cracked rice from fields that were entrusted to individual farmers. The journal was kept in terms of physical units by the names of the individuals so that the production of the cracked rice both before and after the process could be seen clearly.

7. Stabler Journal

This journal served a purpose similar to the flock journal. It showed the physical inventory of horses as to the inflows and outflows. It also listed the locations separately.

ANALYSIS OF THE ACCOUNTING CONCEPTS AND RULES

Bookkeeping rules were introduced to regulate and facilitate acceptable recording as one of the necessary measures to control revenues and expenditures. *Risale-i Felekiyye* presented these rules under eight categories. Some of these rules were extremely detailed procedural rules which were the rhetoric of the bookkeeping practiced during that period [Aho, 1985]. However, the others introduced accounting concepts that were quite contemporary but somehow not identified as such.

The Il-Khans' accounting rules and concepts are summarized as follows:

Accounting System

The Il-Khan governmental accounting was designed as a system of accounts which rendered the material into a language. However, the accounts did not involve real and nominal accounts. It could be argued that, as a governmental accounting system, there was no need for having profit and loss accounts, as revenue and expense accounts were sufficient for the purpose. *Risale-i Felekiyye* did not mention any kind of depreciation accounting practice. The Cash account did not exist among the accounts. It seems there was no such concept even though cash basis accounting was a recognized practice.

Accounting Equation

The accounting equation indicated that revenues had to be equal to expenditures [Mazandarani, para. 32a, 105a, 111b]. Since there was no need for income determination, this equation served their governmental accounting purposes. It also provided means for duality. Probably, this equation was sufficient for governmental accounting practice.

Duality

Duality was also created through the "revenues-should-be-equal-to-expenditures" rule. Although the objective of this rule was primarily to keep the expenditures within the revenues, it also provided necessary means for double entry. However, "debit" and "credit" as accounting terms were not used. Serving the purpose instead was the *from that, from this* rule (meaning

“deduct”). However, in a bookkeeping context, those words served the purpose of creating a journal entry and were used like *Per* and *A*, though not exactly in the same way it was used in Paciolo’s book. The use of *from that* and *from this* determined either the debit side or the credit side of the entry. The “primary accounts” of the entry were also determined by *from that* rule, while *from this* determined the “auxiliary accounts” of the entry in the narrative section. On the amounts section of the entry, these words served as a built-in control mechanism. In that case, numbers were deducted from each other. In this system, duality existed in entry and in the books but not among the account [Littleton, 1956]. An overall view of the system showed a duality itself as indicated below (also see Figure II):

| | <u>Debit</u> | <u>Credit</u> |
|---|--------------|---------------|
| —The total of the Central Collection Book | 3,288,000 | |
| The total of the Regional Itemization Book | | 3,288,000 |
| —The total of the Rev. and Expenditures Book | 2,270,000 | |
| The total of the Transfers and Receivables | | 2,270,000 |

In addition to this duality, the journal entries in these books showed the double-entry system also, as can be seen in Exhibit I and II.

Classification

We did not discover the use of any classification in the contemporary sense, but classification was provided by the journals. The journals were maintained to keep account of state revenues and expenditures as major categories according to region. Entries were made by using the actual transactions as classification, such as “purchase of sheep” or “payment from Mint.” But these transactions were classified among themselves by using the *from that* and *from this* rule in the entry.

Monetary Unit

As mentioned earlier, the fiscal reform introduced a stable rate of coin, maintained in silver *dinar*, which was then established and required to be used as a recording unit. When other units like gold, grain, etc., were used for actual transactions,

their silver *dinar* equivalent was calculated for recording purposes. This rate was shown at the bottom of the entry. In some of the special journals, recording was kept in kind. However, those journals were for control purposes and were independent from major journals.

EXHIBIT II

Revenues and Expenditures Book

(*Risale-i Felekiyye*, Para. 69b)

| | <u>DEBIT</u> (Dinar) | <u>CREDIT</u> (Dinar) |
|---------------------------------------|-------------------------|--------------------------|
| Expenditure | 300,000 | |
| Armour wear | 100,00 | |
| Arrows & bows | 50,000 | |
| Swords & shields | 50,000 | |
| Camel and camel caretaker | 70,000 | |
| Wages | <u>30,000</u> | |
| Paid from | | |
| Siraz Region old and new rev. | | 100,000 |
| Tebriz Region new revenue | | 50,000 |
| Isfahan Region new revenue | | 50,000 |
| Bagdat Region old revenue | | 70,000 |
| Diyarbekir Region new revenue | | 30,000 |
| Transfers from other regions revenues | | |
| | | |

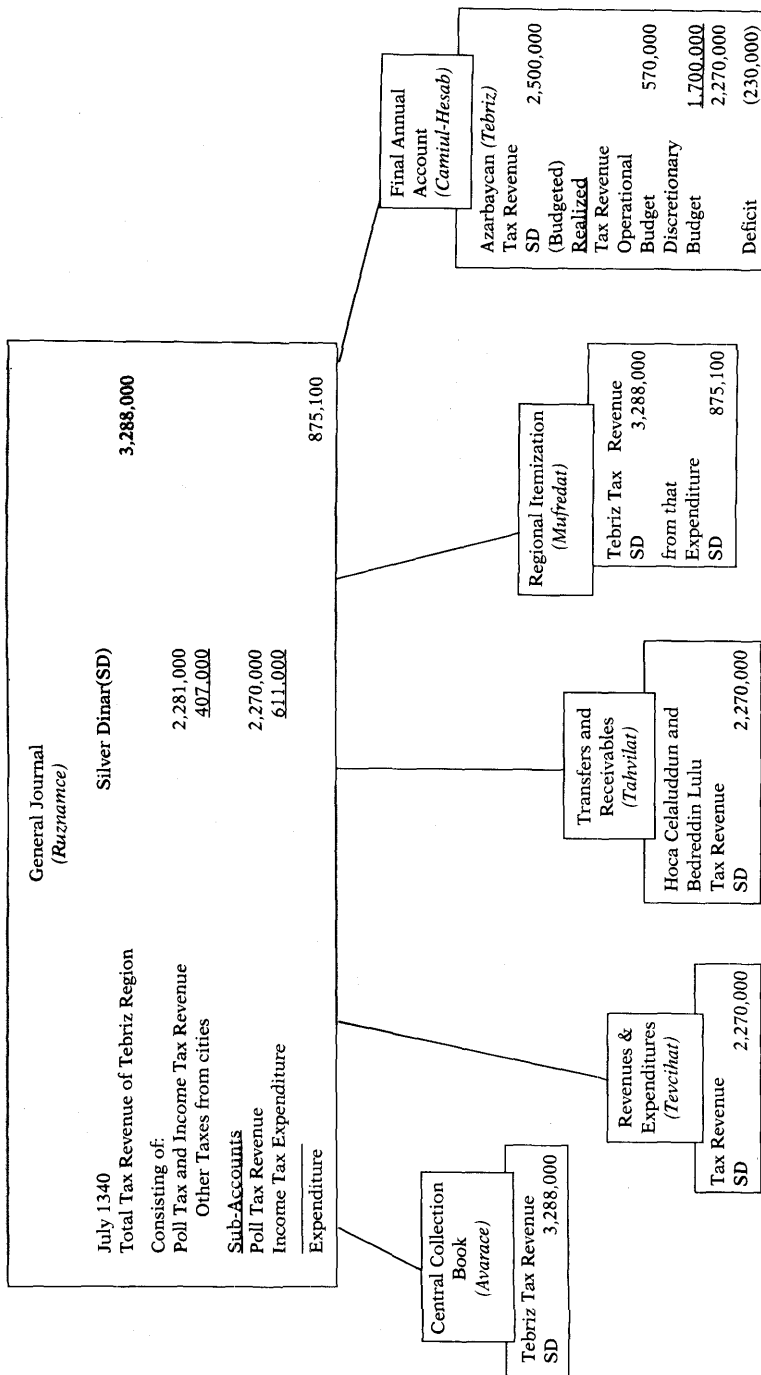
Transfers and Receivables Book

(*Risale-i Felekiyye*, para. 73a)

| | <u>DEBIT</u> (Sil. Dinar) | <u>CREDIT</u> (Sil. Dinar) |
|---------------------------------|------------------------------|-------------------------------|
| Emir Seyh Ali Account | 300,000 | |
| Armour wear | 100,000 | |
| Arrow & bows | 50,000 | |
| Sword & shields | 50,000 | |
| Camel and camel caretaker | 70,000 | |
| Wages | <u>30,000</u> | |
| Paid from | | |
| Siraz revenue | | 100,000 |
| Tebriz revenue | | 50,000 |
| Isfahan revenue | | 50,000 |
| Bagdat revenue | | 70,000 |
| Diyarbekir revenue | | 30,000 |
| Expenses incurred in the region | | |
| | | |

In para. 79b, Regional Itemization Book showed 300,000 Silver *Dinar* expense among other expenses.

FIGURE II



Periodicity

Fiscal reform introduced a strict fiscal period, starting on March 21. This implied that fiscal period had to be observed as an accounting period as well as stated at the beginning of the General Journal.

Year-end Closing

Books were closed at the end of the period. However, a year-end closing rule was not introduced as a general rule except for the Transfers and Receivables book. The credit balance shown in this book had to be paid to the central authority and debit balance either deferred to the following year or a budget transfer made to close the adverse balance.

Year-end Report

Regional revenues and expenditures were calculated indicating budget surplus or deficit and presented as a report to the Khan. As seen in Figure II, the year-end report was really a budget realization table. It showed budgeted revenue, realized revenues, incurred expenses and the budget deficit. the *Risale-i Felekiyye* provided a table showing these regionally as a whole. It could be considered a trial balance which included budgeted figures as well as realized figures, surpluses and deficits [Mazandarani, para. 96a, 96b, 97a, 97b].

Accrual

Cash basis was used for recording. All revenue collections were recorded as cash inflows and all expenditure remittances were recorded as cash outflows.

Procedural Rules

In addition to the above concepts, some very detailed procedural or bookkeeping rules (shown in Figure I) were introduced and practiced. One quite important procedural rule which regulated double-entry bookkeeping was a bilateral form of journalizing. According to this rule, the sheet had to be divided vertically into two columns. One side was used for narratives, the other side for amounts. However, it seems this rule was not followed strictly.

CONCLUSION

A rudimentary double-entry accounting was practiced in the Near East during the 1220-1350 period by the Il-Khan state, quite independently from the West. The version of double-entry bookkeeping used did not carry all the requirements of the double-entry system, lacking, for example, a cash account [Roover, 1956] as well as proper classification rules.

It is quite significant that accounting principles and rules were regulated during this period. Although the intention was to increase the state tax revenue and to control the state expenditures, the fiscal reform also led to the regulation of accounting practice.

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