OPPORTUNITY COSTS IN THE ACCOUNTS

by

Michael D. Akers
University of Mississippi

Opportunity costs are addressed in considerable detail in accounting and economic literature and are commonly defined as the rate of return or potential benefits that could be realized from the best forgone alternative investments. Accountants recognize the existence of opportunity costs but do not record such costs in the accounting records because an outlay cost has not been incurred. Outlay costs are defined as past, present or future cash outflows. Economists, however, do not differentiate between opportunity costs and outlay costs. The difference in treatment of opportunity costs and the importance of such costs is evidenced by the following comments in the literature.

The decision impact of opportunity costs is of interest to accountants, economists and behavioral scientists. From an economic point of view these costs are generally considered relevant and explicitly reporting them for decision making could improve the quality of future decisions.

Incremental cost and opportunity cost are particularly important concepts, since they provide the foundations for the accountant's contribution to decision-making.

Accounting literature has stated that "An important question for accountants is whether information about opportunity costs should be provided by the accounting process." This question was answered affirmatively in the late 1890's when a dry goods and groceries store (hereafter referred to as the Store) located in Water Valley, Mississippi considered the recording of opportunity costs in rental property accounts to be important. The purpose of this paper is to examine the recognition and recording of such opportunity costs in the rental property accounts of the Store.

Historical Background

The following comment taken from the back of one of the Store's ledgers (hereafter referred to as the ledger) indicates that the construction of houses to be rented to the negroes was completed in the latter part of 1897:

This Jan 1 1898
Cost of building new houses on Lots 1 & 2 Block J for negrow renters and finished in the latter part of 1897 is $550.32

Respectfully
R. M. Embry

An examination of the ledger indicates that rental activities with the negroes began in 1898.

Continued on page 34
MESSAGE FROM THE PRESIDENT

The Academy's 1986 annual trustees' and business meetings were held on August 20 and 21 in New York City. Among the items of business were:

1. Approval by the Trustees of the election of a Chairman of the Board of Trustees for a three-year period beginning January 1, 1987; this arrangement will be reviewed at the end of three years to determine if it will be continued. Ed Coffman was unanimously elected to this position. Creation of this office is to involve the Trustees more actively in long-term and strategic planning and to provide continuity, allowing the President to concentrate more effort toward a specific agenda or program during the one-year term of office.

2. Approval of the Treasurer's report on the 1987 budget and the financial statements for 1985 and the first six months of 1986. The financial statements for the past several years indicate that dues revenues do not cover the expenditures for publications and services to members. For this reason, starting with the 1987 membership, individual dues will be increased to $25.00, and institutional dues will be increased to $35.00; dues for doctoral students remain unchanged at $7.50. The dues still appear quite reasonable, considering the much higher dues charged by other professional and academic accounting organizations.

3. Election of officers and trustees.

4. Presentation of the 1986 Hourglass Award. The Award went to Leonard Spacek (former chief executive and chairman of the partnership of Arthur Andersen & Co.) for his book *The Growth of Arthur Andersen & Co. 1928-1973: An Oral History*. Mr. Spacek, a long-time member of The Academy, accepted the award in person, stating that the book had been a labor of love. The Academy was pleased and honored to have Mr. Spacek and several partners of Arthur Andersen & Co. in attendance.

Work of the Accounting History Education Committee, under Horace Givens' chairmanship, has resulted in a booklet, to be published by Random House, containing profiles of selected individuals who have made significant contributions to the accounting profession. This booklet is to be distributed to Academy members later this year.

Lee Parker, Chairman of the Accounting History Research Methodology Committee reported significant progress on the development of a comprehensive bibliography of historical research methodology. The Academy is most grateful for the $3,000 research grant from the Griffith University School of Administration. The grant was made to facilitate computer data entry for the project.

Under the editorship of Jim Gaertner, Monograph Five was issued with the financial support of Arthur Andersen & Co. This excellent monograph, *The Development of the Accountancy Profession in Britain to the Early Twentieth Century* was authored by R. H. Parker of the University of Exeter.

The Academy's other outstanding publications—*The Accounting Historians Journal*, *The Accounting Historians Notebook*, and the *Working Papers Series*—
Mervyn W. Wingfield continue to improve in quality and to enhance the Academy’s prestige internationally as well as in the United States.

Under a recently signed agreement, the Accounting History Research Center will continue to be cosponsored by Georgia State University and The Academy. Thus, our excellent working relationship with the Center is assured for the foreseeable future.

An Accounting History Manuscript Award is to be sponsored by The Academy. The annual award, which is to carry a $500 stipend, is to encourage accounting faculty with recently earned doctorates to conduct research in accounting history. Award winning manuscripts will be published in The Accounting Historians Journal. Barbara Merino will administer the manuscript award program.

President-Elect Dick Vangermeersch presented a statement of his hopes for 1987. His agenda for next year is an exciting one, and I extend my best wishes to Dick as he assumes the Presidency in January.

Mervyn W. Wingfield

CALL FOR PAPERS— ANNUAL MEETING— CINCINNATI, OHIO

Academy members, who wish to submit papers for the history sessions scheduled for the Annual Meeting of the AAA, should submit them to John L. Kramer, Fisher School of Accounting, University of Florida, 2167 BUS, Gainesville, FL 32611 before February 1, 1987. Three copies of completed manuscripts that follow the format of the Accounting Review and a Manuscript Submission Form should be sent to Professor Kramer. Copies of the Manuscript Submission Form are available in the October 1986 issue of Accounting Education News. Allocation of sessions at the annual meeting is influenced by the number of submissions in an area; therefore, it is important that we have sufficient history submissions to maintain our current allocation of sessions for the next annual meeting in Orlando.
GUESS WHO CONTEST NUMBER EIGHT

Contest Number Seven was easy for some of you readers, but apparently difficult for others as there were only about a dozen entries. The thing that made the contest easy was that several of our older members were former friends of the person in the picture—T. Coleman Andrews, a former president of the AICPA and IRS Commissioner.

The first person to correctly identify the photo of Mr. Andrews was Andrew Barr, the former SEC chief accountant, from Washington, D.C. A day later, a correct identification was received from P. K. Seidman of the firm of Seidman & Seidman. Both Barr and Seidman stated they had been friends of T. Coleman Andrews (who died a couple of years ago). The present Academy president, Merv Wingfield, also submitted a correct identification, saying that he used to live in Andrews’ hometown of Richmond, VA, and remembered him from there. Terry Sheldahl of Savana, GA, was also a correct identifier and probably the only person to submit a correct answer who had not known T. Coleman Andrews personally.

Now, on to Contest Number Eight. The picture in this issue is of a member of the Academy of Accounting Historians. He is an American and has served as an Academy officer. Who is he?

If you are the first to send in the correct identification, you will receive a valuable prize. The prize is a copy of a book entitled The New-Product Decision which was coauthored by Dale and Tonya Flesher. This book would cost you $15.95 if you were to buy it from the National Association of Accountants.

As in past contests, there will actually be two prizes awarded—one for the first correct entry from North America and one for the first correct entry postmarked outside of North America. This policy allows for the delay in the mail service of foreign members. Officers and trustees of the Academy are encouraged to participate, but are not eligible for prizes. Put on your thinking caps and send your entry to Dale L. Flesher at the editorial address.

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ACADEMY DISPLAY AT COLUMBIA UNIVERSITY

The Academy of Accounting Historians will be sponsoring a rare accounting book and manuscript exhibit at the Rare Book and Manuscript Library in the Butler Library (6th Floor) of Columbia University from September 1 to November 25, 1987. The exhibit is in commemoration of the AICPA centennial. Thirty-five items from the Robert Montgomery Collection will be displayed. A brochure will be available from the Academy and a booklet will be available at the exhibit.
MINUTES OF ANNUAL BUSINESS MEETING

Business Meeting—August 21, 1986, Regency Ballroom, The Sheraton Centre and Towers, New York City, 10:30 a.m.

Approximately 55 members and guests were in attendance.

President Wingfield opened the meeting at 10:30 a.m. and welcomed the members and their guests. He outlined the administrative change related to the election of a Chairman of the Board of Trustees and said that Edward Coffman has been elected to the position.

Secretary Roberts presented statistics on membership similar to those presented at the Trustees' meeting and answered questions from the members.

Treasurer Elvik distributed copies of the financial statements and the 1987 budget proposals. There were no comments from the floor. It was moved by Professor Elvik, and seconded by Professor Vangermeersch that the individual membership dues be increased to $25.00 starting with the 1987 membership, and the institutional membership dues be increased to $35.00 starting with the 1987 membership, and the membership dues for doctoral students remain at $7.50 (for no longer than three consecutive years per student). The dues structure will be reviewed at the 1987 Trustees' meeting. After some discussion the motion was passed unanimously.

Secretary Roberts presented the following nominees for offices:

OFFICERS (one-year term)
President: Richard Vangermeersch (Rhode Island)
President Elect: Dale L. Flesher (Mississippi)
Vice-President: Eugene L. Flegm (General Motors)
Vice-President: Barbara D. Merino (North Texas State)
Treasurer: Kenneth O. Elvik (Iowa)
Secretary: Alfred R. Roberts (Georgia State)

TRUSTEES (three-year term — 1987-1989)
Maureen H. Berry (Illinois)
Norman X. Dressel (Georgia State)
H. Thomas Johnson (Pacific Lutheran)
Mervyn W. Wingfield (James Madison)

It was moved, seconded and the slate was approved.

The Hourglass Award for 1986 was presented to the retired former chief executive and chairman of the partnership of Arthur Andersen & Co., Leonard...

Mr. Spacek, a long-time member of The Academy, thanked the members for the honor and stated that the book had been a labor of love. He recalled some interesting stories related to the growth of the firm during his 44 year association. For instance, Mr. Spacek stated that “In accounting, promotion is just as important as competence, because you can’t have one without the other.”

Vice-presidents Flesher and Flegm and the various committee chairmen and editors reported to the members in each of their respective areas. The content of the reports was similar to that presented at the Trustees’ meeting.

Norman Dressel, Director of the Accounting History Research Center gave his report and distributed a list of publications that the Center would like to acquire.

Kenneth Most made some comments related to the increased quality and dimension of *The Accounting Historians Journal*. He indicated that there is an increased interest in scholarly research in the area of history and that *The Journal* has achieved a degree of international status and respect. The members gave Professor Most a vote of thanks for efforts and leadership.

Gary John Previts, Co-Editor of *The Journal* starting January 1, 1987, made some comments about the acceptance of manuscripts and the charging of a submission fee. Both issues are discussed more fully in the Minutes of the Trustees’ Meeting. He has also reorganized the editorial staff to include associate editors. The organization is as follows:
A good crowd was on hand for the annual meeting in New York.

President Wingfield was presented with a plaque in appreciation for his service during 1986. He thanked the members and the officers, trustees, editors, committee members, and others who have continued to dedicate their time and effort to make The Academy a successful organization.

It was noted that the Business Meeting this year was unique in that the entire meeting was provided with very high quality background music—the result of a rehearsal, in the adjacent meeting room, of an excellent chamber orchestra which was accompanying the noted flutist James Galway.

There being no further business, the meeting was adjourned at 12:10 p.m.

Respectfully submitted,

Alfred R. Roberts, Secretary
August 28, 1986
NEW JOURNAL EDITORIAL POLICY

The editors of the *Accounting Historians Journal* announce the initiation of a submissions fee for articles submitted on January 1, 1987 and after. The fee structure is $25 for non members and that $25 amount can be applied against a full years dues for an academic member—submission fee is $15 for current members of the Academy for each submission. In addition the editorial team has indicated their continuing interest in the quality of research which appears in the Journal. In its work with the review board the team is emphasizing certain aspects of each manuscript submitted to be sure that the author properly provides results that are "new, true, and interesting."

In particular the earmarks of such research include:

1) A clear specification of the research issue problem or hypothesis being addressed and an explanation of derivation of the problem.
2) A clear specification of the method employed and the extent to which the research method is employed and the degree to which the research plan was achieved by the particular application. Such a description should include a specification of data collected and the rationale for selecting the data that was selected.
3) An attempt to examine and to evaluate "causation" in terms of the probable influences related to the issue or hypothesis being examined.
4) A description of the evidence data that was used in conducting the final phases of evaluation and the validity and authenticity of that particular data.
5) A conclusion supported by clear statements of interpretation or influence drawn from the research method and the evidence employed. These findings should be related to the problem that was specified. Such a statement of findings including the limitations of the research and the implications for further research by members of the research community including academic and professional members should be considered and specified where appropriate.

The editorial team feels strongly that manuscripts which do not attempt to address these points may not be deemed acceptable.

Among the plans for the new format of the Journal will be a redesigned cover and a new typeface. The Journal production budget will limit each issue to 160 pages. The new typeface [astor] will permit a clearer presentation.

In addition, the Accounting Review/Journal of Accounting Research submission style has been fully adopted which means block citations of an article e.g. [Jensen, 1981] appear within the text, textual footnotes appear at the bottom of the page, and references are listed at the end of the article.

The members of the editorial team include Gary John Previts, Case Western Reserve University; Ashton Bishop, James Madison University, editors in charge of research manuscript review and production respectively; associate editors Professor Lee Parker of Griffith University (Australia); Professor Mary Stone, University of Alabama and Professor Robert Colson, CWRU. Professor Colson's particular charge is to be available to assist recently degreed doctorates in taking their background-historical chapters and turning them into acceptable research manuscripts for the Journal. Professor Barbara D. Merino, North Texas University will continue to serve as book review editor. Future book reviews will include a mixture of review essays which are more extensive, and capsule reviews of new reading materials. Professor Maureen Berry, University of Illinois will continue to serve as dissertation abstracts editor.

Submission fees should be made in the form of checks or money orders in U.S. dollars, payable to the Academy of Accounting Historians and should be attached to manuscripts submitted after January 1, 1987.

Gary J. Previts, Editor

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TOUR OF ROBERT OWEN HISTORIC SITE

Although Robert Owen is probably best known as the founder of a historic communal society on the Indiana frontier in 1824, accounting historians know him as an early leader in management accounting and the social responsibility of business. Much has been written about the accounting system at Owen's textile mill in New Lanark, Scotland. Now, you can visit that mill and other historic Owen-related sites in the British Isles.

The National Historic Communal Societies Association is planning a July, 1987, trip to the recently renovated Robert Owen site in New Lanark. Tentative projections would have the tour include London and Edinburgh, Newtown in Wales where Owen was born and died, museums and libraries in Manchester and Glasgow, the Abbey on Iona, David Livingstone museum, the community at Findhorn, Scotland, and Loch Ness.

Those who would like more information about this tour should write to Donald E. Pitzer, Executive Director of the National Historic Communal Societies Association, Center for Communal Studies, University of Southern Indiana, Evansville, IN 47712.
Leonard Spacek, a retired partner with Arthur Andersen & Co., is this year’s recipient of the prestigious Hourglass Award for his book and videotape entitled *The Growth of Arthur Andersen & Co., 1928-1973, an Oral History*. The Hourglass Award is presented annually to a person(s) who has made a significant contribution to the study of accounting history.

The oral interview for which Mr. Spacek won the award was captured on nine hours of videotape. It was a project undertaken by the Kellogg Graduate School of Management at Northwestern University. Arthur Andersen & Co. provided the financing.

Mr. Spacek joined the firm of Arthur Andersen & Co. in 1928. He became a partner in 1940. He became the firm’s chief executive officer in 1947 upon the death of Arthur Andersen. It was under Spacek’s leadership that the firm grew and gained the position it holds today. He retired in 1973 after a distinguished career. At one time or another Mr. Spacek has received virtually every honor that can be bestowed upon accountants. He was elected to the Accounting Hall of Fame in 1975.

Mr. Spacek was on hand in New York to accept the award at the Academy’s annual meeting. The award consists of a limited edition 12-inch hourglass with an engraved nameplate. Numerous Arthur Andersen partners, including international managing partner, Duane
Academy president, Merv Wingfield, chuckles at one of Leonard Spacek’s remarks.

Kullberg, were in attendance at the annual meeting to honor Mr. Spacek. Mr. Spacek delighted the crowd with a rousing acceptance speech.

Leonard Spacek joins an elite group of scholars by winning the Hourglass Award. The previous Hourglass winners, and the publications that won them the award are as follows:

1973 — Steve Zeff, *Forging Accounting Principles in Five Countries.*
1976 — Osamu Kojima and Basil Yamey, for reproduction of Ympyn’s *A Notable and Very Excellent Worke* (1547).
1982 — Williard Stone, for a series of articles on “American Accounting History.”
1983 — Richard P. Brief, for authoring many books and articles and editing 196 volumes on accounting history subjects.


Gibson, Robert, and Barrie O'Keeffe, "Chronological List of Books and Articles on Australian Accounting History," Accounting History Newsletter (Australia), No. 11 (Summer, 1985/86), pp. 9-12.


**Editor's Note:** Readers are urged to keep the editor of THE NOTEBOOK alerted to publications which should be listed in this column. Send your suggestions to Dale Flesher at the editorial address. Readers in Asia and Australia may send their suggestions to Dr. Robert Gibson, School of Management, Deakin University, Victoria 3217, Australia.

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**HISTORY PAPERS AT AAA ANNUAL MEETING**

There were seven accounting history papers presented at this year's American Accounting Association annual meeting in New York. The presenters and their topics were as follows:

Keith W. Hoskin (University of Warwick) and Richard H. Macve (University College of Wales), "The Genesis of Accountability: The West Point Connections."

Jean Margo Reid (New York University), "Judicial Influence on the Development of Accounting."

Peter L. McMickle (Memphis State University) and Paul H. Jensen (University of Central Arkansas), "Mettenheimer's 1869 Audit Guide."

Diana Troik Flamholtz (Loyola Marymount University) and John B. Farrell (University of California, Los Angeles), "Accounting and Ideology: Planning and Control in the People's Republic of China Before the Reform Period."

Dale L. Flesher (University of Mississippi), Jalal Saroosh (Loyola College in Maryland), and Horace R. Givens (University of Maine at Orono), "Riverboat Stewardship Accounting: The Betsey Ann."

Patti A. Mills (Indiana State University), "The Probative Capacity of Accounts in Early-Modern Spain."

J. Louis Heck and Wayne G. Bremser (Villanova University), "Six Decades of The Accounting Review: A Summary of Author and Institutional Contributors."
ACCOUNTING HISTORY RESEARCH
METHODOLOGY COMMITTEE:
COMMITTEE REPORT

I have pleasure in presenting this report on the committee's activities for the year ended August 1986. The development of a comprehensive bibliography of historical research methodology sources continues on schedule.

Committee members have provided their reference lists and together with the Chairman's source listing, in excess of 2,500 publications have been identified. Subsequently, committee members have also provided selected annotated bibliographies in the fields of history of law, historical methodology in foreign languages, cliometrics, general historiography, philosophy of history, and economic and business history.

A taxonomy of 13 major classifications has been developed and all publications have been classified accordingly. The taxonomy is as follows:

- Business and Economic History
- Interpretation (includes interpretation, explanation, causation and judgement)
- Quantitative Methods (includes cliometrics, "new history", statistics, counterfactual history)
- Evidence and Sources
- Foreign Language
- General Historiography (includes historical method, general methodology issues, historiography and its development)
- Legal History
- Philosophy of History (speculative and critical approaches)
- Social Dimensions (includes history and social sciences, social and oral history, history and sociology, cultural and behavioral dimensions)

Notable Historians (includes their contributions and schools of thought
- National Perspectives
- Nature, Scope, Aims and Use of History
- Other

Griffith University, School of Administration has provided an initial research grant of $3000 to facilitate computer data entry for the bibliography and programming adjustments. A bibliographic software package has been purchased and data entry of the reference list on Apple Macintosh has been almost completed. Some editorial adjustments to style of presentation are still to be made and proof reading is to commence shortly. Access and printout will be available by author family name, taxonomic classification and year of publication. Separate entry of annotated bibliographic items (approximately 250 items) should be accomplished by early 1987.

The hardware being utilized provides high resolution printout including format and print exactly as required. The software is entitled "Professional Bibliographic System" and is produced by Professional Bibliographic Software Co. The Apple Macintosh version has been purchased (IBM version is available) and data transferability to IBM is relatively straightforward. We also plan to transfer the data to a secondary system using Data Base III which will provide improved on-line access (but not the quality formatting and printing available on Macintosh).

Some difficulties have been encountered in identifying a network of "experts" to act as an advisory group to Academy members on various types of
historical research method. This reflects the relative immaturity of methodological training amongst accounting historians. Nevertheless in the short term, the committee members themselves will be available to act in this capacity.

I have recently received with regret, the resignation of our UK committee member, Mr. Michael Mumford. Michael was prevented from continuing due to pressures of work at his institution. It is anticipated that a new UK committee member will be nominated in the near future.

At this point I would like to extend my thanks to my committee members who have worked so hard during the past year. I am confident that we shall have a monograph containing the results of our work ready for issue by the 1988 International Accounting Historians Congress.

Professor Lee D. Parker  
Chairman

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GARLAND PRESS ANNOUNCEMENT

Richard P. Brief (New York University, College of Business and Public Administration, Washington Square, New York, N.Y. 10003) is planning to be general editor of 10-15 original monographs and anthologies in accounting history and thought that will be published by Garland Publishing Inc., in the fall of 1988. Those who have an idea for a book in this series should contact him.

A 46-volume series in the history of accounting, Accounting Thought and Practice Through the Years, is being published by Garland Publishing Inc. (136 Madison Avenue, New York, N.Y. 10016) this fall. The series includes 25 titles published for the first time.

The Accounting Historians Notebook, Fall, 1986

HISTORY SEMINAR ATTRACTS LARGE AUDIENCE IN NEW YORK CITY

On August 20th at the Marriott Marquis in New York City, twenty five accounting professors and one past-president of the National Association of Accountants attended an all-day seminar on management accounting history presented by H. Thomas Johnson, past-president of the Academy of Accounting Historians and Zulauf Professor of Accounting at Pacific Lutheran University in Tacoma, Washington. The history seminar drew a larger crowd than all but two of the continuing education seminars offered at the American Accounting Association’s 1986 annual convention.

Before coming to New York, all seminar participants, including five professors from universities outside the United States, received a course outline and a packet of recent articles on management accounting history. Using those readings as background, Johnson led discussions on the value of history to teaching and research in management accounting. Providing an extra dimension to the day’s activities was a guest lecture by Eamonn Walsh of the University of Glasgow and the London School of Economics. Walsh spoke on “Agency Theory in Historical Perspective,” the subject of a paper that he coauthored with Ross E. Stewart, formerly at the University of Glasgow and now at Seattle Pacific University in Seattle, Washington.

The high enrollment and favorable evaluations at this year’s history seminar make it likely that Johnson will repeat the course at next year’s annual convention in Cincinnati, perhaps even at one or two of the American Accounting Association’s regional meetings in Spring 1987. So if you missed your chance to take Johnson’s popular seminar this past summer, keep an eye on the pages of this Notebook for news of his future seminar offerings.

Published by eGrove, 1986
LETTER TO THE EDITOR: COLLABORATION WITH FRENCH HISTORIANS

May I use your hospitable columns to try to amend an injustice, and to encourage your readers to look wide for precedent in their researches? The problem arose through the editing of my Academy Working Paper No. 64. The replacement of the entire Preface by an Abstract had consequences which may be judged as readers of the Working Paper were given no clues as to the scholarly and collaborative French tradition which I tried to translate for them rather than to report new research by myself.

My original Paper acknowledged my heavy reliance on the major and trailblazing studies by Vlaemminck and Stevelinck, neither of which have yet been translated into English. I observed that not many French texts had been reproduced in the Historic Accounting Literature series edited by M. J. Bywater and B. S. Yamey. Nor have Arno or Garland republished much French-language material. While much research into the Financiers in France has been published in English, there remains not a little ignorance about French state, mercantile and National Income accounting where I sought to survey developments rather than give any final account.

In the unprinted Preface I referred to the great strategies for collaborative research presented by Stevelinck and others at Brussels in 1970, and indeed earlier, (as I noted in Issues in Accountability IV/5, but which Chris Lefebvre in our Journal, X, 2, p. 144 was too bashful to boast about). My Preface accepted that the French had not recently rivalled Belgian accounting historians; but I noted with appreciation contributions by several students of the Ordre des Experts Comptables . . . and of M. Cordolliani, its librarian for over thirty years.

I continued: “Earlier from 1881 there was the Société Academique de Comptabilité which published Reymondin's bibliography in 1909 and much historical material since. It continues as the Société de Comptabilite de France. In the past few years an Institut National des Historiens Comptables de France has been established under the presidency of M. Yves Cleon, based at 31, rue Jean-Jaures, 7000 VESOUL. A Bulletin was started in 1977.”

These French accounting historians’ Bulletins published copious and invaluable material. The Historians’ Institut was loyally supported largely by older men and from outside Paris, where Pierre Jouanique has been a prolific author. He kindly reviewed much of the Working paper for me. Monsieur C. C. Pinceloup is another who deserves high praise, especially for his unpublished typescript on “Comptes et Comptables Contemporains” which reveals rivalries within the profession about which no accounting historian should be ignorant. Students of accounting institutions could find rich evidence there.

At a BAA Congress in Spring, 1986, I pled for closer co-operation between UK and French accounting historians. I subsequently wrote M. Cleon and received in reply courteous encouragement for our efforts. But, he wrote, “Unfortunately in
France the universities focus more on the future than on the past." He reported that no Bulletin had appeared since 1982; but that he hoped the gap would be filled in the next months.

Our Academy of Accounting Historians, its officials and members, like the UK Accounting History Society, may take personal or official initiatives to acknowledge past and more recent French contributions to the development of accountancy (which until recently was a truly liberal profession there). My working paper, like the recent doctoral thesis of the Quebecoise scholar, Anne Fortin, must arouse interest in these contributions. But our work has not been that of "outsiders" only: it has received such encouragement from within as to lay a basis for greater collaborations and mutual understanding in the near future.

These good relations and joint research must be put in jeopardy if any are left in doubt as to the sincere thanks expressed in the Preface to my Paper for the encouragement and guidance of many French friends. I referred to Mm. Cordolliani, and Jouanique; and to M. Stevelinck's wonderful annotated catalogue of the Brussels Exhibition in 1970 which homed me in to the lair of many original texts and also to the hospitality of Mme. Stevelinck. I thanked the librarians of the Royal Library in Brussels, of the Ordre and the Société de Comptabilité and of INSEE in Paris. The Scots and English Institutes' libraries had helped, while financial assistance was received from my Department at Strathclyde University and from the American Accounting Association. I would not have my appreciation unrecorded.

Some of your readers may now feel the urge to consult my Paper or better still its sources. I hope they will appreciate the

**MANUSCRIPTS AND SHAGGY DOG STORIES**

Anyone wishing to submit article manuscripts, short notes, cartoons, shaggy dog stories, letters to the editor, or other filler to THE ACCOUNTING HISTORIANS NOTEBOOK should send the material to the editor, Dale L. Flesher, School of Accountancy, University of Mississippi, University, MS 38677.
MINUTES OF ANNUAL TRUSTEE'S MEETING

Trustees Meeting—August 20, 1986,Consulate Room, The Sheraton Centre & Towers, New York City, 2:00 p.m.


President Wingfield opened the meeting at 2:10 p.m. and welcomed the group.

President Wingfield proposed that a Chairman of the Board of Trustees be elected by the Trustees for a period of three years. This position would start as of January 1, 1987. This position would engage the Trustees more actively in the area of long-term strategic planning and provide a continuity of leadership with regard to operational functions. With the Trustees more involved in the operations of The Academy, it will be possible for the President to concentrate more effort toward a specific agenda or program during the one-year tenure in office. The President would still preside at the Annual Trustees' Meeting as required in the by-laws. This organizational arrangement would be reviewed at the end of three years to determine if the position would be continued. The motion was passed unanimously.

The floor was opened for nominations for the Chairman of the Board of Trustees. Edward N. Coffman was nominated by Al Roberts with a second by Lee D. Parker. There being no other names, the election was by acclamation.

President Wingfield suggested that a meeting be held during November in Atlanta (in the Accounting History Research Center) of the Officers, the Chairman of the Board of Trustees, the Co-Editors of The Accounting Historians Journal, the Director of the Accounting History Research Center, and any others who would like to attend.

Treasurer Elvik presented financial statements for the period January 1-June 30, 1986 and comparative statements for the calendar years 1982-1985. Audited financial statements for the calendar year 1985 were also examined by the Trustees. The audit was performed by Ernst & Whinney and no exceptions were noted in the opinion.

Questions were raised with regard to comparability of the statements and the costs of Academy publications and services. An examination of the dues revenue as against expenditures indicated a deficit in three of the last four years. Further examination of the accounts showed that the dues do not cover the expenditures for publications and services to the members. There was a proposal that dues be increased to $30.00, which proposal was withdrawn.

After more discussion on the subject it was proposed by Lee D. Parker and seconded by Doris M. Cook that, starting with 1987 membership, annual dues for INDIVIDUALS be increased from $20.00 end of three years to determine if the position would be continued. The motion was passed unanimously.

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Treasurer Elvik presented financial statements for the period January 1-June 30, 1986 and comparative statements for the calendar years 1982-1985. Audited financial statements for the calendar year 1985 were also examined by the Trustees. The audit was performed by Ernst & Whinney and no exceptions were noted in the opinion.

Questions were raised with regard to comparability of the statements and the costs of Academy publications and services. An examination of the dues revenue as against expenditures indicated a deficit in three of the last four years. Further examination of the accounts showed that the dues do not cover the expenditures for publications and services to the members. There was a proposal that dues be increased to $30.00, which proposal was withdrawn.

After more discussion on the subject it was proposed by Lee D. Parker and seconded by Doris M. Cook that, starting with 1987 membership, annual dues for INDIVIDUALS be increased from $20.00
to $25.00, annual dues for INSTITUTIONS be increased from $20.00 to $35.00, and annual dues for doctoral students to remain at $7.50 (for no longer than three consecutive years per student). The dues structure will be subject to review at the 1987 Trustees' meeting. The motion was passed unanimously.

The budget for 1987 was presented and, upon proper motion was approved as amended to reflect the change in the dues structure. It was proposed that in the future, budgets be presented to show the prior year's budget compared to the actual revenues and expenditures in addition to the proposed budget. A motion was made by Lee D. Parker, seconded by Dale L. Flesher and passed without dissent.

Secretary Roberts presented the following information with regard to membership as of July 31, 1986 for the 1986 membership year:

<table>
<thead>
<tr>
<th></th>
<th>Domestic</th>
<th>Non-Domestic</th>
<th>Totals</th>
<th>%</th>
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<tbody>
<tr>
<td>Individuals</td>
<td>306</td>
<td>109</td>
<td>415</td>
<td>63</td>
</tr>
<tr>
<td>Institutions</td>
<td>175</td>
<td>73</td>
<td>248</td>
<td>37</td>
</tr>
<tr>
<td>Totals</td>
<td>481</td>
<td>182</td>
<td>663</td>
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<tr>
<td>%</td>
<td>73</td>
<td>27</td>
<td>100</td>
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</tr>
</tbody>
</table>

Members reside in 23 countries in addition to the United States, and 46 states plus D.C. and Puerto Rico are represented. As of this date in 1985, membership was 637 and by December was 671. The membership seems to be moving in two areas: a slight increase in domestic membership and a shift from individual membership to institutional membership. These trends have been moving in each category at about one percent a year.

The nominees for office for 1987 were presented to the Trustees' and they were approved for presentation at the Business Meeting.

(Vote: See the Minutes of the Business Meeting)

Vice-President Flesher requested that the committee chairmen report on their activities:

Horace R. Givens, Chairman, The Accounting History Education Committee, reported that as a result of a questionnaire and other selection procedures, a booklet containing selected profiles of persons who have made significant contributions to the accounting profession is to be published by Random
Ken Most, Richard Brief, and Eugene Flegm at Trustees’ Meeting.

House. It was to have been ready for the AAA meeting but has been held up due to editorial and production problems. It will be distributed to Academy members later this year.

Lee D. Parker, Chairman, The Accounting History Research Methodology Committee, reported that the development of a comprehensive bibliography of historical research methodology continues on schedule. At present the committee has identified in excess of 2500 publications, and committee members have provided annotated bibliographies in various fields, and a taxonomy of 13 major classifications has been developed. In addition, Griffith University, School of Administration has provided a $3,000 research grant to facilitate computer data entry for the project. President Wingfield stated that he would send a letter of appreciation to Griffith University for its support of this project.

Vice-President Flegm requested reports from the editors of the various Academy publications:

Dale L. Flesher, Editor, The Accounting Historians Notebook, reported that there is always a need for good articles and items of interest with regard to new research and publications related to accounting history.

Richard Vangermeersch, Paul Frishkoff, and Ken Elvik at Trustees’ meeting.

He also stated that he is always looking for light and humorous items and printable “shaggy-dog stories.” Professor Flesher was commended on the quality of The Notebook.

Ross Tondkar, Editor, The AAH Working Paper Series, reported that since he took over the editorship last year, working papers nos. 66 & 67 have been issued. The sale of Working Papers Volumes from October 1985 through July 1986 are as follows: Vol. 1—49 copies; Vol. 2—151 copies; and Vol. 3—79 copies. In addition, a new mailing list for the distribution of individual working papers has been compiled. It includes: Academy officers; trustees and members; editors of major accounting publications; directors of accounting Ph.D. programs; and officers of major accounting organizations (AAA, AICPA, NAA and others). In additions, Professor Tondkar promoted and handled the shipments of working papers, and services the shipments of back issues of The Journal. The Trustees gave a vote of appreciation to Professor Tondkar for a job well done.

James F. Gaertner, Editor, The AAH Monograph Series, presented each of the Trustees present with the newly issued Monograph Five, entitled The Development of the Accountancy.
President Merv Wingfield leads Trustees' meeting.

*Profession in Britain to the Early Twentieth Century*, by Robert H. Parker of the University of Exeter. The monograph was supported by a grant from Arthur Andersen & Co. Professor Gaertner was also commended for the excellent quality of this publication. It was reported that there is still an adequate inventory of Monographs 1 - 4 on hand and members should encourage the library at their universities to purchase copies if they do not already have them.

Wayne M. Higley, Editor, The Classic Reprint Series, was not present at the meeting. Gary Previts stated that the three classic reprints with the University of Alabama Press were now out of print and the University of Alabama Press did not indicate any desire to reprint them.

President Wingfield requested reports from those in charge of activities that report directly to him:

Kenneth S. Most will finish his term as Editor of *The Accounting Historians Journal* on December 31, 1986. He noted that over the years the average size of *The Journal* has increased and that *The Journal* has made an impact in the scholastic community. This is indicated by the increasing number of articles from countries other than the United States. He feels that *The Journal* provides an outlet for quality papers over a broad range of accounting history areas. Professor Most stated that while editing the *The Journal* is a tremendous amount of work, it is The Academy's most important function. He then thanked his editorial team. The Trustees gave Professor Most a vote of thanks for his outstanding work.

Gary John Previts became Co-Editor-Elect of *The Accounting Historians Journal* on January 1, 1986. However, he agreed to receive manuscripts for review as of September 1, 1985. No manuscripts were to be transferred from the previous editor. During the period December 1, 1985 to August 15, 1986, the number of manuscripts received for consideration and their disposal were as follows:

Manuscripts: 1. Not accepted 23 2. Accepted 2 3. Commissioned 2 4. Under review or revision 22 Total 49

Professor Previts has also reorganized the staff of *The Journal* to include a group of associate editors. He will report on this change at the next Trustees' meeting.
It was proposed by Gary Previts, seconded by Richard Vangermeersch, and endorsed by the Trustees that as of January 1, 1987, fees will be charged for the submission of manuscripts to be reviewed. The proposed schedule of fees is: $25.00 for non-members of The Academy which would be applied to membership dues; and $15.00 for Academy members which would be applied to fee income (general fund).

Norman X. Dressel, Director of the Accounting History Research Center, reported on the recent activities of The Center. The Ramsey Chair of Private Enterprise and Norman X. Dressel contributed an IBM-PC, monochrome monitor, and dot matrix printer to The Center. An agreement was signed between The School of Accountancy, Georgia State University and The Academy to continue the joint sponsorship of The Center. With regard to relations with Georgia State University, the Agreement states:

1. Georgia State University, School of Accountancy will provide space for the exclusive use of the AHRC and be under the control of the Director of the AHRC.

2. To the extent possible, Georgia State University, School of Accountancy will provide bookshelves, furniture and some supplies. Any additional amenities will be provided by The Academy of Accounting Historians.

Professor Dressel presented a summary of the holdings of the recent contributions to the AHRC, and reported on the AHRC dedication seminar in November 1985. He noted that the papers presented at the seminar have been typed and could be published if funds were available. It was proposed by Professor Dressel, seconded by Gary Previts, and endorsed by the Trustees that the proceedings of the seminar should be published subject to the securing of adequate funding. Such funding will be an agenda item at the Fall meeting of the Officers and other key personnel of The Academy.

Barbara D. Merino presented a proposal for an Accounting History Manuscript Award to be sponsored by The Academy. The purpose of the award is to encourage accounting faculty with a recent earned doctorate to conduct research in the area of accounting history. An Accounting History Manuscripts Award Committee will review submitted manuscripts and, if suitable manuscripts are submitted, one recipient will be selected each year. The author of the selected manuscript will receive a stipend of $500.00 and the manuscript will be published in The Accounting Historians Journal. Professor Merino will administer the program with the assistance of a review group, which will include the manuscripts editor of The Journal.

President-elect Vangermeersch presented a statement of his hopes during his term as president in 1987. He outlined five major areas where he would concentrate his efforts, with the help of the membership: increasing membership, obtaining funding for the various Academy activities, examination of the administrative structure and procedures, encourage better public relations through various publications and activities, and actively involve The Academy in the AICPA Centennial during 1987.

President Wingfield expressed his thanks to all of the Officers, Trustees and others who had worked so hard to keep The Academy operating successfully. There being no other business the Trustees’ meeting was adjourned at 5:15 p.m.
Two friends were about to tee off at their favorite golf course.

One said to the other: “Tom, C'mere let me show you something.”

Tom: “What is it JJ?”

JJ: “Oh, its a special golf ball. No matter what you do, you can’t lose it Tom!”

Tom: “The way you hit the ball. Hah! I’ll believe it when I see it.”

On the 4th hole JJ hooks a ball into deep grass and rough.

Tom: “I guess that takes care of your ‘wonder’ ball JJ!!”

JJ: “Oh? Listen!” (A kind of chirping sound could be heard—and JJ followed it until he spotted the golf ball. “See, I told you, you can't lose it!”)

On the 8th, JJ shanked the ball, down into a ravine where a dark, narrow culvert began. JJ and Tom look into the cavernous pitch black pipe. They could see nothing of the ball.

Tom: “Well, that’s that JJ, it’s a good thing you didn't put any money on whether you could lose that silly ball.”

JJ: “Wait, take a look!”

Tom peered inside and saw a small steady blinking light about 4 feet away. JJ pulled out his golf ball retriever, and scooped out his ball. “See, YOU CAN’T LOOSE IT!!

On 13, JJ lofted a ball into a 25 foot nest of hackberry bushes.

There was no way any shaking or tossing of rocks was going to dislodge the ball. It was clearly in sight, but was “lost”, as far as the game was concerned.

Tom smirked: “Well, you got 12 holes out of it and that's more than you usually get.”

Just as Tom finished, the ball gave a slight upward thrust (as if it had a small rocket launcher inside) and then as it fell toward the ground a small parachute opened from inside and it floated directly to their feet.

After several more ‘miracle’ saves, JJ and Tom approached the 18th tee. The green was close, but surrounded by water, jutting out on a peninsula.

Tom: “Well JJ you may have gotten this far, but I doubt you and your ball will get past all this water.”

JJ teed up on the ball and hit it. Splash!!! Tom, chortled and patted JJ on the back.

Tom: “Well, it was fun while it lasted, too bad old buddy!”

They both watched from the bank of the pond as a thin, toothpick like periscope broke the surface, made a sweep of the horizon and then the ball bobbed up and a small sail appeared draped from the periscope and caught the breeze, bringing the ball into shore right before them. JJ picked up the ball smiling. “SEE,” he said, “YOU CAN’T LOOSE THIS BALL!”

Tom was thoroughly convinced. He had had his doubts, but the ball had performed ‘miracles’.

“Look JJ,” said Tom “I’ve got to know, how much did that thing set you back? Where did you buy it?”

JJ replied candidly: “Oh, I didn’t buy it. I FOUND IT!”

Submitted by Al Roberts
(Georgia State University)
ALBERT DUPONT 1872-1940:
THE FRENCH ACCOUNTING HISTORIAN

by
Ernest Stevelinck
Belgian Accounting Historian

(Editor's Note: This article was edited and/or partially translated by Alfred R. Roberts and Dale L. Flesher).

I have the collection of Working Papers edited by the Academy of Accounting Historians and am very pleased to possess them, given their value and importance. In Volume I there is, in particular, working paper No. 16 by Gary John Previts and S. Paul Garner about the golden anniversary of one of Accounting History's mysterious contributors. On this subject, I must say that I think all accounting historians who have not written in English are more or less mysterious for the English language area. The importance of this language is growing in the world at a fast rate and, in my opinion, English will take the place Latin once had for learned writing.

The Belgian Raymond de Roover (1904-1972) would not have had the audience he had, if he had not written in English. A. C. Littleton (1886-1974), in The Accounting Review (Vol. XII (1937) p. 440), writing about the book in French by Raymond de Roover, "La Formation et l'Expansion de la Comptabilite a partie double" (Librairie Armand Colin, Paris 1937), said at the end of his article: "It is to students with this antiquarian bent, who are also well equipped with a knowledge of several European languages, that most of us here must look for a true perspective of the development of bookkeeping. For an art so old, we know painfully little. Now that Mr. de Roover has come to make his home in this country, it is hoped that he will find that our publishers also are interested in accounting history". (emphasis added). In other words: Write in English, please.

The Belgian Joseph Vlaemminck (1907-1959) whose work is so important, is rarely quoted in America, Australia, Britain or Japan, because his book—to this day—has not been translated into English. And—I know it is self-centered to speak of oneself—if I have your attention, it is because I have good friends who take pains to translate or correct my lucubrations (if they be such).

To return to the article by Previts and Garner, I want to demystify the "mysterious contributor", Albert Dupont. His father, Louis Dupont, was a wholesaler in textiles. Louis was born in the "Pays
d'Auge en Calvados" but he left his native countryside when he was 20 years old, for Rouen, capital of linen. Later he moved to Paris where, in 1850, he founded his own commercial house. In 1857, Louis Dupont married Miss Chocquet, the daughter of Alphonse Chocquet, director at the "Poste de la Seine", whose father had been himself chief of the "Service des Postes pour l'Etranger" during the First Empire and the Restoration, and whose grandfather had been financial collector during the reign of Louis XV and Louis XVI. Also, Alphonse Chocquet was a well-known fencing champion and a respected referee during the period when dueling was popular with Parisian society.

Albert Dupont was born on the 10th of January 1872 in Paris, in the "Quartier de Sentier" which is today still the center of the textile trade. He was the seventh child of the family, which was composed of five sons—one of whom died in infancy—and three daughters. Towards 1880, the Dupont family settled in a great house on Quai de Billy (now Quai de New-York). In the past the house had belonged to the Marquise de Pompadour, and within the garden a magnificent cedar planted during the 17th century was still alive up until 1950, after then it was replaced by the young tree that can be seen at the corner of the Modern Art Museum. The Quai de Billy house stayed in the family's memory as the center of a happy life around the mother and the grandmother with numerous friends and children.

Albert Dupont was enrolled in the Lycee Janson de Sailly and afterwards at the College Stanislas to prepare for the "baccalauréat" (general certificate of secondary education) and entry into the Polytechnic College. He was admitted at the first attempt. After two school years and one of military service (he was second lieutenant in the artillery), he made the decision to prepare for the entrance examination for the General Inspection of Finances and he was admitted—as second candidate—in March 1897. Albert Dupont had a great classical background. Until the end of his life, he read fluently and easily in Latin and Greek. Mathematics were for him a studied intellectual exercise. He had also a sound basis in economics and finance, according to the theory and practice of those times.

From 1897 to 1906, Albert Dupont accomplished the rounds of Financial Inspections in the provinces from April to October. It was something of a sinecure.

Sometime in 1906 he took a position in the Department of the Marine (Navy Department) and was commissioned to write a report on the coordination between English and French maintenance shipyards. It was the time of the "Entente Cordiale". (Good relations between England and France.) Albert Dupont's report suggested numerous measures about standardization (in particular for the size of coal briquettes, the use of gunpowder without smoke (invented by the French engineer Paul Vieille)) and the introduction of reforms in the management of the French Navy. In 1908 one reform was the new bookkeeping of applied costs in double entry proposed by Dupont.

In private life, Albert Dupont had married Suzanne Perard in 1902. She was the daughter of a Parisian notary, and ex-president of the Chamber of Notaries. By 1907 Dupont had three daughters. Also in 1907, he was obliged to choose between a post in the Algerian Direction of Finances or the one of General Secretary to the North Spain Railways. He took the latter situation and resigned from the General Inspection of Finances.

The North Spain Railways Co. (Cie del Norte), founded during the second empire
by the Pereire Brothers, had constructed the Spanish part of the Paris-Madrid Line via Irun (opened in 1864). In this company, the French Capital was in the majority. Their share certificates were moreover considered as value of "Pere de Famille" and appeared often in the dowry of well provided for young women.

At the same time, Spain carried prohibitive customs tariffs agreed to by the monarchist government of Madrid to favor the newborn industries of Catalonia and the Basque country. In addition, Spain had not signed the international convention of Berne (1893) concerning the rules of international railway traffic. The transfer from one train to another at the border was a generator of costs and delays.

Until the beginning of the 20th century, the French wished for the standardization of railroad gauges, and thus a direct and rapid connection by railway between France and Morocco via Madrid and Algeciras. Negotiations had to be conducted to vanquish Spanish isolationism. Those were the aspects of the important mission entrusted to Albert Dupont within the Cie del Norte from 1907 to 1914.

At the outbreak of the First World War in August 1914, Albert Dupont was the father of six children and was therefore eligible to be exempted from service, but he did not take advantage of this circumstance and rejoined the army as Captain in the 11th Artillery regiment. He expected to be rapidly assigned to the battle front, but his age and family's situation warded off this possibility and during the whole war he was treasurer of his regiment and stationed at Rohan. His seventh girl, born in 1915, had the Belgian Queen Elisabeth as godmother. In 1919, Albert Dupont returned to his post at the Paris Committee of the "Cie del Norte".

To pay for its war efforts, France had requisitioned all foreign capital and surrendered to Spain the majority of shares of the railway company. But the Spanish administrators asked Dupont to continue the task he had begun. Negotiations must be taken up again on the questions of gauge of track and creation of a new Trans-Pyrenees railway. The neutrality of Spain during the first world war had liberated her from the results of isolation. The Spanish Senate had adopted, in 1918, the project of a new line with European gauge from Paris to Algeciras via Irun and Madrid. The line from Somport to the neighborhood of Saragossa was inaugurated in 1928 and those from Puymorens to the neighborhood of Barcelona in 1929. The third project was discontinued before the Spanish revolution of 1931.

Dupont's family had continued growing; in 1921, after eight daughters, a son was born. And it is from him that I have received this story.

Also, 1921 was the year of installation in the property situated in the Froc de Launay, purchased during 1913. The house was built at the time of Louis XVI and had been deserted for a long time. Albert Dupont gave it new life and suites of antique furniture. This property is still in the hands of surviving Dupont children. Since his work for the Ministry of the Marine, work which pushed him into prominence in the circle of businessmen, Albert Dupont had never ceased to practice accountancy and to think about it.

We don't know exactly how he came into contact with the Societe Academique de Comptabilite de France. But at that time, Reymondin was secretary of this organization, and it is very likely that they had spoken of bookkeeping history and that Reymondin asked Dupont to prepare a lecture for his organization, touching upon Dupont's favorite subject. In the archives of the Spanish railway company,
there is a thesis of 200 pages written by Dupont and showing the different elements of bookkeeping, giving a rational explanation of its development. This manuscript, which dates from circa 1919, seems to be aimed at popularizing, for business circles, the foundations and constituent parts of bookkeeping by double entry.

Albert Dupont had neither time nor liking for teaching. He thought only of giving his contribution towards attracting some chosen few on the theory and applications of accountancy. Those considerations guided him quite naturally to historical research. Proposed by Reymondin, he was admitted in 1922 as an honorary member of the Societe Academique de Comptabilite de France. The first lecture was given on 25 April 1925. On December 29th of the same year, a new lecture was given about the origins of Bookkeeping before Paciolo. Other lectures on the History of Bookkeeping followed annually:

In 1927: Paciolo's successors in Italy in the 16th century.
In 1928: Forms of Accounts and ways of counting in ancient times.
In 1929: Accounting in the German Empire and in the Netherlands during the 16th century. (For this Dupont contacted the Dutch bookkeeping historian De Waal for information. Dupont was present at the congress of accountants of Amsterdam in 1929 and had spoken in favor of bookkeeping history.)
In 1931: Some French works and documents prior to the reign of Louis XIII concerning ethics, doctrine and commercial accounting.

All those lectures were published in the Society's bulletins at the time. A reissue was made in 1977. So, the articles of Dupont are still available at the S.C.F.

The lectures of Dupont stopped after 1931 for personal reasons. At that time, he accepted the chairmanship of a company created by a nephew, and put in difficulties by the depression crisis. Part of his personal fortune was sacrificed and much time was wasted. He also had many difficulties with the new management at the Cie del Norte after the proclamation of the Republic (14 April 1931). In 1935 Dupont sat for an exam to be nominated "Commissaire aux Comptes". In 1936, the Civil War broke out and all bonds were cut between the head office in Madrid and the committee in Paris. Dupont had quickly realized the imminence of the Second World War. He could not tolerate the inaction of France and Britain, and deplored the Munich agreements, believing that this shameful retreat would not avoid the worldwide struggle, but undermine the spirits of the nations. It was only in 1938 that Dupont returned to resume contacts with the Spanish authorities, but not for long.

After the declaration of the second world war in 1939, the whole family went to the house situated at Froc de Launay. Until June 1940 Dupont made frequent trips between Paris and Normandy. He died at the Froc de Launay among his family on the 26th of August 1940, at age 68. The circumstances of the time did not call for the wide spread publication of this sad news, and it was not noted until four years after the war. The whole world was turned towards the future. This is an abridged biography of Albert Dupont. His work is not voluminous, but very important because he was one of the first bookkeeping historians. He was erudite and showed for his successors the way to follow.
ACCOUNTING 101 FOUR THOUSAND YEARS AGO

by
Orville R. Keister
University of Akron

We accounting teachers have been around a long time. We often hear that the first formal college accounting courses in this country were taught around the turn of this century, usually in departments of economics. We've read about the authors in the 1700's and 1800's who wrote several impressive texts that explained all the mysteries of that exact science called bookkeeping. We have read the classic by the master teacher himself, Luca Pacioli, who in 1494 wrote the first pages on double-entry record-keeping, marvelously creating for himself a whole new profession to teach.

Many accounting teachers may be surprised to learn, however, that the roots of our profession go back much farther than that—at least to the training of young scribes in Mesopotamia over 4,000 years ago when Abraham was alive and the great king Hammurabi ruled the land.

The scribal profession was one of the most important and respected occupations in the Mesopotamian Valley between the Tigris and Euphrates Rivers, where the Sumerian, Babylonian and Assyrian civilizations flourished from at least as far back as 4,500 B.C. to approximately 500 B.C. On the present-day map, this troubled area falls mostly within the boundaries of Iraq, with small peripheral areas in Syria and Iran.

Scribes were the “accountants” of those early civilizations. They did record-keeping, not bookkeeping or accounting, but they were the very roots of our profession and (here’s where we accounting teachers come in) they were taught their profession at a very early age. Commercial records were kept on clay tablets and there was a continual need to train young scribes who could keep these commercial records.

Evidently both rich and poor people wanted their sons to learn how to be a scribe. Now parents want their children to become doctors, but then it was scribes. Actually, there is evidence that some women scribes existed, but they had a harder time of it. In those pre-NOW days, girls could not attend scribal schools—only boys could go to “college” for this education. How times have changed!

In Mesopotamia, however, if a boy showed signs of intelligence, when he was around six or eight years old, he was sent to a school that was usually associated with the temple. Here he learned reading, writing, arithmetic, law and moral precepts, etc. Apparently, special emphasis was placed on learning commercial terms and phrases. In fact, in Latin and many other languages the standard phrase for parsing is *amo* (I love), but in Mesopotamia, the aspiring young scribe parsed with “I count.” When he could write well, the youth was placed in the charge of some official in whose office he assisted by spending entire months copying letters, circulars, legal documents and accounts, many of which he did not at first understand. Gradually, though, he learned the duties and responsibilities of the scribe’s life and he was ready to take his place in that exacting profession.

Will Durant’s somewhat amusing description of the Egyptian scribe reminds
one of the Mesopotamian counterpart:

Every visitor of the Louvre has seen the statue of the Egyptian scribe, squatting on his haunches, almost completely nude, dressed with a pen behind the ear as a reserve for the one he holds in his hand. He keeps record of work done and goods paid, of prices and costs, of profits and loss; he counts the cattle as they move to the slaughter, or corn as it is measured out in sale; he draws up contracts and wills, and makes out his master's income tax; verily, there is nothing new under the sun. He is sedulously attentive and mechanically industrious; he has just enough intelligence not to be dangerous.2

However intelligent the young Mesopotamian aspirant was, he had to go to scribal school which lasted for many years, “from childhood to maturity” according to one tablet.3 He would be a member of a class of perhaps ten or twelve students, who would sit at benches, much like the old one-room schoolhouse. After a couple years of learning how to write and copy cuneiform, the young boy might qualify as a dubsar tur, a junior scribe, who would serve as a sort of student assistant teaching the new young “freshmen” their exercises. These junior scribes would make corrections, subject to the review of the scribe, a sort of headmaster, and they'd maintain discipline, flogging when necessary.

Actually, discipline was very strict. Many tablets refer to caning, a flogging-type punishment frequently earned by a copying mistake or by simply not paying attention. On some tablets there are references to having to write certain lines 50 or 100 times as a form of punishment (how well I remember this trick from my elementary school days!) but usually the offending student in Mesopotamia was given a good whap with a stick, a punishment apparently meted out by both junior scribes and the scribe himself with considerable enthusiasm.4

Life was hard for the “accounting” student in those days. Classes lasted all day long, from sunrise to sunset, the copying and memorizing work was laborious, the only break was a short recess when students ate their lunch, sometimes consisting only of a couple of rolls, and always at their elbows was the strict taskmaster with a sharp eye for imperfection. Even today's freshmen have it easy in comparison.

Archeologists have uncovered many tablets that provide evidence of those early school days. In order to illustrate Accounting 101, four thousand years ago, portions of one tablet (translated by Samuel Kramer) are excerpted below. This clay tablet composition, written by a young boy, is dated around 2,000 B.C.

Schoolboy, where did you go from earliest days?
I went to school.
What did you do in school?
I read my tablet, ate my lunch, prepared my tablet, wrote it, finished it. Upon the school's dismissal, I went home, entered the house; (there) was my father sitting.
I spoke to my father of my hand copies, then read the tablet to him, (and) my father was pleased. Truly I found favor with my father. I want to go to sleep, wake me early in the morning. I must not be late, (or) my teacher will cane me.

Even at home, he was worried about that cane.
I faced my mother, and said to her: “Give me lunch. I want to go to school.” My mother gave me two "rolls"; I left her; I went to school.
In the tablet-house, the monitor said to me: “Why are you late?” I was afraid; my heart beat fast.

Some things don’t change. I remember a good number of accounting tests that caused my heart to beat fast thirty years ago. At least one, my three-hour oral preliminary doctoral examination, brought pure fear (or even terror!) into my
young life. I feel for this Sumerian lad.

I entered before my teacher; took (my) place.

My "school-father" read my tablet to me, 
(said) "The . . . is cut off," caned me.

The teacher in supervising the school duties 
looked into house and street in order to 
pounce upon someone (said) 
"Your . . . is not . . ." caned me.

My "school-father" brought me my tablet. 
Who was in charge of the courtyard said: 
"Write."

I took my tablet. 
I write my tablet. 
Its unexamined part my . . . does not know. 
Who was in charge . . . (said) "Why when I 
was not here did you talk?" caned me. 
. . . "Why when I was not here did you go 
out?" caned me. 
. . . "Why when I was not here did you take the . . .?" caned me. 
Who was in charge of the Sumerian (said): 
"You spoke . . ." caned me.

So far, on just one short tablet, that's seven 
canings for this luckless, wretched young 
fellow. Truly life in Accounting 101 was 
tough then. Students in our classes now 
don't realize how gentle we professors are.

I neglected the scribal an . . .

To that which the schoolboy said, his father 
gave heed.

The teacher was brought from school.

The boy wasn't doing well at school. The 
father asked the teacher to come to his 
home for, as we shall soon see, a little bit 
of good old-fashioned apple-polishing.

Having entered the house, (the teacher) was 
seated in the seat of honor.

The schoolboy took the . . . sat down before 
him.

Whatever he had learned of the scribal art 
he unfolded to his father.

His father, with joyful heart says joyfully to 
his "school-father," 
You open the hand of my young one; 
you make of him an expert.

The boy, perhaps fearing for his life, rose 
to the occasion, and performed remark-
ably well, delighting (and perhaps sur-
prising) his father, who then continued his 
happy reaction.

Show him all the fine points of the scribal art.

You have shown him all the more obvious 
details of the table-craft, of counting and 
accounting.

The father was quite pleased with what his 
son had learned. He continued.

Pour out for him (the teacher) . . . like good 
wine;

make flow the good oil.

He dressed him in a (new) garment, gave him 
a gift, put a band about his hand.

The father was very pleased with what his 
son had learned. He gave the teacher food 
and wine, new clothes and a ring!

The teacher with joyful heart gave speech 
to him:

Young man, because you did not neglect 
my word, 
may you reach the pinnacle of the scribal art.

Because you gave me that which you were by 
no means obliged (to give), you presented 
me with a gift over, and above my 
earnings, have shown me great honor, 
may Nidaba, the queen of the 
guardian deities, . . . take all evil 
from your hand copies.

The teacher was overjoyed with the gifts 
and he pronounced a blessing on the boy's 
head, a rather appropriate one even for 
Accounting 101 students today—may all 
evil be taken from your worksheets! At 
first, it seems that the teacher was on the 
take. After beating the kid, the rascal 
wasn't above taking all sorts of gifts to look 
favorably upon the lad. Actually, teachers 
then, as now, were underpaid (some things 
don't change!) and this sort of Eastern 
baksheesh was quite common and cul-
turally acceptable in that civilization.

Happily, some things, such as ethics, do 
change over the years. I've been teaching 
college for over 25 years now and I have 
not yet had an opportunity to refuse a gift 
of even an apple for the teacher, much less 
food, wine, new clothes and a ring!

This little clay tablet is a delightful 
insight into the very roots of accounting 
education. The generations come and go, 
so the basic need to educate is unchang-
ing. This schoolday composition written
by a Sumerian boy four thousand years ago is disconcerting and humbling at first, but then it's uplifting. Our mission, tested by time, is truly a noble one. What a privilege it is to teach. May we always love our work and may our efforts be viewed kindly by that future writer in the year 6,000 A.D. when he writes about Accounting 101 ages and ages ago—circa 1986 A.D.

FOOTNOTES
4. Ibid., p. 15.

BIBLIOGRAPHY

TOURNAMENT OF ROSES PARADE
On January 1, 1987, the American Institute of Certified Public Accountants will celebrate the profession's centennial year in the United States by participating in the 98th Tournament of Roses Parade in Pasadena, California. The AICPA's involvement in the parade, which has an international television audience of 125 million viewers, will serve to recognize the kickoff of the accounting profession's 100th anniversary in the United States.

The theme for the 1987 Tournament of Roses Parade is "A World of Wonders." All participants must keep the theme of their individual floats international in scope. This theme is particularly appropriate for the AICPA since accounting is the international language of business.

The AICPA float, "New World Discovery" will highlight the international roots of the accounting profession with a beautiful and dramatic look at the French pioneers Marquette and Joliet as they explored the Louisiana Territory. The French theme was selected because it was in 1887 that another Frenchman, Leon Bolle, invented the first true calculator to automate multiplication. The 1987 AICPA Rose Parade float will be a gorgeous tribute to the contribution of France to America's heritage.
STATEMENT OF MY HOPES FOR 1987

by

Richard Vangermeersch

University of Rhode Island

I am honored to be able to serve you as President of The Academy for 1987. This is especially rewarding to me, since I was present at the birth of The Academy in Quebec City in 1973 and have been active in it through the years. I want to focus on the continuity of the many successes of The Academy.

There are five major thrusts in which I hope to get your help. The first of these is membership oriented. We need (A1) targeted membership campaigns for (a) libraries in colleges, universities, and accounting organizations worldwide and for (b) individuals with emphasis on former members, students, and new faculty. We should consider (A2) keeping our dues the same for U.S. and other members. I would like to see (A3) a key member appointed for each state (if possible), regions, and/or country. We continue to need help in (A4) staffing our booth at the AAA convention. A worthwhile goal would be (A5) a practice of every member communicating with a certain number of members each year.

The second thrust is funding. I believe we could put together (B1) a publication acquisition package for new members to enable them to obtain the excellent literature of The Academy. (B2) Funding of the Accounting History Research Center and (B3) the use of the tax services donated to the AHRC by E. Louis Raverta should be analyzed. (B4) Increased efforts are needed to distribute our excellent fourth monograph and our forthcoming fifth monograph. I am especially interested in (B5) the development of a long-term giving program for The Academy. We have to prepare for (B6) a dues increase with a positive attitude. We would need to continue (B7) interest in our budget process.

The third thrust is administrative. (C1) We need to continue the recent successes of our Committees and (C2) get more members involved in this. It may be
necessary (C3) to have a better interface between the journal, the newsletter, the working papers, and Scripturis. (C4) The working papers must remain a most positive feature of The Academy. (C5) Ties must be kept with such groups as the American Management Association and business/economic history societies; (C6) the AAA at the regional and national levels, as well as its interest groups; (C7) with the FASB, GASB, NAA, FEI, AICPA, and local CPA societies; and (C8) with other accounting history groups. We should consider the (C9) substantial advantages of recasting our Chairman of the Trustees position.

The fourth thrust is public relations in orientation. (D1) Maximum publicity should be given to our prestigious Hourglass Award. (D2) The history of the first years of The Academy is a captivating one and should be finished shortly. (D3) A reactivation of our dissertation award should be considered. (D4) Publicity is needed for broad participation for the international conference in Kyoto in 1987 and Australia in 1988. I would like to initiate (D5) a membership brochure.

The fifth thrust is a stressing of our added outputs (E1) for the AICPA Centennial and (E2) the Random House publication. Such special projects as (E3) Ernest Stevelinck's Paciolo effort and (E4) John Carey's oral history effort need to be encouraged. Other possible projects are (E5) a translation of the works of Joseph Vlaemminck and (E6) a research workshop on historical methodology.

You notice I used the work "hopes" rather than "goals". While I plan to allocated much time to the office, I realize that the success of The Academy is up to you. If some of my hopes can be converted into your individual goals, we will be successful.

*****

SOUTH-WESTERN PUBLISHING
ISSUES HISTORICAL POSTER

South-Western Publishing Co. (1501 Madison Road, Cincinnati, Ohio 45227) has issued a 20-inch by 42-inch color poster depicting historical accounting tools. Copies of the poster, which was designed to help advertise the new 15th edition of the company's accounting principles textbook, were recently sent to most accounting professors in the United States. Individuals who have not received a copy and would like one should contact their South-Western representative, or write to the College Division in Cincinnati.

The colorful poster illustrates thirteen historical accounting tools ranging from painted pebbles and clay tablets from earlier than 3500 B.C. to a modern computer. An abacus is shown as is a Peruvian quipu. Fra Luca Pacioli's famed 1494 book is a part of the illustration along with British tally sticks and Napier's bones (a form of rearrangeable multiplication tables which could be used to perform complex multiplication and long division problems). Also shown on the poster are an 1892 adding machine and an early pegboard (one-write) system from 1920. A tube-type computer from 1951 and a modern calculator round out the modern innovations. An explanation sheet accompanies the poster.

The poster is suitable for framing and will no doubt become a decoration for the walls of many accounting historians.

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The Accounting Historians Notebook, Fall, 1986
The rental property activities created a need for rental property accounts and bookkeeping procedures. Documented in the ledger were instructions for the establishment of such accounts and the bookkeeping procedures to be used for 1898 and 1899. The only differences in the instructions between the two years were that the 1899 instructions were given a formal title, “Instructions for Opening and Keeping Real Estate Ledger for Negrow Houses,” and the 1899 instructions contained significantly more detail.

**Accounts**

The instructions stated that a real estate ledger was to be opened which would contain the following accounts: Cash, Expense, an account for each renter and Houses “Vacant.” Through the use of the Houses “Vacant” account, opportunity costs became an integral part of the rental property accounting system.

The Houses “Vacant” account was used to record the losses that resulted from houses setting vacant. When a house became vacant, the house number and the date of vacancy was recorded in the account. The loss from vacancies was determined by amortizing the month’s rent over the number of days that the house had remained vacant. Exhibit I, shown below, is an excerpt of the Houses “Vacant” account for 1899 which illustrates the above procedures.

<table>
<thead>
<tr>
<th>Exhibit I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houses Vacant</td>
</tr>
<tr>
<td>1899</td>
</tr>
<tr>
<td>Mar. 1</td>
</tr>
<tr>
<td>Mar.-1-99</td>
</tr>
<tr>
<td>No. 2</td>
</tr>
<tr>
<td>Mar.-10-99</td>
</tr>
</tbody>
</table>

There is no question that vacancies represent a loss of revenue to the owner of rental property. Losses due to vacancies, however, are never recorded in the books of an entity since a historical transaction has not occurred. These losses should become apparent in the financial statements as rental revenue would decrease because of the vacancies.

Economists, however, would refer to the vacancies as implicit or opportunity costs and would consider such costs in the calculation of net income. Economic theory states that the funds used to purchase the rental houses could have been invested elsewhere to earn a normal rate of return. When the houses remained vacant, a normal rate of return was not being earned and this represented a cost to the store. The following definition of opportunity costs illustrates this point.

Opportunity cost is the revenue sacrificed by not using the system in its most profitable alternative use.

The problem that arises is the determination of a normal rate of return or the revenue sacrificed. Determination of a normal rate of return or the revenue sacrificed requires some subjectivity. The subjectivity involved in determining opportunity costs has been an influencing factor as to why accountants do not record such costs in the accounting records.

The Store’s calculation of the opportunity costs resulting from vacancies, however, was fairly objective. The amortization of a month’s rent was an adequate measure of a normal rate of return or revenues sacrificed.

The opportunity costs that resulted from vacancies were also considered in the determination of total costs. The 1899 instructions stated that “to get at the full amount you are out in the whole property for the year,” the following items were to be totaled:

1. The footing of the Expense Account
2. The footing of the Houses “Vacant” Account
3. The total of the write-offs accumulated from the renters’ accounts.

The inclusion of opportunity costs in the rental property accounts and calculation of total costs substantiates the fact that...
opportunity costs resulting from vacancies were considered to be important by the Store.

It is interesting to note that while opportunity costs were considered costs, opportunity costs were not considered in the calculation of net income. The 1899 instructions stated that in order to determine the amount “cleared off of houses during the year “the monthly deposits in the Cash account were to be totaled.”

The monthly deposits in the Cash account represented net cash receipts. Thus, net income was calculated on a cash basis. The only difference in the Store’s treatment of opportunity costs and current treatment is that the Store recorded such costs in the accounts.

**Conclusion**

Current accounting literature and textbooks recognize the importance of opportunity costs and the impact that such costs can have in decision making. Since accounting systems usually do not record opportunity costs, such costs are sometimes “incorrectly ignored in decision making.”

This was not a problem for the Store located in Water Valley, Mississippi in the late 1890's.

The Store recognized and recorded the opportunity costs resulting from vacancies in the accounts. This provided the Store with documented information that could be used for decision making. Since the Store did not use opportunity costs in the calculation of net income, it appears that the recording of such costs in the rental property accounts was solely for informational purposes. This indicates that the Store felt the recording of opportunity costs in the accounts was cost beneficial. This is in direct contrast with the treatment of opportunity costs by most current accounting systems.

**Footnotes**


5. Quinn and Goodwin—Water Valley Ledgers, Collection of ledgers and business records for a firm which became Goodwin Hardware Co. and later became Quinn and Goodwin in the period 1891-1909. All archival materials referred to in this paper are housed in the Archives Library at the University of Mississippi.

6. Ibid.

7. Ibid.

8. Ibid.


10. Quinn and Goodwin.

11. Ibid.

12. Deakin and Maher, p. 22

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By No Later than 31st December 1986