THE ACCOUNTANT PROFESSION: EVOLUTION AND RUPTURES. THE BIRTH OF THE ACCOUNTING PARADIGM

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Abstract:
The paradigm is a widely accepted mental construction that provides a community or a society with a long-time basis, used to create an identity for itself and thus to solve problems or tasks. Paradigms understood as illustrative researches, as real examples of formulations and solutions to scientific problems, are the basis of the scientists agreement on the fundamentals, which distinguishes any mature scientific research. They are universally recognized scientific achievements that for a time, problems and solutions model offer exemplary problems and solutions for a community of practitioners. The study focuses on the accounting paradigm, offering reflections on the current size, on the horizon of its development, including signs which may lead to the question whether we need to change the paradigm or not.

Keywords: accountant profession, evolution, accounting paradigm, practitioners, scientific research

JEL Classification: M40

1. THE CONCEPT OF ACCOUNTANT PROFESSION

If the classical economists believed that for a company to develop economically and to produce more it was sufficient to increase the amount of available factors, **labour** and **capital**, nowadays it is estimated that the most important role in the economical growth is held by the progress registered in the scientifical knowledge and technique. To the three production factors (land, work and capital), two more can be added: the **know-how** and **technology.**

Out of all categories of productive resources, the human resources are the most important because they create the greatest and lasting benefits for an organization. They are important for the knowledge, abilities, skills of the people within the entity,

According to the Classification of Occupations in Romania to define the useful, income generating work (paid in money or nature) which a person normally carries in a social and economic entity established for this source of existence, the term "occupation" is used. As such, the occupation means the implication of active people, who practice an activity recognized by society as useful for themselves and their peers. In accordance with the same source, Classification of Occupations in Romania, **specialty occupation** *is defined as specialization (qualification) obtained through studies.*

Sometimes the **profession** can be an **occupation,** sometimes not. Thus a person who has graduated from certain studies has a profession generated by those studies. He can work or not in the given domain, being hired for another job and therefore having another occupation.

The creation of the concept of **profession** took place under the extensive and lengthy process of labor professionalization.

By circumscribing the approach on the size of **the accountant profession**, as it is understood now in Romania, we can say that it should be understood as *all activities / services that require expertise in accounting, the specialists who make /carry them, and their professional bodies.*

The activities that make up the accounting profession primarily consist of: 1) bookkeeping, 2) development, reviewing and presentation of financial statements; 3) statuary audit; 4) other financial-accounting audit work; 5) financial-accounting management; 6) fiscal services (consultancy, counseling and fiscal assistance); 7) studies and consultancy for enterprise creation; 8) enterprise and title evaluation; 9) other accounting and para-accounting services.

Depending on their legal status, the specialists can be classified in the accounting profession:

- ❖ Dependents, as employees
- ❖ Independents or self-employed accountants, providers of service components of the accountant profession.

In terms of how self-organization of professionist activity takes place, they can carry out their activity:

- ❖ individually;
- ❖ under associative forms according to the laws of each jurisdiction.

2. SHORT LOOKBACK IN THE HISTORY OF THE ACCOUNTANT PROFESSION. EVOLUTION AND RUPTURES

Notes, calculations and reflections of economic - financial nature on accumulated material assets, of the in-time modifications of the fortune held, and the ones concerning economic - juridical relations generating settlements, designated today with the term of ***accounting*** were inseparable accompaniers of material life development in all historical ages.

Naturally, from the oldest traces of economic notes on pictographic tablets where property is registered, dating as long as the first temple of Uruk – more than 5000 years ago – to the nowadays information system, made with the aid of the electronic computer, the progress in practicing this specialized knowledge are remarkable.

The degree to which development of the accounting application has been achieved in different historical epochs was different because diverse were also the complexity of economic life that imposed a cognitive approach and the degree of evolution reached by the general development of science and technology of the era and especially accumulated in the gnosiological plan accounting.

Scientific elements of knowledge on the value movements work takes place area occur since the days of calculations designed to reflect the unique property, pecuniary rights and liabilities belonging to a natural or legal persons are contained in the first sistem seen in the evolution of accounting defined today as the system of "simple bookkeeping".

Locating in time and space the first elements which will constitute the accounting system requires us to descend on the time axis until the dawn of civilization, to leave Europe and stop in the semi-arid regions between the Nile and Ganges.

The first centers of civilization of mankind occurred in the upper valleys of large rivers, where the periodic overflowing sewaged fertile mud and the water needed for the crops to agriculture. First they appeared in Mesopotamia, the land between the Tigris and Euphrates rivers (now Iraq), then on the Nile in Egypt, the Indus in Pakistan today, and later in China Huang He river valleys and Chang Jiang (Yang Tze).

When, due to increased wealth, memory of temple priests has not met the demands of an administration so complicated, they began using a system of numerical notation, and soon after they invented writing. With the new invention, the priest was able to overcome his mortal condition and pass down to his heirs in administration the message about the way the assets entrusted were managed.

Everywhere, in 3rd millennium Sumer and Egypt, or in Crete before the 2nd millennium memory the documents written are accounts or inventories, leading to the conclusion that writing was born of the urban economy's practical needs.

The natural trend to reduce overall efforts generated by burdens of administrating wealth and business, combined with the idea of simplifying, led to the discovery of the calculation rules, a code of symbols, and it was even a canon of entries in the books. All this is taught in schools. The old schools are the scribe of Uruk (Sumer) and the Djemdet - Nasr (Akkad). The collection of tablets discovered at Suruppak (Fara) is the exclusive account of temple and lists the subjects and made signs used at schools in the early historical period, i.e. after the year 3000 BC (1).

In connection with the technique used in Mesopotamia is noted that even since the end of the third millennium BC the essential elements of an account are distinguished: account name, the

name of the interested parties, the quantities traded, and their totals. In some accounts we find the situation at the end of the previous series, the set of positive changes other than the series of negative variations, and the final statement. The latter, added to the negative variations, lead to the same result as the one obtained by adding the previous situation with all the positive changes. So the account balance is reached, known in the ancient world, in the most elaborate accountings (2).

The recording technique practiced by Egyptian scribes was more refined than that of the Babylonians, even if here accounting was considered to be so necessary that it was taught in all Egyptian schools (3). Synthetic accounts carried out on analytical ones were used here also.

Up close to its destruction by the Romans (149 BC), Carthage claimed an absolute monopoly on sea trade, sinking every vessel that was not its, or whose captain could not produce a commercial contract with Carthage. City masters were the great Phoenician merchants, owners and priests. The Phoenicians were found to be highly skilled administrators and accountants. Their accounting records include the systematic accounts.

Recommendations and notes on the economic rules are held not only by the law code of the Babylonian king Hammurabi 1792-1750 BC. or 1730-1685 BC, but also in the religious literature

For the Christian community, throughout its history the Bible had an unquestionable moral and dogmatic authority. It is not only the primary book of the Christian religion, but also part of the Jewish. In the sacred books of the Old Testament canon, the Book of Wisdom of Jesus son of Sirach is contained (Ecclesiastic). All Bible readers agree that this book was written between 190-170 BC. In 132 BC, the grandson of Jesus, son of Syrah was in Alexandria. Wanting to show the non-Judaic world that the Jews' practical needs wisdom is not worse than the Greek philosophy, he began to translate this work into Greek.În capitolul 42 a lucrării se fixează unele norme privind ,,grija lucrului casei,,. In Chapter 42 of the paper, he sets some rules, concerning "care for the work around the house. One verse recommends the regular keeping of accounting: *"Whatever you give, give in size and number, and what yoy give and take, all of them write"*. (cap 42, verse 9).

After the Cretan age and Achaean one, the Greek civilization met, between 1025 and 31 BC (when it goes into the Roman period) four periods. Under specific names we meet, in this civilization, the private accountants (logographers) or the public ones (logotes), the accounting auditors (entemistes) and public management controllers (logiştii). Since the third century î.e.n. Greece had Court of Auditors consisted of antigrafi, senate members elected to verify the receipts and payments on the public household. A court of accounting auditors was founded too, called the "College of Entemistes"

Two major books were used in trade in goods and banking, "ephemeris" and "trapedzidka grammata. The first was a book in which the banker, trader or their scribe recorded in chronological order all the operations. From there, they were systematized in the second register. In "trapedzidka grammata" positive changes were separated from the negative, the evolution of an account being presented, on account of this, on two facing pages. Nowadays, the first record would correspond to 'Journal' and the second, "Ledger". The ancient Greeks used other records also: log house and an inventory record. In addition to papyrus scrolls and occasionally writing on pergaments, the Greeks also used wax tablets. Tied up together, they formed a register known as the 'libelli.

As a political organization, Ancient Rome saw three forms of ruling: Royalty (753 BC-509 BC), the Republic (509 BC-31 BC) and the Empire (31 BC-476 AD). Of the 30 million people, Europe, as the continental population in the days of Caius Iulius Caesar Octavianus Augustus (24 î.e.n.- 14 e. n) 23 million belonged to Rome. To this were added another 32 million people living in Asian and African provinces of the empire. Cities like Alexandria, Syrian Antioihia,. Roman Carthage, Ephesus, Caesarea, Pergamont, Nicomedia, Ostia, Lyon, Petra, Palmira, Baalbec, Trier were each kind of a branch of the metropolis.

The functioning of the Roman administration, settlement and collection of taxes, collection of other revenues of the state, the use of amounts entered in the exchequer could not be achieved without a sound accounting. Keeping accounts of Rome was common use, and the Roman citizen could not appear before the justice without his accounts, if so being regarded as negligent.

The Silverers, or Roman bankers have played an important role in the Roman world. From simple exchangers of currencies as they were in the year 400 BC, they began to receive the retention of the ones seeing them more safe in their closed chests. Over time, from the deposit for keeping this evolved to deposit to fruition. At the client's order, bankers paid beneficiaries that were in the same locality or other localities. They practiced widely used transfer and loan documents. The Romans' practicality made its mark on the keeping of records and accounts.

The head of the Roman family recorded his wealth, at around 486 BC in a kind of inventory-registry (liber patrimonium). In this book, further additions and subtractions were made, varying with the patrimonial changes that came up in time. The current fact of his household, what he received and gave and what he had to receive and give was noted, chronologically, in the "Adversaria" registry. From the Adversaria were retained thos operations made verbally, to be recorded in ,,Codecs accepti ş i et expensi". Movements of fortune, and lending operations that determined simple debits and creditations for people were grouped into categories in "Codecs rationum domesticarum".

The bankers or silverers used the: ,,Adversaria", ,,Codecs accepti et expensi" and ,,Codecs ratione". Based on the "Codecs rationum" register, the banker made a summary to act as trial balance of today, set its client's debts and claims, sent account balances verbally communicated their content. Customers confirmed the accuracy of statements, paid the remaining debt to the banker or agreed to report the debt on an account closing the old one.

Public accounting. During the republic, the supreme supervision over the State, the banker made a s finances was exerted by the senate. Later, during the empire, the supreme head was the king. As order of the Senate, the censors formed the income and expenditure budget and controlled the way in which the income was used. The handlers of urban public money were the quaestors. They cashed incomes and fines, mad payments, kept the income from the sale of properties belonging to those convicted and were respinsoble with all the sums that entered and exited. The "Tresvirii monetales" were acting as monetary supervisors. The most improtant records for public accounting were: ,,Breviarium", ,,Tabulae publicae", ,,Codecs accepti et expensi" and ,,Calendarium"; introduced by Augustus, the ,,Breviarium" was maintained by later emperors. Public areas are reported here (forests, grasslands, salines), the navy and the number of required for military service. It was the state inventory (4). Payments and expenditures suffered were reflected in ,,Tabulae publicae". Based on this the ,,Codecs accepti et expensi" was formed. Receipts and payments arising reflected in the 'Tabulae publication. On this basis are developed,, et Codecs accept expensive. Funds forming property of different cities, destined to cover expenses of festive feasts, public performances, ceremonies bringing the sacrificial and for providing various mortgage loans were reflected in the register called ,,Calendarium".

As a conclusion on the appearance of antiquity, what must be remembered is that keeping ledgers reached the highest peaks known with the Romans. Despite the extent that they reached, however, we can not yet speak of the existence of accounts in the modern sense. The calculations above do not comprise movements that occur in the elements of a heritage and nor the achieved results were closely reflected. no link between the accounts was pursued, nor was reached an organic system with interrelated accounts.

It was until the end the Middle Ages and the Renaissance for the same geographical area, the land of Italy, to see the jump towards the systematic accounting, in order to discover the arithmetic or even algebraic, conscious, accepted and organized link that can be established between accounts, allowing the extension of the observation field on the results also.

The Roman Civilization, a masterpiece of rigidity with an economy fueled by robbery, with servile labor put at hand of the victorious wars, with precious metals pumped from the hoarded treasures of the Orient, with legal precedents built on scaffolding, which provided state sence ensuring of stabile institutions was subjected, in the second half of the 2nd century to disintegrative forces of erosion (5). Provinces are emancipated and wanted to live a life of their own. Gold used to pay luxury imports and intermediates ran to the manufacturer east whose Hebrew or Syrian merchants monopolized the big trade. Western cities weaken while the East bloomed. Once heart of

the Empire, Rome and Italy fell. A new metropolis, the new Rome, Constantinople, materializes this slide of the Roman world towards the East. The schism is a part of the fourth century realities. Byzantium will continue Rome, and go on with leading the Roman agony behind its walls until 1453. The Asian steppe and nomadic invasions of the tribes to northern forests flow in waves over the Western Roman Empire, precipitating the changes and giving a catastrophic course of events. The invaders were driven by some fugitives stronger or more ruthless than they were. They were milling all Roman military organization, administration and economics. From the decline of the Roman civilization, the barbarians made a regression. Agriculture and crafts decay. Coins disappear from circulation. Economic and technical regression is added to the administrative one. No longer were taxes collected. A natural disaster had come to the sixth century to complete the century's calamity. Black plague, brought from the Orient in 543 emptied, more than half a century, Italy, Spain and much of Gaul. Hunger was a dominant constant throughout the early Middle Ages.

The need for food explained above all the withdrawal of the rich on their estates and the exodus of city dwellers and owners of large areas, the ruralization movement and the creation of great feudal property, all of the population being caught in the way. Among the cities, only the ones located on rivers used as arteries of communication resisted, relating to the importation of luxury goods, indicative of the presence of traders who were Hebrew, or related to cities regularly visited by pilgrim groups (Rome, Marseille, Arles, Narbonne, Orléans). Some major urban outbreaks remain only those who serve the new residence or barbarian kings, or are bishops' offices. Slowly outlining from the merge of the Roman and barbarian world, in over four centuries parted from Theodoric's death (395) the coronation of Charlemagne (800) and the western Roman Empire a new world was intertwined in the West.

An awakening to anew life of the medieval West finally took place and, as expected, an economic awakening happened primarily. It took place in the 10th century and was marked by a series of crucial innovations: 1) Food acknowledged a mass-scale introduction grain, lentils and peas; 2) The Muslim World, a world metropolis, generated in the barbarian-lead West an increased production of raw materials (wood, iron, alloys, honey) and an increased demand for slaves; 3) The use of the wheeled plow moldboard, the three-year crop rotation, modern system of burdening cattle increased lucrativeness in agriculture, 4) The modest medieval commerce limited in early Middle Ages to waterways slowly progressing along the land road gained momentum between the X-XIV century on the roads of Mediterranean, the Atlantic and the English Channel, North and Baltic Seas, preparing commercial expansion of modern Europe, 5) The end of invasions, settling of barbarians in the X century, installed during the relative peace of the X century, the emergence of institutions regulating war and periods of military and clergy sat on women, children, peasants, merchants and cattle work sometimes under the protection of reinforced security oath by warriors.

One of the first consequences of the new conditions was to increase the population of Europe. It has grown from 27 million in around 700 to 42 million in 1000 and passed 73 million in 1300 (6).

This leap of demographic expansion was crucial to Christianity. The eight Crusades (1096-1270) stole the expression of this expansion. They favored the prosperity of Italian cities. Venice, Pisa and Genoa purchased military expeditions undertaken against the Muslim Orient.

While the port cities fought each other for maritime supremacy and the monopoly of the world commerce, the interior cities, with Florence in the lead, were preoccupied with manufacturing.

From the early medieval period important financial records were not brought to light, but that does not mean that the feudal economy was be deprived of accounts, or that the senior was not interested in knowing the situation of its fiefs and productivity of its field. Economic life could not deprive of light what ledger keeping could give. They appeared 3,000 years BC, from an objective of necessity for knowledge, they have always accompanied the material production. But it is known that the same causes always produce the same effects.

Ledgers discovered in Eastern Roman Empire, allowed finding the existence of a community and to make certain comparisons to determine a possible breakthrough in the technique

used. Such research on Zenons collapse, a new wos accounts written in the third century BC and on two accounts drawn up in the years 245-270 AD in Heroninos lead to Professor Joseph-H. Vlaemminck to conclude that in this half millennium there has been no record in this geographical area of accounts that could have meant a breakthrough in technology and accounting (7).

Notes, inventories, current accounts, household accounts written in Arab, on papyruses, were discovered in Egypt even after it falls under the Islam (650 AD.). They were the first ones after the Greek accounts.

The Medieval West, in his early age holds much less remains in accounting proofs. Unsteadiness times in which merchants or seniors lived did not favor keeping records for longer period of time. That does not mean they would not be made. Let us not forget then that the knowledge, in centuries of heavy barbarian invasion, and writing is often a rarity reserved for clergy only. During the early medieval times, the church, pursuing its own interests never ceased to accumulate wealth, be it from donations of the Kings and the rich, or even from the most humble, be it a part of production achieved. This explains the fact that in the XI and XII centuries, when Jews were no longer able to play the role of creditors, which was played until then, and when Christian merchants did not manage to take place, the monasteries were those who assumed the role of credit settlers. Their administration, better kept than the clergy, left written traces. Such a document is part of an inventory of the abbey areas and royalties due from those who held land in use drawn on the order of Irminon, abbot of Saint-Germain-des-Près in the early ninth century. The document fragment still surviving contains descriptions of twenty-four areas, of which nineteen were located around Paris (8).

The beginning of systematic accounting is found in Northern Italy and Flanders, where the economic life pulse beat stronger than in any other part of Europe (9).

Flanders left only few traces of accounting in records that survived, while the evolution of the accounting technique can be traced step by step based on the Italian account registries.

The Italian cities in the XI-XV century met the most favorable conditions. The narrow frame of the transactions made with liquidities was widened here by establishing credit.

Facts based on trust and creditor of the debtor’s solemn commitment to bring out the promise they made constrained accounting to improve.

From the tenth century, companies and partnerships are emerging in Italy to the thirteenth century. The determination of income and profit spreading between the commandos and commanders, dividends between associates, establishing the share that a shareholder wanting to retire is entitled to, all of these imposed knowing the regular consistence of the patrimony as a whole, periodical inventories, the amplification of the calculus apparatus.

Refinements on the form and shape of technical accounting background exerted influence on the process in which where the trustee must give account for its principal management to the warrant. The abundance of various senior royal coins in circulation, altering title or value, piss inequality between them also influenced accounting calculations. Along with real money, the account money was born. This theoretical value is determined by the sovereign side, while the real currency depended on its weight and its title. Commodity prices were determined according to the account and the remittance of the amount of money was made at the rate fixed by ordinance. Cashier work was very complex and full of responsibility. Conditions favorable for the leap to the systematic accounting were knowledge on Arab figures. In rural Italy, the first attempt to introduce the Arab figures was achieved by the work of scholar Gerbert (940-1003) since 999, Pope Sylvester II. Taking from the Saracens the abseil with Cora columns and rows - where numbers from 1 to 9 were represented either by the first letters of the Greek alphabet, Gerbert made its calculation rules. The new arithmetic was spreading hard, with all the emulatorss accounts written i help, and another effort was made from 1202 on, after merchant Leonardo da Piea wrote his work, "Liber Abaci", and the situation was improving.

In the 15 parts of his work are: Indian figures, multiplying integers, adding, subtraction, dividing, multiplying fractions, other operations with fractions, calculating the price of the past and the rebate, benefit sharing between members of the rules, demanding alloys and coins, progress and

ratios, the rules of false position (simple and double), square and cube roots, and geometry and algebra problems (10).

3. THE CONCEPT OF PARADIGM. THE BIRTH OF THE ACCOUNTING PARADIGM

The concept of paradigm had been made famous by the classic work of Thomas Kuhn's "Structure of Scientific Revolutions." Th. Kuhn believes considers the paradigm as scientific breakthrough that is manifested as a characteristic set of beliefs and preconceptions and knowledge that can perform functions typically attributed to shared common rules. The paradigm is a remarkable scientific achievement that a scientific community acknowledges for a time as the basis of practice. Such an achievement requires two attributes: 1) determines the kind of problems with sense in its areas and 2) proposes legitimate methods by which they can be addressed; the paradigm involves a lot of standard applications of a theory (or / and a lot of repeated illustrations) and quasi-standard of a theory in their conceptual, observational and instrumental applications.

The paradigm contains a set of options (ontological, epistemological, methodological - instrumental) that tell how the rules will look like to the researcher. Such options shall occur as a network of concepts, theoretical, instrumental, and common to a joint scientific community and members to which the members of these communities are subjected. The paradigm is an epistemological point of view, which underlies a theoretical explanation of a phenomenon, or aspects of existence. Apparition and knowledge in a discipline are the results of maturation of this discipline and continue to determine a new evolution in: (a)the formation and evolution of a new development model of this discipline, (b) restoring its domain, (c) establishing a new type of research, (d) constituting a new group of researchers, (e) establishing a new Methodological and conceptual framework common to this professional group. In their existence, paradigms require both scientific research and theoretical research in the field through specific ways:

The birth of the accounting paradigm. The ease of working with Arabic numerals explains the preference of commercial and banking circles for these figures, although the shortcoming that they can easily be forged. In the seventeenth century, only Arabic numbers are used.

Despite the favorable environment sketched above, the shift from “scrittura doppia” (11) was not made immediatelly and it did not come with a full structure. The road was long, extremely complicated and went on for about three centuries.

(A) The oldest form of accounting in the Middle Ages is memorial accounting. It consists of the chronological record of each payment and the commitment of each claim, considered as separate businesses.

At first, no established formula was in use, the accountant making use of the narrative style, without confusing orders. Certainly, an evolution towards more concise formulations was made. Thus, the initial entry was followed by a clearance in order to complete with the necessary text at the time of renting the business, then delete the account. Then, for possible court actions, here would be mentioned the names of witnesses in the presence of which the deal is arranged, respectively the people who are forced to go along with the debtor.

Finally, to distinguish a claim from a commitment, the expressions “release” and “wealth” enter into common use. The whole picture on the situation of business was obtained by lecturing the inventory, in which the credits not received and the commitments not paid appeared as followed by blank spaces (12).

(B) In time no longer one account was open for tracking each transaction, but the same account began to register all transactions with the same client or with the same provider (13).

Let us imagine the situation of a Venetian banker who gave a client A on two occasions 100 000 monetary units (m.u.) and 30000 m.u. and that the amounts collected in three innings were 10,000 m.u, 10,000 m.u and 5,000 m.u. In the same period, client B made two deposits of 150,000 m.u and 10,000 m.u. and was returned with 40,000 m.u and 20,000 m.u. Therefore, client B had a

"release" account and client A had a "wealth" account. Each of the two accounts reflected the juridical relation between the banker and his client, presented as:

Clientul A WEALTH	
Received	100000
Gave	10000
Received	30000
Gave	10000
Gave	5000

Clientul B RELEASE	
Gave	150000
Received	20000
Received	40000
Gave	10000

In order to be aware of the reports with each client, a series of additions and subtractions had to be made. To facilitate these calculations, the idea to divide the account of each client was born, so to find out on one side the original value and its increments, and the diminishments on the other sides. As the expressions "wealth" and "release" were replaced with "debt" and "credit", and these notion's sums began to be placed aside, we can imagine the customer's accounts as:

Client A	
Debt	Credit
Received 100000	10000 Gave
Received 30000	10000 Gave
	5000 Gave

Client B	
Debt	Credit
Received 20000	150000 A dat
Received 40000	10000 A dat

In conclusion

Debit = Wealth = something that is received from the banker

Credit = release = gave something to the banker

The rule is simple: He who has received something from a banker is a debtor and has to give. The one that gave something to the banker, is called "creditor" and has to receive.

(C) Later, in the eighteenth century, new accounts appear. Debt and commitment recording were not enough. In order to describe the owner's patrimony, one had to know his situation at a time, to take account of real things which he possesses (ships, buildings, materials, goods, cash, etc.). To the debit and commitment accounts are added accounts which represent his real property, those meaning: Buildings, Materials, Merchandise, House. Under the power of tradition, the new accounts were called patrimony, one had wealth and release even though they did not reflect the relationships between people anymore. To apply the rules applied to accounts that each person had, it was considered that each account can assimilated to a person. The House was represented by the cashiers, the Merchandise by a manager of goods, the Materials by manager for the materials and so on. Even though they did, such a person does not exist in reality and this led to an impasse - said Prof. D. Voina - it had to be invented by the artifice of imagination" ... The few rules applied to accounts of people have such deep roots and judgment enveloped with such power that they possessed not only material goods but have spread also to those expense accounts when these accounts came up in the mechanism of accounting (14).

(D) In order to reflect the debit associated with the company to the associates, since the eighteenth-century the account called "Raison Sociale" was created, the ancestor of the Capital Account. It was born in the accounts of companies and not of a trader, though, after, we meet it here referring to the owner, often receiving his name. Even since the beginning, it received the functioning of a "release" account, reflecting in credit the obligations towards the associates for the brought parties and in debt their diminution. The extension of this treatment also for the private

companies – initially practiced in analogy with the accounts of the companies, later generated the principles of the enterprise's autonomy in relation to the owner.

It is the era that passed from the memorial accounting to the simple entry accounting. Research on medieval Italian accounting determined that it had made use of three main registers: Memorial (memoriale), Ledger (quaderno) and Journal (Giornale). Originally, the memorial included, in chronological order, only operations on the assets and liabilities and then the notes were extended from operations based on immediate intervention of money. This descriptive record fueled the ledger; the same operations were systematized into accounts. In the mechanism of the accounting registries, the journal entered later.

(E) Two expressions, "By" and "At" ("Per" and "a") were used to mark, in the registry, first, that an amount will be entered in the debt of the account immediately mentioned after the expression, and the second that the recording will be made in the account credit. Formally, they represent the symbols of debt and credit, basically marking the pluses (+) and minuses (-) in the matter reflected by accounting.

At this stage of development of the simple entry accounting, the ledger established the following:

1) The situation, at a certain point, of total goods ($\sum b$). It was the difference between the value inscribed in the debt of the goods account ($\sum Db$) and the one written in the credit of the same accounts($\sum Cb$).

$$\sum b = \sum Db - \sum Cb$$

2) The situation, at a certain point, of total debts ($\sum c$). This was established using the same criterion, as a difference between the value written in the debt of the debt accounts ($\sum Dc$) and the one reflected in the credit of the same accounts ($\sum Cc$).

(3) Situation of the debts value ($\sum d$) is due as difference between total credit – where the initial situation and the premiums were reflected ($\sum Cd$) and total debt ($\sum Dd$) where diminishments were found.

$$\sum d = \sum Cd - \sum Dd$$

(4) The capital situation (K) was written, as any enterprise debt, in the account (Ck). The result (r), benefit or loss being found using the relation:

$$\sum b + \sum c - \sum d + K = \pm r \qquad (I)$$

Barely in the 13th century another balance form to reach was observed by rearranging the elements from relation (I).

$$\sum b + \sum c = \sum d + K + r \qquad (II)$$

In this case, the result is a profit (p)

$$\sum b + \sum c = \sum d + K + p \qquad (II')$$

or

$$\sum b + \sum c + r = \sum d + K \qquad (III)$$

Where the result is a loss (p')

$$\sum b + \sum c + p' \sum d + K \qquad (III')$$

This balance was presented in a table named, at that moment (XIII century): the Balance. And these results increased (if there were profits) or decreased (if there were losses) the capital. "To

determine the result in simple entry accounting by including four or five hundred accounts of clients and two hundred accounts of providers was, states prof. Pierre Garnier, a long-timed work; it was about six or seven hundred accounts to add for the debt, than to credit, and there were so many subtractions to extract the sales, added into six or seven hundred sales into two sums, before reaching the final subtraction" (15).

(F) The idea of seeking a mean to learn more easily, and for each step to easier know the results of operations taken had to be born. Impressive even today, medieval large companies as Bosignori, Traditions, Peruzzi, Medicis, etc. - with many branches and agencies are still astonishing in the efficient manner in which they operated and were organized. Clearly they had skilled accountants concerned with improving their methods. Working with various general ledger accounts, they were concerned for any operation enclosed in the memorial or partially enclosed in the formalization of the journal or to miss from the systematic ledger accounts. It was natural to go to find, for example that when buying goods with money from the house, two records had to be made at once, namely in the commodities account, once in debit and the second in the house on credit. And to make it easy, with two drafting journal. The account from one of the formulations was preceded by the word "By", the second form of expression was preceded by "At".

The same facts were running an operation where credit intervened. Buying goods on credit from suppliers must be recorded both in the goods account i.e. debit and the account to which the supplier undertakes to give the purchase price of goods that had to be credited. And here, one of the accounts was preceded by the phrase "By" and another by "At". In case of an operation, the lack of one expression signaled the accountant that something was wrong. In some operations the amounts of the two accounts were not the same. He noticed however that the difference was nothing else than the result of profit or loss, knowledge of which was so much needed and reached in simple bookkeeping so hard. It is the first time that the calculation method using the accounts "Profit and Loss" appears. If the sum inscribed in the account preceded by "by" was greater than that of the account preceded by "at", than to the latter the "profit and loss" account was added. By establishing a balance between the sums named with "by" and "at", that is by adding the sums in "debt" and "credit" of the accounts mentioned, the dynamic balance of accounting equation is reached: Debt = Credit. This equation conserves the equation of static balance – the situation equation – (I).

Din: $\sum Db + \sum Dc + \sum Dd + \sum Dk + \sum D\text{p}' = \sum Cb + \sum Cc + \sum Cd + \sum Ck + \sum Cp$ with the meanings from the relations 1), 2), 3), 4) where ,,D" means Debit, and ,,C" means credit, one gets to

$$\underbrace{\sum Db + \sum Cb}_{\sum b} \overset{+}{+} \underbrace{\sum Dc - \sum Cc}_{\sum c} \overset{-}{-} \underbrace{\sum Cd - \sum Dd}_{\sum d} \overset{-}{-} \underbrace{\sum Ck - \sum dk}_{k} = | \underbrace{\sum Cp - \sum D\text{p}'}_{\pm r}$$

Respecting the equality DEBIT = CREDIT and correctly establishing the accounts required to be included in this link will become, until today, the primary concerns of accounting practice applying double entry bookkeeping.

"... You should never put something in the release that are not put on airs at the same time. And so you should never go to something in growing wealth, the same amount not to proceed with the release "- established in 1494 as a rule of respect, the author of the compendium ,, Summa de arithmatica, geometria, proportioni et proporționalità", Luca Paciolo (16).

(G) n the new conditions it was possible a formal verification of the records in the ledger. For this, a balance (bilancio) of the general ledger was prepared.

(H) Shortly thereafter the profit and loss account shall be subdivided into a 'Profit' and another 'loss' account. The division continues for the first, into profit in nature and, for the second,

loss in nature. Accounts reflecting expenditures - while still occasionally following simple entry records - now become subordinated to the "Losses" account. So, a fruitful contribution to commercial practice was certain at the beginning of the XIV century, the systematic accounting framework, the double entry system, potentially applicable to any business or administration of funds, in which: accounts - which became effective creation, recording the and determining the position and successive modifications of a category of values - gained in flexibility is built into an organic system with links between them independence and control procedures to ensure avoidance of errors capable of processing forms, the addition order of asset achieve separation and record the result obtained from each transaction generating results. Since the mid-fifteenth century the natural development of accounting stopped and stepped into a new era in which existing knowledge and gaining of further knowledge was no longer registered by oral tradition transmitted by the guild or by schools, but first of all in literature.

Therefore, on specific trade, **the accounting paradigm was born, which allowed organizing, based on it, scientific accounts in all types of economic entities in the pulsing life regardless of whether they belong to commerce, industry, agriculture, transport, public institutions, etc.**

We view the paradigm as an exemplary scientific achievement, as example of concrete formulations and solutions to scientific problems relating to all movements of cash values in a given social and economic entity and the financial settlement of the entities or components of a national economy or a national savings scheme where the reference entity is a party.

Interpreted in the light of current accruals accounting, what was shaped until up to the middle of the second millennium of our era, is only a building still under construction, the oldest sector of accounting calculation, the calculation resulted in the balance, or chronologically balance in its most evolved form, the double entry system. Until today three sectors, account, costing, benchmarking and predicting will increase the penetration power of the human mind to decipher the tidy world of values expressed in money movement and economic and legal relations that generate cash settlement. The new sectors are in the computer accounts, informational substance reaching a certain level of development that will take over and will refine the science to the limit reached in this specialized knowledge, which is accounting, at the mentioned stage of evolution.

ENDNOTES / REFERENCES

(1) V.Gordon Childe, *Făurirea civilizaţiei,* Buc., Ed. Ştiinţifică, 1966, p.190.
(2) Cf. Vlaemminck, Joseph-H, *Histoire et doctrines de la comptabilité, Paris, Dunod, 1956, p.16.*
(3) Cf. Demetrescu, C.G.,*Istoria contabilităţii,* Bucureşti, Editura Ştiinţifică, 1972, p. 31.
(4) Cf Voina, Dumitru, *Faze din evoluţia contabilităţii,* Cluj, 1932, p.28.
(5) A se vedea şi Jacques le Goff, *Civilizaţia Occidentului medieval,* Bucureşti, Editura Ştiinţifică, 1970, p. 53-83.
(6) Cf. M.K. Bennett. Citat după Jacques le Goff, *op. cit*., p.113.
(7) Cf. Vlaemminck, Joseph – H., Histoire et doctrines de la comptabilité, Paris, Dunod, 1956, p. 41.
(8) Cf. Jacques le Goff, *Op. cit*., p.103.
(9) Cf. Voina D., *Incursiunea în sfera conturilor medievale*, În: Analele Ştiinţifice ale Universităţii ,,Al. I. Cuza" din Iaşi (serie nouă), sectiunea III. c. Ştiinţe economice, Tomul XVI, anul 1970, p. 153.
(10) Cf. Taton René. a. *Istoria generală a ştiinţei*, vol. I, Ştiinţa antică şi medievală. De la origini la 1450, Bucureşti, Editura Ştiinţifică, 1970, p.599.
(11) Also: ,,double accounting", ,,dopica", ,, double recording".
(12) Melis, Federigo, Storia della Ragioneria, Bologne, Dott, Cesare Zufi, 1950, p.392.).
(13) Cf. Joseph – H – Vlaemminck, op. cit. p. 49.
(14) D . Voina, *Procesul formării contabilităţii duble*, în Buletinul Institutului politehnic din Iaşi, Serie Nouă, 1963, p.446.
(15) P. Garnier, *Op. cit*., p. 16.
(16) Luca Paciolo, *Tratat de contabilitate în partidă dublă* (versiune românească de Prof. univ. dr. Dumitru Rusu şi Prof. univ. dr. Ştefan Cuciureanu), Op. cit. p.119.