

Collected Abstracts: Full Parallel Sessions

AHI

Accounting History

Code: **AHI001**
Abstract ID: **0178**

Day: **Wednesday**
Time: **16.00-17.30**
Room: **Q107**

The teaching of book-keeping in the 18th and 19th century Ireland

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Relative to other developed countries, very little has been published on Irish accounting history, even though there is a large amount of material, which is available to potential researchers. The objective of this paper is partly remedy this deficiency by investigating, using a combination of primary and secondary sources, the teaching of book keeping during eighteenth and nineteenth century Ireland. Initially we explore the phenomenon of the illegal "Hedge Schools" which flourished during the 1700s in Ireland and, from 1831, in the newly created National Schools. These illegal hedge schools reflect various aspects of Irish cultural, economic, religious and political history. Many of the National Schools established after the 1831 legislation were already in existence prior to that time, and many of their teachers had taught in existing schools. Recent research indicates that they may have had a wider international contribution since, after immigration, Irish hedge-schoolmasters subsequently applied their skills in other countries. The importance of book-keeping on the National School curriculum gradually declined towards the end of the nineteenth century as the subject was introduced into the secondary school curriculum and as the newly formed third-level institutions embraced the teaching of "accounting".

Code: **AHI002**
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Day: **Wednesday**
Time: **16.00-17.30**
Room: **Q107**

Accounting manuals as representations of commercial activities: The example of *Le Guide du Commerce of Gagnat de l'Aulnais (1771)*

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Bottin (2001) has argued that accounting manuals can be considered as source documents for economic history in that they represent commercial activities and relations in themselves, more than simply being of purely pedagogical value. This study adopts Bottin's argumentation and extends our research into the specialised accounting manual, *Le Guide du Commerce*. This manual recreated, through examples and case studies, merchant activities and commercial relations of eighteenth-century France. While using real-world examples (representing and revealing thereby the social and economic networks of the business milieu), Gagnat de l'Aulnais also supported his pedagogical project through the development of purely fictitious examples. The networks, social and spatial, developed in *Le Guide du Commerce* point to the potential value of accounting manuals and other similar documents as historical sources. The author did not content himself with recopying of material at his disposal or with creating fictitious examples. Instead, he utilised both approaches to illustrate accounting methods, but also the strategic nature of the social and economic milieu in which commercial success might be achieved.

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Day: **Wednesday**
Time: **16.00-17.30**
Room: **Q107**

On the Objectification of Accounting: Insights on the Process of Making Reference

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This paper aims to explore those conditions which make the process of objectification of accounting possible, where objectification means the possibility of referring to a thing, be it an object or a managerial practice such as accounting, which is homogeneous enough to be recognised as autonomous and heterogeneous enough to attract diversity and difference. In other words, what are those conditions which allow making reference to accounting as an autonomous technique which can thus be practiced in a heterogeneous network? Drawing on insights offered by Latour (1987) and others in Actor-Network Theory, and that broader branch of history known as the history of the book, it is argued that the diffusion of Ramist method of analysis combined with the refinement of printing techniques in the late XVI century had a role in developing the perception of accounting as an object, as a set of principles which can be practiced and thus seen as a readily applicable technique. The paper explores this possibility by looking at two early accounting treatises the *Indirizzo degli Economi* by the Benedictine Angelo Pietra (1589) and the *Trattato del libro doppio domestico col suo esemplare*, by the Jesuit Ludovico Flori (1636). However, the implications of these arguments go beyond this factual history for the paper intends to shift the attention of the reader from its actual content to the visual impact of accounting as medium.

Code: **AHI004**
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Day: **Thursday**
Time: **9.00-10.30**
Room: **Q107**

The Soviet Accounting Bulletin 1973-1983

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The Soviet Accounting Bulletin was published from 1973 to 1983. It provided rare and fascinating direct insight into the role, function and position of the bookkeeper/accountant in the Soviet system, both in theory, e.g. through Lenin's writing, and in practice, e.g. through extensive quotations in the words of the bookkeepers themselves. It was largely written by Derek Bailey, who had not only the contacts and language ability to obtain and translate material, but also the knowledge to write critical and informative commentaries thereon. This paper is written by four co-authors, two British and two Russian, all of whom knew Derek Bailey in various ways. We give extensive extract, preserving both the wording and the ethos of the original material as much as possible. The unifying theme is the life and role of the Soviet bookkeeper in all its aspects. Such an existence embrace real tensions, which we highlight, juxtapose and discuss. Finally we speculate on the implications of this long period of conditioning for the future development of Russia in an International IASB-dominated World.

Code: **AHI005**
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Room: **Q107**

Development of Chart of Accounts in Ukraine and Russia since 1991

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The aim of this paper is to describe and analyse the development of the Chart of Accounts in Ukraine and Russia after the split of the USSR. The Chart of Accounts can be considered the most important element of the accounting system in USSR because it determines accounting practice and other elements of the system. The first part of the paper provides a brief description of the major changes that have occurred in this area in Ukraine since 1991. Before January 1, 2000, Ukraine used the Chart of Accounts 1985 (Approved by the order of USSR Ministry of Finance, March 28, 1985 N 40) with some amendments. The new Chart of Accounts for the enterprises was adopted by the Accounting Methodology Board under the Ministry of Finance of Ukraine and implemented in 2000 simultaneously with new national accounting standards and forms of financial reporting. It also presents information about the possible ways of the future evolution of the Chart of Accounts in Ukraine. The second part of the paper considers the last changes in Chart of Accounts in Russia. In conclusion the paper focuses on main differences in the approaches to structuring of Chart of Accounts in Ukraine and Russia.

Code: **AHI006**
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Room: **Q107**

Royal Decree of April 25, 1911: The first set of measurement standards in Spanish legislation

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Historically there has been a close relationship between financial accounting and income taxation in Spain. The primacy of fiscal law along most of the 20th century is due to the existence of a large number of fiscal rules for the determination of tax income and to the lack of measurement standards for the determination of accounting income. Although some authors refer to even earlier antecedents, the introduction of the Corporate Income Tax is usually set as being in the year 1900. In 1910 a new Corporate Capital Tax (a tax on net assets) was established, as a complement of the existing Corporate Income Tax. Royal Decree of April 25, 1911 set detailed measurement rules, needed for the calculation of the amount to be paid to the Treasury. The purpose of this paper is to analyze this Royal Decree, as it is the first ordered and complete set of measurement rules of the items of the balance sheet. Firstly, we refer to the historical background and the origin of the Spanish Corporate Income Tax. Secondly, we describe the Royal Decree, and especially the measurement rules. Finally in the third section we analyze these rules among which we find historical cost, current market value, net realizable value, present (or discounted) value of future cash flows, and even the modern concept of fair value through the estimation of market values. This paper also describes the influence of this fiscal law on the Spanish accounting practices along the 20th century.

Code: **AHI007**
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Day: **Thursday**
Time: **11.00-12.30**
Room: **Q107**

Labour value theory, from workshop to Utopia: Two consultants and their projects for a society in turmoil (1917-1958)

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In the first half of twentieth century France, consultants offered their services to big firms for cost calculation, sometimes successfully. In a somewhat cloudy economic context, some of them like Charles Bedaux and Georges Perrin elaborated more ambitious social projects in order to cope with economic disorder. All these projects failed.

Code: **AHI008**
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Day: **Thursday**
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The ideological use of accounting: Accounting's role in emancipation

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This paper using 19th century Spanish sources examines the persuasive role of accounting in advancing the Spanish anti-slavery movement which led to Spain's decision to abolish slavery in its territories in 1880. Our analysis shows how the very attributes that have in the past implicated accounting in "sustaining slavery and its institutions" (Fleishman and Tyson, 2004) were the very attributes that rendered accounting influential in the dismantling the institution of slavery in Spanish colonies. We therefore argue that accounting can serve different purposes suggests that it is not accounting which should be morally discussed, but instead, it is the purposes for which accounting data is called upon to serve. By the mid 19th century – our focal period- Brazil and Spain remained the only 'civilised' nations where slavery was still practiced. The persistence of slavery in the Spanish territories created problems and dilemmas for Spain on the national, colonial and international fronts. On the national level the struggle between abolitionists and defenders of slavery radicalized political activity. On the colonial front the threat of abolition was the major impetus for Cuban independence war. Meanwhile Spain's lack of compliance with international treaties banning the trade in slaves increased foreign pressure on the government. It was around this period that the Spanish Abolitionists Society began to use existing cost data on slaves to mobilize the cause of Abolition.

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Day: **Thursday**
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The Archbishop Seminary of Siena in the Second Half of the 17th Century: Organizational Structure and Managerial Operations

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The objective of this paper is to highlight the organizational structure and managerial operations of the Archbishop Seminary of Siena in the second half of the 17th century, taking into consideration the diversity of activities carried out by a number of similar economic units (including, but not limited to, religious education, agricultural activity, etc.). The inspiration for this study derives from a previous investigation conducted utilizing the Archive of the Archbishop Seminary of Siena. In that investigation we discovered that the majority of archive documents, reconstructed with the help of archive experts, was of an accounting nature (including 1,891 documents dating from 1614 to 1666). Utilizing an inductive analysis for the methodology, it was possible to discover and understand the day-to-day managerial activities in the Seminary in the second half of the 17th century. This analysis was supported by a field study conducted on the Archbishop Seminary of Siena. The study was based on available sources taken from the Archive. The preliminary findings included: a determination of the property of the Archbishop Seminary of Siena (1666); a reconstruction of management activities; an inventory of archive resources to determine if they were adequate enough to conduct day-to-day activities; a verification that management followed the "Regole" of the Seminary (Religious Regulation/Seminary Teachings).

Code: **AHI010**
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Day: **Friday**
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Public accounting system in France: The case of the Great Exhibitions held in Paris during the second half of the 19th century

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Following the success of London Great Exhibition of 1851, the French government decided to launch similar exhibitions in Paris. Thus a series of five Great Exhibitions have been held in Paris between 1855 and 1900. Unlike in the British case, it was more difficult to gather financial contributions from private partners in France, so financial resources allocated for French exhibitions came almost exclusively from the French State and the City of Paris. In such a situation the use made of public funds had to be overlooked by codified rules and principles. French Great Exhibitions are thus a very good opportunity to study the implementation of public finance principles (budgetary order and public sector accounting).

The objective of this paper is to improve our understanding of the French public accounting system through the case of these Great Exhibitions administration. This will be achieved by focusing firstly on the administrative setting: the budgetary procedure and the public accounting rules; this financial setting being steered by commissions and staff appointed by the State. Then, we will focus on the accounting model and on financial statements. Our research is based on the documents of the National Archives of France in Paris and on official reports written at the end of each Great Exhibition (recording main aims, stages in the organisation, achievements, figures and financial results). These reports are available at the Bibliothèque des Arts Décoratifs in Paris.

Code: **AHI011**
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Day: **Friday**
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Spreadsheet and matrix accounting. The origin and development of advanced accounting instruments

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The paper aims to outline the origins of spreadsheets (e.g. MS Excel, Lotus 123, et al.), which are to be found in the accounting methods developed in the second half of XIX century, based on matrix algebra and therefore on the European tradition of mathematical accounting. The research reveals the time-specific environmental factors affecting the origin and development of the first ever known spreadsheet: the "calcolatore tabulare meccanico automatico", "chessboard automatic mechanical calculator" by Giovanni Rossi (1870).

The literature concerning the genesis and the development of spreadsheets is concerned with matrix algebra and matrix accounting, e.g. Babad and Balachandran (1989), Corcoran (1964), Mattessich (1957, 1961, 1964a, 1964b), Mattessich and Galassi (2000). Giovanni Rossi made a decisive research contribution to the relationship between matrix algebra and matrix accounting in 1889; in his text, Giovanni Rossi developed the idea of a "chessboard automatic mechanical calculator". The machine is the precursor of the present best-selling spreadsheet computer programmes. This paper, using existing manuscripts, museum pieces and accounting records argues that the spreadsheet was preceded by XIX century accounting devices. The paper develops with further major insights a research presented in a past International Congress.

Code: **AHI012**
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Shifting strategies: The early history of the 'Association of German Auditors'

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This paper forms part of the output of a larger project on the emergence of the audit profession in Germany. Its specific focus is the early history of the first German association of auditors, the *Verband Deutscher Bücherrevisoren* (VDB, Association of German Auditors), founded in Berlin in 1896. The paper examines how the VDB acted in order to develop, portray and defend its status as a profession and its (shifting) jurisdictions, inter alia by creating statutes and regulations, rigid entry requirements, rules on education, examinations, technical and ethical guidelines, advertising and fee structures. Drawing on archival and secondary resources from the time period under investigation (1896-1921), including presentations made and resolutions agreed at the association's annual meetings and articles published in its professional journal, the paper traces the association's interest in emerging technical/practical and academic issues, as well as its shifting *Berufspolitik* (professional strategy). The latter reflects, against the background of socio-economic and political changes, the association's jurisdictional disputes with non-members, with the emerging corporate audit firms and with the legal profession. The analysis is informed by the literature on the sociology of the professions and by ethnologies and critical histories of the accountancy/audit profession elsewhere (e.g. Kocka, 1990; Macdonald, 1995; Walker, 1991; Bocqueraz, 2001; Caramanis, 2005; etc.).

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Dominant Paradigms and Accounting for Goodwill in the US: A Historical Interpretation

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The reliance of accounting for goodwill on underlying theories of value has been suggested by other writers. In this paper, we investigate the role of underlying assumptions in collective accounting choices for goodwill. The interpretation is based on U.S. accounting in the 20th century as a case-study.

A general model and some criteria of interpretation are first proposed. In a second part, a chronological review of American literature provides the basis for our conclusions. Our findings show that two of the four major views on goodwill are clearly dependent on the paradigm adopted: amortization and historical cost, permanent retention and present value. On the contrary, immediate write-off is rather supported by pragmatic views, and rapid expensing is almost absent from accounting literature. These conclusions suggest that collective accounting choices are subjected to a double influence of business environment: the choice of a dominant paradigm first, and then the choice of a final solution through the standard-setting process. Key Words: Goodwill, Accounting Paradigm, Accounting Change.

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Room: **Q107**

A New Accounting Framework in a New Public Administration in Portugal

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In the developed countries of the world, a new public administration (NPM) is typically used to introduce improvements in the functioning of governments and institutions, where bureaucracy dominates and the quality of the services provided is far from reaching the desired levels.

Portugal has been implementing a strategy of reforms based in new models of administration, with the approval of laws and regulations and the implementation of accountability systems.

In parallel with the approval of these measures, it was necessary to review the traditional system of public accounting, which was based in old laws many of them passed 1920-1930 decade. Important changes were implemented, especially since the beginning of the nineties. This paper discusses not only the changes made in Portugal concerning the new public administration, as well as the introduction of a new conceptual framework in Portuguese public accounting. Its implementation results in significant improvements for the government, the citizens and for all in a general way.

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From State-led Inspection to Market-oriented Auditing: Changing Rationalities of Government in Post-Soviet Russia

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In post-Soviet Russia, auditing came to constitute much more than a reaction to financial control deficiencies. This paper argues that auditing has been advanced as an institution for dealing with economic and social transition. It became seen as a way through which Russia's government and economy could be re-organised according to Western constructs of global capitalism. The paper proposes a theoretical framework that approaches the rise and spread of post-communist audit practice through a study of changes in governmental rationalities (Foucault 1979/1991). First, the relationship between auditing and broader processes of economic and social transition is problematised. Second, the importance of inter- and transnational regulatory agencies, audit firms and multinational corporations in promoting specific forms of market-oriented auditing is analysed. The third part takes a closer look at Russia's new audit professionals. It is shown that the development of Russian audit professionalism was deeply rooted in entrepreneurialism. Auditing, first of all, was defined as a business. Auditors saw themselves as entrepreneurs. New professional associations functioned as business associations. The paper concludes with a discussion of the implications of this finding for our general understanding of dynamics of professionalisation. The paper is based on archival work and 48 interviews conducted with former state inspectors, new auditors, regulators, academics and Western consultant

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Room: **Q013**

Capturing the intrinsic narrative properties of company annual reports: an application of semantic grammars

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This paper seeks to contribute towards a greater understanding of the narrative sections of company annual reports. Prior research in this area has endorsed the value of the narrative material of annual reports in relation to earnings, to risk and to corporate failure. Such important work in this area has been dominated by content analysis that has forsaken quality for quantity. As such a large volume of artificial intelligence located in annual report narratives has been de-valued. In contrast to content analysis a semantic grammar, or story grammar approach to the analysis of narratives is adopted. The narrative content of the chairman's review for each of the twenty companies that comprise the Australian Stock Exchange National Top 20 By Value (ASX 20) published on 25 September 2004 provides the corpus of data for this study. It is shown how the semantic grammar that emerges is used to structure information around the canonical form of language: namely subject-verb-object together with the modifiers for each of these three elements. Analysis reveals that the three dominant subject categories are human, organisation and business. The three dominant verb categories are to perform, to add, and to improve flow. The three dominant object categories are business, organisation and human. The paper concludes that the data yields far richer and more flexible historic records than content analysis and as such is best applicable to the study of historic accounting records.

