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## BOOK REVIEWS

Norton M. Bedford, *A History of Accountancy at the University of Illinois at Urbana-Champaign* (Urbana: Center for International Education and Research in Accounting, 164 pp., price not available)

Dale L. Flesher, *Accountancy at Ole Miss: A Sesquicentennial Salute* (Oxford: University of Mississippi School of Accountancy, 1997, 92 pp., price not available)

William G. Shenkir and William R. Wilkerson, *The University of Virginia's McIntire School of Commerce, The First Seventy-Five Years 1921-1996* (Charlottesville, VA: McIntire School of Commerce Foundation, 1996, 170 pp., price not available)

Reviewed by  
Kevin F. Brown  
Drexel University

To an observer of the current, sophisticated state of the many programs for business education, these programs may appear to be inseparable components of their universities. Notable characteristics of such business programs include well-developed curricula, organized faculties, consistent student bodies, and strong ties to the communities which the programs serve. Given such characteristics, these business programs may seem timeless, without any beginning. However, these programs did not always exist, and the characteristics which they display today are the result of development over time. Histories of such programs communicate how these developments occurred. An understanding of the historical evolution of programs provides an important context for evaluating current developments and challenges. Unfortunately, the body of histories of business programs is not large. Past contributions to this literature include C. Aubrey Smith's *Fifty Years of Education for Business at the University of Texas* [1962] and Maurice Moonitz's *History of Accounting at Berkeley* [1986]. However, new contributions are being added to this literature and additional histories can be expected. The purpose of this essay is to provide a brief review of the content and style of three recent additions – *The University of Virginia's McIntire School of Commerce* [1996], *Accountancy at Ole Miss* [1997], and *A History of Accountancy at the University of Illinois at Urbana-Champaign* [1997].

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merce by William G. Shenkir and William R. Wilkerson, *Accountancy at Ole Miss: A Sesquicentennial Salute* by Dale L. Flesher, and *A History of Accountancy at the University of Illinois at Urbana-Champaign* by Norton M. Bedford.

### THE MCINTIRE SCHOOL OF COMMERCE

With 141 pages of text, Shenkir and Wilkerson's *The University of Virginia's McIntire School of Commerce* is the longest of the three histories. Part I covers the first 50 years of the McIntire School and takes up about one-third of the text. Part II, which represents the remainder of the text, spans the next 25 years of the School's history. Appendices list faculty members, trustees, student scholarships, and awards. While Part I follows a chronological ordering, the chapters of Part II are divided among several major themes, such as curriculum, faculty, students, and administration.

Shenkir and Wilkerson begin their history with a fascinating background of the founding of the McIntire School in 1921. While the study of economics dates to the early years of the University of Virginia, the effort to include business and commerce in the curriculum began in 1904 with the appointment of Edwin A. Alderman, the first president of the University of Virginia. Alderman, realizing the potential importance of business education in a modern economy, brought Thomas Walker Page to Virginia to establish the economics and commercial curriculum. The first step in this process was the founding of the Wilson School of Economics, made possible by a \$500,000 gift from Andrew Carnegie. As business practices continued to develop, spurred on by the economic demands of World War I, Alderman sought to provide more resources for education focusing on business administration and commerce. A gift of \$200,000 by Paul G. McIntire in 1920 resulted in a separate school for such instruction named in his honor [Wilkerson and Shenkir, 1996].

As a state institution, the University existed to provide Virginians with an education. However, the University also viewed itself as competing academically with the prestigious private institutions of the Ivy League. As a result, the University was forced to provide exceptionally high educational quality with comparatively meager resources. The authors provide an example of the concerns about quality in discussing the struggle to separate the administration of the McIntire School from the School of Economics in the late 1940s and early 1950s. While

the accounting faculty lobbied for separation from economics, the economics faculty argued that separation would lower standards. The resolution of this issue included the formal separation of the McIntire School, with its own dean, and the creation of the Darden Graduate School of Business Administration. Later, in 1971, the McIntire School established its MS in Accounting program, followed in 1989 by the creation of an MS in MIS.

Shenkir and Wilkerson effectively divide the recent history of the McIntire School into topic areas. This division allows the authors to present material in detail while maintaining a pleasant, readable style. For example, their discussion of the development of the current curriculum at the McIntire School illustrates how the curriculum has evolved in concert with changes in the business environment. This evolution is evidenced by the inclusion of concentrations in management information systems in 1974 and international business in 1994. Interestingly, Shenkir and Wilkerson also devote two sections of the text to the planning and funding of the School's infrastructure – "Physical Facilities and the Balfour Addition" and "Building an Information Technology Platform." The inclusion of this material further demonstrates the breadth of this text.

### ACCOUNTANCY AT OLE MISS

Flesher's *Accountancy at Ole Miss: A Sesquicentennial Salute* follows a roughly chronological ordering through its 90 pages of text. The text is divided into 18 topic areas, beginning with the heritage of the School of Accountancy and concluding with a perspective on the School's future with reference to its current mission and objectives.

The entrance of the accountancy program into the curriculum at Ole Miss in 1917 seems less harrowing than the introduction of business as a discipline at Virginia. However, Flesher captures the many challenges which the program has faced since its inception. One such challenge was the integration of Ole Miss resulting from the civil rights movement. The author reports that the uncertainty and violence of this process led to the loss of at least one faculty member to another university. Inclusion of this difficult period in Ole Miss history gives readers a deeper understanding of the institution.

One of the most interesting achievements is the formation of the School of Accountancy in 1979. While the introduction of a business curriculum may have been tranquil, the founding of

the School of Accountancy was a fierce political struggle. The idea was considered as early as 1949 by faculty member Joseph Cerny. However, the first real progress began in June 1974, when the accountancy faculty voted in support of the AICPA's policy on the establishment of separate schools of accountancy. Flesher vividly explains the five-year confrontations between the accountancy department and the dean of the School of Business Administration, including the dean's threats of employment rejection and tenure denial for proponents of the separate school. This reaction was not surprising given the loss of power facing the School of Business Administration if a separate school became a reality. The accountancy department responded by pressing the issue with the support of donors who served on the Professional Accountancy Advisory Council. The continuing struggle led to the resignation of the accountancy department chair, who expressed his dissatisfaction with the dean's opposition in the local press. The director for accreditation of the AACSB joined the fray, warning that the establishment of a separate school might endanger the accreditation of the School of Business Administration. Ultimately, the accountancy department mustered enough support from alumni and professional accounting firms to win the endorsement of the chancellor of Ole Miss. In response to the creation of the separate School of Accountancy with its own dean, the dean of the School of Business Administration resigned his position.

In his coverage of more contemporary material, Flesher continues to provide a unique perspective. Discussing the establishment of the National Tax History Research Center in 1988, the author notes an indebtedness to donors of materials. One substantial contribution came from an alumnus who salvaged a wealth of materials nearly discarded by a public accounting firm. The inclusion of a brief section on the 1992 reaccreditation review of the Ole Miss doctoral program further illustrates Flesher's insight. The author succinctly captures the accreditation process and relates how Ole Miss addressed the process. With characteristic wit, Flesher comments on the conclusions of the AACSB visitation team, noting, "Although the team concluded that the faculty was underpaid and overworked (which they already knew), the accreditation report was quite positive" [p. 52].

Throughout, Flesher conveys a sense of the humanity of the participants. He tells of the brief service of one faculty member, Robert Kane, who left Ole Miss in 1950 for a position with the AICPA in New York. Flesher notes, "Unfortunately, the move

north was deadly to Kane, as he died while shoveling snow" [p. 8].

### ACCOUNTANCY AT THE UNIVERSITY OF ILLINOIS

*A History of Accountancy at the University of Illinois at Urbana-Champaign* by Norton Bedford contains seven chapters totaling 102 pages of text. Each chapter covers a 15-year period, beginning with 1900 to 1915. The final chapter conveys a sense of transition from the past to the future in its coverage of the years 1990 to 2005. Bedford titles each chapter with a theme for the 15-year period discussed: "The Origin," "The Organization," "The Stabilization," "The Standardization," "The Expansion," "The Restructuring," "The Future." Four appendices include listings of faculty, doctoral students, numbers of accountancy graduates, and the countries represented by visiting scholars since 1974.

Of the three histories discussed here, the Illinois program may call forth the greatest amount of interest from the larger academic community due to the preeminent role which the University of Illinois plays in the accountancy discipline. Throughout the monograph, readers will find evidence of the efforts that helped build this reputation. For example, Bedford relates the importance of the early leadership of Hiram T. Scovill, an Illinois alumnus, who joined the faculty in 1913. Not only did Scovill build a high quality accountancy program at Illinois, he also took on a leadership role in the American Association of University Instructors in Accounting. This leadership tradition has led to the current implementation of Project Discovery, a response to the proposals of the Accounting Education Change Commission. Throughout the text, Bedford pays careful attention to the evolution of the curriculum in concert with corresponding changes in accountancy theory and practice.

While no history can be exhaustive, readers may wish Bedford had shared more of his personal insights. Referring to A. C. Littleton, Bedford writes:

Over the period 1939-1943, A. C. Littleton served as advisor for all twelve of the first Ph.D.s granted by the accounting division. He was highly regarded by the Ph.D. students for his theoretical concepts and analyses. His open faculty office carried the welcome 'Come In' to which one admiring student added 'and crawl out' [p. 22].

Unfortunately, Bedford withholds any explanation for Littleton's apparent ominous reputation. He does, however, provide readers with a sense of his relationship with Robert Mautz, his fellow "Gold Dust Twin." In recounting their numerous awards and achievements, the author conveys not a sense of competition, but a genuine desire to contribute to the success of the Illinois program. Further, the author relates how the controversial appointment of E. J. Demaris as department head in 1965 resulted in innovations for the program. However, Bedford notes, "The task of change was a thankless endeavor and in 1974, Professor Demaris resigned as Head of the Department" [p. 55]. The change started by Demaris, and continued under the direction of Bedford as department head, included a transition in accounting research to respond to the explosive change taking place within the discipline.

Bedford's history is encyclopedic. Each chapter begins with listings of faculty serving at the beginning and the close of the time period under discussion as well as numerous tabular presentations. While this presentation is somewhat less readable than the Virginia or Ole Miss histories, this approach is not without merit. Bedford's history will serve as a useful reference for particular facts about the Illinois program.

### COMPARING HISTORIES

One interesting contrast among these histories pertains to institutional relationships within the respective universities. Shenkir and Wilkerson convey a vivid sense of the early struggle for recognition for business education at the University of Virginia. Undoubtedly, scarcity of resources exacerbated this struggle. However, Shenkir and Wilkerson also demonstrate how benefactors can positively impact the development of an academic program. Such a struggle for legitimacy is not readily apparent at Ole Miss or Illinois. At Ole Miss, the University did not threaten the accountancy program. Rather, the School of Business Administration attempted to block the establishment of the School of Accountancy. Like Shenkir and Wilkerson, Flesher includes recognition of donors who support the Ole Miss program. In the case of Illinois, the author's emphasis differs from both McIntire and Ole Miss. Bedford conveys a sense of the tremendous efforts put forth by the faculty in forging and maintaining the discipline at Illinois. Also, the author portrays the Illinois faculty as providing leadership in national academic organizations. However, Bedford places less empha-

sis on the organizational dynamics which transpired between the accountancy area and the university administration at Illinois. Further, donor support appears to be an inevitable consequence of program excellence. This difference might lead to an interesting debate over the relationship between program excellence and financial support.

Another contrast can be found in the choice of material presented by the authors. The McIntire history is not as exhaustively detailed as Ole Miss and Illinois. This observation should not surprise readers. While both Flesher and Bedford focus solely on accountancy, Shenkir and Wilkerson have a broader scope of coverage. The other business disciplines included in the McIntire School require Shenkir and Wilkerson to adopt a more parsimonious approach. This parsimony is also illustrated when comparing the presentations of the development of curricula. In summary, while each history exhibits different presentation choices, those choices exhibit a sensitivity for the nature of each program.

There are also similarities among the three histories, including rich collections of photographs of buildings, students, and faculty. Such photographs allow the reader to associate a visual image with the individuals who played roles in these histories. Also, the works have broad appeal not only to the academic community but also to those interested in the educational needs of their community.

Perhaps the most important similarity to consider when comparing these histories is the role of the authors at these institutions. All of the authors have made important contributions to the success of these institutions and thus have participated in the histories which they have documented. This "participant as historian" model offers advantages and disadvantages. As eyewitnesses, the authors are able to report information unavailable to other historians, and their close relationships with other participants may result in greater candor. However, experiencing particular events as they take place may bias an author's characterization of those events.

Given the dearth of histories of business programs, these histories provide an important contribution to scholarship in this area. Moreover, as business and accountancy programs continue to mature, one should expect that more institutions will develop histories to provide constituencies with greater insights. As new histories are written, the pioneering efforts of Professors Bedford, Flesher, Shenkir, and Wilkerson will serve as a foundation upon which to continue to build this literature.



**Acknowledgments:** The author gratefully acknowledges the helpful comments of Gary Previts.

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Gary John Previts and Barbara Dubis Merino, *A History of Accountancy in the United States: The Cultural Significance of Accounting*, 2nd edition (Columbus, OH: Ohio State University Press, 1998, 577 pp., \$55.00)

Reviewed by  
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Reading this book is a thoroughly enjoyable experience. While the first edition [1979] was a fine effort, this second edition is a much more academically rich achievement. The second edition has an overriding theme of the importance of property rights and its corollary in accounting, the proprietary theory. Reflecting the authors' academic and professional growth, the second edition is critical but hopeful. Likewise, the second edition is much richer in its historical discussion, reflecting Previts' experience in team teaching the history of American industrial enterprise, his presidency of the Ohio Society of CPAs, and his leadership role in the American Institute of CPAs; and Merino's long involvement with the critical school of historical thought. The authors took a much broader view of the field in this edition. For instance, the topic "Cost and Managerial Accounting" had 14 pages noted in the index for the first edition, while "Cost Accounting" had 70 pages and "Management Accounting" had seven in the second edition. The authors are also to be commended for highlighting the importance of the political nature of accounting in the United States.

The deepening of this second edition is also reflected by the

following comparisons in Table 1.

**TABLE 1**  
**Comparison of Editions**

Chapters	Periods		Pages		# of Notes	
	Ed. 1	Ed. 2	Ed. 1	Ed. 2	Ed. 1	Ed. 2
Intro.			0	10		
1	1492-1775	1492-1775	15	21	6	4
2	1776-1826	1776-1826	23	31	7	7
3	1827-1865	1827-1965	28	40	5	9
4	1866-1896	1866-1896	55	72	15	15
5	1897-1918	1897-1918	65	60	46	114
6	1919-1936	1919-1945	48	63	34	157
7	1937-1966	1946-1972	53	51	13	97
8	1967-1978	1973-1995	30	78	13	23
Notes			18	52		
Bib.			33	80		
Index			10	19		
			378	577	139	426

Within the overriding theme of the importance of property rights, Previts and Merino developed major topics in their chapters. The reviewer noted nine of these topics. The "bottom line" is introduced early on and becomes the focal point for the concluding paragraph of the text. The second is the ambivalence of accountants in defining in a uniform manner a cash-like statistic of earnings within the traditional framework of accounting. The third is the Progressive movement in which accountants play important roles in increased efficiency in government and industry, in regulation of large businesses, and in income taxation.

The fourth is the topic of accounting for goodwill, springing from the watered stock arising from mergers and new issues of securities. The fifth is the "New Deal" and its actual effect on the development of financial reporting. The long-lasting, historical-cost allocation model is the sixth topic.

The seventh stresses the political, rather than the theoretical, basis for determining accounting principles. The second-class role of accounting for the not-for-profit sector, in relation to the private sector, is the eighth topic the reviewer noted. The ninth is the hopeful role accounting does and will play in both the national and the international arenas. The development of these nine topics within the overriding theme of property rights adds much continuity and readability to this book.

The excellence of this edition notwithstanding, the reviewer offers these points for consideration. The first edition, coming off the exciting U.S. bicentennial movement and somewhat less academic in nature, may have had some appeal to accounting practitioners. The second edition probably will have less appeal to them, except for those in leadership positions with professional bodies. Also, our students are generally considered to be less knowledgeable in U.S. history than 20 years ago. In the reviewer's opinion, this means that adopters of this edition as a text will have to devote some time to developing a proper knowledge base for the historical discussions. Perhaps adopters may consider either team teaching from the book with a history colleague or, at least, asking for help in developing a reading program for the course.

The second edition should be used as the basis for the capstone course in a 150-credit-hour program. Every Ph.D. student in accounting should read it, as well as every accounting professor. This reviewer looks forward to the continuous development of the third edition.

Robert B. Williams, *Accounting for Steam and Cotton: Two Eighteenth Century Case Studies* (New York: Garland Publishing, Inc., 1997, 282 pp., \$57)

Reviewed by  
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The title of this book is, unfortunately, terribly misleading. Although it is true that it touches on accounting for steam and cotton, it does so much more that steam engines and cotton cloth become mere footnotes to the main theme. This book is really about providing a historical and biographical perspective on the development of cost accounting techniques and their contributions toward advancing the British Industrial Revolution.

The book has three major sections. The first and second chapters are an intriguing synopsis of the economic history of manufacturing and the role accounting played in the evolution of business from selling to manufacturing. The first chapter carefully outlines the environment that encouraged the development of the factory system, the core of the Industrial Revolu-

tion. The second chapter, entitled "The People," considers the individuals who developed the principles of costing and cost accounting within that factory system. More than that, however, this chapter describes the cultural factors which motivated and molded these individuals. Many of those factors, such as the scientific tone of the Enlightenment and the role of dissenting religious views, become obvious once the author explains their somewhat obscure relationship to factory management and accounting.

The third and fourth chapters consider the specific contributions and embryonic development of cost accounting practices by Samuel Oldknow and James Watt jnr. It is from these chapters that the book gets its title. Samuel Oldknow embodied the character of the Enlightenment. He was a rationalist and a religious dissenter and as a result focused much of his energy on experimentation with industrial processes and products. According to Williams "Oldknow was involved with the cotton industry almost from the time it began its rush to prominence" [p. 77]. After a brief biographical sketch, this chapter examines in detail the types of records maintained over the course of Oldknow's career and highlights the evolution of those records. As a serendipitous side benefit, the reader gains considerable knowledge about the history of the manufacture of cotton cloth.

James Watt jnr is the topic of the fourth chapter. Again beginning with a biographical sketch, Williams contrasts and compares the preparation of Oldknow and Watt jnr for their respective positions. Whereas Oldknow was a dreamer whose inspiration far outstripped his ability to support his dreams, Watt jnr had been raised specifically to manage his father's businesses in a systematic and rational way. The chapter then turns to the organization of the Soho Foundry and the development of the detailed cost records used by James Watt jnr in setting the prices for his steam engines.

I found this book exciting and engaging. It is easy to read and certainly fulfills its intention of describing the foundations of cost accounting in the early Industrial Revolution. Its primary benefit, however, is the elegant way the author draws the reader into the story as a participant in the activities described.

Xie Shaomin, *Accounting Evolution in China, 1949 to 1994* (*Chugoku no kigyokaikeiseido*) (Tokyo: Soseisha, 1997, 461 pp. (published in Japanese), \$43)

Reviewed by

Yang Yuqi, Nihon University

Hiroshi Kawakita, Toa University

Yoshiro Kimizuka, Denkitsushin University, Emeritus

This book works to clarify the history, the status quo, and the unique characteristics of the Chinese Business Accounting System (CBAS) since 1949, when the People's Republic of China (PRC) was born. To the best of our knowledge, it is the only systematic book on the modern accounting history of the PRC. The author, Xie Shaomin, was born in the PRC and is now an associate professor at Shizuoka Seika College in Japan. From 1986 to 1989, prior to earning her doctorate in 1995 in Japan, she was an assistant professor of finance and economics at Shanghai University. We cannot but admire her efforts as well as her talents that enabled her to master the intricacies of the Japanese language and complete this wonderful work in such a short period of time.

Dr. Xie Shaomin outlines her objectives in the preface: (1) to introduce the CBAS objectively and in its economic and social contexts; (2) to grasp the character of the CBAS as it reflects accounting methods for state enterprises; (3) to understand trends through comparison and analysis of financial statements; (4) to hypothesize that the CBAS is a subsystem of public finance; that is, that that system evolved in response to changes in the distribution of economic profits; and (5) to explain how the new accounting system reflects a change in accountability from the government to the business entity itself.

This ambitious work is divided into two parts – the development of the Chinese accounting system and the internationalization of that system. The three chapters in Part I describe the development of the planned economy following the revolution in 1949, the socialist market economy since 1979, and the socialist market economy since 1993 when CBAS, CPA Law, and Company Law were published.

Some of the interesting facts from Part I include the problems caused by the Great Cultural Revolution (circa 1966 to 1977), creating disorder similar to the disregard for accounting practice following the 1917 revolution in Russia [Chapter 1].

Later, when the PRC reopened diplomatic relations with the

U.S. in 1979, economic innovation and the open-door policy resulted in numerous changes in accounting regulations. The ensuing trend towards separation of management from ownership introduced new forms of business as part or all of state enterprises were put out to contract, leased or sold to employee groups [Chapter 2]. As a result, the weight of state enterprises in the gross products decreased from 78.5% in 1979 to 48.1% in 1991, while that of group-owned enterprises increased from 21.5% and 38.0% respectively [p. 148].

Unfortunately, this reorganization of state enterprises was accompanied by the disappearance of enormous amounts of state assets as the hasty privatization bred private profiteering and hopeless disorder (similar to what has occurred more recently in Russia). It was estimated that between 1982 and 1992, 100 million yuan evaporated every day. Eventually, systematic accounting regulations, including standards of business accounting and finance, were introduced, including the modern concepts of GAAP, double-entry bookkeeping (assets = liabilities + capital), accounting for bad debts, and LIFO inventory cost flow. Accounting thus played an important role in the rationalization and modernization of the Chinese economy, resulting in renovations in numerous social and cultural institutions [Chapter 3].

Part II discusses the internationalization of CBAS and includes chapters on accounting for joint ventures, foreign investments, and equity-based enterprises. Though familiar in the West, these concepts were novel for accountants in the PRC. The efforts to establish Business Accounting Standards (BAS) began in 1988 at the Finance Ministry, though the Chinese Accounting Association had formed a research group the preceding year. A specialist on International Accounting Standards from the World Bank also participated in the standard-setting efforts. BAS became law on July 1, 1993. In Part II, Dr. Xie Shaomin also makes numerous comparisons between the Chinese accounting system and those of Japan, the U.S., and the IASC.

In our opinion, this extraordinary effort is a nonperishable fruit. Certainly, Dr. Xie Shaomin has made a notable and lasting contribution to the study of Chinese accounting history. The abundant information and the many tables and figures help make intricate relations and unique terms understandable. Her earnest, wholehearted devotion to inquiry realized an abundant harvest, one that is professional, coherent, and readable.

"...but you gods will give us/Some faults to make us men..." (*Antony and Cleopatra* 5:1, pp. 32-33). There may be no perfect writings without any demerits, and we find a few questions to be unresolved even in this work. First is the insufficient narration on the groundwork of socialism. As far as we know, socialist modes of production are built on the planned economy and state ownership of the means of production. A mere contrast of balance sheet items does not justify one of the author's vital conclusions, that the nature of "traditional" Chinese accounting is a combination of public accounting and individual business accounting. We think the composition of the balance sheet is reasonable regardless of historic stage, such as feudalism or socialism, but the contents differ remarkably according to ownership.

Our next question derives from the first. Dr. Xie Shaomin regards the accounting system under the planned economy as "traditional," but, as we read her description of the accounting books published in the PRC, the Soviet model appears to be the prototype of the Chinese "traditional" system. Evidence of this perception is the absence of any model to be applied to the socialist economy just after the revolution. Readers will not easily understand the meaning of "traditional" in this respect.

The second question leads us to the last. What is the difference between the early CBAS and the Soviet accounting system? We wish to know the differences, if any.

Despite the above comments, Professor Xie has bequeathed a monumental treasure to research in accounting history. The historians will say to her, "xie xie" (pronounced "shie shie," meaning thank you in Chinese).