

12-1955

## In the Beginning

James W. Jones

Follow this and additional works at: <https://egrove.olemiss.edu/wcpa>



Part of the [Accounting Commons](#), and the [Women's Studies Commons](#)

---

### Recommended Citation

Jones, James W. (1955) "In the Beginning," *Woman C.P.A.*: Vol. 18 : Iss. 1 , Article 2.

Available at: <https://egrove.olemiss.edu/wcpa/vol18/iss1/2>

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in *Woman C.P.A.* by an authorized editor of eGrove. For more information, please contact [egrove@olemiss.edu](mailto:egrove@olemiss.edu).

# IN THE BEGINNING

---

By JAMES W. JONES, C.P.A.

*The following article is a condensed version of Mr. Jones' able presentation of the subject matter before a dinner meeting of Baltimore Chapter of ASWA.*

I cannot recall what really stirred my interest in the history of accounting but I have accumulated books on the subject, made notes, and stored mentally various items of information. In many writings, a distinction is made between the use of the words "accounting" and "accountancy." It is not the purpose of this paper to present definitions or to argue whether accounting or accountancy is an art, science, or a profession. We are simply going to consider the history of accounting for property whether expressed in terms of units or monetary equivalents.

There is a general tendency to regard accountancy as a modern or new profession. However, the practice of accountancy has been active for centuries. As early as the seventeenth century it had attained such prominence that the famous Dutch artist Rembrandt made the accountant a subject for one of his paintings.

I say that ours is an ancient profession because it has been established that accounting or bookkeeping records are some four thousand years old. In the library of Congress we find an exhibit of Sumerian administrative documents dating from 3945 B.C. and an exhibit of Babylonian cuneiform tablets dating from 2474 B.C. We must bear in mind that the present methods of using punched cards and electronic machines were preceded by the use of pen and ink records on paper. Prior to that time, records were made on papyrus and clay tablets. To me, these clay tablets with their cuneiform characters were the forerunners of punched cards. You have undoubtedly seen the advertised slogan—"you cannot erase a hole." Alteration of a hard baked clay tablet impression was just as foolish an undertaking.

The history of bookkeeping has been rightly called the history of civilization. It is hardly necessary to emphasize that the need for records arose out of the accumulation of property and the expansion of trade. Trading has been carried on for centuries and there are many allusions in the Bible to the transfer of property by the payment of money. As early as Abraham, who lived about 1996 to 1822 B.C., we find references

to payments in silver. In the twentieth chapter of Genesis, we find that Abimelech paid to Abraham a thousand pieces of silver for what we today might call heart balm. Also, when Abraham received of God instructions concerning the rite of circumcision, he was told to include those males of the household who were "bought with money of the stranger." The exchange of chattels for money, then, was carried on much as it is today.

One of these slaves, Joseph, who was sold into Egypt, is set down in history as the great ruler of Egypt, next to Pharaoh. The civilization of Egypt, as depicted in the carvings of the temples and pyramids, shows that record keeping was prominent. The sculpturings which relate to the life of the country depict in the foreground the seated figure of a scribe with quill in hand. The scribe was the forerunner of the bookkeeper and the accountant. Writers of Egyptian history indicate that the Egyptians practiced the principle of dual cognizance of all transactions. For example, during the filling of the granaries, the vessels were counted when they were filled and when they were emptied into the storehouse.

Another reference in the Bible establishes the use of money for the payment of taxes, particularly those assessed by the government for the use of the church. During the reign of Jehoash from 878 to 838 B.C., priests were supposed to collect the taxes from their acquaintances but no money was ever expended on repairing the walls of the house of the Lord. As a counter measure, a hole was bored in the top of a box and the congregation placed the money therein. It is then recorded that when they saw there was much money in the chest, that the king's scribe and the high priest came up, and they put up in bags and told the money that was found in the house of the Lord." Note also this, "moreover, they reckoned not with the men into whose hand they delivered the money to be bestowed on workmen; for they dealt faithfully."

One author states that coins were introduced about 700 B.C. and paper money was in use in Persia about 1293 A.D. A chrono-

logical table in an encyclopedia shows that gold and silver were coined by Phidon, ruler of Argos, 869 B.C. Still another source states that coins were in use by the Lydians in 900 B.C.

About three hundred years before the great Sennacherib who ruled in Assyria from 702 B.C., the Sons of Egibi conducted banking operations on a large scale and left records of some of their transactions.

Other records of commercial transactions have been unearthed in Assyria, Pompeii and Babylon. These are the written proofs of accounting, some of which date back to 2300 B.C. Many of the laws in the Code passed by Hammurabi, who reigned in Babylon from 2285 to 2242 B.C., related to commercial transactions. It is well known that law follows custom established by usage. There is no doubt that trade was a most important part of the economy of the older civilizations.

There are numerous other references in the Bible alone which testify to the existence of trade, money, and records. The preceding have been used to focus your attention on the fact that much took place in the field of record keeping before the fifteenth century after Christ, despite the fact that many persons look upon the fifteenth century as the beginning of accountancy. It is my feeling that they get this erroneous impression because it was in 1494 that Luca Pacioli published his famous book "All of Arithmetic, Geometry, and Proportion." It must be emphasized that this book was not the beginning of accounting or bookkeeping as a science; it was or is the first known book to be published. It is evident from Pacioli's statements that bookkeeping was practiced for some time prior to his efforts to explain the system in writing. When one considers the methods of education employed in those days, it is probable that he spent many years in the study of the Venetian method which he expounded in his book.

There is ample evidence that bookkeeping was practiced for many decades before 1494. A book written by Benedetto Cotrugli is said to have existed in manuscript form as early as 1463 (1458), although it was not actually printed until 1573. Books of the firm of merchants, Donado Soranzo and Bros., which cover a period from 1406 to 1434, have been found in Venice. These books have profit and loss and capital accounts. A charge and discharge statement appears in the accounts of the Bishop of Glasgow, 1473. Debit and credit entries are used in books recording the operations of a Florentine banking house as early as

1211. Early entries were in narrative form and debit and credit were not always separated. In the books of Rinerio and Baldo Fini about 1297, we find accounts for things as well as persons. A double entry set of books of some public officials appeared in the city of Genoa in 1340; a bank in 1408. Books of Genoa prior to 1340 were destroyed by fire, making it difficult to establish the exact date when double entry first came into use.

In England, there was in use about the 13th century, the Extenta, a survey of the Manor, which served the purpose of the present day Balance Sheet. The famed Domesday Book, a listing in 1086 of all the Crown lands and tributes due the Crown, is essentially a Balance Sheet. Whether you agree with this conclusion or not, it is obvious that formal financial records of property were in existence as early as the 11th century.

After Pacioli's work there are several other books on the art of bookkeeping. In Italy, Tagliente used pro forma entries as a means of expounding in 1526 the principles laid down by Pacioli. This practice is still used today. A Dutch work by Jan Ympyn Christoffels appeared in 1543 and is the first to use the trial balance as such. In 1586, a book published by Don Angelo Pietra, monk of Genoa, gives elaborate instructions for stock taking (inventories). He adapted commercial bookkeeping to institutions such as monasteries, and also discussed agricultural accounting. The first German work by Heinrich Schreiber appeared at Erfurt in 1523 and dealt with single entry "bookkeeping adapted scientifically and for speed and certainty to the requirements of merchants."

The first use of the Arabic numerals is credited to the second German text on bookkeeping, written by Johann Gottlieb. Originally, all bookkeeping was done in Roman numerals. Roman gave way to Arabic in England toward the latter part of the 17th century.

Green states that the first use of the compound journal entry is explained in a work by Nicolaus Petrie published in Amsterdam in 1588. A periodical trial balance is insisted on. He introduces an expenses book bearing the interesting title of "oncost-boec" which to me is an early indication of cost accounting.

Recognition as the father of subsidiary ledgers is given to Simon Stevin of Holland who published a book entitled "Mathematical Traditions" in 1605.

It was in 1789 that Benjamin Booth made

(Continued on page 15)

(Continued from page 5)

a real contribution to the science of book-keeping. Booth went into a detailed, and somewhat tedious, explanation of the use of the Cash Book, Journal, Bill Book, Invoice Book, Day Book, and Sales Book. Booth's rule for debit and credit was:

In brief

The Owner of the Owing thing

Or whatsoever come to thee;

Upon the Left hand see thou bring,

For there the same must placed be.

But

They unto whom thou doest owe,

Upon the Right let them be set;

Or whatsoever doth from thee go,

To place them there do not forget.

In 1777, Hamilton published a book outlining systems for shopkeepers, tradesmen, land stewards, and farmers, wherein he classified accounts as personal, real, fictitious. He made use of the Waste Book, Journal and Ledger. He also recommended supplemental journals and subsidiary ledgers, although not by these terms.

A Frenchman is reported to have suggested about 1790 the use of two columns for debit and credit in the day book—called Journal.

In 1796, Edward Thomas Jones of Bristol published a treatise attacking the double entry method. He proposed the "English System," or single entry, to replace the system which in his opinion was "capable of being converted into a cloak for the vilest statements that designing ingenuity can fabricate." After a century and a half, it is apparent that his prophecy concerning fabricated statements is amply borne out by the many cases of embezzlement which continue to appear. It is questionable whether these cases are due to the weakness of double entry bookkeeping or to the weakness of humanity.

We have seen how trade or commerce created the need for record keeping, that this need was met by the development of single and double entry bookkeeping, and that this in turn resulted in books on how to keep the records.

## CHAPTER PRESIDENTS YEAR 1955-1956

Atlanta—**MRS. GRACE W. HUGHEY**

F. W. Dodge Corporation, 1204 Mortgage-Guarantee Building, Atlanta, Georgia

Baltimore—**FRANCES W. STURGEON, C.P.A.**

1403 Glendale Avenue, Baltimore 12, Maryland

Buffalo—**THERESA R. ODDO**

341 Hudson Street, Buffalo 1, New York

Chicago—**MARY F. HUNTER, C.P.A.**

5528 N. Kenmore Avenue, Chicago 40, Illinois

Cincinnati—**MRS. LETA G. STEELE**

6434 Monalisa Court, Cincinnati 31, Ohio

Cleveland—**KATHERINE E. PFEIFER, C.P.A.**

Fern Hall, 3250 Euclid Avenue, Cleveland 15, Ohio

Columbus—**HAZEL PROFFIT**

2536 Adams Avenue, Columbus, Ohio

Connecticut—**RUTH KRAVITZ, C.P.A.**

37 Elmwood Avenue, Waterbury, Connecticut

Dayton—**JACQUELINE E. LANGE**

Room 218, 131 N. Ludlow Street, Dayton, Ohio

Denver—**MRS. CLEO E. BURGESS**

1270 Glencoe, Denver 7, Colorado

Des Moines—**MRS. ETHEL STEWART**

3742 Bowdoin Street, Des Moines, Iowa

Detroit—**MRS. MARIAM LEBET**

23200 Wilson Avenue, Dearborn, Michigan

District of Columbia—**MARION E. DAVIS**

1610 Kenwood Avenue, Alexandria, Virginia

Evansville—**MARIETTA OVERBECK, C.P.A.**

1809 E. Chandler Avenue, Evansville, Indiana

Grand Rapids—**HENRIETTA O'NEIL**

501 Crawford Street, S. E., Grand Rapids 7, Michigan

Holland—**MINNIE HAAAN**

150 W. 18th Street, Holland, Michigan

Houston—**MRS. DORA BAILEY ELLZEY, C.P.A.**

1832 Portsmouth Street, Houston 6, Texas

Indianapolis—**MRS. EVANGELINE S. BOOKER**

4901 Norwaldo Avenue, Indianapolis, Indiana

Kalamazoo—**MRS. RUTH HIGGS**

219 Gilkey Street, Plainwell, Michigan

Kansas City—**HELEN SEEMAN**

2522 N. 20th, Kansas City, Kansas

Lansing—**MRS. MERLE WHITE**

325 N. Waverly Road, Lansing, Michigan

Long Beach—**ANCELINE M. ELMORE**

4014 Colorado Street, Long Beach 14, California

Los Angeles—**MRS. LORRAINE T. EALAND, C.P.A.**

2031 North Lincoln Street, Burbank, California

Louisville—**MARY LOUISE FOUST, C.P.A.**

Shelbyville, Kentucky

Oklahoma City—**DOROTHEA WATSON**

3005 N.W. 12, Oklahoma City, Oklahoma

Milwaukee—**MARILYN E. MUELLER**

2111 North 21st Street, Milwaukee, Wisconsin

Muskegon—**WINIFRED FREDRICKSON**

2070 Blodgett, Muskegon, Michigan

New York—**MRS. FLORA A. CONNORS**

70-51 Olcott Street, Forest Hills 75, N. Y.

Oakland—**KATHERINE MCLEOD**

4501 Tulip Avenue, Oakland 19, California

Philadelphia—**FRANCES E. TINSLEY, C.P.A.**

4944 Walnut Street, Philadelphia 39, Pa.

Phoenix—**MRS. BILLIE C. RUFNER**

1350 E. Osborn Road, Phoenix, Arizona

Pittsburgh—**KATHRYN POLANSKY**

922 S. Braddock Avenue, Pittsburgh 21, Pa.

Portland—**MERLE M. HUNTER**

1000 S. W. Vista Avenue, Portland, Oregon

Richmond—**MRS. LUCILLE F. TAYLOR, C.P.A.**

3606 Decatur Street, Richmond, Virginia

Sacramento—**MRS. MARGARET G. HOLMAN**

5301 Callister Avenue, Sacramento 19, California

Saginaw—**MARGIE R. PERRY**

1413 Alger Street, Saginaw, Michigan

San Diego—**MRS. MARGARET N. HENRICHSEN**

4680 Oregon Street, San Diego 16, California

San Francisco—**NANCY M. BUTLER**

65 Mars Street, San Francisco 14, California

Savannah—**MRS. JEANETTE CUBINE**

2102 East 41st Street, Savannah, Georgia

Seattle—**DORIS PARKS, C.P.A.**

204 Raitt Hall, University of Washington, Seattle 5, Washington

Spokane—**MRS. EILEEN A. DOYLE, L.P.A.**

507 Realty Building, Spokane Washington

Syracuse—**GLADYS F. PARKERTON**

800 Maryland Avenue, Syracuse 10, N. Y.

Terre Haute—**M. KATHERINE BLINE**

1670 North Seventh, Terre Haute, Indiana

Toledo—**VIRGINIA THRUSH**

1067 Atlantic Avenue, Toledo 9, Ohio

Tulsa—**LOLA C. BELL, C.P.A.**

1010 First National Building, Tulsa, Oklahoma