

Origin and Evolution of Accounting Techniques in the Books of Medieval Merchants during the Thirteenth and Fourteenth Centuries

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Several years ago Werner Sombart saw in the account an essential and fundamental instrument for the development of double entry bookkeeping. The history of systematic bookkeeping has its origin in the account, the *ratio*.

Perhaps the earliest example of accounts may be traced to a few parchment fragments dated 1211, written in the vernacular by Florentine bankers. Because of the way the entries were recorded, we may call them mingled accounts. At this time the accountant did not face any particular problem of classification by using the so-called one-sided or unilateral accounts, which recorded entries in one section only while the opposite section received the final balance.

The splitting of unilateral accounts into bilateral accounts came a little later, toward the beginning of the fourteenth century. In these new accounts the entries were recorded in two parallel sections or columns with two variations, depending on whether the two sections or columns run on the same page or on adjoining pages.

It seems that, in the evolution of the double entry bookkeeping method, it was indifferent whether mingled accounts or accounts with divided sections were used. Tuscan accountants had evolved their accounting system into double entry bookkeeping by using only mingled accounts.

Toward the end of the fourteenth century the account had been perfected. It was shaped by the needs of the firm and made more structurally efficient in its mathematical function.