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The First Japanese Textbook of Accounting History: A Review

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The creation of an attractive textbook of accounting history in Japan yields a rich harvest of information in one package. The book, Kindai Kaikei-seiritsu-shi (“Accounting History - the formation of modern accounting,” 257 pp., Dobunkan Publishing Corp., Tokyo, 2005) is edited by Yoshihiro Hirabayashi the former president of the Accounting History Association (AHA) in Japan whose 240 members comprise roughly 15% of the Japanese Accounting Association. Hirabayashi composed both the “Prologue – The significance of accounting history” and the “Epilogue - How to study accounting history.” It is hoped that readers will find their interest in accounting history stimulated by the former, while the latter will prove useful for both advanced researchers as well as students.

The book consists of three parts: Part I, “Birth of double entry bookkeeping and its gradual spread (13th through 19th centuries)” considers the development of accounting in Europe, USA and Japan. Part II, “Diffusion of corporate organization and business accounting (end of 19th Century through the first half of the 20th century),” considers the myriad problems of integrated financial statements, such as intangible assets, management accounting and corporate auditing. “Establishment of modern accounting,” the theme of Part III, analyzes the development of accounting theory in Germany (Schmalenbach) and USA (Littleton).

Chapter 1 of Part I entitled “The birth of double entry bookkeeping and Pacioli’s bookkeeping theory – a history of Italian bookkeeping” was prepared by Yasuhiko Kataoka, the president of AHA. He emphasizes the merits of Cotrugli whose “Libro dell’ arte dimercatula (Book of Commercial Technique)” was completed on August 25, 1458. This is the first book of “dupple partite (double entry bookkeeping)” but, unfortunately, was not published until 1575, after Pacioli’s book was printed.

“Accounting in the Fugger Family and the diffusion of double entry bookkeeping – a German history of accounting” (Chapter 2 written by Hisao Hijikata) concentrates on the study of Gottlieb’s 1531 and 1546 books. According to Takehisa Hashimoto, the author of Chapter 3 “The emergence of the merchant’s state and Stevin - Dutch accounting history,” the center of world trade in the 16th and 17th centuries was the Netherlands and accordingly, of bookkeeping after Pacioli.

Etsuzo Kishi developed French accounting history in Chapter 4 through an analysis of “Ordonnance du Commerce de Louis X IV” and Savary, and Chapter 5 (“Development of profit and loss statements during the period of the Industrial Revolution written by Izumi Watanabe) is a short bookkeeping history of the United Kingdom. Watanabe particularly considers changes in the standards of asset valuation, the appearance of comparative balance sheets, depreciation and the demand

for disclosure.

Chapter 6 examines the history of accounting in USA, finding a clue to the transition of business forms. "Partnership bookkeeping and accounting in giant corporations" was the work of Tsuneo Nakano who compared the balance sheet (Aug. 31, 1733) of William Prentice & Co. in colonial America with that of US Steel (Dec. 31, 1902). In the last chapter, "Japanese traditional book keeping and introduction of the Western method," Koji Tanaka summarizes the points of Japanese traditional single and double entry bookkeeping methods and the process of introduction of Western methods after 1873.

Part II Chapter 8, "Formation of business groups and integrated financial statements by Norio Takasu" describes the early stages of integration found among American railway corporations and discussed how integrated statements came into wider use among other types of industrial enterprises. Yasuhiro Shimizu in Chapter 9 looks at "Recognition of intangible assets and capital accounting." He notes that these two questions were raised as the growth of corporations in the USA occurred from the end of the 19th century to the beginning of the 20th century. Nonetheless, he concludes that it was the existence of trusts which shaped the development

The gist of Chapter 10 (by Michiyasu Nakajima), "Industrialized society and management accounting," is how, first, mechanized mass production in USA produced a new method of operation called the scientific management which developed into standard cost accounting, and, second, how these techniques spread to the rest of the world, primarily in Germany. "The

corporation system and audit" form Ikuo Hara's Chapter 11. Hara discussed the how the history of the audit in the United Kingdom, Germany, USA and Japan accompanied the growth of big business in those locales.

Part III, Chapter 12 "Schmalenbach and the development of the dynamic theory of the balance sheet" by Hiroyasu Okitsu is a study of the German theory and Schmalenbach's doctrine. "Littleton and the descent of acquisition cost basis accounting" by Hideki Fujii (Chapter 13) traces the influence of Littleton's works on American accounting philosophy.

Each chapter contains both an abstract and a list of references which will undoubtedly prove to be valuable resources. The authors within this text grasp the essence of their subjects and their work reflects their abilities and long years of effort. Many of them are pillars in their fields and actively engaged in international scholarship. If it were issued in English, this volume would undoubtedly become a staple in the library of the world's academics. The only possible suggestion would be to omit Part III as it stands and replace it with the histories of accounting development in other non-English speaking countries such as China or Russia.

Although there are similar historical books available, including ones describing Japanese accounting, such as "Accounting History from the Renaissance to the present" (ed. by Lee, Bishop and Parker) 1996, and Sokolov's laborious work on Russia, "Accounting from the origin to this day," also 1996, the evolution of bookkeeping in Japan is minimal, primarily because of the lack of English lan-

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Accounting History in Today's Business Schools

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ABSTRACT

Slocum and Sriram's [2001] study of teaching accounting history found a decline from 1985-1997 in the number of courses with historical content at the doctoral and undergraduate level. Is this development a singular event for accounting or an example of what is happening in other business disciplines? Our study presents the results of a longitudinal and cross-disciplinary survey of members of AACSB International to determine the current state of the teaching of history in business schools. We find a similar decline in other business disciplines and offer suggestions about the relevance of history and steps that might be taken to encourage its study.

"Whatever has a present has a past" [Van Fleet & Wren, 1982b], so began our report on the teaching of history in business schools over twenty years ago

and is repeated in our most recent update [Van Fleet & Wren, 2005]. Since the founding of the first business school in 1881, the Wharton School of Finance and Economy at the University of Pennsylvania, there has been an interest in teaching history in business disciplines. The first offerings were in economic history, followed chronologically by the history of economic thought, business history, and entrepreneurial history. In their report, Gordon and Howell [1959] made numerous recommendations for business education, among them was a study of "the legal, political, and social framework of business, with considerable emphasis on historical developments" [1959:131]. Five years later, however, Steigerwalt [1964] concluded that the course offerings to meet this recommendation were long on current events and short on historical developments.

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guage sources. Although comparatively many Japanese are members of the Academy of Accounting Historians, it is a matter of great regret that they rarely entertain readers with articles in the Accounting Historians Journal or the Accounting Historians Notebook. It is hoped that publication and review of this work will trigger the

publication of similar textbooks which will contribute to the progress of research in accounting history and accounting in general.

Note: This review was adapted by the editor to accommodate the style of the publication. Any errors, therefore, are solely the editor's responsibility not that of the author of the review.