

ACCOUNTANCY BETWEEN TRADITIONALISM AND MODERNISM

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Abstract: The character of social science, acquired by accountancy, correlated with the major mutations that were produced in the plane of the normalization and the assure of the convergence in the field, make from what we call now the accounting practice more than a simple application of a specific methodology. Modern accountancy represents not only an instrument through which it is assured the realization of the function of information and assistance of the decisional process, but also, in the actual context, having in mind the products that it provides, and the shape that it takes today, must be regarded as an important factor of influence of the economical-social environment.

Key words: accountancy, science, informatization, professional reasoning, evolution.

Introduction

Accountancy, in its evolutionary way, had to answer to the bigger and more diversified demands of the economical activity that imposed to it shapes the more developed as its application field became vaster. "Scrittura doppia" evolved from the simple, clear and precise norms, respected by the merchants in Venice, to the classical shape of the accountancy in double entry, as echo to the necessities of the practical life. Accountancy existed and was constantly perfected in all social orders so that it many answer to the informational necessities of the economical lives. Like other scientifically disciplines, accountancy has know various development stages, and the research and the knowledge and the through study of the fundamental concepts.

References concerning the evolution of the accountancy's role

From high degree practical activity, the knowledge's of which were empirically acquired, through the successive elimination of the error, accountancy became a scientifically discipline because the increase of its decisional role imposed the systematization of the knowledge's applied in practice. Besides, this really the reason why it was necessary that the accounting practices be fundamented on an accounting theory and on a conceptual basis, the research starting to play a determinant role in this sense.

The accreditation of accountancy as scientifically discipline is far from being finalized because the opinions referring to this subject are very diverse, starting from the total rejection of accountancy as science, passing then through the stage of science in the "adolescence" phase, so that other authors consider it a "scientifically mature discipline".

The essay of establishing the status of accountancy is hurting, firstly, to the diversity of the approaches connected to this problem. The definitions, given to accountancy, differ very much both in time and in space, so that at present we don't identify any consensus in what concerns this subject, that's why, for the characterization of this discipline, there are proposed a multiplicity of variants, from which we remember the most important: art, technique, informational system, language, social game, science.

Without proposing to make an analysis of the kind of contradictory character of these terms, we will try to make a characterization of accountancy through the angle of the role that it has in sustaining the process of adopting decisions within an economical entity.

Having in mind the emphasized facets of accountancy in the specialty literature (6), and also the evolution in time of the solutions proposed for its definition, it could be realized an order of the explicative models in three main categories:

- accountancy as measurement instrument;

- accountancy as informing instrument;
- accountancy as instrument of social brokerage.

As measurement instrument, accountancy is approached as an activity that has as purpose the reflecting of the economical activity of the enterprise. Viewed in this context, accountancy is especially assimilated to an art of registering or to a technique of administration, points of view that, in our opinion, have a limited character, because reduce its role only to accounting registering.

The approach of accountancy **as informing instrument** coincided to its definition as informational system, represented by “an ensemble of elements (human and material resources) that allow to collection, the processing, the warehousing and the communication of information, in view of taking decisions” (3).

As it is observed, accountancy is no more regarded exclusively as an instrument of monetary quantification of the economical reality, but as a system that has as purpose the providing of information for taking decisions, the representation of reality not being a purpose in itself, but being subordinated to a new concept that aims for the satisfaction for the informational needs. Accountancy continues to accomplish its measurement function, but is subordinated to a purpose, fact that emphasizes new dimensions, through the taking into consideration of the users of information that it produces and also of their needs.

The informational activities, specific to the accounting field, are those that concern the production and the use of the accounting information and they refer to actions that aim the creation, the collection, the warehousing, the processing of data and then the broadcasting of the information. These activities suppose the making of some operations of registering and calculating, and also of actions of analysis, interpretation, grouping, synthesis and use of information for taking decisions.

The perspective on accountancy being extended, through the taking into consideration of the users of the information offered by it, it was emphasized its **function of communication**, because the providing of information to the different categories of users in view of taking decisions is not, in substance, but a communication activity.

In the case of accountancy, we can speak of an accounting or financial communication, within which the connection is established between the enter prize, as transmitter (producer) of information and all those interested in their use, as beneficiaries or receivers of information. The main way of transmitting the accountancy’s product is represented by the annual financial situations, the issued information being obtained following the representation of the economical reality of the enterprise through the use of a specialized language, of some specific rules and principles.

So, the accounting information is built using a specific language, certain rules that allow the codification and the decodification of the represented data, all these assuring the ordered and intelligible representation of the economical reality. The usefulness of the accounting information within the financial communication is proven in the conditions in which the receivers use it to understand the economical reality and to take decisions.

Thus it appeared the idea of defining accountancy as a “formalized language”, being generically named a “language of businesses”, characterized through three dimensions (2):

- the accounting syntax, represented by the ensemble of rules and procedures that must be followed for the registering of transactions and the creating of accounting synthesis documents, starting from the symbols that form the accounting vocabulary – in this case the emphasis put on the function of representing the economical reality;
- the semantics of the accounting language that treats the significance of the signals transmitted by accountancy – with emphasis on the informing function;
- the pragmatic aspect that refers to the communication of accounting information and the way of using it by different users – again the emphasis is put on the informing function.

The description of accountancy in this shape is characteristic to the accounting present thinking, this change of perspective affecting both the external accounting report – the normalization through the conceptual accounting frame defines the purpose of the financial situations as being the providing of information for taking decisions, and the internal one – from an accounting of costs becoming a managerial one, the emphasis being put again on its role of providing information to the manager for adopting decisions.

Accountancy approached as informing instrument, although it surpasses, as explicative value, the technical vision on accountancy, still has certain flaws, because it doesn't succeed in offering a complete image, not taking into consideration a series of important factors. In these conditions, there appeared the necessity of enlarging the perspective on accountancy to be also emphasized other facets of it, appearing the idea according to which accountancy is **an instrument of social brokerage**.

In this point of view, the measurement and the informing functions are passed in a second plan, and in the first plan are emphasized the consequences that the accounting information has on the social environment. In practice, there is made conscious the fact that the choice and the application of a certain accounting politics have especially important consequences on the redistribution of wealth and the risks between the different participants to the economical life. In our opinion, the social role of accountancy must be considered of priority, because it offers the possibility of establishing criteria according to which it is realized the reflection of reality and the informing of different categories of users, with the purpose of obtaining the desired economical-social effects.

The obtaining of the accounting information takes place as following the data processing and interpreting, through the use of some specific concepts and principles, being applied more methods and politics in view of reflecting the economical reality of and entity and the offering of the necessary information to those who take decisions or are interested in the respective entity.

The concept of modernism in an accounting sense

During its evolution, accountancy had to find solutions and to adapt itself to economical reality, fact that led to the use of some notions and accounting terminology, as to the appearance and the application of rules and conventions in view of obtaining information. Thus, accountancy has become today a complex technique of registering and reflecting the economical-financial reality of an entity, an informing system adapted to the users' needs, and instrument of administration and communication that assures the integration and the dialogue of the enterprise with its external environment (4).

The modern enterprise and its accounting informational system constitutes subjects that are intensely debated in the specialty literature, because there are distinguished two opposite directions of action that aim, on the one hand, at the desire of the enterprise to rally to the current of informational globalization and, on the other hand, to the restrictive demands imposed by the science and the practice in the field.

At a first view, it may be thought that many of the charges and the functions of classical accountancy were transferred to the informational system, arriving, at an end, to a so-called modern informational accounting system. Still, we consider as being relevant the opinion according to which barely now there can be made a clear distinction between the part of accounting technique and the one of accounting science, because now there can be let to the computer all aspects that make from accountancy a technique, through the development of some informational programmes that comprise all rules, procedures, methodologies and techniques necessary to the obtaining of the financial situations and implicitly to the information about an economical entity, so the human factor may occupy himself to its scientifically side (5).

In the situation in which we assist, at the present moment, to an emphasized information of accountancy, there appears, inevitably, the question in what measure the accountant is still given the chance to reason or, in other words, how much from the work made by the accountant is technical, imposed by the application of some algorithms specific to the used informational applications and how much represents the professional reasoning. In our opinion, the actual software products used in the financial-accounting field, through the way in which they are conceived, although they induce a certain degree of automatism in making the specific works, doesn't put aside what we call professional reasoning.

Besides, we think that the approach of the concept of modernism in accountancy doesn't have to be realized only through the report to the aspects that concern the information of this science, as following the use of the modern equipments of gathering and data processing, and also of the specialized informational applications. This is the reason why we consider that the actual tendencies, manifested at international level in the field of accountancy, under the impulse of the globalization phenomenon, are the expression of some profound changes in tight correlation with the economical and political evolutions that we notice regional and planetary level. So, we think that between the information of accountancy and the necessity of using a common language in this field, at word level, through the appeal to specialized standards for accountancy, there is a direct connection. Modern accountancy is also characterized through the fact that the politics applied in this field tend to become more and more complex, which imposes that, on the one hand, the

appeal to the professional reasoning become an all-important condition and, on the other hand, the use of modern equipments and irreplaceable specialized soft wares.

It mustn't be omitted the fact that the development of accountancy, from all points of view, was determined and accompanied the ample process of development of the human society. In evolution of the informing needs, imposed by the evolution of the natural, economical and social systems, determined the development of the informational system and, implicitly, of its accounting component. In these conditions, the demand of accounting information has continuously changed its angle of interest, at present this aiming, more and more, for the spectrum of the events and phenomena about to manifest themselves and their predictable evolution, the user's urgent needs rather finding their answer in the future cash flows than in the accounting profit of this period.

In our opinion, the study of the concept of modernism in the field of accountancy, in the actual moment, imposes the analysis of an accumulation of elements, of which we consider that the most significant refer to the implementation of the informational technology in the context of the development of a complex process of regulation in the financial-accounting field, the assurance of monitoring/convergence of accountancy at world level, the re-consideration of the role and the importance of the accounting profession, and also the influence exercised by accountancy on the social environment.

We consider that the process of financial communication and the tendencies manifested in this field at international level, under the impulse of the globalization phenomenon, represent dominant characteristics of modern accountancy. In the year 1973, there were put the bases of the International Commission of Accounting Norms – IASC (the actual IASB), without anyone could, at that date, to estimate the particular impact of this organism and of the norms that it created on what we call now financial communication through a common accounting language. The evolutions that took place in the plan of the international accounting normalization can be considered the more remarkable if we take into consideration the conceptual arguments that existed in the field of financial communication at international level (through the system of norms IAS – IFRS) and, respectively, at the level of the European Community (through directives), arguments that at present we can say that, in a certain measure, attenuated as following the process of re-consideration that the European accounting directions pass through. We have in mind the fact that the states members of the European Union have decided the implementation of the International Standards of Financial Reporting, according to the stipulations of the Regulation (CE) no. 1606/2002 of the European Parliament and of the Council from the 19th of July 2002 concerning the application of the international accounting standard. According to this regulation, the states members apply IFRS in the consolidated financial situations, precising that certain states in the Union allowed the application of the international norms also in the annual financial situations (individual) of certain types of entities but, most countries have chosen the maintaining of national accounting standards in view of creating the annual financial situations the information of which are used for taxation necessities.

In the context of the expressed ideas, we formulate few questions that, in our opinion, can constitute the basis of a discussion having as theme the concept of modernism in the field of accountancy:

- Could be considered this state of fact the beginning of the end in the case of some tight delimitation between the two big accounting orientations?
- For how long we would be able to speak of the accounting model of the continental Europe and the Anglo-Saxon model, in the conditions in which, today, the word of order is “globalization”?

In a futuristic vision and in the context of what we presented so far we think that the approach of the idea of modernism in the field of accountancy will reveal, in a not so far future, the breaking of the informational barriers manifested at present through the existence of most of accounting references.

Conclusions

Having in mind the role of social brokerage instrument that accountancy fulfills, it can be said that this influences, in its turn, the evolution of society. Accountancy does more than facilitating the application of the economical analysis. The aspects connected to measurement can bring into discussion the credibility of the data developed by accountancy, thus emphasizing the relation between the micro-economical process and the instrument that allows its functioning.

The character of social science, acquired by accountancy, correlated to the major mutations that were produced in the normalization and the convergence in the field what we now call, the accounting practice more than a simple application of a specific methodology. Modern accountancy represents not only an instrument through which there is assured the realization of the informing and assisting function of the decisional process but, in the actual context, having in mind the products that it provides, also the form that these take today, it must be viewed as an important factor of influence of the economical-social environment.

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