

Literature Review on Historical Development of Accounting

Vlora Berisha¹, Rrustem Asllanaj²

Abstract: Accounting as a practice has existed since the earliest times of humanity. The first simple accounting records are found in the writings of Babylonian, Chaldeans, Assyrians and Sumerians in Mesopotamia. The time of theoretical accounting recognition is considered to be the year 1494, when Venetian mathematician Luca Pacioli published a book titled “Summary of arithmetic, geometry, proportions and proportionality”. In addition to mathematical knowledge, Pacioli also wrote about the dual registration method and the accounting process. Despite Pacioli’s writing, there is still much discussion regarding the issue of dual accounting origin. In reviewing the literature, it is noteworthy that accountancy history is scarcely addressed; there are only a small number of books and works that cover the topic. Therefore, the purpose of this paper is to take a historical look at accounting development from ancient periods to the present. This study, based on historians’ records and archaeologists like Denise Schmandt-Besserat, has successfully described the origins and development of accounting from 3350 BC until today.

Keywords: Accounting; single entry accounting; double entry accounting; ancient time

JEL Classification: M410; M41; M40.

1. Introduction

Every discipline is born and developed to better understand a “phenomenon”, it is important to understand the origin, how it emerged, identify the stages of development and based on this, whether it is possible to achieve further development. Accounting as a practice has existed since ancient times, while the theoretical aspect is considered to have appeared for the first time in 1494, when Venetian theologian and mathematician Luca Pacioli published a book “The Sum of Arithmetic, Geometry, Proportions and Proportionality”, which described the method of double registration of accounting.

Today in any organization, the role of accounting is to provide information to help the decision-making process. This information is like a map of an organization.

¹ Teaching Assistant, PhD, University Haxhi Zeka, Ismajl Qemajli, Kosovo, Address: UÇK'-së Street, Peje 30000, Kosovo, Tel.: +37744566098, Corresponding author: vlora.berisha@unhz.eu.

² Professor, PhD, University Hasan Prishtina, Kosovo, Address: Prishtina 10000, Tel.: +37744129592, Corresponding author: rrustem.asllanaj@gmail.com.

Accounting information helps decision makers determine where they are, where they were, and where they will go. Rather than measures distances by miles or kilometers, accounting measures the activities of an organization according to the amounts of money associated with these activities.

This study aims to address the historical development of accounting from its birth in ancient times to the present day. Many may be wondering why study accounting history? The reason is that the understanding the history of accounting provides a good foundation on which to develop and understand of the future of the discipline.

According to, (Alexander, 2002), a brief glimpse at this period helps to illuminate our past in general.

But perhaps the most compelling reason is to help explain this phenomenal growth that the accounting profession has enjoyed around the world.

According to (Napier, 2006), researchers face the evidential issue of describing accounting in the past, or at least documenting an absence of accounting in particular contexts.

The paper is organized as follows. First, it presents the historical perspective of accounting development from 3350 BC in Mesopotamia, Mesopotamia before the writing (symbolized accounting); Then describes the accountancy history in the period 3500 BC-2000 BC in Mesopotamia (Hammurabi code; price quotes for traders); Period BC BC-1100 AD, historical development of accounting practices in ancient Egypt, China, Greece, Rome (taxes on the king, use of papyrus, assessment of the efficiency of government programs, appearance of metal money, “codex accepti et expensi For household expenses), the historical development of accounting in the period 1130 AD -1485 AD, England (feudal system (real estate, and real estate tax) Domesday Book The Great Role of Treasury), development Historical Accounting Periods 1494 AD -1700 AD, Renaissance (Double System, Pacioli); Description of the period from the Renaissance to the Industrial Revolution. Since we are researchers from Kosovo in this paper, we have also dealt with the history of accounting development in Kosovo, and finally the conclusions are presented.

1.1. Research Methodology

The methodology employed in this paper consists of the following phases:

1. The problem identified in the research of historical evolution of accounting practice and theory;
2. The elaborate research plan, including the collected literature bibliography to be used;
3. The defined structure and sections of the paper;

4. The paper discussed through the structure based on the knowledge gained from qualitative data obtained mainly from books, articles, studies, and internet sources.

2. Before the Discovery of Writing: Accounting with Symbols - CA 7500-3350 BC

Farmers in Mesopotamia invented a system of symbols to count and calculate the goods they produced (Schmandt-Besserat, 2015).



Figure 1. Symbols from Jarmo, Iraq, 6500 BC

Source: (Schmandt-Besserat 2015)

The shape of the symbol represented different types of agricultural goods that were produced at that time. For example, a cone-shaped symbol represented a small amount of barley, a sphere-like symbol represented a larger mass of barley, a disk-shaped symbol represented sheep. The number of freight units was expressed by the number of “one in one” symbols (e.g., three small measures of barley were shown with three cones). Later these symbols were increased to 300 shapes representing the variety of manufactured goods.



Figure 2. Symbols from Uruk, Iraq 3300 BC

Source: (Schmandt-Besserat 2015)

On these discs, there are several lines and graphics or points that show the variety of textiles.

2.1. Accounting in Mesopotamia (3500 BC - 2000 BC)

Five thousand years before the emergence of a double accounting system, accounting records of economic activity appeared in Mesopotamia (today's Iraq) (Botes, 2009). The accountants at that time were called “Scribes”, and they were employed by palaces, temples, and private firms. The scribe was a prestigious profession at that time. During this period, in addition to the description of

transactions, the accounting system was highly focused on the deals (contracts) made, paying particular attention to the detailed coding of economic transactions (Alexander, 2002).

Scribes stood at the gates of the city, when there was a need to register a transaction. The deals (contract) had to be reported to the accountants (Scribes) and who were responsible for preparing the records of the financial transaction which they recorded on a clay tablets specially prepared for transaction registration. The accountant described on the clay tablets the names of the contracting parties who exchanged goods and money or any kind of promise made in the agreement. The parties were required to sign their names on their clays with their respective stamps. These stamps were with the names of their owners, religious symbols with pictures and the name of the gods they worshiped by the owner of that time (Alexander, 2002).



Figure 3. Clay table from Godin Tepe, present-dayIran

Source: (Schmandt-Besserat 2015), allowed by the Cuyler Young Jr Museum, Royal Ontario. Circular sings show large wheat mass, while signs in the shape of a cone lesser extent wheat.



Figure 3 Economic clay tables showing the amount of textiles

Source: (Schmandt-Besserat 2015), allowed by the Institute of German Archaeologists

2.2. Accounting in Ancient Egypt, China, Greece and Rome (3000 BC - 1100 AD)

Accounting in ancient Egypt had developed in a similar way to Mesopotamia (Alexander, 2002). Clay tablets on which the oldest tax records were written were found 3000 years before the birth of Christ. On these clay tablets were recorded the accounting records for linen and oil that at that time represented the tax that was to be paid to King Scorpio I (Kaplan & Johnson, 1987).

In Egypt, papyrus was used instead of clay tablets, and this allowed accounting records to be recorded in more detail. A “scribe” accountant had to know how to read and write more than 1,000 symbols (Metcalf, 2014). Papyrus was divided by several horizontal lines which enabled the accountant to group the data. Accounting data provided information, e.g., the group included construction and woodwork, including a list of employees. At the same time, calculations were made on the construction projects and the number of workers they could accomplish (Katz, 2007).



Figure 4. Bookkeeping in papyrus

Source: (Metcalf 2014)

In China accounting was used as a tool for assessing the effectiveness of government programs and appeared during the Chou dynasty (1122-256 BC) (ACAUS, 2000). During that period, the government appointed six officials: sky officer, land, spring, summer, autumn, and winter. The Sky Officer was responsible for managing government property, financial management, and government accounting (Xu & Zhang, 2013). Sky used the budget as a means of financial control. At the same time, the budget was also used to delegate authority and to create responsibility and accountability. Another important event in the Chou dynasty was the use of financial reports. By the end of each year, each governmental department was required to prepare reports on their operational parts. Some government officials were appointed as supervisors to monitor and evaluate the quality of financial reports. After the assessment, the reports were submitted to the prime minister, who drafted some recommendations regarding government policies, which were finally presented to the emperor (Xu & Zhang, 2013).

In 5th century BC Greece, “Public Accountants” were used to allow their citizens to monitor and control government finances. Ten public accountants, elected by lot by the Athens People’s Assembly, monitored the revenues and expenditures of public money (Alexander, 2002).

The most important Greek contribution to accounting was the emergence of metal money about 600 years before the birth of Christ. In ancient Greece, banks seem to be more developed than in previous societies. Bankers maintained bookkeeping, exchanged and borrowed money, and allowed citizens through bank branches to transfer money in remote cities as well (ACAUS 2000).

Government and Banking Accounting in ancient Rome evolved from records traditionally held by the heads of households, where day-to-day cash receipts and cash outflows for household payments were kept in a memo (“adversary”) in a daily diary (“Tabulae”) and the monthly allowances were made on the receipt-expense account “codex accepti et expensi”. These family remedies were important in Rome because citizens were required to submit regular declarations of assets and liabilities that were used as a basis for taxation and even for defining civil rights (Alexander, 2002).

2.3. Accounting during the Medieval Period (1130 AD - 1485 AD)

After the fall of the Roman Empire, the field of accounting stagnated. The doctrine of administration and conservatism known in accounting, however, was rooted during this period (Botes, 2009). Medieval accounts were localized and focused on specialized feudal institutions (Alexander, 2002). The feudal system was the economic, political and social system by nature (Botes, 2009).

An accounting manuscript that survived from this period is the “Domesday” book, a document that includes all real estate and taxes due to real estate. These manuscripts were recorded in papyrus that was wrapped in tubular form and contained annual lease descriptions, fines and taxes paid on behalf of the King of England (Botes, 2009).

When William the Conqueror occupied England, he confiscated all the wealth on behalf of the king. In 1086, as bishop Robert of Hereford had written, the king’s peoples had made a search all over England to identify the immovable property of each of the English mannaes (feudalists), i.e. the land, their homes, their people as captive and free, their horses and other animals (Jones, 2010).



Figure 5. Tubular papyrus containing annual lease descriptions, fines and taxes paid on behalf of the King of England.

Source: (Weston 2014)

Table 1. Questionnaire included in the Domesday Book for property registration in the medieval period

The questions asked can be summarized as follows:
What is the manor called?
Who held it in the time of King Edward (in 1066)?
Who holds it now (in 1086)?
How many hides are there?
How many plough (team)s on the demesne (local lord's own land) and among the men (rest of the village)?
How many free men sokemen, villains", cotta [ge]rs, slaves?
How much woodland, meadow, pasture, mills, fisheries?
How much has been added to or taken away from the manor?
How much was the whole worth (1066) and how much now (1086)?
How much had or has each freeman and each sokeman?

Source: (Jones 2010)

2.4. Renaissance - The Birth of the Double Accounting System (1494)

Developing of writing, trade and production, accompanied by the accumulation of capital, influenced the development of the economic activity registration system (Bogdani, 2008). In the Renaissance period, as was the case in art, science, literature, architecture, and philosophy, accounting progressed. The development of accounting was addressed the increasing need for financial information. The modern accounting pillar is the secondary accounting system (double). Despite circumstances and changes in the business environment, this system has proven to be useful and effective for more than five centuries. The double registration system in accounting was formed in such a way that each census of each economic transaction consists of two aspects that affect at least two accounts. Rights to property in accounting are presented as liability to the owner (s) of capital and as a liability to creditors: $Assets = Liabilities + Capital$ (Rexhepi, 2015), (Asllanaj, 2010), (Ahmeti, 2008), (Clendon, 2007); (Deana, Clarke, & Capalbob, 2016); (Kie, 2012); (Sangster, Stoner, Scataglini-Belghitar, 2014).

As the time of theoretical recognition of double accounting is considered the year 1494, when the theologian and Venetian mathematician Luca Pacioli published a book entitled "Sum of Arithmetic, Geometry, Proportion and Proportionality" the original title (Summa de arithmetica, geometry, proportions and proportions) Mathematical knowledge also dealt with the method of double registration of accounting¹. Although Pacioli is known as the "Accounting father" in this book,

¹ Single entry accounting presents isolated evidence, does not represent a complete link, and does not represent a complete accounting system. Historically it has preceded it, and is therefore considered a stage of accounting development, today is used in many queues. In contrast, Double Accounting is the

only one small chapter is dedicated to double registration. At the beginning of the chapter, Pacioli explains that he is not the one who invented double accounting but only elaborating “As a Venetian method that is recommended and can be used as a guideline for others” (Lee, T.A.; Bishop, A; Parker, R.H, 2013). By reviewing the literature, many authors point out that Pacioli did not invent a dual accounting system, he only traversed an existing system: (Botes, 2009); (Alexander, 2002); (ACAUS, 2000); (Littleton & Yamey, 1956); (Shukla, 2015); (Warsono-bin-Hardono, 1986.); (Sangster & McCarthy, 2008); (Bertato & D'Ottaviano, 2007); (Carraro & Favero, 2017); (Geijsbeek, 1914); (Peragallo, 1938); (Ambashe & Alrawi, 2013).

According to a periodical writing by the association (Sanjay, 2002), and from the book Benedetto Cotrugli – “The Book of the Art of Trade” of the authors (Carraro & Favero, 2017), it is also emphasized that Pacioli does not pretend to invent double accounting. For this he credited Benedict Cotrugli (Benedict Kotruljevic of Dubrovnik, Croatia), who according to these writings reportedly treated double-entry bookkeeping in his book “of trading and the perfect trader” in 1458, but this book was not published more than a hundred years.

In the “Accounting History” (Sanjay, 2002), it is noted that merchants and bankers in Venice had been using some double accounting concepts a hundred years before Cotrugli treated it in his book. It is believed that both Pacioli and Cotrugli have described an existing system and none of them invented it. When the question arises as to how the concept of double-entry accounting in Venice is developing as fast as the modern accounting system just arrived in Europe.¹

According to (Rey, 2005): *“It is possible that the author of the manuscript taught commercial arithmetic to future merchants and also gave lectures on the most “theoretical” part of the Summa to some highly-cultivated urban aristocrats with intellectual interests. However, on this question we can do nothing but speculate”.*

In the world of accounting science there is still no definitive answer to the origin of the double accounting system. (Littleton, 1928); (Yamey, 1947); (Gleeson-White, 2012); (Aho, 2005). Some authors such as Nigam Lall (1986) claim that Bahi-Khata² was a forerunner of dual accounting development and that the dual-registration system was used in India hundreds of years before being used in Italy.

accounting system that represents the entirety and includes the assets of the enterprise according to the composition and source of the special parts and the total amount. Basic double accounting principles are exposed on the basis of balance method, chronological evidence, main book (accounts).

¹ From the Roman numerals (I, II, III, IV, V ... etc.) in Europe, the Arabic numbers (1,2,3, ... 0).

² According to the Bahi-Khata system, double registration of all transactions that have an impact on the real or personal account is done. These transactions initially were recorded in Rokadbaah (the Ark of Libya), and then registered in khata-bahi in the diary (Sanjay 2002).

In response, (Nobes, 1987) concludes that Lall Nigam’s claims are backed by ‘system stems from Inka’s accounting practices in Peru. (Forrester, 1968), argues that Inka had an economy that was not used for money. According to Mattessich, 1994, as a type or as the author calls a double accounting prototype, it was in Mesopotamia that the transfer from “token clay”¹ to “envelopes”² to create obedience to others (Mattessich, 1994) has tried to explain this in several respects:

Table 2. Summary of Dual Accounting Registration Features with Prehistoric Symbols

<p>Physical Reality (Asset Transfer) Clay ball surface (called "envelope") A: equivalent to a credit in account A, inside the ball ("envelope") B: equivalent to a debit in account B. The shape of the symbols indicates the type of asset account for example ('Sheep', 'Fabric', 'Wheat'), the number of symbols indicates how many units (grain, sheep, fabric, etc.)</p>
<p>Social Reality (Owner and Debt Declaration): Stamping (with the sign of the asset) on the envelope surface: equivalent to a credit on the capital account that registers the existence of a debt or ownership over that asset (depending on how many clay symbols are in the envelope future), inserting the symbols inside the envelope: Equivalent to a debit in the asset account. (Croissant with the shape of the symbol).</p>
<p>Control features Control for verification: obtaining inventory (e.g. asset counting, e.g. sheep on pasture A) and comparison with the contents of mud symbol embedded in envelopes (e.g. envelope A). If these two do not match then verification is done (i.e., or some asset units are missing or some of the earth's orbital symbols have been lost or incorrectly added, etc.), tautological control: the counting of mud symbol in the envelope A and comparison with their printing (stamping) on the surface of envelope A. Even if both of these are not equated with each other in numbers and symbols, an analytical recording error has occurred (i.e. Scribe has forgotten to print) Some symbols on the outside of the envelope or has sealed more than enough, or has forgotten to place the symbols inside the envelope that had printed on the outside of the envelope, etc.). If everything is correctly recorded the symbols printed on the envelope surface and embedded inside the envelope will be equated and this means in the dual registration system that all debit and credit are equal in the balance.</p>

Source: (Swetz 2012)



Figure 7. Envelope from Susa, Iran, about 3300 BC. Each oval disk means a “flock” (maybe 10 animals). The big cone is a very large measure of wheat; Small cone represent lesser wheat size

Source: (Mattessich, 1994)

¹ Clay symbols, for example, a symbol in the form of a cone represented a small amount of barley (Schmandt-Besserat 2015).

² In 3250 BC, the Sumerians began to use some hollow clay balls called “envelopes” in the holes of clay symbols. Fifty years later, these envelopes were embedded in mosaic symbols before they were put in envelopes. Then the envelope closed with the signing of the debtor (Mattessich, 1994).

Despite the dual accounting origins, many authors have focused on its efficiency. Some authors in their research have pointed to the fact that double-sided accounting has affected economic development; for example, (Ryan, 2014), concluded that double registration is an essential aspect of capitalism, appearing almost simultaneously with it, and has contributed to economic development. (Mattessich, 1964), emphasize that in Pacioli's book "The famous chapter, it will remain a cultural event as a sign of stone that ranks with great historical achievements such as Columbus, Copernicus, Galileo, Descartes and Newton." (Mattessich, 1964), the great achievement in accounting during the Italian Renaissance period is not only the double registration system, but also the creation of a statement of income as a separate but still integral part of the owner's equity. (Goethe, 1917), the double registration system "is among the best inventions of the human mind; And every god leads a saver, used it in his economy (Childs, 1985)," the double accounting system is a beautiful system - and a scientific fact " (Wolk, Harry I; Francis, Jere R; Tearney, Michael G, 1989) what is surprising, Is the sustainability of the dual system approach, even though technological development and business environment today is quite complex. (Hatfield, 1924), the dual system is the main reason for looking at accounting as an academic discipline.

2.5. From Renaissance - In the Industrial Revolution

The great development of the economy and trade exchange in the era of capitalism led to the development of accounting (Asllanaj, 2010), from the time of the emerging double-sided accounting system to date, accounting developments throughout the world have undergone significant changes. Accounting development progressed when Great Britain built its economic strength (in the eighteenth century as a century of global trade) (Neokleous, 2016). (Wood & Sangster, 2005), as businesses grew in size, it became less and less common for owners to keep records and accounting records as well as the most commonly employed as an accountant when businesses began to dominate the business environment. The managers were separated from the owners (the owners of the company "shareholders?"), and they began not to be involved day by day in the business direction. So there was a need for monitoring managers. Auditing financial records became a rule and this effectively contributed to the development of the accounting profession. In the nineteenth century accounting achieved its greatest progress in Great Britain, which was at the helm of the industrial revolution; hence the development of businesses and the development of accounting professionals' organizations¹.

The first Association of Accountants, the Collegio dei Raxonati, was formed in Venice in 1581. Its main role was the training of auditors, but while the spread of

¹ In the UK there are 7 professional accounting bodies: ICAEW, ICAS, AI, AIA, CIPFA, CIMA, ACCA. (<https://www.frc.org.uk/> 2016).

the profession of accountant was slow until the nineteenth century, in most of the countries it was required in Italy. While the accountants were members of some well-known accountants' association, however, there were still no nationally recognized only national regional accounting bodies (Neokleous, 2016).

In 1854, the first professional national accounting body was established: the Scotland Accounting Institute of Scotland, Scotland (Alexander, 2002). Gradually national accountants' associations began to appear in other countries of the world as well. In 1880, the Institute of Accounting Experts in Great Britain and Wales (ICAEW) was formed. Capital and Ideas Movement from Great Britain to the United States influenced the development of US accounting theory and practice, and in 1887, the National Accounting Institute (AICPA, 2017) was established (the predecessor of today's Public Accountants, American Institute - AICPA). These institutes, based on well-known accounting practices, defined and taught the rules (principles) that businesses should apply. During the 20th century, besides the increase in the demand of different users for accounting information, much developed in both accounting theory and accounting practices and information retention improved through the use of accounting software¹ (Rayan, 2012). In the middle of the 20th century international accounting rules (international standards) were established to make financial information sustainable and comparable at international level (Asllanaj, 2010), (Hossain, Hasan, & Safiuddin, 2015), (Lagassé, 2010), the main merit of international accounting standardization², belongs to the International Accounting Standards Committee (IASC), which was formed in 1973 by The professional accounting bodies of these countries: Australia, Canada, France, Germany, Japan, Mexico, the Netherlands, the United States, the United Kingdom and Ireland. The IASC Secretariat is based in London. In 1977, in Munich, Germany, the International Federation of Accountants (IFAC) was established at the 11th World Congress of Accountants, which was formed to strengthen the accounting profession worldwide, and as its main objectives:

- Formulation and publication of International Accounting Standards (IASs), which are in the public interest to observe the presentation of financial reporting.
- Issuance of guidelines and development of international high quality standards for auditing, ethics, vocational education, public sector accounting, and management accounting.
- Cooperation with other international organizations; and
- To serve as an international representative for the accounting profession

¹ Accounting software's facilitate the work of accountants, increase the speed of registration and disclosure and guarantee accurate data.

² International Accounting Standards as a primary purpose have the harmonization of accounting systems of all countries, and the application of unique rules in financial reporting. (Asllanaj 2010).

In 1982 (IASC) established close links with (IFAC). The professional accounting bodies that were members of the IASC, at the same time, were members of IFAC (Asllanaj, 2010). Founded in 1977, IFAC had 63 members out of 51 countries, with up to now the number of members increased to 175 out of 130 countries, representing more than 2.5 million accountants employed in public practice, commerce, industry, government etc. (Asllanaj, 2010), (IFAC, 1998). Until 2000, the IASC has issued 40 international accounting standards. In 2001, the IASC merged into (IASB) as a successor to IASC in the area of establishing international accounting standards. The IASB¹ is organized within the Independent Foundation appointed by the International Accounting Standards Committee Foundation (IASCF).

The number of members of the IASB Board from 1 December 2016 is 14. The main responsibilities of the IASB are:

- Development and publication of international financial reporting standards; and
- Approval of the interpretations developed by the International Financial Reporting Interpretations Committee.

In Europe - the EU Commission has made a significant contribution to the harmonization of financial reporting, the main goals of harmonization and qualitative advancement of accounting have been achieved through two main instruments: the directives (IV and VII only relate to adjustments Accounting) and provisions. The European Commission for the Harmonization of Accounting in Europe, receives advice and suggestions from the European Federation of Accounting Experts (FEE), which was formed in 1987, its secretariat is in Brussels.

In February 2009, David Tweedie stressed that “Since December 2011, the GAAP² and IFRS have to be pretty much the same” (Lagassé, 2010). In 2014, IASB deputy chairman Ian Mackintos, at a conference at the Business School in Manchester, said: “The good news is that we have seen remarkable progress towards the goal of a global financial reporting language. Very soon after the establishment of the IASB in 2001, the EU, Australia, New Zealand, Hong Kong and South Africa, in early 2005, led the way by making a major decision to move from national accounting standards to International Standards for Financial Reporting (IFRS). This first wave of IFRS adopts was followed by a second wave of countries that passed to IFRSs, including Brazil, Canada, Korea, Mexico, Russia, and Taiwan. Almost every country in the world has made a public commitment to global

¹ The IASB is an independent body that develops and approves International Financial Reporting Standards (IFRSs). In 2009, there were 16 members of the IASB board that numbered to 14 in 2016.

² GAAP- General Accepted Accounting Principles, that US companies that are registered in SEC (Securities and Exchange Commission) should respect.

accounting standards and almost everyone has stated a view that adopting IFRSs is the best way to achieve this commitment". (Mackintosh, 2014)



Figure 6. States that have adopted the IFRSs and the states that are in the way of adapting them.

Source: (Vasani 2014)



Figure 7. Implementation of IFRSs in Albania, Kosovo, Macedonia and Serbia

Source: (IFRS 2017)

3. Accounting Developments in Kosovo

Accounting developments in Kosovo can be seen in two periods: Before the war: During this period, accounting in Kosovo was in line with Yugoslav legislation. In Kosovo, accounting was organized according to a single plan that was the same for all entities in the territory of Yugoslavia. The accounting framework used in Kosovo at that time consisted of ten classes, which were divided into main accounts and sub-accounts. Key accounts recognized as synthetic accounts, while sub accounts are known as analytical accounts (Vokshi, Nexhime; Ahmeti, Skënder; Dermaku, Arben; Ujkani, Sead, 2013), (Kastrati, 2016). After the war; Accounting in Kosovo had positive developments. In support of the legal authority in Kosovo, the Regulation no. 2001/30. "On the Establishment of the Kosovo Financial Reporting Board", the main task of the Board is the issuance of KASs, so far this board has issued 18 Kosovo Accounting Standards (KAS), which are in line with International Accounting Standards (Asllanaj, 2010), (Vokshi & Nimani, 2011), in their study for the periods 2008, 2009, 2010, highlight the fact that IAS

were also accepted in Kosovo, according to this study 87% of accountants surveyed in Kosovo have admitted that the use of IAS effect on the quality of financial reporting.

4. Conclusions

Accounting as an information system provides the entity with the eyes and ears necessary for its efficient management.

In this study we have tried to present the history and origin of accounting. In detail we have tried to present and explain the accounting practices from ancient periods to the present. The development phases of accounting during each period, the impact of the industrial revolution on accounting development, which can be said that the development of accounting depends on the business environment, the development of the business environment, and technological advancements. Despite the advances in the field of accounting, we can say that the basic principles of double-tier accounting like 523 years ago still remain the same today. Given this fact, the question arises whether there are no innovative accountants or forms of doing business since the dual accounting have remained the same.

5. Bibliography

- ACAUS. (2000, November 11). *Intro to Accounting History*. Retrieved 2003, from Association of Chartered Accountants in the U.S. www.acaus.org: www.acaus.org/history/hisinto
- Ahmeti, S. (2008). *Kontabiliteti Financiar/ Financial Accounting*. Prishtinë: Kolegji Iliria.
- Ahmeti, S. (2011). *Kontabiliteti i Menaxhmentit/ Management accounting*. Prishtinë: Universiteti Iliria.
- Aho, J. (2005). *Confession and Bookkeeping: The Religious, Moral and Rhetorical Roots of Accounting*. Albany: State University of New York Press.
- AICPA. (2017). American Institute of Certified Public Accountants. Retrieved 2017, from <https://www.iasplus.com/en-us/resources/other-regs/aicpa>.
- Alexander, J.R. (2002). *History of Accounting* www.uctoonline.sk/home/images/history%20of%20accounting.pdf. Retrieved March 21, 2017, from www.uctoonline.sk/home/images/history%20of%20accounting.pdf.
- Ambashe, M. & Alrawi, H.A. (2013). The Development of Accounting through the History. *International Journal of Advances in Management and Economics*, p. 96.
- Asllanaj, R. (2010). *Kontabiliteti Financiar/Financial Accounting*. Prishtinë: Këshilli botues i Universitetit të Prishtinës.
- Bertato, F.M. & D'Ottaviano, I.M. (2007). Luca Pacioli and the Controversy of the Perspective: The Classification of the Mathematics from the Classical Antiquity to the end of the Quattrocento. *Publicação Oficial da Sociedade Brasileira de História da Matemática*, p. 516.

- Bogdani, I. (2008). *Kontabiliteti për Jurist/ Accounting for Lawyer*. Tiranë: Albpaper.
- Botes, V.L. (2009, 08 25). *The perception of the skills required and displayed by management accountants to meet future challenges*. Retrieved 03 21, 2017, from <http://uir.unisa.ac.za/handle/10500/1935>.
- Carraro, C. & Favero, G. (2017). *Benedetto Cotrugli: The book of the art of trade*. Springer Nature.
- Chandler, A. (1977). *Visible Hand: The management Visible Hand: revolution in American business*. USA: Harward University Press.
- Chatfield, M. (1977). *A history of accounting thought*. New York: Robert E Krieger Publishing Company.
- Childs, C.W. (1985). *New Essentials of Bookkeeping for Public Schools Single and Double Entry: Including Forms and Explanations of Business Papers*. The Whitaker & Ray Co., qasja në liber online në:<https://archive.org/details/newessentialsbo00chilgoog>.
- Collis, J. (2016). *Financial Accounting*. London: Palgrave.
- Deana, G.; Clarke, F. & Capalbob, F. (2016). Pacioli's double entry – part of an intellectual and social. *Accounting history review*.
- Forrester, D. (1968). The Incan Contribution to Double-Entry Accounting. *Journal of Accounting Research*, p. 283.
- Geijsbeek, J.B. (1914). *Ancient Double-Entry Bookkeeping: Lucas Pacioli's Treatise*. Denver: University of Colorado.
- Gleeson-White, J. (2012). *Double entry: How merchants of Venice created modern finance*. W.W. Norton &.
- Gliaubicas, D. (2012). The research of management accounting. *Economics and management*, pp. 22-29.
- Goethe, J.W. (1917). *Wilhelm Meister's apprenticeship*. Retrieved from <http://www.bartleby.com>: <http://www.bartleby.com>.
- Hansen, D. & Mowen, M. (2005). *Managerial Accounting*. 7th ed. Mason: South-Western Publishing.
- Hatfield, H.R. (1924). An historical defense of bookkeeping. *The Journal of Accountancy*, pp. 241-253.
- Horngren, C.T.; Datar, S.M. & Madhav, R.V. (2012). *Cost Accounting*. 14 ed.. New York: Pearson Education, Inc.
- Hossain, M.S.; Hasan, S.M. & Safiuddin, M. (2015). Adoption of International Financial Reporting Standards in Bangladesh: Benefits and Challenges. *Journal of Business and Management (IOSR-JBM)* -e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 17, Issue 8.Ver. I, pp. 16-24.
- IASB. (2009). *Who We Are and What We Do. International Accounting Standards Board/IASC Foundation*. <https://www.iasplus.com/en/resources/ifrsf/iasb-ifrs-ic/iasb-board>. Retrieved from www.IASB.org. London, UK.
- IASC. (n.d.). <https://www.iasplus.com/en/resources/ifrsf/history/resource50>. Retrieved 2017, from <https://www.iasplus.com/en/resources/ifrsf/history/resource50>.
- ICAEW. (n.d.). <https://www.icaew.com/en/library/historical-resources/timeline/1853-1880>. Retrieved 2017, from <https://www.icaew.com/en/library/historical-resources/timeline/1853-1880>.

- IFAC. (2009). *Evaluating and improving costing in organizations*. International Good Practice Guidance, pp. 1-41.
- IFAC. (2013). <https://www.ifac.org/about-ifac/organization-overview/history>. Retrieved 2017.
- IFAC. (2017). International Federation of Accountants. Retrieved 2017, from <https://www.ifac.org/about-ifac>.
- IFRS. (2017). IFRS use around the world <http://www.ifrs.org>. Retrieved from <http://www.ifrs.org/Use-around-the-world/Pages/Jurisdiction-profiles.aspx>.
- Jacobsen, L.E. (1964). The Ancient Inca Empire of Peru and the Double Entry Accounting Concept. *Journal of Accounting Research*, 2(2), pp. 221, 221-228.
- Johnson, T. & Kaplan, R. (1987). *The rise and fall of management accounting*. Portland USA: Harvard Business School Press.
- Jones, M. (2010). Domesday Book as an Example of Embryonic Weberian Administration in a patrimonial state. *Sixth Asia Pacific Interdisciplinary Research in Accounting 59 Conference*, p. 8.
- Kaplan, R. & Johnson, T. (1987). *Relevance Lost: The rise and Fall of Management Accounting*. Boston: Harvard Business School Press.
- Kastrati, A. (2016). Financial Reporting In Albania And Kosovo. *International Journal of Economics, Commerce and Management*, p. 541.
- Katz, V.J. (2007). *The Mathematics of Egypt, Mesopotamia, China, India and Islam*. New Jersey: Princeton University Press.
- Kie, H.S. (2012). *Fundamentals of Accounting*. Oxford Fajara.
- Lagassé, A. (2010). *A Tale of Two Standards: An Exploration of US GAAP and IFRS*. Retrieved from http://digitalcommons.bryant.edu/cgi/viewcontent.cgi?article=1003&context=honors_accounting.
- Lee, T.; Bishop, A. & Parker, R. (2013). *Accounting History from the Renaissance to the Present- A Remembrance of Luca Pacioli*. A.B. Introductory material copyright 1996 by T.A. Lee, Ed. New York: Routledge.
- Legaspi, J. (2014). The Impact of Management Accounting Literature to Practice: A Study of Management Accounting Concepts in the Philippines Industries. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, vol. 4, no. 2, pp. 343-361.
- Littleton. (1928). Paciolo and modern accounting. *The Accounting Review*, pp. 131-140.
- Littleton, A. & Yamey, B. (1956). *Studies in the history of accounting*. Illinois: Richard.D. Irwing. Inc .
- Mackintosh, I. (2014, May 7). *The importance and Challenges of establishing standards for global finance*. Retrieved from <http://www.ifrs.org/Alerts/Conference/Documents/2014/Ian-Mackintosh-speech-MBS-May-2014.pdf>.
- Mattessich, R. (1964). *Accounting and Analytical Methods*. Irwin. Reprinted 1977 with new Preface. Lawrence, Kansas: Scholars Book Co.
- Mattessich, R. (1994). Accounting as a cultural force: past, present and future. *The European Accounting Review*, pp. 354-374.

- Metcalf, B. (2014). *Egypt Hieroglyphics and the Rosetta Stone*. Retrieved from historyshories.com: <http://www.historyshories.com/egypt-hieroglyphs-and-the-rosetta-stone.html>.
- Neokleous, C.I. (2016). *Accounting for power: the history of an industry that shaped the world*. Retrieved from <http://theconversation.com/accounting-for-power-the-history-of-an-industry-that-shaped-the-world-61593>.
- Napier, C.J. (2006). Accounts of change: 30 years of historical accounting research. *Accounting, Organizations and Society- Elsevier*, 31, pp. 445-507. <https://doi.org/doi.org/10.1016/j.aos.2005.12.004>.
- Nigam Lall, B. (1986). Bahi-Khahta: The pre- Pacioli double - entry system of bookkeeping. *Abacus*, 22, p. 61.
- Nobes, C.W. (1987). The Pre-Pacioli Indian Double-entry System of Bookkeeping: A Comment. *ABACUS*, 23, pp. 182-184.
- Peragallo, E. (1938). *Origin and Evolution of Double Entry Bookkeeping, A Study of Italian Practice from the Fourteenth Century*. New York: American Institute Publishing Co.
- Rayan, E. (2012). The evolution of accounting software: past, present, future. *The Journal of the Global Accounting Alliance*.
- Rexhepi, S. (2015). *Bazat e kontabilitetit/Basics of Accounting*. Prishtinë: N.G.B. Grafika Rezniki.
- Rey, J.D. (2005). Reading Luca Pacioli's Summa in Catalonia: An early 16th-century Catalan manuscript on algebra and arithmetic. *Historia Mathematica*, 33, pp. 43-62. <https://doi.org/10.1016/j.hm.2005.03.004>.
- Ryan, J. (2014). Historical Note: Did double-entry bookkeeping contribute to economic development, specifically the introduction of capitalism?. *Australasian Accounting Business and Finance Journal*, p. 96.
- Sangster, A. & McCarthy, P. (2008). The Market For Luca Pacioli's Summa Arithmetica. *Accounting Historians Journal*, vol. 35, no. 1, pp. 120-121.
- Sangster, A.; Stoner, G.G. & Scataglioni-Belghitar, P.D.L. (2014). Pacioli's example entries - A conundrum resolved?. *Abacus*, 1(50), pp. 93-106.
- Sanjay. (2002, February 02). Accounting History. *Accountable*, p. 76.
- Schmandt-Besserat, D. (2015). *From-accounting-to-writing*. Retrieved from <https://sites.utexas.edu/dsb/tokens/from-accounting-to-writing/>: <https://sites.utexas.edu/dsb/tokens/from-accounting-to-writing/>
- Sharm, V. (2016). *Management Accounting and Financial Accounting*. Retrieved from <http://www.yourarticlelibrary.com/accounting/management-accounting/management-accounting-and-financial-accounting-6-similarities/52470/>.
- Shotter, M. (2006). The influence of Marshallian neo-classical economics on management accounting in South Africa. *PhD thesis*. Pretoria: Faculty of Economic and Management Sciences at the University of Pretoria.
- Shukla, H. (2015). Cultural and Spiritual Conviction of Accounting. *Indian Journal of Accounting*, XLVII, pp. 27-28.

- Srubhi. (2015). *Difference Between Cost Accounting and Management Accounting*. Retrieved 2016, from <http://keydifferences.com/difference-between-cost-accounting-and-management-accounting.html>.
- Surbhi, S. (2014, 4 26). *Difference Between Financial Accounting and Management Accounting*. Retrieved 2017, from <http://keydifferences.com/difference-between-financial-accounting-and-management-accounting.html#comments>.
- Vasani, P. (2014). *Accounting standards (India) and convergence to IFRS*. Nagpur.
- Vokshi, N. & Nimani, M.B. (2011). Current accounting developments in Kosovo. Challenges of the Knowledge Society. *Economy*, p. 1571.
- Vokshi, N.; Ahmeti, S.; Dermaku, A. & Ujkani, S. (2013). Historical Review of Accounting Developments in Kosovo and Its Standardization. *Accounting and Financial History Research Journal*, ISSN 2146-4928, Issue 5, pp. 196-210.
- Warsono-bin-Hardono, S. (1986). Solving the Mystery of Double Entry Bookkeeping. *Abacus*,. vol. 22, no. 2, p. 1.
- Weston, J. (2014). *Unfurling the Past: Ancient & Medieval Scrolls*. Retrieved from <https://medievalfragments.wordpress.com/2014/05/16/unfurling-the-past-ancient-medieval-scrolls/>
- Wolk, H.I.; Francis, J.R. & Tearney, M.G. (1989). *Accounting theory*. Boston: PWSKent.
- Wood, F. & Sangster, A. (2005). *Business Accounting*. Pearson Education Limited.
- Xu, L. & Zhang, E. (2013). *Exploring hegemonic change in China: a case of accounting evolution*. 9. Retrieved from <http://ro.uow.edu.au/cgi/viewcontent.cgi?article=1172&context=buspapers>.
- Yamey, B.S. (1947). Notes on the origin of double-entry bookkeeping. *The Accounting Review*, pp. 263-272.