

# Accounting Historians Notebook

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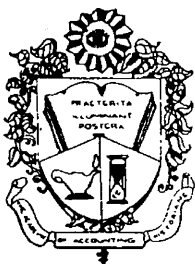
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# The Accounting Historians Notebook

Vol. 24, No. 1

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April 2002

## 2001 Research Conference LaFonda Hotel Santa Fe, New Mexico November 15-17, 2002

The 2001 Research Conference of the Academy of Accounting Historians was held in Santa Fe, New Mexico at the historic LaFonda Hotel, the Inn at the End of the Santa Fe Trail. The conference, "Writing Accounting Histories: Genres and Constructions," featured two plenary sessions with highly acclaimed speakers. The opening plenary session on Friday featured Sue Lewellyn of the University of Edinburgh speaking on "Narrative and Histories," while the Saturday plenary featured Luca Zan of the University of Bologna talking on "Genres and Change in Writing Accounting History." An internationally diverse group



Attendees socialize outside of *La Terresa* meeting room during break



**Plenary Speaker**

**"Narratives and Histories"**

**Sue Lewellyn of  
the University of  
Edinburgh**

of scholars, presented papers elaborating on these themes.

Lunch on Friday featured a discussion and demonstration of the latest computer searchable edition of *The Accounting Research Directory*. Dinner, held in the historic La Terresa room with a panoramic view of the dramatically illuminated Santa Fe Cathedral, celebrated the achievements of the winners of the four awards sponsored by the Academy.

The organizing committee for this meeting included Finley Graves of Kansas State University, Joni Young of the University of New Mexico, and Vaughan Radcliffe of Case Western Reserve University. Sponsors of the function were Andersen LLP, Deloitte and Touche, General Motors and KPMG LLP.

**THE ACADEMY OF  
ACCOUNTING  
HISTORIANS  
2002 FUNCTIONS**

**9th World Congress of  
Accounting Historians**

July 30—August 2, 2002  
Melbourne Australia

**Annual Research  
Conference**

Preceding the American  
Accounting Association Annual  
Meeting  
August 13, 2002  
San Antonio TX

**10th World Congress  
of  
Accounting Historians**

St. Louis, Missouri  
and  
Oxford, Mississippi  
United States of America

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**THE ACCOUNTING  
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NOTEBOOK**

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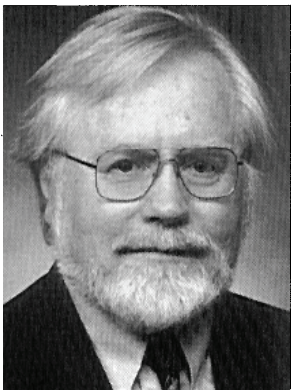
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## Message From the President

The biggest challenge facing the Academy in 2002 is the recruitment of individual members. In particular, I would like all members to ask their colleagues to join the Academy. Encourage Ph.D. students to join. Suggest a membership to practitioners who express an interest in history. Invite them to "try" one of the following activities.



opportunity to be involved with international scholars who share our passion for accounting history.

The Academy is holding a one-day research workshop in San Antonio on August 13, 2002 just prior to the start of the AAA meeting. Besides the presentation of research papers, Lynn Turner, former chief accountant of the SEC will speak about the current crises in financial reporting. Also Steve Walker, editor of *The Accounting Historians Journal*, will give young scholars his insights into doing scholarly research.

During 2002, the Academy will be involved in a number of research and educational activities. Members of the Academy are encouraged to be involved in the 9th World Congress of Accounting Historians which is meeting in Melbourne, Australia at the end of July. This wonderful event offers the

Also at San Antonio, the Academy will host social activities such as an ice

*(Continued on page 20)*

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## CALL FOR NOMINATIONS

The Nominations Committee seeks nominations for the following officers of the Academy of Accounting Historians for 2003:

- President Elect
- Vice President – Communications
- Vice President – Conferences and Partnerships
- Secretary
- Treasurer
- Two Trustees

Nominations should be sent to Finley Graves, Chair, Nominations Committee, or to any committee member:

- Finley Graves, Kansas State University, fgraves@ksu.edu
- Kathleen Sinning, Western Michigan University, kathleen.sinning@wmich.edu
- Tom Lee, University of Alabama, tlee@cba.ua.edu
- Michael Gaffikin, University of Wollongong, gaffikin@uow.edu.au
- Elliott Slocum, Georgia State University, accels@langate.gsu.edu
- Sarah Holmes (Texas A&M University, sholmes@cgsb.tamu.edu)

## 2002 Research Conference Concurrent Session Program

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### Accounts of Oppression

*Contradictions Between Representation and Reality: Planning, Programming and Budgeting and the Vietnam War*

Michele Chwastiak,  
University of New Mexico

*Accounting in Service to Racism: Monetizing Slave Property in the Antebellum South*

Richard K. Fleischman,  
John Carroll University  
Thomas N. Tyson  
St. John Fisher College

*The Holocausts of Modernity: Duncan Campbell Scott and the Canadian Indian Department*

Dean Neu,  
University of Alberta  
Richard Therrien

Moderator: Michael Gaffikin  
University of Wollongong

### Reading the Railroad

*Financing the Union Pacific and the First Decade of Annual Report Disclosure: 1870 - 1879*

Nola Buhr,  
University of Saskatchewan

*Developments in Accounting for Corporate Performance Measurement: Lessons For the 21st Century from the 19th Century's Mobile and Ohio Railroad*

Dale L. Flesher,  
University of Mississippi  
Gary J. Previts  
Case Western Reserve University  
William D. Samson,  
University of Alabama

*Accounting for the Ravages of War: A Study of the Louisville and Nashville Railroad's Accounting Policies During the American Civil War*

Jan Richard Heier,  
Auburn University - Montgomery

Moderator: Alan Styles  
California State  
University – San Marcos

### Theoretical Perspectives

*Writing the Historical Episode as a Liminal Event*

Richard S. Sathe,  
University of St. Thomas (St. Paul)

*Duality: The Making and Remaking of Organization Context*

Jesse F. Dillard,  
University of Central Florida  
Carrie Goodman,  
University of Central Florida

*Ancient Mesopotamian Accounting and Human Cognitive Evolution*

Tom Mouck,  
University of New Mexico

Moderator: Steve Loeb,  
University of Maryland

### Social/Cultural Intersections with Accounting

*Three Stories on the Way to the Death of Royal Trust: An Assessment of High-Power Incentives*

Gary Spraakman,  
York University

*The Account Book of John Hasbrouck, 1837-1863*

Joan Hollister, Marist College  
Sally M. Schultz, SUNY New Paltz

*A Short-Line Railroad in the Mississippi Delta*

Thomas G. Noland,  
Georgia Southern University  
Ken Washer,  
Texas A&M - Commerce  
Dale L. Flesher,  
University of Mississippi

Moderator: Michael Scorgie,  
LaTrobe University

**Thinking About Process**

*Exploring the Archive: For Fun or Profit?*

Robert Williams,  
University of Wollongong

*Finding Evidence in Agendas and Minutes: The Pleasure and the Pain*

Elaine Evans,  
Macquarie University  
Roger Juchau,  
University of Western Sydney

*The Road Less Traveled: A Journey into Accounting Historiography*

Susan Greer,  
Macquarie University  
Elaine Evans,  
Macquarie University

Moderator: Alistair Preston,  
University of New Mexico

**In the Archives**

*An Institutional Approach to the Role of Early Cost Systems in Regulated Markets: The Case of the Royal Soap Factory of Seville (1515-1692)*

Salvador Carmona,  
Juan Carlos III University  
Rafael Donoso,  
University of Seville

*Toward a History of Internal Control: An Examination of Physical Controls in 17th and 18th Century America*

Robert P. Moffie,  
North Carolina Central University  
Delton Holloway,  
North Carolina Central University  
Ralph Tower,  
Wake Forest University

*Accounting for Scrap in Mid-Nineteenth Century France: The Case of Schneider and Co.*

Daijiro Fujimura,  
Hiroshima Shudo University

*Contributions of The Accounting Historians Journal: 10,000 Years of Accounting*

Robert J. Fleming,  
Northern Michigan University  
Samuel P. Graci,  
Northern Michigan University  
Joel E. Thompson,  
Northern Michigan University

Moderator: Christopher Napier,  
University of Southampton

**Contextual Histories**

***Vangermeersch Manuscript Award Paper:***

*Privatisation and Management Accounting Systems Change: The Case of the 19th Century Spanish Tobacco Monopoly*

Marta Macias,  
St. Louis University (Madrid)

*The Importance of the Past to the Present: A Discussion of the Role of Accounting History in the Regulation of Public Accounting in Ontario*

Laura MacDonald,  
Wilfrid Laurier University

(Continued on page 6)

*Barter Accounting in the U.S. During the Late Eighteenth and Early Nineteenth Centuries*

Robert Bloom,  
John Carroll University  
John Solotko

*"I Happen to Be a CPA" From: A White-Collar Profession: African-American Certified Public Accountants Since 1921*

Theresa Hammond,  
Boston College

Moderator: Gloria Vollmers,  
University of Maine

*Charles R. Flint: The Forgotten "Father of Trusts" and His Role in U.S. Rubber: 1892-1901*

Elliott Slocum,  
Georgia State University  
Richard Vangermeersch,  
University of Rhode Island

### Writing Biography

*Biographical Research in Accounting*

Dale L. Flesher,  
University of Mississippi  
Tonya K. Flesher,  
University of Mississippi

Moderator: John Rigsby,  
Mississippi State Univ.

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## Are You Missing Communications From the Academy?

The October 2001 *Accounting Historians Notebook* (Vol. 24, #2) and the December 2001 *Accounting Historians Journal* (Vol. 28, #2) were mailed in December and January respectively. If you have not received your copy, please contact Kathy Rice.

If you are **not** receiving the e-mail notices of conference information and other items of interest to Academy members, contact Kathy Rice to be added to the distribution list. You can also have your name removed from the distribution list if you are receiving the notices and prefer not to.

Please note that there has been an email address change for Kathy Rice. The new address is **aahatua@aol.com**. The mailing address will remain the same (Academy of Accounting Historians, The University of Alabama, Culverhouse School of Accountancy, Box 870220, Tuscaloosa, AL 35487).

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## HISTORY IN PRINT

Compiled by Elliott Slocum, Georgia State University

An increasing amount of research in accounting history is being published throughout the world in various books and periodicals other than those published by the Academy. The editors of *The Notebook* provide this section to identify accounting history research

that may be of interest and use by members of the Academy. We encourage you, the readers of *The Notebook*, to advise us of many such publications in an effort to provide the broadest coverage and recognition of accounting history research.

## History In Print (continued)

### **Abacus, Vol. 37, No. 1 (2001)**

#### **(Selected Items):**

- Bailey, Charles D. "Research misconduct in accounting literature: A survey of the most prolific researchers' actions and beliefs." p.26.
- Barton, Allan "Russell Mathews." p.132.
- Funnel, Warwick "Distortions of history, accounting and the paradox of Werner Sombart." p.55.
- Schuetze, Walter P. "What are assets and liabilities? Where is true North? (Accounting that my sister would understand)" p. 1.

### **Abacus, Vol. 37, No. 2 (2001)**

#### **(Selected Items):**

- Carmona, Salvador "Institutional pressures, monopolistic conditions and the implementation of early cost management practices: The case of the Royal Tobacco Factory of Seville (1820 - 1887)." p. 139.
- Edwards, John R. "Contextualizing the process of accounting regulation: A study of nineteenth-century British friendly societies." p. 188.

### **Accounting History, Vol. 5, No. 2**

#### **(2000), (Selected Items):**

- Barbadillo, Emiliano R. Humphrey, Christopher and Garcia Benau, Maria A. "Auditors versus third parties and others: the unusual case of the Spanish audit liability "crisis." p.119.
- Gwilliam, David, Macve, Richard and Meeks, Geoffrey "Principals and agents in crisis: reforms of

accounting and audit at Lloyd's 1982-1986." p. 61.

- Keenan, Michael G. "Between anarchy and authority: the New Zealand Society of Accountants' management of crisis: 1989-1993." p. 93.
- Llorens, Mercedes B. "The crisis of 1847-1848 and the regulations of company accounting in Spain." p.13.
- Maltby, Josephine "Was the 1947 Companies Act a response to a national crisis?" p. 31.

#### **Other Publications (as indicated):**

- Brownlee, Elliot W. "Taxing America: Wilbur D Mills, Congress and the State, 1945-1975." *Business History Review*, Vol. 73, Issue 4, 1999, p. 756.
- Lamv, Margaret "Horrid appealing: Accounting for taxable profits in mid-nineteenth century England." *Accounting, Organizations and Society*, Vol. 26, Issue 3, 2001, p.271.
- Lee, T. A. "Cash Flow and Corporate Finance in Victorian Britain." *Accounting and Business Research*, Vol. 31, Issue 2, 2001, p. 151.
- Ramirez, Carlos "Understanding social closure in its cultural context: Accounting practitioners in France (1920-1939)." *Accounting, Organizations, and Society*, Vol. 26, Issues 4 and 5, 2001, p. 391.
- Zeff, Stephan A. "Foundations for the Future: The AICPA from 1980 to 1995." *Accounting and Business Research*, Vol. 31, Issue 2, 2001, p 154.



## **INNOVATION IN ACCOUNTING HISTORY EDUCATION**

The Academy of Accounting Historians sponsors an award for innovation in accounting history education. The intent of the award is to encourage innovations in accounting history education. The award will be presented to an individual(s) who develops and implements an innovative technique/method for incorporating accounting history topics into undergraduate or graduate accounting courses. Examples include, but are not limited to:

- Developing a case, video; audio; or
- Course syllabus, etc., that integrate accounting history topics into courses.

### **ELIGIBILITY AND GUIDELINES FOR SUBMISSIONS**

To be eligible, the innovation must have been used in a course that the applicant has taught or is currently teaching. Individuals nominating themselves or those nominating individuals for this award should submit five copies of

- A description of the innovative technique/method;
- Submission of the case, video, audio, or other innovation, as appropriate, and teaching notes;
- Identification of the course in which the innovation is used and a description of how it is implemented; and
- An explanation of how the innovation has enriched the course being taught.

Submit to:

R. Tondkar  
School of Business  
Virginia Commonwealth University  
Richmond VA 23284-4000

**DEADLINE FOR SUBMISSIONS IS JUNE 15, 2002**

## INNOVATION IN ACCOUNTING HISTORY EDUCATION



R. Tondkar, chair of the Innovations in Accounting History Education Award committee presents awards to Dan Deines and Dave Vruwink at the Academy Annual Meeting

Dan Deines received his Ph.D. from the University of Nebraska and has been at Kansas State University

since 1982. He currently holds the Ralph Crouch, KPMG Chair. He is a member of the AAA, the Kansas Society of CPAs, and the AICPA. He is currently the secretary/treasurer of the Kansas Society of CPAs. He was the co-coordinator of the Kansas State University's accounting curriculum revision sponsored by the Accounting Education Change Commission.

David R. Vruwink is an Associate Professor and Union Pacific Faculty Fellow in the Accounting Department at Kansas State University. Currently, he is the Assistant Dean & Director of Graduate Studies for the College of Business Administration. He received his Ph.D. from the University of Arkansas and has published articles in the *Accounting Review*, *The CPA Journal*, and the *Journal of Accountancy*.

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## LIFE MEMBERSHIP



Dick Vangermeersch congratulates **Bob Gibson** on being named a Life Member of the Academy of Accounting Historians. **Bob Parker** and **David Forrester** were also named Life Members. The Bylaws of the Academy of Accounting Historians provide that scholars of distinction in accounting history may be designated as

life members. Selection of such members is made by a committee of the board of trustees. The first life memberships were awarded in 1981.

## Minutes

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**Officers, Trustees, Committee  
Chairs, and Editors Meeting  
Atlanta Marriott Marquis  
August 11, 2001**

*Present:*

Ashton Bishop, Ed Coffman, Joann Noe Cross, Dale Flesher, Dick Fleischman, Finley Graves, Dan Jensen, Alan Mayper, Barbara Merino, John Riggsby, Bill Samson, Elliot Slocum, Dick Vangermeersch, Steve Walker

1. The agenda for the meeting was approved by vote of those present.
2. The minutes of the Academy's Officers, Trustees and Committee Chairs' meeting of April 7, 2001, (St. Louis – Frontenac Hilton) were approved by vote of those present.
3. The Treasurer's report was presented by John Riggsby. Discussion followed. The comments indicated satisfaction with the financial condition of the Academy.
4. The Administrative Coordinator's report from Kathy Rice was presented by Finley Graves. The discussion strongly endorsed continuing to use Kathy's talents, even if she retired from the University. The letter from The University of Alabama (Rob Ingram) indicated that the Culverhouse School of Accountancy would be amenable to making the facility available to Kathy for Academy business, if she were to retire from the University. The motion was made to support Kathy Rice's memo to carry on the Academy's administrative coordinator's duties out of her home. The motion was seconded, voted on and passed.
5. The Board passed a resolution thanking Alan Richardson for his years of service and support to the Academy.
6. Steve Walker gave *The Accounting Historians Journal* editor's report. Submitted manuscripts have increased, but overall quality of submissions is still a concern. Competition for good manuscripts from other journals necessitates that the Academy support the editor, especially travel to conferences.
7. Joann Noe Cross was successful with the March issue of the *Notebook* and is bringing out the next issue in October.
8. Finley Graves reported that the Monograph Series is going forward with a monograph proposal. The Miranti-Shoemaker "Accounting History Research" project has been taken up by Dick Fleischman, and progress is being made toward publication.
9. Dale Flesher reported that Ole Miss has received the AICPA's library collection and is now in the process of trying to unpack and catalogue this very large contribution which includes two copies of Pacioli's *Treatise*.
10. Elliott Slocum indicated that Georgia State has shown some willingness to continue to support the Academy's collection at Georgia State. The collection has now been listed on a data base.
11. The AAA Pre-Conference at Georgia State was successful with twenty-five registrants, eight papers, and lively discussions.

*(Continued on page 16)*

## 2002 Vangermeersch Manuscript Award

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### ELIGIBILITY AND GUIDELINES FOR SUBMISSIONS

Any accounting faculty member, who holds a full-time appointment and who received his/her masters/doctorate within seven years previous to the date of submission, is eligible to be considered for this award. Coauthored manuscripts will be considered (if at least one coauthor received his/her master/doctorate within the last seven years). Manuscripts must conform to the style requirements of the *Accounting Historians Journal*. Previously published manuscripts or manuscripts under review are not eligible for consideration. Six copies of each manuscript should be submitted by **June 17, 2002** to:

Professor Richard K. Fleischman  
Department of Accountancy  
Boler School of Business  
John Carroll University  
University Heights, OH 44118  
USA

A cover letter, indicating the author's mailing address, date masters/doctoral degree awarded, and a statement that the manuscript has not been published or is not currently being considered for publication should be included in the submission packet.

In addition to the chair, the Award Committee includes:

Salvador Carmona	Universidad Carlos III
David Oldroyd	University of Newcastle
Chris Poullaos	University of New South Wales
Thomas Tyson	St. John Fisher College

The committee will evaluate submitted manuscripts on a blind-review basis and select one recipient each year. The author will receive a \$1,000 (U.S.) stipend and a plaque to recognize his/her outstanding achievement in historical research. In case of coauthored manuscripts, the junior faculty member(s) will receive/share the cash award, and all authors will receive a plaque. The winning manuscript will be published in the *Accounting Historians Journal* after an appropriate review. The award will be given annually unless the Manuscript Award Committee determines that no submission warrants recognition as an outstanding manuscript. The award will be presented at the Academy's 2002 Research Conference.

## LEGITIMATING HISTORY IN THE ACCOUNTING CURRICULUM

*Stephen P. Walker*  
*University of Edinburgh*

Presented at a Symposium on *Teaching Accounting History* at 8<sup>th</sup> World Congress of Accounting Historians, Madrid, 19-12 July 2000.

Over the past eight years I have taught a senior honours course in accounting history at Edinburgh University. The (predominantly) positive feedback received from students enrolled for this option indicates two things. First, that accounting history is considered to be a worthwhile and interesting course. Second, the subject is perceived as refreshingly different. One student commented recently that the course 'brought another discipline and its skills to accounting'. This reference to skills is the essential message of this paper. Trends in higher education in Britain inspire consideration of an alternative basis for legitimating the inclusion of accounting history in the curriculum. One which extends beyond the traditional advocacy of history based on its capacity to increase the *knowledge and understanding* of students. It is argued that claims about the merits of including of accounting history in the curriculum should focus on its capacity to deliver learning outcomes which emphasise *transferable skills*.

The task of the Education Committee of the Academy of Accounting Historians is essentially concerned with encouraging and assisting the implementation of history in accounting programs. The Committee pursues its agenda by assembling and disseminat-

ing historical materials for integration in accounting courses. The Syllabi Project of 1994 has supported attempts to convince institutions of the desirability of an accounting history course or the inclusion of historical content in existing accounting courses. The Committee is currently focusing its attention on encouraging doctoral students to include a historical component in dissertations, and collecting syllabi and resource materials for teaching purposes. This concern with the presence of accounting history in the curriculum has also inspired a number of academic papers on the subject. Contributions by Bloom and Collins (1988), Coffman, Tondkar and Previts (1993) and Armernic and Elitzur (1995) have sought to reveal how different types of material (such as published papers, biographies, videotapes and annual reports) can be used in accounting courses to broaden students' comprehension of the development of the craft and to enhance student awareness of the issues surrounding the application of contemporary accounting rules and techniques.

These authors and the work of the Academy are primarily concerned with broadening the accounting *knowledge* of students. That is, showing how history can enhance the practical and theoretical understanding of accounting. In a paper by Simon (1995) reference was made to the use of histories of firms to improve understanding of the basic subject matter of accounting. Such histories were identified as a source of anecdotes and trivia questions in order to spark an interest in history. Nurturing 'interest' among students is not so difficult in the author's experience. Neither is a shortage of teaching material a constraint on the introduction of accounting history courses given the vast expansion of published output in

the subject over recent years. The problem lies in *legitimizing* the presence of accounting history in a curriculum choked with accreditation-driven content and the claims of more modernist subjects. In the UK at least, there are pedagogical shifts afoot which may serve to enhance the legitimacy and contribution of history in the accounting curriculum. This arises because of the increasing emphasis on skills transmission.

In the UK the advent of external quality assurance regimes has encouraged a deeper consideration of the specification of learning outcomes in accounting degree programs. The ability of an institution to achieve its defined outcomes is the benchmark against which teaching quality is formally evaluated. It is obvious to anyone involved in preparing for teaching quality audits in the UK that it is no longer sufficient to suggest that imparting knowledge in a subject is the only learning objective of a course or programme. Emphasis is increasingly placed on skills as well as subject-knowledge and understanding. These skills are defined as *intellectual* and *transferable* and are to be enhanced in order to better equip graduates to exploit employment opportunities. At the last major teaching quality evaluation in business and management subjects in the UK, it was apparent that faculties were providing insufficient specification of such skills. They were most commonly found to be implicit rather than explicit in statements of program objectives. Those suffering more recent quality assurance reviews have been anxious to ensure that skills feature prominently in teaching documentation. They have also been aware that curriculum design is increasingly conditioned by the need to impart skills.

In the UK a 'Benchmark Statement for Accountancy' has been issued by the Quality Assurance Agency. This outlines the typical cognitive abilities which a student of accountancy could be expected to attain having pursued a degree program. These abilities are identified as the following:

- 1) Critical evaluation of arguments and evidence.
- 2) The ability to analyse and draw reasoned conclusions from a set of data which is both given and acquired by the student.
- 3) The ability to locate, extract and analyse data from multiple sources.
- 4) The capacity for independent learning.
- 5) Numeracy skills and the ability to manipulate financial data.
- 6) Skills in the use of information technology.
- 7) Communication skills and the ability to present quantitative and qualitative information.
- 8) The ability to work in groups, and oral and written presentation skills.

The first three of these are intellectual skills, the remainder are transferable personal skills. The extraordinary feature of the intellectual skills identified in the 'Benchmark Statement for Accountancy' are their affinity with the essential attributes of the historian. They bear an uncanny resemblance to the skills identified by teachers of history as the learning outcomes of their programs (see, for example, Coltham and Fines, 1971; Gunning, 1978). In fact, taken as a whole, there can be few sub-disciplines of accounting aside from history which are more closely attuned to the acquisition of the skills identified by the framers of this benchmark statement.

By emphasising the intellectual skills

(Continued from page 13)

which accounting history can nourish, the appearance of the subject in learning programs may be advanced to counter the usual arguments against its introduction, viz., that it has limited value to students as *knowledge*. Mainstream historians have long had to face the accusation that their subject has limited vocational value. Their response has been to emphasise the skills and attributes which the study of history develops. The same agenda might be pursued by accounting historians. Accounting History has a particular value in developing the intellectual skills of the student, particularly those abilities which are not so evident in the traditional elements of the accounting curriculum. These skills can be identified as follows:

- 1) Research Skills: the capacity to identify and search for relevant information.
- 2) Reference Skills: the ability to systematically obtain, verify and retrieve information from a variety of sources.
- 3) Translation Skills: the ability to gather information in one form (such as financial data) and construct a narrative around it.
- 4) Critical Evaluation Skills: the ability to criticise and interpret evidence are fundamental skills of the historian. This involves the evaluation of evidence, the identification of bias and assessing the merits of competing theories and explanations with a view to making reasoned judgements.
- 5) Contextualisation Skills. The ability to appreciate the complexity and diversity of social and economic situations. This contrasts with the prescriptive and confined

nature of much of technical accounting.

- 6) Synthesis Skills: the ability to identify and articulate salient points, divergent conclusions and linkages between available evidence.
- 7) Analytical Skills: the ability to evaluate and interpret evidence.
- 8) Extrapolation Skills: making inferences and framing hypotheses on the basis of evidence gathered.

These intellectual skills of the historian are all of direct vocational relevance to the aspirant accountant (especially future auditors, whose profession emphasises the gathering of relevant, reliable and sufficient evidence, its evaluation, analysis and drawing reasoned judgements) and can be utilised in advancing the case for the introduction of accounting history courses.

Like other subjects accounting history offers many opportunities for novel approaches to enhance *transferable personal skills* such as oral and written communication. Accounting history presents students with a new and challenging subject which involves engagement with a different vocabulary. Skills in group work, the use of information technology and time management feature large in history programs, again, using types of material (such as primary sources) which may be quite different to those utilised in other accounting courses. Written communication is especially associated with the historian and represents an important complement to the technical and quantitative bent of much mainstream instruction in accounting and finance.

The challenge therefore, is to advance

the pedagogical case for accounting history on the basis of the *intellectual skills* which it imparts as well as its potential for *knowledge* enhancement. The increasing emphasis on skills as learning outcomes in the UK offers new opportunities for legitimating history in the curriculum. It enables accounting historians to construct courses which are attuned to developing the core intellectual and personal skills of the accounting graduate and to do so in innovative ways.

### References

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Bloom, R. and Collins, M. (1988). Motivating Students with an Historical Perspective in Financial Accounting Courses, *Journal of Accounting Education*, 9, spring, pp. 1-14.

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(Continued from page 23)

markets. As the size and complexity of business grew from the beginning of the Italian Commercial World through the Industrial Revolution, the success and growth of those businesses were often dependent on the sophistication of the accounting system. The concept and determination of net income was critical in the computation of how much capital could be taken out of the business in the form of dividends. Dividends based on faulty income measures led to insolvency. The SEC's power to set GAAP (subsequently transferred to the FASB) reflects the importance the U.S. government places on the capital market's need for quality financial reporting. The Companies Acts in England reflect similar concerns.

### SUMMARY

Accounting history is a cornerstone for both our accounting theory course and accounting curriculum at Kansas State University. Students gain a broader perspective of accounting and therefore, enhance their awareness of the interrelationship between accounting, business, and society. Equipped with this perspective, students are better prepared to understand more complex accounting issues and concepts that impact financial, managerial, systems, and tax accounting.

Probably the most important perspective that accounting history provides is that accounting is an ever changing system that evolves to meet the needs of its users. Students learn that in order to thrive in accounting's changing environment, they must understand the origin and nature of the change process. That alone may be enough to keep teaching accounting history in our classrooms!



(Continued from page 10)

12. Ashton Bishop asked for guidance in setting administrative policy about the need to formalize the advertisement for award nominations. The Hourglass Award is to be the President's decision, with advice that could come from a committee.
13. Ross Tondkar sent a report about nominations for the Education Innovation Award.
14. Gary Previts sent a report on the status of the Endowment Committee's activities.
15. Alan Mayper indicated that the financial advisory report would be issued at the Santa Fe meeting.
16. The web page has been developed by Kathy Sinning and transferred to Tommie Singleton. Those who have seen it have been impressed.
17. The International Relations Committee Report from Cheryl McWatters (Chair) was distributed. It will be discussed at the Santa Fe meeting.
18. The Life Membership report was given by Dick Vangermeersch, nominating three candidates for life membership: Bob Gibson, Bob Parker, and David Forrester. The motion for making all three life members passed.
19. Vaughn Radcliffe will present a report of the membership committee in Santa Fe.
20. There was no report from the Nominations Committee.
21. Finley Graves distributed the program for the Santa Fe Conference.
22. The Public Relations Committee will be holding a silent auction in Santa Fe and has a booth in the AAA book exhibit hall here.
23. The Regional Program Committee Report was received.
24. Finley Graves gave the report on the Research Committee for Joni Young. He thanked the Committee for its work in reviewing papers for the research conference.
25. Dick Fleischman stated that the Vangermeersch award will be presented in Santa Fe.
26. Dick Fleischman discussed the possibility that *The Accounting Historians Journal* be published commercially. He had made some preliminary inquiries with a couple of publishers and had discussions with some editors of other journals to see if it is feasible. Discussion followed about advantages and disadvantages. A motion was made for Dick to pursue the idea further by gathering more information from other publishers of what they would charge to handle the journal. The motion was seconded, voted on and passed.
27. Steve Walker proposed that the "Hall of Fame" pages do not seem appropriate to *The Accounting Historians Journal* and suggested that perhaps alternative ways of publicizing this award could be found. The discussion which followed supported the idea that the "Hall of Fame" materials could better be handled in the *Notebook*.
28. Barbara Merino urged that Ph.D. students be invited to the Academy's Research Conference in Santa Fe. Finley Graves said that this was being done.
29. The meeting adjourned at 8:00 pm.

Submitted by William D. Samson  
President-elect (Acting Secretary)

## The Hourglass Award



Finley Graves presents Hourglass Award to Dan Guy who accepted the award for Steve Zeff. The Academy of Accounting Historians has established the Hourglass Award which is presented annually to the person or persons who have made a noteworthy contribution to the study of accounting history. In the past award recipients have been authors or editors of books, authors of significant article series and others as appropriate.

Nominations are taken in the summer for presentation at the Academy's annual meeting.

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## 2001 Vangermeersch Manuscript Award

Finley Graves presents the 2001 Vangermeersch Manuscript Award to **Maria Macias** of St. Louis University in Madrid, Spain for her paper "Privatization and Management Accounting Systems Change: The Case of the 19th Century Spanish Tobacco



Monopoly" which she presented at the Academy's annual Meeting. In 1988, The Academy of Accounting Historians established an annual manuscript award to encourage academic scholars new to the field to pursue historical research. An historical manuscript on any aspect of the field of accounting, broadly defined, is appropriate for submission.

## **Book About Harvey Stuart Chase Published Privately**

### **AN ANALYSIS OF THE LIFE AND WRITINGS OF HARVEY STUART CHASE (1861-1946) ALONG WITH SELECTED READINGS**

by Richard Vangermeersch

Harvey Stuart Chase was not only a leader of the public accounting profession from 1895 through 1925, he could be considered the father of municipal accounting, of depreciation, of the national budget, and of two State Societies of CPAs (Massachusetts and Colorado). He, at that time, was mentioned in the same breath with Haskins, Sells, Montgomery, and May. They are still remembered now by accounting historians and accountants but Harvey Stuart Chase is forgotten. This book places him back into the recognition he deserves.

Harvey Stuart Chase was also the father of Stuart Chase (1888-1985) who attained great fame as a political economist in the Great Depression. This book reviews four generations of the Chase family of Massachusetts and looks at the family involvement in the public accounting profession from 1873 through the death of Arthur Taft Chase in 1955. There is an appendix devoted to Robert Stuart Chase (1831-1916) and a longer appendix on Stuart Chase. There are fifteen readings of Harvey Stuart Chase included. Some of these readings were the result of much digging by the author.

This book concludes that Harvey Stuart Chase needs to be replicated today in the area of governmental accounting. He is an ideal role model for leadership by accountants in many different areas of their expertise, for literacy, and for international involvement. The author suggests that there are some exciting accounting historical research areas in the workings of the Taft Commission of Economy and Efficiency in the Federal Government and in the formation of the U.S. national budget. The book ends with the call to place Harvey Stuart Chase into the Accounting Hall of Fame and to award him the Accounting Exemplar Award of the Accounting Public Interest of the American Accounting Association.

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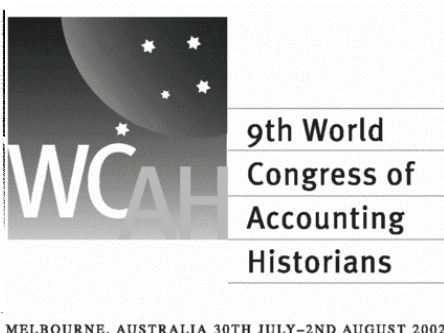
To order the paperbound book for yourself and/or for your library please send \$20.00 for the book and \$5.00 for postage to:

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Kingston, R.I., 02881

Phone: 401-874-4333  
FAX 401-874-4312  
Email: [rvang\\_@uriacc.uri.edu](mailto:rvang_@uriacc.uri.edu)

Please include \$2.00 additionally for postage to foreign destinations.

This is an open invitation to all those with an interest in accounting's past and present to participate in, and enjoy the experience of, the 9<sup>th</sup> World Congress of Accounting Historians being held in Melbourne, Australia between 30 July and 2 August 2002. The 9th World Congress of Accounting Historians is hosted by Deakin University. It is a significant international event not to be overlooked.



### **Congress Highlights**

The Congress features three plenary sessions by:

- Lee Parker, University of Adelaide, "Presenting the Past: Perspectives on Time for Accounting History"
- Salvador Carmona, Universidad Carlos III de Madrid, "Accounting History Research and its Diffusion in an International Context"
- Theresa Hammond, Boston College, "History from Accounting's Margins: International Research on Race and Gender".

The Congress program also features workshops on the adopted themes as set out below with session chairs:

- Professionalisation of accounting, Marcia Annisette, Universidad Carlos III de Madrid
- Cost and management accounting, Cheryl McWatters, McGill University
- Financial reporting and accounting regulation, Gary Previts, Case Western Reserve University
- Accounting in social institutions, Steve Walker, University of Edinburgh
- Comparative international accounting history, Christopher Napier, University of Southampton
- Historiography, Wai Fong Chua, University of New South Wales.

Two major social events are featured. A reception will take place at the Old Melbourne Gaol and the Congress dinner will be held at Kooyong Lawn Tennis Club.

The Congress is generously sponsored by:

CPA Australia  
CPA Library, CPA Australia  
DeakinPrime  
Deakin University, Library  
Faculty of Business and Law, Deakin University  
McGraw-Hill Australia  
School of Accounting and Finance, Deakin University  
The Academy of Accounting Historians

To register or for more information, visit the Congress Website at:

**[www.deakin.edu.au/wcah/](http://www.deakin.edu.au/wcah/)**

# Message From the President

(continued)

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cream reception. This event, the research workshop and the World Congress are opportunities for us to meet each other, exchange ideas and information and to learn from each other. In this time of uncertainty, economic and post-September 11th turmoil, the opportunities to interact have never seemed so important while the contributions of accounting history may never be greater in the post-Enron upheaval of accounting.

Other exciting activities are taking place which will affect Academy members in the near future. Plans are being made for the Academy to host the 10th World Congress of Accounting Historians in 2004. The event will start in St. Louis, which will be hosting the World's Fair. Here, there will be a commemoration of the 1904 World's Fair in which the accounting profession held an organizational meeting. The St. Louis portion of the conference will feature the Mercantile Library's resources. From St. Louis, the Convention will reconvene in Oxford, Mississippi to feature the newly acquired AICPA library collection which is now

housed at the University of Mississippi.

During 2002, at the University of Mississippi, the Academy's journals are being digitized so that scholars will be able to access them electronically by entering a key word or phrase. When all of the issues of the *Accounting Historians Journal* are in the electronic format, access to accounting history will be greatly enhanced. A wider group of scholars should find accounting history contributes to their research specialties.

2002 brings new challenges. The profession's recent problems, culminating with Enron, certainly need to be placed in a historical perspective. Earnings manipulation, audit failures, bankruptcy, and financial scandal are not new. Hopefully, accounting historians will be able to place the current events into a broader context, based on past episodes which will speak to the 21st century. The Academy of Accounting Historians invites all to become involved with it to make the experiences of the past an important factor in understanding and dealing with future changes.

William D. Samson, President

Library & Information Service at the Institute of Chartered Accountants in England & Wales announces details of its new accessible Accounting History Gateway. It includes:

- \* links to resources on worldwide accounting history
- \* a monthly updated reading list on the histories of accountancy firms
- \* monthly updated reading list on the histories of accountancy bodies
- \* an illustrated online listing/order form for worldwide accounting history publications that we are sole stockists for
- \* knowledge guide to tracing the history of a firm or an individual accountant.

Our Accounting History Gateway can be accessed at

[http://www.icaew.co.uk/library/index.cfm?AUB=TB2I\\_27023](http://www.icaew.co.uk/library/index.cfm?AUB=TB2I_27023)

If you find this useful, please tell your colleagues and students. Any link you can make to our accounting history gateway would be most appreciated.

Jonathan Bushell, Library & Information Service, Institute of Chartered Accountants in England & Wales

## ACADEMY PUBLICATIONS AVAILABLE

MONOGRAPHS:		Price
#2	<i>John Raymond Wildman</i> by Previts and Taylor	\$5.00
#3	<i>E. L. Kohler: A Collection of His Writings</i> (1919-1975) by Cooper, Ijiri, and Previts	\$15.00 Paperback, \$10.00
#4	<i>Selected Papers from The Charles Waldo Haskins Accounting History Seminars</i> by Gaertner	\$5.00
#6	<i>The Costing Heritage: Studies in Honor of S. Paul Garner</i> by Graves	Individual Members \$5.00 Institutional Affiliates \$20.00
WORKING PAPERS:		
	Volume III (Nos. 41-60) Individual Members	\$7.50
	Volume IV (Nos. 61-80) Institutional Affiliates	\$15.00
THE ACCOUNTING HISTORIANS JOURNAL:		
	Single Volumes (when available in stock)	
	Individual Members (\$19 per issue)	\$38.00
	Institutional Affiliates (\$27 per issue)	\$54.00
THE ACCOUNTING HISTORIANS NOTEBOOK:		
	1978-2001 (2 per year \$3.00 per copy)	\$100.00
	(Some issues in very short supply.)	

(All items above subject to availability)

### TO ORDER:

Check Payable to: The Academy of Accounting Historians  
Kathy Rice, Administrative Coordinator  
Academy of Accounting Historians  
Culverhouse School of Accountancy  
Box 870220  
Tuscaloosa, Alabama 35487-0220

### AVAILABLE ON THE WEB:

*The Evolution of Cost Accounting to 1925* by S. Paul Garner  
Free at <http://weatherhead.cwru.edu/Accounting/pub/garner>

*(Continued from page 24)*

circulated when the video is playing. Another video, “*Venice: Queen of the Adriatic*”, is also available for students to watch outside of the classroom.

The historical perspective of the Accounting History & Theory course provides students with a better understanding of both: 1) accounting courses later in the curriculum and 2) accounting theory later in the class.

First, a review of accounting courses that benefit from including Accounting History in the curriculum:

#1 *Managerial Reporting*: Students understand that standard costing and variance analysis were developed from collaboration between engineers of the late 19<sup>th</sup> century and accountants. This knowledge helps them understand why standard costs were created and that accountants should not limit themselves to mastering accounting procedures but to look to other disciplines to enrich the accounting information they provide. For example, today, managerial accountants must understand information technology, finance, and management and be willing to collaborate with these disciplines.

#2 *Financial Reporting*: Before entering the Financial Reporting class, students already understand how the concepts of business entity, going concern, periodicity, historical cost, depreciation, etc. originated. They also know that the standard setting process is not perfect and its origin can be traced from the 1929 stock market crash and subsequent depression. Thus, they realize the accounting rules come from the evolving business environment and not because of some fundamental accounting rules or postulates that have always existed.

#3 *Taxation*: The origin and history of the various income tax laws in

the United States and their impact on accounting is reviewed by students. They already know why tax law measures income differently than GAAP. Students also learn how tax law has influenced GAAP. For example, the realization principle used for determining taxable income was adopted by GAAP as an objective and verifiable criteria for revenue recognition. In order to recognize revenue, the assets received must be realized or realizable.

#4 *Auditing*: Students quickly see that auditing dates back to ancient civilizations where accountability was practiced. They also see that auditing in the U.S. had its origin in British auditing and evolved rapidly after 1929.

Second, a review of important concepts that make students better understand the evolution of Accounting Theory:

#1 *Accounting has always been changing and will continue to change in the future*. By studying several centuries of Accounting History, students clearly see that accounting will continue to change because the business environment always changes. For example, by studying the factors that led to the Italian Renaissance, students better understand why double-entry accounting took hold during this period. Then, with the beginning of the Industrial Revolution, accounting again had to make major changes because businesses had to have large amounts of fixed assets and capital in order to conduct their business. Now that we are in the Information Age, students see that accounting theory is likely to continue to change.

#2 *The theoretical framework that is used to prepare financial statements will continue to change over time*. Studying the gradual evolution of accounting concepts (net income/ equity,

business entity, going concern, historical cost, depreciation, etc.) that students were likely to assume always existed, allows students to see that key accounting methods/concepts can change over time. This process also gets more students to realize that there may be more than one acceptable method to account for a cost/asset. For example, historical cost may not be always the best valuation method to use for all assets on the balance sheet.

*#3 Judgment often must be used in the preparation of financial statements.*

A review of the Chatfield chapters shows that except for the last 40 years, the accounting profession had little guidance in the preparation of financial statements. A company's accountants could prepare financial statements using whatever method suited their needs and were not required to disclose the method selected to financial statement users. Students who study the development of the standard setting process are aware that the goal of standard setting is not to create rigid uniformity. Instead, they learn that the standards guiding the preparation of financial statements must have enough flexibility to capture the substance of the business events being captured. They also learn it is the accountant's professional responsibility to apply the alternatives appropriately.

*#4 The financial statements may not always reflect the financial condition of the firm.* Numerous examples can be found in Chatfield regarding the poor quality of financial statements. First, the British Parliament had to pass a series of Company Acts to improve the quality of the financial statements and protect British investors from numerous bankruptcies. Second, during the U.S. railroad construction boom of the mid-1800's, the replacement

method for recognizing depreciation was quite popular with many railroads because little depreciation had to be recognized in the early years of the railroad. Thus, net income was high and large amounts of dividends could be paid to investors. Unfortunately, little cash was available when the equipment and tracks needed replacing and the railroads went bankrupt. Finally, several U.S. court cases greatly increased the rigor of audits that significantly improved the quality of the financial statements.

*#5 The influence that government, the court system, and political forces has had in the development of accounting standards / financial statements.* By studying the effects of the early income tax laws on financial accounting, students see that the changing environment brought on by the government had a significant influence on accounting theory. Similar observations can be made from the acceptability by Congress of LIFO and accelerated depreciation for income tax purposes. Also, the controversy of the accounting for the Investment Tax Credit between the APB and Congress in the 1960's shows that good accounting theory may lose to strong political forces. The evolution of the American audit was heavily influenced by the U.S. court system through several major court cases. Indirectly, higher quality financial statements and accounting theory were the result of this process. In addition, the creation of the SEC and its oversight over CAP, APB and FASB shows students that accounting standards and theory are deeply influenced by external factors that often lead to compromise in setting accounting standards.

*#6 The importance of financial accounting to the shareholders / capital*

*(Continued on page 15)*



## Innovation In Teaching Award Submission

### THE CASE FOR TEACHING ACCOUNTING HISTORY WITH ACCOUNTING THEORY IN THE UNDERGRADUATE CURRICULUM

By  
**David R. Vruwink  
and Dan Deines**

Accounting Theory & History is the second course for accounting majors at Kansas State University. This course, along with the first course, Accounting Processes and Controls, serve as the foundation for the remaining accounting curriculum. The introductory accounting classes have a user perspective and de-emphasize the mechanics of the accounting process. Accounting Processes & Controls is designed to teach students how the accounting system works both manually and electronically. Accounting Theory & History describes how accounting has evolved and examines the various accounting methods / theories that could be used or are used in accounting. By taking this approach, students understand that accounting is a living system that has evolved and continues to evolve.

The Accounting History portion of the class is taught at the beginning of the semester and spread over eight class periods (50 minutes long). The placement of the history material at the beginning of the class emphasizes that accounting theory is not an exact science and reinforces the concept that accounting evolves and changes. This length of time allows the instructor to cover the topics in depth so students

can see for themselves the evolution of accounting, yet is short enough to maintain student interest and enthusiasm for the history topics.

*A History of Accounting Thought* by Michael Chatfield is used to cover the evolution of accounting. Study groups of 3 or 4 students are expected to prepare written answers for the assigned questions (developed by the course instructors) of each of the thirteen chapters covered in the class (see enclosed questions). Each class consists of a lecture by the instructor on the assigned topic/ chapter; discussion of the assigned questions; and a short (5 minute) quiz at the end of class. The quiz forces all of the students to be familiar with chapter topics and answers to the assigned questions.

The assigned questions for each chapter are extremely important as they provide a project for the study groups to accomplish before each class. The questions also are used to provide a theme or emphasis on that particular topic. For example, the questions for the first two chapters of Chatfield establish how crude the early accounting systems were and why they existed that way. Later chapter questions focus on why those early accounting systems became more sophisticated.

Supplementary materials (maps, coins, pictures, videos, etc.) are available for students to deepen their interest in Accounting History. For example, the video, "*Luca Pacioli: Unsung Hero of the Renaissance*" is played during class time. An Italian coin with Luca Pacioli's head, a map of Italy about 1494, and an interpretation of Pacioli's works on accounting are all

*(Continued on page 22)*