

## HISTORY OF THE PERUZZI COMPANY OF FLORENCE AS REVEALED IN ITS ACCOUNT BOOKS

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The outstanding economic achievement of the Italian Renaissance was the development of a class of wealthy merchants and financiers who were to aid in stimulating and transforming the economic life of the western world. With them the story of modern capitalism begins. Especially by means of exact bookkeeping did the Italian entrepreneur introduce a rational guide for his activity.

The account books of the Peruzzi company of Florence (1335-1343) clearly establish that banking was the origin of the great fortunes which gave this new economic outgrowth its financial foundation. The role played by these Italian bankers in the European political life is particularly evident in their relationship with Popes, who had found in the methodic organization of the Italian companies an important instrument to organize their own financial administration, to collect their tithes, and a constant financial source of funds for their ever increasing expenses. As testified in numerous accounting records, town, abbey, noblemen and bourgeois alike who were in temporal financial need made recourse to these bankers.

There is no doubt that in the account books of the Peruzzi company of Florence double entry bookkeeping appears almost as a complete method, due particularly to the complexities of its international operations. In fact, the Italian banking houses usually combined international trade with foreign banking.

In 1345 the Peruzzi company had to declare bankruptcy because it had overextended its credit by making loans to the king of England.