

# INDEX

- Accountancy, 5, 6, 399, 403–418
- Accountants, 7  
    management, 375–379  
    public, 375–379
- Accounting  
    actions. *See* Accounting actions  
    administrative, 190, 245–246, 251, 260, 282, 309  
    cash-basis, 94  
    commercial, 108  
    communication, functions and effects of, 180  
    cost-plus, 108  
    education, purpose of, 47–55  
    enterprise, 15, 18, 23, 35, 43, 83, 99–102, 384, 399, 440, 463  
    financial, 202, 251, 282, 309  
    inner nature of, 271–277  
    limitations affecting, 99–102  
    managerial, 190, 237, 439–440  
    method, 169–174  
    mission of, 132, 169–174, 239–248  
    postulates of, 91, 297–304  
    practice, 381–382  
    principle, 351–356  
    profit and loss, 126  
    as science, 279–282  
    suitability of, 191–192, 194  
    theory, 3–4, 181, 381–382  
    as thinking tool, 259–268
- Accounting actions, 74, 75, 81–83, 199–207, 251, 265, 285, 288, 409, 411–412
- deviations in, 130–131  
    exceptions in, 130–131  
    structure of, 134, 383
- Accounts  
    bilateral, 178–179, 187, 201, 209, 210, 212–213, 215, 240, 241, 244–245, 274, 281, 342, 420, 444, 454, 460  
    impersonal, 218  
    nominal, 10, 18, 87, 88, 143, 147, 149, 201, 221, 261, 267, 327, 335  
    real, 10, 87, 143, 149, 201, 221, 261, 267  
    record experience, 63–72  
    unilateral, 240
- Accretion as profit, 282
- Administrative accounting, 190, 245–246, 251, 260, 282, 309
- Advocacy of index  
    depreciation, 125
- Allocation problems  
    in depreciation, 367–374  
    in inventory pricing, 359–366
- Allowance, 344
- Alternative means, 187–195
- American Association of Public Accountants. *See* American Institute of Certified Public Accountants
- American Institute of Accountants. *See* American Institute of Certified Public Accountants

- American Institute of Certified Public Accountants (AICPA), 7, 19, 26, 34, 81, 227, 284, 297, 312, 321, 356
- American Institute of CPAs, 73
- Analytical necessity, 73–78, 361, 362, 367
- Apportionment, 276, 340–341, 361, 364
  - of asset cost, 396
  - decisions, guidelines for, 465
  - periodic, 367, 395, 396
- Appraisal
  - critical, 262
  - surplus, 19, 20
- Appraising the knowns, 159–164
- Appreciation surplus, 19, 20, 22, 314
- Asset-equities, 201
- Assets, 21, 237, 238n3
  - capital, maintenance of, 118–119
  - depreciation, 368
- Assumption, 193
- Attest function, 356
- Audit, 245, 398
  - balance sheet, 28, 31
  - external, 327
  - internal, 327
  - verbs, 28–29, 106, 212
- Balance sheet, 11, 274
  - audit, 28, 31
  - equation, 216
  - symbols and placement, 433–434
- Bankrupt enterprise, adjudication of, 110
- Bargained price, 422, 423
- Becoming, 389
- Bilateral accounts, 178–179, 187, 201, 209, 210, 212–213, 215, 240, 241, 244–245, 274, 281, 342, 420, 444, 454, 460
- Bookkeeping, 9, 11, 17, 65, 75, 94, 228, 247, 280, 307, 404
  - double-entry, 93, 95, 97, 207, 218–220, 224, 274, 275, 391, 429, 430–431
  - possessions, 10
  - results, 10
- Boundaries for accounting data, 331–338
- Budgeting, 349
- Business accounting, 121
- Business enterprise, 75, 85, 231–232
- Business entity, 84
- Capital
  - enterprise, 17
  - flow, 202
  - kinds, 18, 354
  - markets, 17
  - sources, 18, 354
  - statement, 17, 18, 246–247
  - surplus, 19, 427
- Cash-basis accounting, 94
- Categories, 136, 186, 307, 383, 459
- Category integration, 157
- Certified Public Accountant, 140
- Chance variations, 231
- Charge-and-discharge reporting, 201
- Commercial accounting, 108
- Commission on Standards of Education and Experience for Certified Public Accountants, 34
- Commodity, 145

- Communication, 235, 301, 317, 394–395, 420, 423–424
  - data, 149, 157, 383
  - functions and effects of, 180
- Communicative power, 430, 441–442
- Companies Acts, 167, 346, 450
- Company Act of, 1865, 398
- Compelling concept, 193–194, 289, 331, 332, 355, 362, 382
- Conditioning factors and accounting, relationship between, 400
- Consequences, 176, 267
- Conservatism, 30, 31, 298, 344, 347
- Consistency, 289–300, 298
- Consummated exchange-priced transactions, 166
- Continuity, 288–289, 298, 299
- Continuum, accounting as, 437–451
- Convincing reasons, 160, 382
- Cost
  - allocation, 114
  - historical, 222
  - recoverable, 364
- Cost-or-market inventory pricing, 338, 365–366, 465–466
- Cost-plus accounting, 108
- CPA, 227, 376, 379, 470
  - examination, 15–16, 25–28, 33, 34, 58, 297, 378, 471
  - laws, 7, 57–58
- Credit, 10, 212, 327, 418, 454
- Custom, 263
- Data, 237, 354–355
  - accuracy, 364
  - boundaries for, 331–338
  - communication, 149, 157, 383
  - improved data significance, 136
  - interpretation, 248, 252
  - marshaling, 188, 248, 275, 308
  - objectivity of, 139–150
  - organization, 157
  - quantitative, 83, 85, 240, 241, 253, 420, 422
  - supplementary, 125, 316
  - valuation, 248
- Debit, 10, 212, 327, 418, 442, 454
- Debt payable, 433
- Decision makers, 353–354
- Decision-making management, 220
- Deductive reasoning, 40, 267
- Deficiency account, 397
- Depreciation, 105, 106–107, 109, 111–115, 123, 189, 276–277, 315, 361
  - allocation problems in, 367–374
  - fixed-asset, 352–353
  - general, 11
  - index, 117, 122, 124, 125
- Desirability, 177
- Deviations in accounting
  - actions, 130–131
- Digits, as meaning value, 432
- Discipline, accounting as, 403–418
- Disciplining of transaction
  - data, 412
- Disclosure, 298, 300
  - full, 289, 312
- Dividends, 22, 356
- Dollar, 144
- Double-entry bookkeeping, 93, 95, 97, 207, 218–220, 224, 274, 275, 391, 429, 430–431
- Dualism, duality, 219, 221, 223, 224, 273, 391, 392, 430–433, 438–439, 442–443, 448–449, 459–460

- Earned surplus, 19, 22, 314
- Earnings statement, 362, 425
- Economic theory of value accretion, 118
- Empiricism, 66–67, 235
- Endproducts, 328
- Ends and means, 175–186, 210, 229, 242, 421, 458, 466
- Enterprise accounting, 15, 18, 23, 35, 43, 83, 399, 440, 463
  - limited function of, 99–102, 384
- Enterprise capital, 17
- Enterprise capital-income
  - accounting, 220, 229
- Enterprise earnings, 36, 368–369
- Enterprise entity, 75, 83, 89, 135, 136, 220, 285, 333
- Enterprise existence, continuity of, 393
- Enterprise function—accounting
  - function relationship, 354
- Enterprise income, 36–37
- Enterprise position, 112
- Enterprise prior experience, 279, 354
- Enterprise realities, 142
- Enterprise solvency, 36
- Enterprise transaction
  - experience, 163
- Entities, 302
  - business, 84
  - enterprise, 75, 83, 89, 135, 136, 220, 285, 333
- Environment, 326
- Equivalence, 272, 274, 275
- Evolution of accounting
  - terminology, 445–446
- Exceptions in accounting
  - actions, 130–131
- Exchange, 302
- Exchange-priced transactions, 129, 132, 135, 136, 217, 220, 234, 247, 252–253, 272–273, 274, 282, 285–286, 290, 333–336
  - characteristics of, 165–166
  - consummated, 166
- Expense-revenue, 201
- Experience, 257
  - accounts record, 63–72
  - actual, 242
  - hypothetical, 242
  - limits of, 105–115
  - significance of, 57–62
- Experience-significance, 194
- External audit, 327
- Factual history, 404
- Factual pattern of the
  - transactions, 437
- Fidelity to trust, 449
- Financial accounting, 202, 251, 282, 309
- Financial position statement, 425
- Financial statements, 20
- Financial status, 112
- Fiscal period, 85, 336, 460
- Fixed-asset depreciation, 352–353
  - allocation of, 276
- Form, 209–214
  - characteristics of, 216–217
  - of transactions, 215, 216
- Framework of concepts, 457
- French Commercial Code of, 1673, 345
- Full disclosure, 289, 312
- Functional logic, 128, 130, 199, 290, 315, 333, 338, 383

- General acceptance, 360
- Good judgment, 76, 133–134
- Grammar of accounting, 420, 421–422
- Gross National Product (GNP), 35, 78, 188, 353
- Hidden misinterpretation of actual transaction experience, 355
- Historical cost, 222
- History of accounting, 453–467
- Human nature, 232–233
- Ideas motivate action, 129–137
- Imperatives, 287, 288, 297
- Impersonal accounts, 218
- Improved data significance, 136
- Improved well-being, 308
- Inadequacy, 142
- Inadequate names, 93–98
- Income, 17
  - determination, 313
  - enterprise, 36–37
- Income statement, 17, 18, 246–247
  - symbols and placement, 434
- Inductive reasoning, 40, 267, 292
- Inflation, 39–41
  - price, 20
  - impact of, 117–128
  - monetary, 20, 21
- Inner nature of accounting, 271–277
- Institute of Chartered Accountants in England and Wales (ICAEW), 451n4
- Institute of Chartered Accountants of Scotland (ICAS), 451n4
- Instrumentalism, 66, 67
- Integration, 206–207
- Integrity, 165–168
- Intellectual discipline of transaction data, 413, 415
- Intellectual order, 255
- Inter-account relations, 457
- Interaction, 206–207
- Internal audit, 327
- Internal Revenue Service, 155
- Interpretative analysis, 395–396
- Interpretative function, 153–158
- Interrelation, 206–207, 234, 244, 300, 395
- Inventory, 342–343
  - allocation problems, 359–366
  - losses, 348
  - pricing, 30, 105, 106–107, 109, 359–366
  - of principles, 321–323
- Investors, 353–354
- Judgment, 76, 133–134, 137
- Knowledge, 259, 394
  - of accounting history, 411, 453
  - of conditions, 407
  - of needs, 407
- Knowns, appraising, 159–164
- Language, 419–436, 441–442
- Ledger account, 22
- LIFO method, 158, 363–366, 465–466
- Limited function of enterprise accounting, 99–102, 384
- Liquidation, 394, 395
- Logical duality, 448
- Logical reasoning, 223
- Lower-of-cost-or-market rule, 275, 344, 347, 348, 363, 364

- Management, 75, 89, 181, 243, 333, 340, 353–354
  - accountant, 375–379
  - accounting for, 325–328
  - actions, 427
  - choices of transactions, 429
  - decision-making, 220
  - function, 84, 135
  - judgment, 427
  - objectives, 242
  - responsibility to absentee investors, 396
  - science, 375
- Managerial accounting, 190, 237, 439–440
- Markets, capital, 17
- Materiality, 298
- Mathematics, 238n4, 421
- Means and ends, 175–186, 210, 229, 242, 421, 458, 466
- Measurement, 141–142, 144, 289–290, 306–307
  - assumption of, 291
- Medium of exchange, 423
- Mental perception, 421
- Microeconomics, 12
- Mission of accounting, 132, 169–174
  - patterns of, 239–248
- Modes of expression, 422
- Monetary inflation, 20–22
- Money, 87, 189, 303, 307, 384, 422–423
- Montgomery, Robert, 7, 33
- Napoleonic Code of, 1807, 345
- National income accounting, 108–109, 200
- Native intelligence, 234
- Needs, 228
- Neglected logic, 339–350
- Neglect of dual entries, 219
- Net value, 427
- Newton's theory of gravity, 205
- New York Stock Exchange, 356
- Nominal accounts, 10, 18, 87, 88, 143, 147, 149, 201, 221, 261, 267, 327, 335
- Normal profit, 365
- Objectivity, 298, 299
  - defined, 139–140
  - of account data, 139–150
- Obsolescence, 369–370
- Operations research, 150
- Oppositeness, 211, 433, 448
- Pacioli, Luca, 9, 65
- Paid-in surplus, 19, 22
- Periodic apportionment, 367, 395, 396
- Periodic reporting, 302, 360, 393
- Persuasive truth, 352, 354, 355, 382, 391–392
- Planned effort, 189–190, 248
- Planned performance, 248
- Possessions bookkeeping, 10
- Postulates of accounting, 91, 193, 297–304
- Practicability, 176–177
- Pragmatism, 3, 66, 195, 262, 265, 266, 383, 461
- Preventative accounting, 327
- Price
  - bargained, 422, 423
  - distinguished from value, 13, 87, 109, 144–145, 166, 189
  - inflation, 20

- level changes, 311–319
- Principles of accounting, 305–310, 351–356, 457
- Private enterprise, 158
- Profit, 19, 163, 243, 290, 369
  - normal, 365
- Profit-and-loss statement, 11, 126
  - symbols and placement, 434–435
- Public accountant, 375–379
- Purchase-and-sale theory, 111
- Purchasing power of money, 423
  
- Quantification, 144, 287, 302
- Quantitative data, 83, 85, 240, 241, 253, 420, 422
  
- Rationality, 179
- Rational motivation, continuity of, 406
- Real accounts, 10, 87, 143, 149, 201, 221, 261, 267
- Realization, 121, 141, 142–143, 306
- Reasoning
  - deductive, 40, 267
  - inductive, 40, 267, 292
  - logical, 223
- Recognized needs, 411
- Recording of transactions, 408
- Recoverable cost, 364
- Relative solvency, 112
- Reminiscing, 469–472
- Responsibility accounting, 438, 449
- Results bookkeeping, 10
- Revenues, 23, 189, 354
- Roman verbal memoranda of debts, 448
- Rules, 22, 42
  
- Science, accounting as, 279–282
- Securities and Exchange Commission, 155, 185, 356
- Self-interest, 251, 352, 355
- Social accounts, 200
- Stable unit, 298
- Standards, 22
- Statement
  - of affairs, 397
  - capital, 17, 18
  - income, 17, 18
- Statistics, 463
- Structure of accounting actions, 134, 383
- Substance, 209–214
  - of transactions, 215–224
- Suitability of accounting, 177, 191–192, 194
- Superstructure of actions, 134
- Supplementary data, 125, 316
- Surplus, 313, 315
  - capital, 19, 427
  - appraisal, 19, 20
  - appreciation, 19, 20, 22, 314
  - earned, 19, 22, 314
  - paid-in, 19, 22
- Syntax of accounting, 420
- Systematic method of inquiry, 260
  
- Taxation, 17
- Tentativeness, 286
- Theory as action explanation, 199–207
- Theory–practice relation, 251–258
- Transactions, 100, 125, 326
  - analysis of, 10, 11, 157, 188
  - characteristics of, 216–217, 223
  - exchange-priced, 129, 132, 135, 136, 217, 234, 252–253,

- 272–273, 274, 282,  
285–286, 290, 333–336
- factual pattern of, 437
- recording, 408
- substance of, 209–214
- Trial balance, 11
- Uniformity, 298, 299
- Unilateral accounts, 240
- Unit of measure, 144, 146–147,  
302
- Usefulness, 176, 217, 303, 467
  - of technical data, 141
- Valuation, 248, 276, 306, 345, 366
- Valuation precedent for companies,  
creating, 110–111
- Value, 167, 168, 217, 248, 306, 431
  - accretion, 118
  - distinguished from price, 13, 87,  
109, 144–146, 166, 189
- Well-being, 427
  - enterprise, 369
  - improved, 308
- “Why?” questions, inquiries
  - of, 389–401