

Accounting Historians Notebook

Volume 37
Number 1 April 2014

Article 2

April 2014

Accounting historians notebook, 2014, Vol. 37, no. 1 (April) [whole issue]

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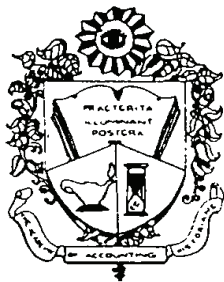
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Recommended Citation

(2014) "Accounting historians notebook, 2014, Vol. 37, no. 1 (April) [whole issue]," *Accounting Historians Notebook*: Vol. 37 : No. 1 , Article 2.

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The Accounting Historians Notebook

Vol. 37, No. 1

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April 2014

Academy Member Spotlight: Prof. Guo Daoyang

The Academy would like to announce a new feature that will be included in the Accounting Historians Notebook, the "Academy Member Spotlight". In each issue we will highlight a member of the Academy so that members have the opportunity to learn about their colleagues' backgrounds in case they do not have the opportunity to meet. We kick off this new feature by highlighting Professor Guo Daoyang.

Professor Guo Daoyang was born in Gucheng, Hubei province of the People's Republic of China in 1940. He is a distinguished professor and director of Academic Committee of Zhongnan University of Economics and Law, also a trustee of Academy of Accounting Historians. He once served as the vice president of Accounting Society of China (ASC) and the chairman of the Accounting History Committee of ASC. Professor Guo specializes in financial accounting, history of accounting and auditing, theory of international accounting and accounting theory, especially in fields of accounting thought history and accounting history, the re-



form and development of state-owned enterprise accounting, and comparison of international accounting. Professor Guo's research mainly involves two aspects, one is accounting history research, and the other is the "Collection of Guo Daoyang".

As for the research of accounting history, his masterpiece "Accounting History of China" written from 1982 to 1988 has been regarded as "the first

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THE ACCOUNTING HISTORIANS NOTEBOOK

To submit items to the Accounting Historians Notebook, please contact the Academy Administrator, Tiffany Welch, at acchistory@case.edu, (216) 368-2058 or the address below.

ATTN: Tiffany Welch
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President's Message

Massimo Sargiacomo

Università G.d'Annunzio di Chieti-
Pescara

Greetings!

As the Academy begins its new year of activity I am writing to express my gratitude for the opportunity to serve you. Along with the other Officers and Trustees, I look forward to this year as one which will provide increasing opportunities for networking, scholarship and fellowship at meetings and events in which our members will be involved.

Please let us know of your interests by sending a note to our general email address at acchistory@case.edu or by contacting the Academy Administrator, Tiffany Welch, at 216-368-2058. Do not hesitate to also offer observations, criticisms and suggestions about any aspect of the Academy's work and organization. The Academy exists to serve its members and we wish to explore ways of better fulfilling our role. Accordingly, your feedback and suggestions are much appreciated.

It may be worth reiterating that the objects of the Academy are *"to encourage research, publication, teaching and personal inter-*



changes in all phases of accounting history and its interrelation with business and economic history including the environment within they developed." This is what I'll try to promote in a variety of ways in the near future.

And while I have your attention, permit me to remind you that the next World Congress of Accounting Historians will be held in June 2016, in Pescara, Italy. I look forward to being your host.

For current announcements, dues payment information and general academy matters please check our website, www.aahhq.org, regularly.

With thanks for your continuing support of the Academy.

Massimo Sargiacomo

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monograph of oriental accounting history". It fills the blank in China economic history research, completely changed the world's perspective that China has no recording of accounting history, and has become one of the world accounting history masterpieces. As the academician of British Academy of Social Sciences Professor Jack Goody said, the research results about Chinese double-entry bookkeeping in this book suggested a reconsideration of certain central assumptions of Western historians, economists and sociologists. The first accounting history textbook in China "Accounting Development History" written by professor Guo was published in 1984. It initiates the education of Chinese accounting history. Professor Guo becomes the first person to supervise doctoral and masters students majoring in accounting history. This textbook has been translated into Japanese and become an important textbook for accounting education in Japanese universities. Professor Guo's other book "Accounting History Research" (volume 1-3) has been praised as the world accounting general history, and makes huge contributions to the systematic research on global accounting history.

In terms of the "Collection of Guo Daoyang", it includes more than 60 papers and makes pioneering contributions to accounting theory. Especially in the study of environmental accounting, Professor Guo's research

on the ecological environment basic control has been in a leading position. For instance, Professor Guo predicted that the fuse of war was no longer a political problem, but economic energy resources in his paper "War and Peace in the 21st Century" published in 1990. Based on this assumption, he put the target of accounting control function at a basic level, and proposed thoughts, theories and control methods of "The cost of distribution control" and "The green cost control". The research findings were highly valued by the UN Economic and Social Council in 1992.

Since 2011, Professor Guo has been writing "The General Accounting History of China" with 2 million Chinese characters, the current research has made major breakthroughs. It will be the first "general accounting history", which will influence the whole world.

PRIVACY

Privacy of your contact information is important to the Academy; therefore, such information is limited to individual requests. You always have the option of allowing access to Academy members or to the general public if you'd like.

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Questions? Contact the Administrative Coordinator at acchistory@case.edu.

JOIN ACADEMY MEMBERS AND GUESTS
AT THE AMERICAN ACCOUNTING ASSOCIATION
ANNUAL MEETING
ATLANTA, GEORGIA, SUNDAY, AUGUST 3, 2014
1:00 - 4:30 PM



CPE WORKSHOP:
*ACCOUNTING HISTORY
PERSPECTIVES*

Topics will include:

- Discussion of current accounting history projects
- Research topic ideas and threads
- Designing a doctoral accounting history course
- Roundtable discussion of 50+ ideas in accounting history
- Update on online digital resources
- Publishing opportunities and conference announcements
- Q & A with workshop attendees and Academy members

Here's a chance to learn about current research topics in accounting history and an opportunity to update academy members on your own project. Get valuable feedback from peers on your work-in-progress as well as help finding additional research material. Whether you are new to accounting history research or an experienced pro, earn valuable CPE credits and share knowledge with Academy members. First-time members can join the Academy of Accounting Historians at a special price only at this event!

Call for Award Nominations

Nominations deadline for all awards:

June 2, 2014

Send nominations to:

Academy Executive Committee at acchistory@case.edu

Hourglass Award

The Hourglass Award of the Academy of Accounting Historians is presented annually to an individual who has made a demonstrable and significant contribution to knowledge through research and publication in accounting history. The judging panel will echo the tradition of openness and flexibility associated with the Award and will emphasize the importance of contribution as the fundamental criterion. To that end there is no restriction as to who may make a nomination, the country in which the nominee is resident, or the paradigms and methodologies employed in the nominee's work. Nominators are asked to supply a 200 word (maximum) statement summarizing the reasons why the nominee should be considered, full contact details of the nominator and nominee and a list of relevant contributions and any other relevant documentation supplied by the nominee who has agreed to be nominated.

The Vangermeersch Manuscript Award

In 1988, The Academy of Accounting Historians established an annual manuscript award to encourage 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.

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. A cover letter, indicating the author's mailing address, the date of the award of the masters/doctoral degree, 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. Submissions should be sent as a Word attachment via email.

Review Process and Award

The committee will evaluate submitted manuscripts on a blind-review basis and select one recipient each year. The author will receive a \$500 stipend and a plaque to recognize his/her outstanding achievement in historical research. In the

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case of coauthored manuscripts, only the junior faculty member(s) will receive prizes. The winning manuscript will be published in the *Accounting Historians Journal* after an appropriate review. The award will be given annually unless the committee determines that no submission warrants recognition as an outstanding manuscript.

Barbara D. Merino Award for Excellence in Accounting History Publication

This newly established annual award is to recognize the author of the best book on an accounting historical topic published in a given year. Beginning in 2013, an annual award in the amount of \$1000 shall be made to the author of the best book published in the time period 2011-2013. The winning publication will be based upon the selection of an awards committee established by the leadership of the Academy.

The Alfred R. Roberts Memorial Research Award

This newly established award is named in honor of Dr. Alfred R. Roberts, second President and long serving Secretary of the Academy, and provides grants for research which seek to support the 35 goals identified by Professor Emeritus Richard Vangermeersch as to accounting history research, as identified in the April 2012 issue of the *Accounting Historians Notebook*. Grants will be awarded to Academy members for the actualization of ideas to increase the scope of the history of accounting. Written proposals including specification of scope, purpose, deliverables and timetable, should be presented to the committee for review and approval.

The Innovation in Accounting History Education Award

The intent of the Innovation in Accounting History Education Award is to encourage innovations in accounting history education. The award is presented to an individual(s) who has developed and implemented an innovative technique/method for incorporating accounting history topics into undergraduate or graduate accounting courses.

Examples of innovative techniques/methods include, but are not limited to:

- Developing a case, video, audio or course syllabus, etc, that can be used to integrate accounting history topics into accounting courses; or
- Presenting a seminar or condensed course on an accounting history topic.

To be eligible, the innovation must have been used in a course that the applicant has taught or is currently teaching. Electronic submissions should include the following items (as applicable):

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

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The Margit F. and Hanns Martin Schoenfeld Scholarship

The Academy of Accounting Historians annually awards an individual or individuals as the recipient or recipients of the Margit F. and Hanns Martin Schoenfeld Scholarship. The purpose of the scholarship is to encourage and support research on the history of accounting by doctoral students and recently appointed accounting faculty. The scholarship was initiated by the generous gift of Dr. Hanns Martin Schoenfeld and the late Dr. Margit Schoenfeld in recognition of their belief in the importance of historical scholarship to accounting education and research.

A monetary award is available to support research on a doctoral dissertation, or develop publications proceeding therefrom by a recent PhD graduate. Qualifying research topics should address the history of accounting. Projects of an international nature and those pursued by scholars whose first language is not English are particularly invited. Applicants must be currently enrolled for a PhD by research, or have completed a PhD by research within the last five years.

Applicants should submit a full curriculum vitae and a statement (containing a maximum of 1,000 words) which discusses the doctoral research undertaken on the history of accounting, the stage reached and how the award would prove beneficial to the applicant. A short statement from a supervisor should also be submitted in the case of applicants currently enrolled for a PhD.

Thomas J. Burns Biographical Research Award

The Academy of Accounting Historians annually honors an individual as the recipient of the Thomas J. Burns Biographical Research Award. The Award is given for outstanding biographical research in the discipline of accountancy. The award includes a plaque and a financial award. Dr. Thomas J. Burns, for whom the award is named, was a long-time professor at Ohio State University and a past president of the Academy of Accounting Historians. Self nominations are acceptable. Each nomination should be accompanied by a paragraph or more detailing why the nominee should be a candidate for the award. The award can be for a single publication or for a lifetime of biographical work.

The Best Manuscript Award

At the beginning of each year, the editor of the AHJ chooses 1st, 2nd and 3rd place recipients of the Best Manuscript Award from the previous year's journals. The 1st place recipient(s) receives a plaque and a check for \$300, the 2nd place recipient(s) receives a check for \$100 and the 3rd place recipient(s) receives a check for \$100.

Nominations deadline for all awards:

June 2, 2014

Send nominations to:

Academy Executive Committee at acchistory@case.edu

Accounting History Symposium Parma, Italy November 29, 2013

On November 29, 2013 the Accounting History Symposium was held in Parma, as part of the programme of the XII biennial Conference of the Italian Accounting History Society (SISR), organized by Prof. Paolo Andrei. Prof. Massimo Sargiacomo has chaired the Symposium, inviting the editors/delegates of the three specialist accounting history journals and of the Italian SISR official journal to speak about the "New Frontiers in Accounting History Research". Thus, in front of 250 delegates, Prof. Delfina Gomes - member of the EB of *Accounting History* -, Prof. Stefania Servalli - Vice-Director of *Contabilità e Cultura Aziendale*-, Prof. Gloria Vollmers - Editor of *The Accounting Historians*, and Prof. Steve Walker - Editor of *Accounting History Review*, have firstly talked about their own journals research agenda, observation periods and pre-

ferred themes. Accordingly, journals delegates have provided a comprehensive portrayal of all the forthcoming special issues (e.g., *Accounting History: Accounting's Past in Sport*; *Accounting History Review- Accounting and the First World War*), at the same time announcing the birth of new sections in their journals (e.g., "Salmagundi", as an opportunity for discussion, in *The Accounting Historians Journal*), or illuminating the potential of new digital historical archives, electronic databases and sources to be investigated (e.g. Theatre Archives, or Business School Archives, *Contabilità e Cultura Aziendale*), thus unveiling the new suggested accounting history frontiers to be targeted.



Prof. Delfina Gomes



Prof. Stefania Servalli

In the second part of the Symposium, the discussion rotated around the "new challenges" which may undermine the future success of the accounting history journals, as well as of its community of Scholars. All the delegates agreed that the common issue to solve is the positioning of the

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specialist accounting history journals in the different journal ratings around the world. Indeed, in diverse rankings exercises specialist accounting history journals have been recently - and unfairly - downgraded (e.g., Italy). Nevertheless, delegates have strongly recommended to continue to publish strong and robust research on specialist journals, as authors, editors and publishers play a pivotal role in the academic perception of the quality of the journals. Nevertheless, given that journals are mainly judged by national research agencies on the quality of what they publish "as measured by the citations that they achieve that feed in to the methodologies of journal rankings mechanism", perhaps one incentive to publish on specialist journals may be to increase the number of prizes and awards,

thus inviting young and senior academics not to try to publish "only" in higher rated journals. Delegates were all aware of the journal rating serious issues, and have ensured that it will remain on their agenda for their near future discussion and work. Massimo Sargiacomo, closing the Accounting History Symposium, has warmly invited all the attendants to try to increase their university lobbying and defense of the accounting history journals (i.e., to ask research agencies to put accounting history specialists in research evaluation boards, as well as in journal ratings panels), improving the cooperation among different journals and national associations, and thus paving the way for the future better survival of the worldwide accounting history community of Scholars.



Stephen Walker & Gloria Vollmers at the Royal Theatre of Parma

Academy Donates Books to University of Mississippi Library's Archives & Special Collections

On March 5, 2014, Academy Trustees, Dale Flesher and Gary Previts, met with Julia Rholes and Royce Kurtz of the University of Mississippi Library's Archives and Special Collections to present three books on behalf of the Academy. Due to the books' unique and rare nature they are best protected in a library's special collection

The Philosophy of Accounts, Charles E. Sprague, 1908, Second Edition, autographed copy, received from the collection of Andrew D. Braden.

Jones's English System of Book-Keeping, Edward T. Jones, 1796, First American Edition, received from the collection of the Academy Research Center at Georgia State University.

The American Accountant, Benjamin Workman, 1796, Third Edition, Philadelphia, received from the collection of the Academy Research Center at Georgia State University.

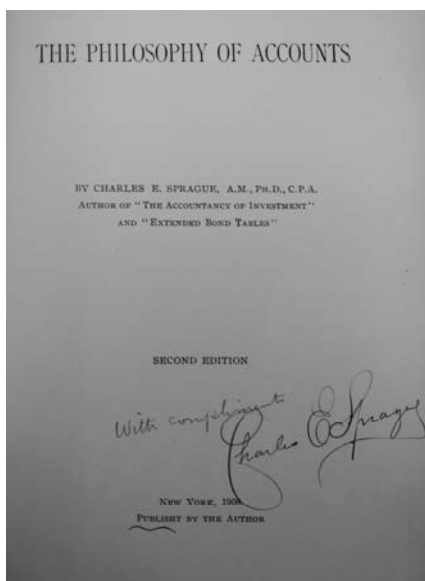
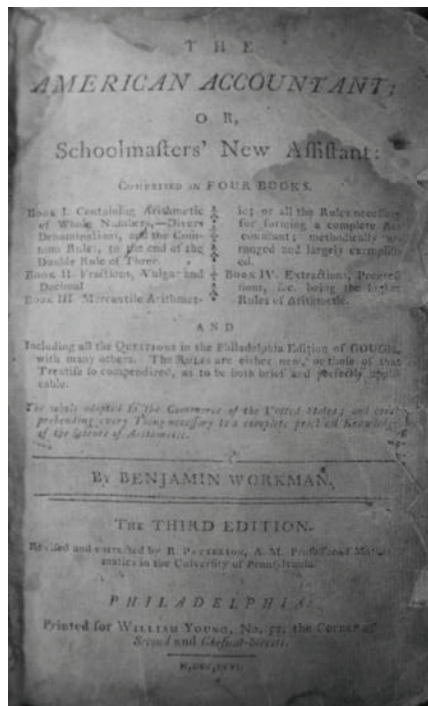
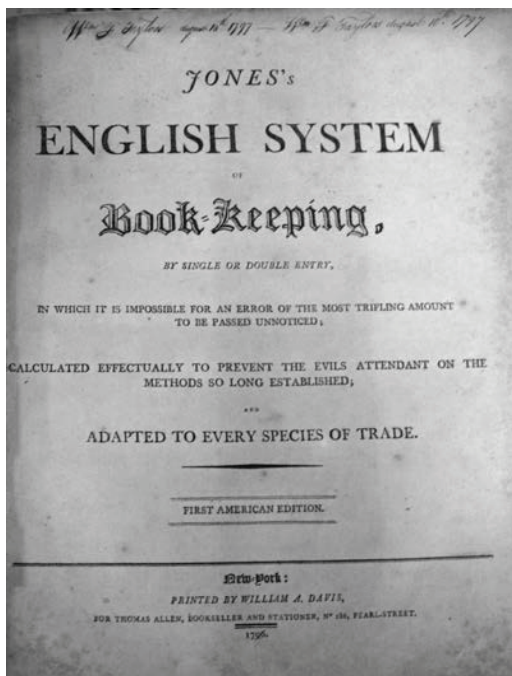


Julia Rholes, Dale Flesher, Royce Kurtz, Gary Previts

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Photos of Books Donated to University of Mississippi Library



Clockwise from top left: Jones's English System of Book-Keeping by Edward T. Jones (1796), The American Accountant by Peter McMickle (1796) and The Philosophy of Accounts by Charles E. Sprague (1908).

Photo Credit: Felicity Flesher

Prof. Lee Parker Shares Collection at Adelaide's Annual History Month

Past-president of the Academy of Accounting Historians, Professor Lee Parker, recently sponsored an exhibition of his collection of historical accounting, management and business texts at the library of the University of South Australia, as part of Adelaide's History Month.

Parker is now a Professor of Accounting at RMIT University, Melbourne. He is also Honorary Professor in the School of Management at the University of St Andrews in Scotland, and Adjunct Professor in the School of Business at Auckland University of Technology, New Zealand. He is also joint founding editor of *Accounting, Auditing & Accountability Journal*.

His exhibition featured examples of books and ephemera from his personal collection of over 1000 items on accounting history, management and business dating from the 17th century to the 1980s. The bulk of his collection focuses

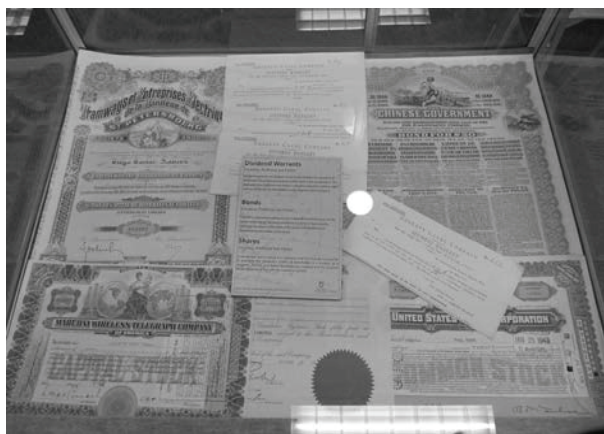
on the period 1880 to 1950. The exhibition explored the links between accounting and communication, from accounting's role in Mesopotamia 5000 years ago, where writing began, to the 1950's. His collection also includes 19th and 20th century stock and debenture certificates and a vellum parchment from King James the 1st era. Also on display were memorabilia and papers from The South Australia Company, which founded the colony of South Australia and other prominent longstanding South Australian SA businesses.

A wide range of subjects are covered in Lee's collection including accountancy profession, accounting & business history, accounting theory, auditing, book-keeping, budgeting, business forecasting, costing, ethics, industrial psychology, industry practices, management, management control, marketing, office management, scientific management, social responsibility, the South Australian Company and many more

The exhibition was launched on 14th May 2013 at UniSA's City West Library in Adelaide, with presentations from Professor Parker and guest speaker Professor Garry Carnegie. Garry Carnegie is a Professor of Accounting and Head of the School of Accounting at RMIT University, Melbourne. He is a highly published author in accounting history, with current research interests in governance and accountability from both contemporary and historical perspectives.

Professor Carnegie spoke about what accounting is, its development throughout his-

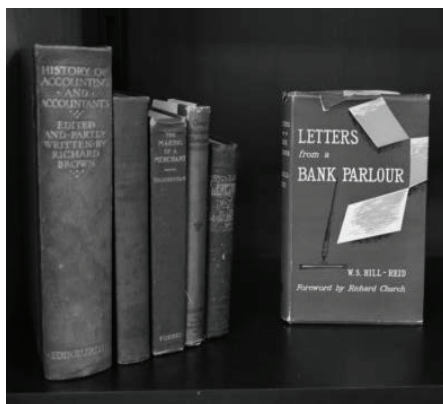
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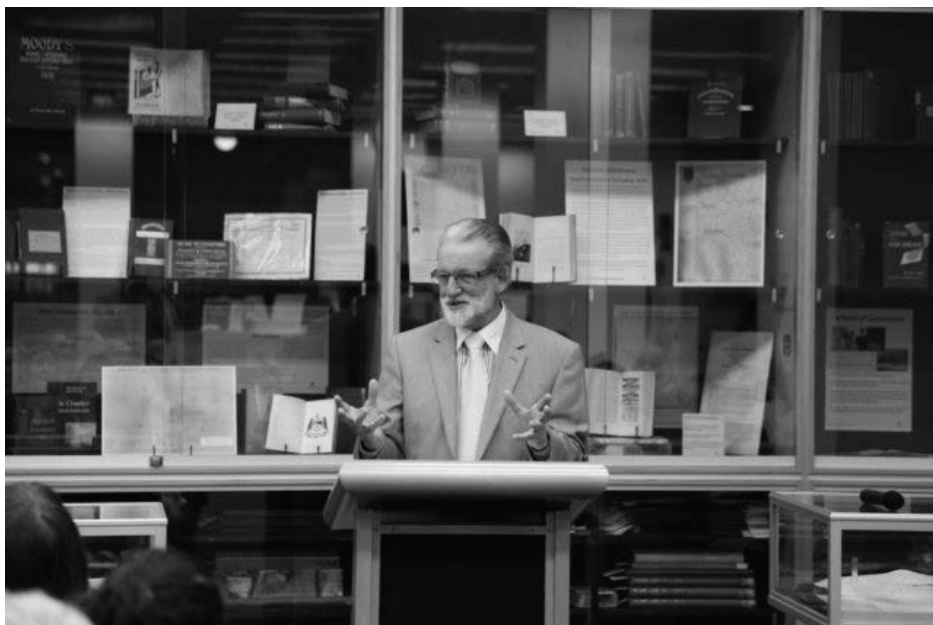
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tory and the wide-ranging contribution of accounting and accountants to society. In his speech at the launch, Professor Parker expressed his passion for collecting historical accounting and business texts, describing how his collection began and how it became one of the largest collections of its kind. Guests were regaled with 'tales from the hunt' for these texts, and were shown some of his personal favourite items on display in the exhibition.

Such extensive personal historical accounting and business collections are a rarity in today's academe, the largest previous personal collection in Australia having been held by the late professor Louis Goldberg of the University of Melbourne from whom Lee Parker drew his personal collecting inspiration.



A display of books from Prof. Lee Parker's collection at the library of the University of South Australia, as part of Adelaide's annual History Month. For more information on the collection visit the UniSA library website at www.library.unisa.edu.au/about/exhibitions/accounting.aspx.



Professor Lee Parker

TICK MARKS: THE AUDITORS' ANCIENT YET MODERN TOOL

by

Donald L. Ariail*

Southern Polytechnic State University

Roger K. Wolff

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December 24, 2013

At an American Accounting Association conference, the lead author was given a free copy of the Houghton Mifflin Brief Accounting Dictionary (2000). A few weeks later, he was preparing to present to his auditing class the Whittington and Pany (2008) chapter on the preparation of audit work papers. In discussing the auditor's need to note the verification procedures that were followed, this text states that:

As working papers are prepared, the auditors will use several different symbols to identify specific steps in the work performed. These symbols, or *tick marks*, provide a concise means of indicating the audit procedures applied to particular amounts. Whenever tick marks are employed, they must be accompanied by a legend explaining their meaning" (p. 164).

After reminiscing on the personalized audit tick marks the lead author had used during his many years in public practice, he checked the Brief Accounting Dictionary for a formal definition. Surprisingly, this term was not defined. A perusal of the indexes of three additional auditing textbooks found a reference to tick marks in the work by Knechel, Salterio and Ballou (2007) but not in the works by Rittenberg, Schwieger and Johnson (2008) and Louwers, Ramsay, Sinason and Strawser (2008). Is the accounting lexicon losing this term? Is the practice of using tick marks dying?

Tick marks have a long history of accounting usage. According to Kenneth S. Most writing in the May 9, 1959 issue of *The Accountant*, documents prepared by ancient Babylonian scribes "... reveal tiny marks, dots, ticks and circles at the side of the figures, indicating that checking had been performed." A brief review of early 20th Century auditing texts finds the suggested use of marks of audit verification. These audit symbols are variously identified as "tick marks" or "personal check-marks." For instance, the 1926 edition of *Auditing Practices* by Bennett and Prouty states that "a personal check-mark should be adopted for checking postings and amounts that have been verified" (p. 13). The use of check marks in the vouching of accounts payables is recommended by Castenholz in his 1919 *Auditing Procedure* text: "The voucher, with its bills at-

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tached, should first be compared with the voucher register entry ..., and a check mark in colored pencil should be made to the right of the amount” (p. 156). He also suggests the use of a combination “tick” to indicate the performance of more than one procedure: “... as for example ‘vc,’ the ‘v’ representing voucher examined and the ‘c,’ check compared with voucher” (p. 157). In addition, Castenholz suggests that, in the checking of general ledger postings, following a procedure of ticking from ledger postings to source documents may limit “... the danger of the office force tampering with the auditor’s ticks or of ticking amounts not examined” (p. 192). In *Audit Objectives and Procedures*, Arthur Anderson & Co. (1961) outlined the purpose of the tick mark as “to conserve space and time, tick marks are generally used throughout audit working papers where a repetitive audit step is performed ...” (p. 127).

Today, the trend in the use of tick marks seems to be towards using a limited number of marks and away from using personalized tick marks and from having a standardized library of firm specific tick marks. According to Christopher Rouse, CPA (2013), “if you are using more than 3 or 4 tick marks you may want to redesign your work papers.” The current trend in usage is the result of technological innovations. In the past, audit programs often lacked detailed instructions and thus much

discretion was given to the auditor in deciding which procedures were needed. With the advent of computerized software programs that generate detailed audit checklists, the procedures to be performed are specified. Therefore, tick mark usage is often restricted to indicating (with a limited number of digitally available tick marks) that a proscribed procedure has been performed (Wuester, 2008) and the conditions found (UNC, 1997).

Reviewing the tick mark usage of the past brought to mind the following incident that the lead author witnessed as a young staff accountant in the 1970s: He had accompanied Steve, a partner, and Jim, a per diem CPA, on an audit of a small private university located several hundred miles from the firm’s office. Steve was a high strung individual; known for having a temper and dramatic mood swings. Jim had worked off and on for the firm for a number of years and was considered to be a meticulous and knowledgeable accountant. His drinking problem had, however, kept him in a per diem status allowing the firm to dismiss him while he was on a binge and then rehiring him once he was back on the wagon. Thus, Jim had established a small clientele of his own that allowed him to be somewhat independent of the firm. With his laid back though temperamental and obstinate disposition, Jim did not respond well to Steve’s management style of intimidation.

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All three of us traveled together in the partner's vehicle. Once we arrived, Steve left us to vouch a stack of documents while he met with the college president. After several hours, he returned to check on our progress. He first looked at the work the author had done, and said that it looked fine and to proceed. He then went over to check on what Jim had accomplished. By that time Jim had vouched a large number of documents. Suddenly, Steve yelled, "What the "___" is that tick mark you've used?" Jim had indicated the agreement of each document with the booked amount with a notation of "ok." Steve forcefully told him to immediately change all the "oks" to an appropriate tick mark. Without uttering a word in reply, Jim proceeded to work on changing the notations.

A few hours later, Steve returned to again check on our progress. As before, he gave his approval to the author's work and then proceeded to Jim's desk. A loud outcry followed: "What in the "___" have you now done? I told you to use an appropriate tick mark!" Jim had indeed changed each of his original tick marks. Each "ok" had been changed to "okee dokee." Jim was fired on the spot and had to catch a Greyhound Bus back home. A few weeks latter he was re-hired by the other partners in the firm who were well aware of Steve's temper but in need of this CPA's tax season assistance. The moral of the story

is to always use an appropriate tick mark: whether a standard firm tick, software tick, or personalized tick, the audit procedure related to the symbol should be fully explained in a work paper legend.

For today's auditor, the practice of using tick marks is alive but altered in purpose – a purpose that, in this digital age, is readily served by a limited number of software specific marks within the auditing software (Bragg, 2013). While the move from manual to computerized accounting and auditing has revolutionized the methodologies of the accounting profession, this paradigm shift has also resulted in a loss in the common usage of terms like "tick marks" and thus has changed, or is changing, the lexicon of accounting. For example, anecdotal evidence indicates that most upper level accounting students are not familiar with the term "tick mark."

As accounting educators and historians, the authors suggest that we need to play an active role in preserving the lexicon of the profession which is an integral part of our accounting culture. We contend that the accounting pedagogy of exposing students to the "roots of accounting" should include teaching the historical language of the profession.

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Where Can I Find the Items Mentioned in the Notebook?

To view items mentioned in this Notebook visit the Academy website at <http://aahhq.org> and:

1. Hover over Publications;
2. Hover over Notebook; and
3. Click on "Mentioned in the Notebook".

**Accounting History
Conference
Accounting Society
of China
Zhengzhou, Henan,
China
12 October 2013**

*The International
Accounting Education
Standards Board
and
International Education
Standards (IES's)*

**Professor Peter Wolnizer
Chairman, International
Accounting Education
Standards Board
and
Academy Trustee**

Introductory remarks

Good morning colleagues. I am truly delighted to be in Zhengzhou, Henan, China, for the 8th Accounting History Conference of the Accounting Society of China. I bring greetings from the International Accounting Education Standards Board. Before I begin, I would like to express my appreciation to Professor GUO Daoyang, President of the Account-

ing History Committee; and Professor YANG Jianyan, CPC Chairperson of the Henan University of Economics and Law – the University that is hosting this conference – and to Dr. FANG Yongjun, Administrator of the Organizing Committee.

Immediately before coming to China, I was advised by Emerald Group Publishing, the publisher of the four-volume work, *A Global History of Accounting, Financial Reporting and Public Policy*, that I had the pleasure of co-editing with Professor Gary Previts from the USA and Professor Peter Walton from France, is to be translated into the Chinese language and published in China. I am particularly pleased to be at this conference today with Professor GUO Daoyang because he, together with his colleagues from Zhongnan University of Economics and Law – Professors XU Jialin, KANG Jun, PENG, Lan and ZHANG Jinxiu – wrote the very



Peter Wolnizer

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fine chapter on the history of accounting and the evolution of financial reporting in China for the third volume of the *Global History of Accounting, Financial Reporting and Public Policy* that focuses on Asia and Oceania. The first volume covers Europe; the second, The Americas; and the fourth, Eurasia, the Middle East and Africa.

The purpose of my presentation today is

1. to provide a description of the International Accounting Education Standards Board (IAESB);
2. to provide an overview of the International Education Standards (IES's) issued by the IAESB;
3. to discuss the project on the revision of the International Education Standards and identify areas for proposed changes;
4. to indicate how the International Education Standards are being applied; and
5. to discuss past and current research that is being done on the IAESB's mandate.

For Prof. Wolnizer's full presentation in English and Chinese please visit the Academy website.





Professor Alan Sangster

Griffith University

Academy Trustee

Accounting History Syllabus

The following is Prof. Dr. Alan Sangster's syllabus for a course taught in Portuguese as a visiting professor at the University of Sao Paulo in 2012.

OBJECTIVES

This course considers the history of accounting and its development up to the present day. Accounting, in particular the position of accounting within business and, thus, within the economy is stressed throughout: the circular means by which accounting aided the development of business and was, itself aided in its development by the development of business is a recurrent theme. Key developments in the history of the discipline are identified and investigated, both the technical advances and the development of accounting within specific regions, including Brazil, Portugal, Spain, Mexico, Italy and of the accounting profession in countries including Brazil, UK, Russia. The development of accounting thought is also covered. In particular, the continuing debate (which has been ongoing for at least the last 100 years) of the influence of accounting and, in particular, double entry bookkeeping, upon capitalism is analysed and discussed. Key figures of the Middle Ages and the Italian Renaissance in the development of accounting, such as Amatino Manucci, Benedetto Cotrugli, and Luca Pacioli are reviewed and their contributions assessed. The contribution of scholars of accounting history over the past 150 years is assessed and, in particular, attention is paid to those working in the first half of the 20th century when much of what we now know began to emerge. The work of those in the past 60 years is considered as debate proceeds to where we are now.

This course focuses on developing understanding of why accounting exists and of why it exists in the form we have today.

By the end of this course, students should be able to:

- Describe the earliest forms of accounting, explain their uses and why they were developed;
- Critically assess why double entry bookkeeping emerged;
- Describe the environment in which double entry bookkeeping emerged and critically assess why it took over 500 years for it to become the dominant form of bookkeeping in business;
- Evaluate the manner in which Portuguese schooling and business ventures impacted the development of accounting practice, especially in Brazil;
- Critically evaluate the contribution of the Italian Church to the development of business;
- Compare, contrast, and evaluate the support for double entry bookkeeping in Portugal

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- and Spain in the 16th to 18th centuries;
- Describe and discuss the development of accounting theory in Italy before and after Gino Zappa;
- Evaluate the relevance of *ragioneria* to accounting practice;
- Critically evaluate the claims that double entry bookkeeping gave rise to capitalism and the literature on this issue;
- Review and discuss the problems and issues relating to conducting accounting history research in the past, present and future.

JUSTIFICATION

In order to understand where you are today and plan for where you hope to be tomorrow, it is necessary to know and understand the past. Nowadays, accounting is often considered in isolation to its function and appears a mechanistic process governed by rules and procedures most students are aware of but which few can justify in anything beyond a superficial reference to regulation and regulatory frameworks. Students fail to understand that accounting is a tool of business which contributes to economic interaction and is heavily subjective and vulnerable to and influenced by social interaction. The world of accounting is far more complex than most realise. Through history, the complexities are revealed and the key issues in the recording of accounting data and preparation of accounting information can be understood. The relevance of accounting to business can be identified and a new purpose instilled in students who no longer see accounting as a mechanistic, rules-based form of transaction record keeping and reporting loosely based on mathematics.

This course promotes additional training of researchers, scholars, practitioners, and doctoral students in accounting, business, and economic history.

CONTENT

What is accounting history? In order to address this question, it is first appropriate to consider what accounting is. The renowned accounting historian, A.C. Littleton described accounting in the following terms:

Accounting is relative and progressive. The phenomena which form its subject matter are constantly changing. Older methods become less effective under altered conditions; earlier ideas become irrelevant in the face of new problems. Thus surrounding conditions generate fresh ideas and stimulate the ingenious to devise new methods. And as such ideas and methods prove successful they in turn begin to modify the surrounding conditions. The result we call progress. [Littleton, A.C. (1933) *Accounting Evolution to 1900*. New York: American Institute Publishing Company. p. 361]

This view of accounting as evolutionary is at the core of this course. Accounting history is defined by Previts et al. (1990) [Accounting history; definition and relevance, *Abacus*, pp. 2-16] as either “narrative” or “interpretational”:

Narrative – to establish and/or describe items of fact. History relates episodes in a particular, specific, non-analytical manner. History is narrative; an interesting story which recognizes that inherent limitations upon the understanding of human history diminish and confound approaches which are rigorously patterned in the investigative style of the physical sciences

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Interpretational – to evaluate relationships and provide interpretations in the manner of a social science.

This course combines these two approaches so as to enable conclusions to be drawn and implications to be found. Previts (1984) [Frameworks of American Financial Accounting Thought: An Historical Perspective to 1973, *The Accounting Historians Notebook*, Fall] suggests that an intuitive justification for the study of history exists by relating what 'was' (the historical state) to what 'is' (the positive state) to what 'ought to be' (the normative state). The importance of studying and understanding issues and concepts from such a *was-is-ought* perspective is the recognition that knowledge is a continuum not limited by temporal or environmental isolation [Hopwood, (1985) The Tale of a Committee that Never Reported: Disagreements on Intertwining Accounting with the Social', *Accounting, Organizations and Society*, Vol. 10, No.7].

As Previts et al. (ibid) state:

History supports contemporary research in policy-making and practice and in standard setting. It acquaints accountants with the individuals, ideas, experiments, and lessons that constitute our heritage. It informs us about how we have reached a particular present-day convention. Accounting history also encourages the thoughtful scholar to consider the interdisciplinary view of accounting and its environmental context.

The syllabus covers the following broad topics:

- Accounting History
- Ancient accounting
- Greek, Roman, Mesopotamian, Egyptian accounting
- Bahi Khata
- Pre-Pacioli
- Education in the Renaissance
- Benedetto Cotrugli
- Luca Pacioli
- The origins of double entry bookkeeping
- Charge and Discharge
- Spain and Mexico
- Portugal and Brazil
- The Italian Schools: *Azienda* and *Ragioneria*
- The accounting profession
- The researchers
- Accounting and Capitalism

For the full syllabus, including the Reading List, please visit the Academy's website.

Calls for Papers & Upcoming Conferences

For current information, visit the Academy website at <http://aahhq.org>.

Call for Papers: Special Issue of *Accounting History* on Accounting's Past in Sport, to be published second half of 2015, due by April 30, 2014.

IAAER 12th World Congress of Accounting Educators and Researchers, November 13-15, 2014, Florence, Italy.

Call for Papers: 8th *Accounting History* International Conference (8AHIC), August 19-21, 2015, Ballarat, Australia.

Notebook Content

To submit items for inclusion in the Notebook, email the Academy Administrator, Tiffany Welch, at acchistory@case.edu.

Award Nominations

For detailed information on Academy awards and current deadlines, visit the Awards section of the Academy website at <http://aahhq.org/awards> or turn to pages 6-8.

