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**Development of Accounting Theories Specific to the National Accounting  
Literature of the First Half of Twentieth Century**

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**Abstract:** Need to identify plausible explanations of the principles underlying the double entry accounting over time determined by various manifestations of thought that have resulted in many theories. All these theories have proposed to explain and substantiate dopic formalism, but many of them no longer a value today than a purely historical perspective. The representative of such theories has been many pages written Romanian and foreign authors in the first half of the twentieth century. Some Romanian authors mention the Ioan E. Evian, D. Voina, CG Demetrescu, S. Iacobescu, Al. Sorescu, C. Pantu, C. Petrescu, Grigore-Trancu Iași and others. Bibliography time accounting theories shared accounts: embryos of theories and scientific theories.

**Keywords:** formalist theories; materialist theories; accounting: art; technology and science

## 1. Introduction

Since the advent in 1494 of a Franciscan monk Luca Paciolo work until the late nineteenth century, most works of literature had a descriptive book, for use in teaching practice and school life without any scientific value. Many of them are summarized in an attempt to explain and demonstrate the principle of double counting and did not exceed Paciolo Luke's work in 1494. The theories put forward by L. Gombert embryonic *Historie critique* the work of 1929, Evian (1940) played in *Theory of accounts* first double-entry accounting concepts made by the authors: Gerolamo Cardono, Simon Stevin, Flowers, Andrea Zambelli, De la Porte, Barreme BF, Giuseppe Forni, Edmond Degrange, IL Quinet, J. Schrott.

All these accounts were authors of works on scientific matters to be dealt with accounting, because all the facts were ignored economic reality and business events. Scientific theories are sub-divided into formalist theories (personalist), in the practice of crossing the strictly formal accounting records of the accounting operations of rights or legal relations and people interested and participating debts of business operations, and materialist theories, which studying the phenomena of economic growth or decrease in property companies, which will then be subject to accounting records. Personification theory accounts rudimentary theories were considered based on fictive construction, were later developed in personalist theories grouped Reisch and Kreibig (1907) in a single series with the personalistic theory of accounts and personalist theories with two sets of accounts.

## 2. Analysis of Scientific Theories

Personalist theories with a single set of accounts accounting know one rule applies to all accounts, "to give is the same with the credit and debit receipt with" (Ullman, 1904). Italian Authors: Bellini, Mondin, Massa and Cerboni are representatives of two series personalistic theory of accounts.

According to this theory, a company operating in four categories: a) the owner (ie the entrepreneur, capital and results), b) the administrator (company), c) agents (which manage concrete assets accounts: goods, currency effects) d) counterparts (which manages accounts receivables and payables). This inevitable and unbreakable opposition of interests between the entrepreneur away person and persons other agents and correspondents, is the pivot around which the game has to move twice to be exact and conclusive (Bellini, cited by Hugli 1923). These theories discussed above are without a very solid scientific foundation, since overlook the fact that the records are accounts of income and results is no longer an essential part of the dealer's legal relationship to people (debtors or creditors), but a substantive content, which may increase or decrease as a result of commercial transactions (Evian, 1940). Some Romanian authors in the first half of the twentieth century, Grigore-Trancu Iași, author of *Accounting course and Trade* published in 1913, was adept personalistic theory of accounts. In his book, the author substantiates the relationship between entrepreneurship, its agents and correspondents, personalist character of accounts and accounting analysis of operations for finding the debtor and creditor account with the questions "Who receives?" And "who gives?". In this context the work of Grigore-Trancu Iași was not any progress to the authors of his time.

An alternative to the personalistic theory was the materialist theories that are in close connection with the subject of accounting: a business wealth and capital assets. Materialist theories, but do not use fiction personalist theories considers the account from the beginning as an account of each of the constituent parts of capital assets and undertaking. For these theories there is an "active asset" of the company, then a "non-active asset" for the borrowed capital and "clean assets" which corresponds to equity. Materialist theories with a series of accounts do not group accounts in two opposite series. The real estate register accounts and the changes it undergoes in the business and that the registration is made after a uniform rule for all accounts. Wealth is opposed to third-party debt and "clean assets" (in other words, foreign resources and its own resources). Liabilities are *negative asset* because they have influence on the *positive wealth*. The difference between *negative assets* and *positive wealth* is *clean assets* (Voina, 1947). In contrast, materialist theories with two sets of accounts have merit to consider the account as an account of each of the parties making up the capital assets and business and therefore start to gender balance, which lends them a more scientific character than in all other categories of theories (I. Evian, 1940). In L. Gomberg *Historie critique de la theorie des comptes* from 1929 Crippa's the origin of this theory should be noted that in 1838 the particularity that is the double entry accounting to record simultaneously changes "substance and equity" and classify accounts into two categories: private accounts and accounts of things and persons representing the collective and general equity. On the other hand Hugli, who took over and developed this theory in his *Buchhaltungssysteme u. Buchhaltungsformen* in 1887, attributes its predecessors and Kurzbauer Augspurg. Hugli's theory was taken further and popularized and Romanian authors: D. Voina, S. Iacobescu, Al. Sorescu, I Pantu. A materialist theory with two sets of accounts is *legal and economic asset* theories to professors Iacobescu and Sorescu, which has as its starting point the notion of patrimony, which the authors give a meaning "triple": legal, economic and integrity (a complex of rights and obligations with their respective rights objects and objects of bonds, valued in money) (Voina, 1947).

Starting from the materialistic theory with two sets of accounts, the authors Walter Couture, Leitner, Obst, have been formulated theories with three sets of accounts. These theories are based on static conception of the balance sheet that it is nothing but a means to this constitution and disposition of assets of an enterprise.

Basically the essential difference between materialist theories with two sets of accounts and accounts with the three series was that:

1. first known substance, one form of wealth (positive or negative), and the capital is also a category of assets (property clean);
2. and second, there are two forms of substance—the substance of wealth and substance of debt (liabilities and equity).

In Romania, materialist theorist three sets of accounts was C. Pantu, author of *Science of accounts or double entry bookkeeping*, which examines notions of wealth pure active wealth, wealth, passive, active capital, capital passive, benefits and gross and net loss. Despite the indisputable scientific contribution made by the theories of materialistic, not on connections between records of the accounts and economic phenomena that generate accounting. They were limited to the registration rules and methods to achieve balance. Doing a review of the above theories we see that there is no uniform definition of liabilities: understood by most scholars state the total debt liability of any company (foreign capital). These theories were about Passive accounts a legal concept meaning that the liability would be enterprise bonds (debt).

For *Nicklisch* because the entire capital firm that has been entrusted to those who have given to business, even if it owes its equity other than due to the effect foreign capital. Under this definition, the liability has not only the actual debt to various creditors of the company, but in no case can be explained as a debt to equity of the business. Economic theory, formulated by Evian has liabilities (consisting of equity and debt) as abstract representation of the total amount of business wealth. In other words, the author explains that this theory supports liability favorable or unfavorable result obtained assets. Liability is an abstract representation of the total value of the asset. Thus, total wealth is equal to the capital. From here, double entry accounting the property values and capital values with account. Evian (1940) gives accounts of accounting quality of art, technique, not science, accounting remains to be seen as 'add company arithmetic of economics. Thus, accounting is not intended to study economic phenomena but only to be recorded in the accounts. *Science company economy* it is the study of the economic enterprise accounting techniques conclusions teaching them that items prepared in advance to be used for accounting purposes pursued by the latter. Accounting was lowered to a simple registration technique records, contesting it any scientific and trying to incorporate as a component of the survey company. According Demetrescu (1972), proponents of this view overlooks the fact that economic phenomena produce changes in the composition and size of businesses and assets so they can be considered abstract, but their material consequences, which is why, accounting is not limited to mechanical recording economic phenomena of an abstract and lacking in content that makes matters registrable.

The same limited view of accounting is found in the work of C. Petrescu, *Accounting and Management*, which limits the scope of work of keeping accounts and accounting control in business administrations. From his point of view accounts be seen from the viewpoint of the owner: "The facts from various accounts, the relations that arise between proprietary and business administrations to produce positive or negative, in other words, credits or debits the owner business administrations compared to (agents and correspondence and simultaneously negative or positive, ie, debits or credits

for this (business administrations its correspondents and agents) from the owner. These effects are equal and contrary to the interests of both parties are opposite." (Petrescu, 1901).

### **3. Conclusions**

Phenomenon accounting separation theory 'art' and 'technical' accounts, on the one hand, and "science business economy" on the other hand, is inherent limits of the age in which his followers lived.

Currently, the diversity of accounting theories and approaches saw multiple meanings. Significant progress is accounting allocation by economic reality, the quality of arts, technology and science. Accounting approach as a distinct science is justified in terms of at least the following arguments:

1. Accounting has evolved in terms of how to approach a deeper stage of development of social sciences, respectively Renaissance. It would be a first argument of the placement of accounting in the social sciences in terms of how it responded to the phenomenon of evolution for the other sciences,
2. The second argument is the combination of theoretical knowledge that makes use of the subject matter and methods based on legitimately be checked in time,
3. Accounting theory defined over time, which emerges from practice, is the scientific basis of accounting, it imbues them a deep conceptual character,
4. Combining normative applicative research, inductive approach argue that deductive scientific basis of accounting;
5. Strongest argument is the size given current accounting phenomenon, taking a widely accepted fact sheet, which is reflected in the process of normalization and convergence of accounting.

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