

A Study Seeking Historical Evidence for Bases of Classified Balance Sheets

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This paper explores the historical evolution of balance sheet layout and the reasons behind the positioning of assets on the left or right side. It delves into two main questions: why the discrepancy in asset placement on balance sheets across countries, and why the shift from right to left in the UK during the 19th century. Using historical evidence spanning from the 15th century to the mid-20th century, the study investigates the development and changes in listing assets, liabilities, and stockholders' equity. It aims to uncover the factors influencing the classification and presentation of items on balance sheets, driven by the needs of information users over time. By examining secondary sources in English literature, the paper provides insights into the evolution of balance sheet layouts globally. Researchers may find this exploration of historical balance sheet variations intriguing, shedding light on how layout decisions have been shaped by user needs and expectations.

Keywords: accounting history, balance sheet formats, history of financial reporting

INTRODUCTION

What should a balance sheet, also known as a statement of financial position, look like? Even though there have been many examples of varying styles over the years, accounting standard-setting bodies have been reluctant to set standards for balance sheet format.

There are currently two common approaches to present assets, liabilities, and owners' equity items on the reporting entities' balance sheets (Pekdemir et al., 2023, p. 430). The first one could be called the Anglo-Saxon Approach, which FASB requires in the U.S. The second could be called the Continental European Approach, which is supported for some countries by the IASB. The first one lists items on a liquidity basis, with the most liquid items first listed (Appendix 1, The Coca-Cola Company). On the assets side of the balance sheet, it starts with the cash account, which is the most liquid asset item, and then continues with

marketable securities, receivables, inventories, prepaid items, and other current assets. These items are grouped under the classification of current assets. Under this approach, the remainder of the assets were classified as non-current, fixed, or capital assets. However, nowadays, they are classified as long-term investments, plant, property and equipment, intangible assets, and deferred assets. The first approach lists liabilities first on the right-hand side of the balance sheet, then owners' equity. This comes from the liquidity basis as well. Liabilities do have maturity dates but not owners' equity items. Also, legally, liabilities are prioritized in any case of liquidation of the entity. In this approach, liabilities are classified as current and non-current or long-term depending upon their maturity.

The second approach might be interesting for people of the Anglo-Saxon part of the world. Impacts and outcomes are presented in the Continental European Countries, which is why it could be called the Continental European Approach, which does not follow the liquidity basis. Contrary, balance sheet items are listed on their future benefit length or productivity-based approach (Appendix 2, Philips Group). Goodwill and intangible assets are listed first. Then the list continues with plants, property and equipment, long-term investments, and deferred assets. After those, current assets are reported starting from inventories to the cash account as the last item on the left-hand side of the balance sheet. From this perspective, it could be argued that this listing might be called a "futuristic or productivity-based approach" since the long future-benefit-providing assets are presented first.

As seen in Appendix 2, on the other hand, owners' equity items are listed first on the right-hand side of the balance sheet. In this first group, capital or capital stocks are presented first. Considering the futuristic or productivity-based approach, compared to liabilities, owners' equity will be long-lasting without having any maturity in general. The second group devotes long-term liabilities to the futuristic approach. This group, also called a part of the capital employed, is defined as total assets minus current liabilities (Investopedia, 2023). The last group consists of short-term liabilities.

There is little doubt that financial information has been getting more significant daily throughout the world due to the impacts of globalization and more complex business environments. Financial reporting standard setters have been trying to protect financial information users such as investors, creditors, managers, and other stakeholders, particularly since the financial disasters occurred at the beginning of the millennium. As standard setters, the FASB and IASB have worked diligently and rigorously on the financial information, including the statement of financial position (balance sheet) that the reporting entities should provide. As direct impacts, the current formats of balance sheets are commonly seen worldwide.

Note that this paper focuses on what might be called the "landscape" presentation of the balance sheet wherein the assets are shown on the left-hand side or the right-hand side of the basic accounting equation. Anthony et al. (2011, p. 34), classify those as account format that is like the 'T' account and report format of the 'portrait' style of balance sheet used in many countries today. In the report format, the 'top' half of the balance sheet comprises assets, and the 'bottom' half comprises equity and liabilities. Contrast this with the 'landscape' style, which saw the balance sheet's two 'halves' expressed on the page as left and right. Both styles end with a total balance (This might be Total Assets = Total Equity and Liabilities or Total Assets minus Current Liabilities = Total Equity plus long-term liabilities).

THE MOTIVATION, PURPOSE, AND METHOD

Flesher (2021) stated, "Before transforming theory and practice, you have to know where theory and practice are now, and how they got that way. Before you accelerate forward, you first need to look in the rearview mirror. What is behind us?" This paper is inspired by such views and motivated by two questions: (1) why are assets reported on the left-hand side of the account format balance sheets in many countries while others report on the right-hand side? (2) During the 19th century, assets were reported on the right-hand side of the account format balance sheets in the United Kingdom and then changed; why? So, this study initially attempted to address these questions first and sought any direct historical evidence for the questions raised. Then, the study sought any bases for developments, changes, and evolutions over the last five hundred years in listing and presenting items of assets, liabilities, and stockholders' equity on the balance sheets. Consequently, the paper aimed to identify bases for classifying and listing items on the

balance sheets and to understand what led to changes or developments as evolutions for centuries. For the study, accessible secondary sources in the English language on accounting history, particularly the concept of balance sheet or statement of financial position, are scanned and interpreted to identify and understand possible bases for classifying and listing items. Findings are provided by periods from the Pacioli (A.D. 1445 – 1515) era to today's financial reporting environment.

THE LITERATURE

There have been tremendous studies on accounting history starting from the early civilizations. A balance sheet is an extended form of the accountant balances that are listed in the post-closing trial balance in today's accounting and reporting environment. In a manual bookkeeping environment, two reasons could be argued for the need for account balances: the first one is to understand the rights and obligations of the entity; the second one is to transfer the balances from the old book to the new one. The historical account balance practices for both reasons could check the debit-credit equations and the basic accounting equation as assets equal to liabilities and owner's equity.

Chatfield (1996, p. 60) states that the oldest surviving double-entry balance sheets were of the late fourteenth century by Florentine banks. De Roover (1966, p. 66) presented trial balances of The Medici Bank of 1397, almost one hundred years earlier than Pacioli's treatise (1494). De Roover provided a classified balance sheet in English of the Medici Bank of 1427 that has a classification of assets (Appendix 3). It could be argued that the classification of assets is based on the nature and extent of the items or accounts existing in the books.

It could also be argued that the account concept and the practices of trial balance preparation existed long before Pacioli. For instance, Littleton (1933, p. 127) supported this statement that early forms of the balance sheet date back to the trial balance used in the fifteenth century in double-entry bookkeeping practices in the Italian republics. Peragallo (1977, 1980) studied Badoer's ledgers and provided some account balances. Badoer was a Venetian merchant who lived in Constantinople – Pera, from 1436 to 1440. Peragallo (1977, p. 883) stated that Badoer practiced only the general ledger, not the journal.

Pacioli's treatise (1494) has been a pioneering source for accounting history studies. As Pacioli (1494, p. 17) mentioned in his treatise, double-entry bookkeeping existed around the Italian Republics, such as Venice, Genoa, Florence, etc., during the last decades of the Fifteenth century. Pacioli recommended that the merchants adopt the current accounting system to be good merchants (Pacioli, 1494, p. 15; Geijsbeek, 1914, p. 33). Kuter et al. (2017, p. 17) stated that Pacioli, in his treatise, described the accounting statements as "bilancio del Libro" and "summa summarum." The first one could be interpreted as a "trial balance" that can be prepared at any point in time when the information needs arise. The "summa summarum" is prepared after the ledger has been closed and the balances of all open accounts have been transferred to the new ledger (Pacioli, 1494, p. 79; Geijsbeek, 1914, p. 69). On the other hand, the trial balance provides the list of the accounts and their balances. Thus, it can be prepared partially or entirely at a point in time. Particularly it is prepared when information related to the account balances is needed. As mentioned, double-entry bookkeeping and preparing financial information from the ledgers existed before 1494 when Pacioli's treatise was published. Kuter et al. (2017, p. 17) presented some early practices from their research in the archives of the merchant of Prato, Francesco Datini's companies, between 1363 and 1410. They reported an example of a 'bilancio del Libro' inside the Ledger in 1395 as a trial balance (Appendix 4). Kuter et al. (2017, p. 18) stated that they found traces of some of the earliest forms of trial balances and balance sheets prepared using double entry.

In Chapter 2 of Pacioli's treatise, the concept of inventory is covered in detail as to what it is and how to make it (Pacioli, 1494, p. 18; Geijsbeek, 1914, p. 33). In this regard, inventory (inventorio) means all assets or economic resources to run the business. Pacioli wrote as following:

.... To begin with, the merchant must make his inventory (inventorio) in this way: He must always put down a sheet of paper or in a separate book whatever he has in this world, personal property or real estate, beginning with the things that are most valuable and most

FIGURE 1B
DERRICK ROOSE BALANCE SHEET DECEMBER 31, 1600 (IN ENGLISH))

TABLE 1			
The Estate of Derrick Roose			
made up on the last day of December 1600			
<i>Estate of Capital debit</i>		<i>Estate of Capital credit</i>	
	£ s d		£ s d
(list of liabilities)	51- 8-0	(list of assets)	3191-17-1
Balance debit, to close			
the statement	<u>3140- 9-1</u>		
Total	<u>3191-17-1</u>	Total	<u>3191-17-1</u>
The remainder (Capital)			
at year end is			3140- 9-1
At the beginning of the			
year it was			2153- 3-8
Increase during the year			<u>987- 5-5</u>

Source: Chatfield, 1996, p. 62

DISCUSSION FOR PRESENTING ASSETS ON THE RIGHT-HAND SIDE OF THE BALANCE SHEET

The paper could discuss two arguments for presenting assets on the right-hand side of the balance sheet. The first one arises from the accounting cycle. In the manual data processing environment, debiting, and crediting accounts to record business transactions, the last journal entry was used to close all permanent accounts. It has items of assets credited, and liabilities and stockholders' equity debited. The second one comes from the countries in which writing is realized from right to left. For instance, in such countries where Persian and Arabic languages are spoken, debiting and crediting for business transactions have been practiced entirely differently.

Yamey (1970, p. 73) argued that this balance sheet layout is based on the closing accounts at the end of the accounting period. Yamey (1970, p. 71) had drawn attention to two different ways in which the early exposition and practice of double-entry bookkeeping may have accustomed accountants and businessmen to the notion that assets could be listed, naturally and with propriety, on the right-hand (credit) side of an account or statement, and liabilities and capital on the left-hand (debit) side.

A manual ledger is closed by crediting all debit accounts and debiting their balances to the balance account in the old ledger (and vice versa for the credit balances) (Figure 2). Then the new ledger is opened by first copying the balance account to there but with the signs reversed. So, assets in the old ledger's balance account would now appear as credits in the new ledger's balance account. Then still maintaining the rule of strict double entry in the new ledger there would be corresponding debits to create the respective asset balances in the new ledger (and vice versa for the credit balances). So, the 'balance sheet' is a copy of the new balance account which has a credit (right-hand side entry) for each asset and a debit (left-hand side entry) for each liability and equity account.

**FIGURE 2
CLOSING PERMANENT ACCOUNTS**

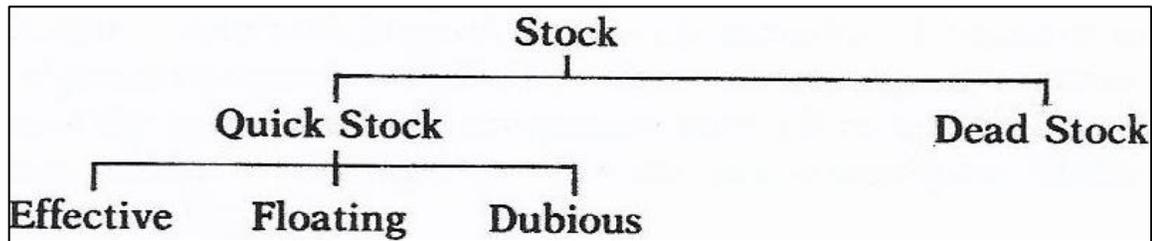
Accounts Payable		200	
Notes Payable		300	
Common Stock		700	
Retained Earnings		400	
	Cash		250
	Accounts Receivable		350
	Inventories		400
	Long-term Assets		600

In today's accounting education environment, closing entries in the textbooks utilized cover only closing temporary accounts. Appendices 6/A and 6/B illustrate closing permanent accounts in an accounting textbook dated 1926 in the early Republic of Turkey.

Yamey (1970, p. 72) states that this practice of balance sheet layout was widely encountered in the seventeenth and eighteenth centuries in texts in French, Dutch, German, Italian Spanish, and Portuguese.

Similarly, an accounting history study shows a classified balance sheet dated March 1, 1782 (Appendix 7A and 7/B), of East India Company (Baladouni, 1990, p. 31). As seen in Appendices 7/A and 7/B, assets are reported on the right-hand side of the balance sheet, and liabilities and owner's equity are on the left-hand side. Appendix 7A presents an unclassified balance sheet of East India Company and Appendix 7B presents a classified version.

Baladouni (1990, p. 36) stated that the balance sheet of the East India Company is classified or descended in the order of the assets (stocks) productive value. In a diagrammatic form, Baladouni (1990, p. 36) presented a classification scheme as follows:



Using this scheme, Baladouni (1990, p. 36) stated that the balance sheet items of East India Company could be summarized in Table 1.

TABLE 1
THE BALANCE SHEET ITEMS OF EAST INDIA COMPANY

Liabilities Dr.	Assets Cr.
Standing Debts Current Debts Merchandise and Advances Balance	Effective Property Standing Credits Current Credits and Cash Merchandise and Advances
- Balance	Floating Property Floating Adventures Outward
Debts Outstanding - Balance	Dubious Property Credits Outstanding Doubtful Credits Stores
- Balance	Dead Stock Dead Stock
Balance (Total of the Balances Shown above) (Stockholders' Equity)	

Secondly, the paper argues that right-to-left writing impacts the format of the balance sheets of the firms. This practice exists currently in the countries in which Persian and Arabic languages are spoken. The Ottoman Empire used to have Perso-Arabic scripts. So, debiting and crediting the accounts to record business transactions (Appendix 5) was different than in Western countries (Pekdemir et al., 2023, p. 437). An example of closing permanent or balance sheet accounts is provided in Appendix 6A and 6B. The evidence shows that during the time of right-to-left writing periods of the Ottoman and the Republic of Turkey before the Turkish Alphabet Revolution, all firms' balance sheets reported assets on the right-hand side.

BRITISH COMPANY LAW

Yamey (1970, p. 71) argued that Simon Stevin, the celebrated Dutch mathematician, scientist, and man of affairs, whose writings were published early in the seventeenth century, may have influenced British practice in the nineteenth century through his exposition of merchants' accounts.

The British Company Law of 1844 (Joint Stock Companies Act) was one of the milestones for financial reporting in the Nineteenth Century. It could be argued that it was a significant development for the modernized financial reporting still somehow existing in a different modified format. In Article 72 of the Act, the balance sheet is described as follows:

72. Balance Sheet shall be made out every Year, and laid before the General Meeting of the company, and such Balance Sheet shall contain a Summary of the Property and Liabilities of the Company arranged under the Heads appearing on the Form annexed to this Table, or as near thereto as Circumstances admit.

This article directs the financial information prepared to provide such classified information by grouping the same nature and extent of the items of assets and liabilities of the entities. By this article, the balance sheet provides for the analysis of assets and liabilities in substantial detail, and this form becomes a base for the form of the present-day balance sheets of the reporting entities.

Assets are reported on the right-hand side and are grouped as follows: property, debts, cash and investments, and long-lived assets, which are listed first, then short-term assets next (Appendix 8A and 8B). On the left-hand side of the balance sheet, the owner's equity is listed first, then liabilities starting with long-term debts and then short-term ones. This listing still exists in the Continental European Countries but changed the sides from left to right and from right to left, as mentioned in previous sections of the paper.

Reporting assets on the right-hand side of the balance sheet (reversely liabilities and equity on the left-hand side) was the format or layout originally given in British Company Law as Yamey (1970, p. 71) gives examples from the existing practices impacted by Simon Stevin's writings. However, Edwards (2019) compiled two unique and reverse examples from two different historical resources. Appendix 8C shows a 'Balance' account of Solomon Traffick as of 31 October 1763 (Edwards, 2019, p. 45). Appendix 8D shows the 'Balance of the Books' account of Languvelack Copper Works, Landore, Swansea as of 31 December 1745 (Edwards, 2019, p. 61). In these two examples, balance sheet items are listed as assets on the left-hand side of the balance sheet (so, liabilities and equity on the right-hand side). However, these two illustrations provide a statement of the financial position as non-classified but just listed similarly to the trial balance.

Double Account Format

In Great Britain during the second part of the Nineteenth Century, a private Act of Parliament was enacted for specific categories of companies, such as Statutory ones. It required double account format (Appendix 9A and 9B) reporting on the balance sheet. The amendments came for railway companies in 1868, metropolitan gas companies in 1869, other gas companies in 1871, and electric lighting companies in 1882 (Edwards, 1985, p. 19). Later, some other companies such as water companies, dock companies, mining companies, etc., joined this reporting system. The intent was to forestall the use of paid-in capital for paying dividends to stockholders, a form of fraud common in the early years of railroads.

Edwards (1985, p. 20) stated that the significant distinguishing characteristic of the double account format is the subdivision of the conventional balance sheet into two statements as follows:

- The Capital Account sets out the capital raised from issuing shares and debentures and the amounts spent on 'fixed' or 'capital' assets, that is, assets of a permanent nature acquired to carry on the business.
- The General Balance Sheet sets out the 'floating' assets and liabilities that are in a continuous state of change as the result of trading transactions.

The Contradiction on the Balance Sheet Format

In the late Nineteenth Century in the United Kingdom, there existed a contradiction in the balance sheet for private companies. Some companies followed the requirements in the British Company Act to present assets and liabilities and owner's equity on the balance sheet; some did not do that; they started to report their assets on the left-hand side of balance sheets, as seen in the U.S. companies. Therefore, the contradiction existed in textbooks on bookkeeping and financial reporting. Broaker (1896, p. 86) provided a list of textbooks of the late Nineteenth Century existing in the United Kingdom. As seen in Figure 3, many textbooks adopted an approach that assets are presented on the left-hand side of balance sheets that had existed in the United States financial reporting environment.

FIGURE 3
PRESENTING ASSETS AND LIABILITIES IN BALANCE SHEETS

MODE OF PLACING ASSETS AND LIABILITIES IN BALANCE SHEETS,
As Adopted by some of English Authors of Works on Book-keeping.

Author.	Date.	Title.	Modes of Placing.		
William Webster,	1721	Essay on Book-keeping,	Balance "Dr." (Debts due to me.)		(Debts owing Cr. by me.)
Chas. Hutton, L.L.D., F.R.S	1810	A Complete Treatise on Book-keeping,	Balance,	Assets.	Liabilities.
Rees Cyclopedia,	1819	Article on Book-keeping,	Balance,	Assets.	Liabilities.
James Morrison,	1825	The Elements of Book-keeping	Balance,	Assets.	Liabilities.
C. Morrison,	1834	A Complete System of Practical Book-keeping,			
Isaac Preston Corg	1839	Practical Treatise on Accounts	Balance Account, Assets.		Liabilities.
J. Caldecott,	1850	Practical Guide to Book-keeping,	Balance Account, Assets.		Liabilities.
B. F. Foster,	1852	Double Entry Elucidated,	Balance Sheet, Assets,		Liabilities.
W. Inglis,	1858	Book-keeping,	Balance Sheet, Liabilities.		Assets.
With a remark that in some systems the Balance Sheet is Dr. Assets, Cr. Liabilities, the position being reversed.					
James Haddon,	1859	Rudimentary Book-keeping.	Balance Account, Assets.		Liabilities.
R. S. E. Farries,	1865	Joint Stock Companies,	Balance Sheet, Liabilities.		Assets.

Source: Broaker, 1896, p. 86

THE UNITED STATES CASE

Presenting or listing items of assets and liabilities into groups or subdivisions on balance sheets might not have been material until the beginning of the Twentieth Century in the U.S. Normand & Wootton (2001, p. 64) mentioned that a few companies provided classified financial statements, including balance sheets at the beginning of the 20th century, and stated that there was no consistency in the groupings of items on the financial statements among companies. However, public accounting firms started to provide classified financial statements soon after around the world. It could be argued that classifying items of financial statements would be a significant change, whereas Littleton (1933, p. 149) stated that "the greatest change which later statements showed was the grouping data into subsections."

In contrast with the United Kingdom case, assets have been presented on the left-hand side of balance sheets in the United States since the balance sheet was first prepared there. In the literature, balance sheets prepared by the reporting entities could be seen just after the U.S. Civil War. An example of a balance sheet prepared in 1873 followed the Continental European approach listing from long-lived assets to cash and cash equivalents, from capital to short-term liabilities (Appendix 10).

This continued until the beginning of the 20th century. Then the U.S. public accounting firms started to provide liquidity-based listed balance sheets with most liquid items of assets placed first on the balance sheet. Broaker (1896, p. 107) provided an example of a balance sheet as of 1896 (see Figure 4) that might have started to introduce "liquidity basis" listing (however, receivables from trade debtors are listed after properties, which would indicate more of a hybrid method, as would the fact that mortgages and bonds payable were listed before trade creditors).

then current assets; however, assets were on the left-hand side of the balance sheet in the U.S. during the second part of the 19th century.

FIGURE 5A
BALANCE SHEET –UNITED STATES – 1865

EXHIBIT 1

Asset Section, Balance Sheet, January 1, 1865
Report of The Board of Managers
Lehigh Coal and Navigation

Canal and River Improvements	\$ 4,455,000.00
Lehigh and Susquehanna Rail-road	1,917,895.35
Real Estate, cost of coal mine land . . . and improvements	2,072,984.50
Moveable effects, Debts due the Company, Bills Receivable, Bonds and Mortgages, &c.	2,128,112.02
Contingent Fund: cost of investments	640,952.02
Cash on hand	165,975.86
	\$11,380,919.75

Source: Normand & Wootton, 2001, p. 69

Foulke (1945, p. 10) noted that colonial merchants in the U.S. prepared balance sheets for their own guidance kept those confidential during the first part of the 19th century and did not make them available directly or indirectly to actual or potential creditors. As seen in Figure 5B, around the middle of the second part of the 19th century, creditors and credit agencies demanded such information for their credit-granting decisions. This could be the earliest historical evidence for presenting unclassified balance sheet items in a report format (assets are listed first, then liabilities and owners' equity) directly or indirectly to the public in the U.S.

FIGURE 5B
THE EARLIEST KNOWN FINANCIAL STATEMENT BLANK WAS USED BY THE
MERCANTILE AGENCY (LATER DUN & BRADSTREET, INC.) IN THE 1870S IN THE US

Statement of _____ of _____
County of _____ State _____
on the _____ day of _____ 187_____

ASSETS:
 Merchandise on hand (at actual present value)\$
 Amount Outstanding
 Real Estate, consisting of.....
 Personal Property, consisting of.....
 Cash on hand and in Bank.....

LIABILITIES:
 Owning for Merchandise\$
 Owning Creditors at Home, including Depositors, Bank In-
 debtedness, Borrowed Money, &c.....
 Owning on Real Estate.....
 Owning for any other cause, or to any other person whatsoever.....

Net worth.....\$

Insured on Stock, \$.....

Full Names of Partners.....

Earliest known financial-statement blank used by The Mercantile Agency
 (now Dun & Bradstreet, Inc.) in the 1870's.

Source: Foulke, 1945, p. 11

However, listing long-lived assets first did not meet the bankers' or creditors' liquidity expectations, so liquidity-based asset listing on balance sheets was seen in the mid-1890s in the U.S. This demand had driven the Uniform Accounting statement of the Federal Reserve Board of 1917 (Normand & Wootton, 2001, p. 101).

**FIGURE 5C
BALANCE SHEET – UNITED STATES – 1893**

EXHIBIT 2		
Asset Section, Balance Sheet, March 31, 1893		
First Annual Report		
United States Rubber Company		
Cash on hand and in bank	\$ 56,194.02	
Notes and Accounts Receivable	2,846,163.50	
Value of Rubber and other Mdse. on hand, estimated	674,011.51	\$ 3,576,369.03
Furniture and Fixtures: New York and Boston	\$4,587.18	
Investments	\$25,267,833.69	25,272,420.87
Total Assets		\$28,848,789.90

Source: Normand & Wootton, 2001, p. 76

**FIGURE 5D
BALANCE SHEET – UNITED STATES – 1908**

EXHIBIT 4		
Current Assets, Combined Balance Sheet,		
December 31, 1908		
The International Harvester Company		
Inventories:		
Finished Products, Raw Materials, etc., at close of 1908 Season	\$33,854,932.88	
Subsequent Material Purchases and Manufacture for 1909 Season	13,832,123.38	\$47,687,056.26
Receivables:		
Farmers' and Agents' Notes	\$25,471,132.81	
Accounts Receivable	13,064,927.11	
	\$38,536,059.92	
Deduct:		
Accumulated Reserves for Contingent Losses, (See Page 7)	2,224,829.91	36,311,230.01
Cash		9,339,054.90
		93,337,341.17

Source: Normand & Wootton, 2001, p. 84

FIGURE 5E
BALANCE SHEET – UNITED STATES – 1917

EXHIBIT 5
Uniform Accounts
Federal Reserve Bulletin
Current Assets, 1917 Form of Balance Sheet

Cash
1a. Cash on hand—currency and coin
1b. Cash in bank
Notes and accounts receivable:
3. Notes receivable of customers on hand (not past due)
5. Notes receivable discounted or sold with indorsement or guaranty
7. Accounts receivable, customers (not past due)
9. Notes receivable, customers, past due (cash value \$)
11. Accounts receivable, customers, past due (cash value \$)
Less: Provisions for bad debts
Provisions for discounts, freights, allowances, etc.
Inventories:
17. Raw materials on hand
19. Goods in progress
21. Uncompleted contracts
Less payments on account thereof
23. Finished goods on hand
Other quick assets (describe fully):
Total quick assets (excluding all investments)
Securities:
25. Securities readily marketable and salable without impairing the business
27. Notes given by officers, stockholders, or employees
29. Accounts due from officers, stockholders, or employees
Total current assets

Source: Normand & Wootton, 2001, p. 86

No doubt that significant residual development in the classification of balance sheet items occurred after the big depression in the U.S. The AIA developed and issued its Examination of Financial Statements that superseded the prior ones, including the Federal Reserve Board's bulletin of 1929 and 1917 (Normand & Wootton, 2001, p. 102). One could argue that the report of the AIA (American Institute of Accountants, 1938) has been pioneering historical evidence for the liquidity-based balance sheet classification as seen in today's financial reporting environment in the Anglo-Saxon part of the world and its followers.

OTHER NOTABLE EXAMPLES FROM AROUND THE WORLD

The paper has evolutionary examples from the United States and the United Kingdom since they led the world to develop financial reporting practices for public companies. We acknowledge that we could be able to access more accounting history resources from mainly the Anglo-Saxon part of the world. One could argue that the classified balance sheet used nowadays around the world, except the Continental European countries, has been derived mainly from the Anglo-Saxon practice of financial reporting for incorporations during the 19th century since financial statements were mandatory under the British Company Act of 1844 (Takatera, 1967, p. 34). On the other hand, one could argue that the development of quality financial reporting could depend on the financial and money markets, where information users need quality financial information to make effective decisions. It could be observed in the history of financial markets in Western countries.

Chatfield (1996, p. 60) stated that the balance sheet came by listing all debit and credit-balanced accounts in the ledger. Yang et al. (2014, p. 2) argued that the statement of financial position or the balance sheet specifically originated from the mandatory, periodic inventory of accountants in the seventeenth century in the European Continent. Littleton (1933, p. 135) claimed that this statement initially served the purposes of property tax levy and bankruptcy procedures by providing an overview of an entity to the latest statement date. Littleton (1933, p. 136) mentioned the French Ordinance of 1673 (the Savary's code) that

required merchants to make an “inventory” every two years of all their fixed and movable properties and their debts receivable and payable. This could define the balance sheet in France as the earliest time in history (Howard, 1932, p. 91). The Ordinance of 1673 was one of the great ordinances constituting veritable codes: *ordonnance civile sur la procedure, ordonnance sur le commerce de terre, ordonnance sur la marine, etc.* (Houin, 1955, p. 485). Walton (1993, p. 289) argued that the introduction of minimum accounting requirements in France from the year 1673 had provided a model that many other countries were to follow. The Ordinance was incorporated into Napoleon’s 1807 Code de Commerce (Company Law) and then exported, both on a compulsory basis through the Napoleonic Empire (e.g., Belgium, Netherlands), but also later on a voluntary basis (Germany, Sweden ...).

We could argue that the French balance sheet format has been a unique one since it calls or names assets as *Actif* and liabilities and stockholders’ equity as *Passif* (Appendix 11). Several countries have adopted this French format of balance sheet and practiced it for years. Appendix 12 shows that the Republic of Turkey was one of those to adopt this classification even in the late 20th century (*Actif = Aktif, Passif = Pasif*).

The Ottoman Empire was one of the countries impacted by the French accounting and financial reporting developments. Pekdemir et al. (2023, p. 447) summarized French and German influence on accounting and business practices in the Ottoman Empire and the early period of the Republic of Turkey as follows:

- The first accounting textbooks were published in the French language by Ottoman-Armenians in 1828 and 1830.
- First Ottoman students were sent to France to pursue their higher education in 1830.
- The First version of the Trade Code in the Ottoman Empire was translated from the Code de Commerce of Napoleon of 1807 to the Ottoman Language and enacted in 1850.
- The Ordinance of General Education was first prepared and enacted in 1869. This was impacted by French practices.
- Second version of the Turkish Trade Code enacted in 1926. This was impacted by the current French legislation.
- French influence existed on accounting education in the Ottoman and Turkey by mid of the mid-1930s. Since Jewish-German professors were invited in the mid-1930s, they moved to Turkey and notably impacted Turkish higher education and society.
- Until 1940, during the late Ottoman period and the first two decades of the Republic of Turkey, there was no classified balance sheet in the practice. The earliest classified balance sheet in Turkey was seen in 1940 in two textbooks. One belongs to the famous Jewish-German business and accounting professor Alfred Isaac (*Ordinarius für Betriebswirtschaftslehre und Bankbetriebslehre an der Hochschule für Wirtschafts und Sozialwissenschaften Nürnberg*). His book *Bilanzen* was published first in 1930 in Germany (Isaac, 1930).

One of the early-notable examples from Turkey would be the balance sheet of Uşak Terakki-i Ziraat TAŞ (Inc.) as of **December 31, 1926** (Appendix 13). Its layout or format is impacted by the Continental European approach as long-lived assets are listed first then current assets. Stockholders’ equity items are first listed then liabilities. In addition, it is not a classified format, it just lists the accounts having debit balances including profit/loss on the assets part of the balance sheet. Reversely, accounts having credit balances listed on the liabilities and stockholders’ equity part. We could argue that this conforms with the Turkish Trade Code enacted in 1926.

Chatfield and Vangermeersch (1996, p. 278) state that German accounting was strongly influenced by Italian bookkeeping up to the 18th century. Detzen & Hoffmann (2013) stated that there was no official legislation for accounting and reporting in Germany before the 19th century; however, impacts of the French Ordinance of 1673 and Savary’s accounting books existed around. Schneider (1995, p. 125) stated that annual inventory requirements mandatorily existed in German towns before the French Ordinance, whereas Nuremberg enacted in 1564 and Frankfurt in 1578. The first accounting book in Germany was probably dated 1518 of Grammateus (Detzen & Hoffmann, 2013, p. 369). Germany has been one of the code law

countries, and the first regulation for bookkeeping, financial reporting, and preparing a balance sheet was the General Law for the Prussian States of 1794 (ALPS) (*Allgemeines Landrecht für die Preußischen Staaten*) (Ballwieser, 2010, p. 60).

Iino (1956, p. 66) stated that the balance sheet was first mentioned and appeared in an official document in Germany in a decision of the German Royal Supreme Court dated December 3, 1873. The Court's decision states that assets and liabilities in the balance sheet and the classification of assets in the balance sheet are based upon the valuation criteria under Article 31 of the Second Part of the German Commercial Code. In Iino's opinion (1956, p. 66-67), by this law, assets are classified into two categories, one of which belongs to those to be evaluated, while the other belongs to money (geld); he observes this provision as the same evaluation is made of any assets other than cash whereas cash and non-cash assets. This classification was extended to cash assets, inventories, and capital assets at the beginning of the 20th century in Germany.

Exhibit 6 has an example (Isaac, 1930, p. 151) from Germany in 1930. From the example, we could argue that the format of the balance sheet in Germany in 1930 was impacted by French Influence. It is because the left-hand side of the balance sheet was named *Activa* which means *assets*, and the right-hand side was named *Passiva* which means *liabilities*. Assets are listed and presented by the Continental European approach that is currently existing. As seen in Figure 6, long-lived assets are listed first, then current assets are listed next. On the other side of the balance sheet, items of stockholders' equity are listed first, then liabilities are listed next. In addition, there was no sub-classification of current vs. non-current or short-term vs. long-term in assets or liabilities.

FIGURE 6
BALANCE SHEET IN GERMANY

Aktiva	Bilanz der Maschinenfabrik X per 31. Dezember 1925.		Passiva		
Grundstücke und Gebäude	M	50 000.—	Aktienkapital	M	100 000.—
Maschinen	M	8 000.—	Reserven	M	20 000.—
Rohstoffe	M	6 000.—	Kreditoren	M	30 000.—
Halbfabrikate	M	15 000.—	Obligationen	M	50 000.—
Fertigfabrikate	M	25 000.—	Gewinn	M	16 000.—
Debitoren	M	80 000.—			
Bankguthaben	M	25 000.—			
Postscheckguthaben	M	5 000.—			
Kassenbestand	M	2 000.—			
		M 216 000.—			M 216 000.—

Source: Isaac, 1930, p.151

Recent research has unearthed accounts of merchants dating back to 1580 which show 'balance sheets', written from right to left in the normal Chinese style, which (Yuan and Macve, 2019, p. 18) describe as *the periodic 'inventory' statements list (in columns from right to left):* • *Assets (including total commodities [presumably based on physical inventory]; accounts receivable; silver and copper cash [copper converted to silver]; furniture and total* • *Liabilities (including accounts payable to other businesses and individual shareholders' accounts); and total* • *Net assets total (i.e. total assets minus total liabilities)* • *Bonus rate % on shareholders' capital, set to approximately distribute net assets in excess of the shareholders' subscribed capital.* • *Division to individual shareholders* • *Net assets remaining after bonus (approximately equal to the shareholders' subscribed capital)* 3 So....these 'balance sheets' or 'inventories' include 'real' as well as monetary assets and the shareholders' capitals are fixed amounts.

China has a long history dating back to early human civilizations. However, Yang et al. (2014, p. 5) argue that the balance sheet as a statement of the financial position of companies is relatively new and they state the balance sheet is "imported goods" to China.Chen (1998, p. 76) states that notable commercial and

industrial activities were almost nonexistent until the mid-19th century in China, particularly before the First Opium War. Except for some small-sized processing productions of agricultural raw materials and handicraft products such as tea, natural silks, general textiles, and chinaware, there were almost no manufacturing or commercial operations in the modernized style until the beginning of the 20th century (Yuan et al., 2016, p. 2). Thus, one could argue that Chinese accounting practices were underdeveloped before that. Yang et al. (2014, p. 7) assert that the early expansion of the use of Westernized balance sheets in China occurred in the second quarter of the 20th century. Yang et. al. (2014, p. 7) argued that balance sheets first appeared in China in the 1930s and had three categories of assets current assets, fixed assets, and other assets, and the right-hand side of that has current liabilities, fixed liabilities, capital, and surplus.

The paper argues that there is no doubt that double-entry bookkeeping spread from the Italian republics to the Western countries. In addition, the two countries led the other Western countries in financial reporting: The United Kingdom and France. The evidence we could access shows that the French Ordinance or the Savary's code dated 1673 and the British Bubble Act of 1720, later the British Company Law of 1844 were the first regulations for financial reporting.

DISCUSSION REMARKS: FROM BALANCING AND CLOSING THE LEDGER TO FINANCIAL REPORTING

There is no doubt that balancing has been one of the most important features of double-entry bookkeeping systems since its invention. It is first realized in journalizing the transactions of the business entity. Then it can be seen in the trial balance and the balance account (*bilancio el libro*) as the balance sheet. In his treatise, Pacioli (1494, p. Ch.36) mentions the importance of the balancing and the trial balance as follows:

“By a trial balance (bilancio) of the Ledger we mean a sheet of paper folded lengthwise in the middle, on which we write down all the creditors of the Ledger at the right side and the debtors at the left side. We whether the total of the debits is equal to that of the credits, and if so, the ledger is in order.

The trial balance of the Ledger should be equal-that is, the total of the credits-I do not say creditors-should be equal to the total of the debits-I do not say debtors. If they were not equal, there would be a mistake in the ledger.”

This must be more important for the environment in which all activities related to the accounting cycle are realized manually. Pacioli (1494, Ch.32) states that the operation of balancing should be realized at least by two people as accountants/merchants and helpers who both cross-check the journal and ledger that should reconcile. Pacioli advises as follows: *“That is, first you shall get a helper as you could hardly do it alone. You give him the journal for greater precaution, and you shall keep the ledger. Then you tell him ...”*

Trial balance can be prepared at any point in time during the accounting period or at the end of the accounting period for different purposes. In today's financial reporting environment, it is the first step to prepare trial balances for balanced and reconciled financial statements. In medieval times, Pacioli (1494, Ch.32) emphasizes that balancing is also important for transferring the accounts from an old ledger to a new one because the old one is all filled up or because another year begins. He also states that *“especially in Milan the big merchants renew their ledgers every year.”*

The closing process in the accounting cycle in the accounting textbooks of the twentieth century has had two steps: closing nominal (temporary) accounts through profit/loss accounts or retained earnings accounts and closing permanent accounts so that all accounts existing in the ledger could have no balances. This is described in Pacioli's treatise as well (Ch. 34 and 36). Similarly, Yamey (1994, p. 251) stated that this approach was used in the famous ledger of 1340 of the stewards (*massari*) of the commune of Genoa.

In this approach, the last journal entry reverses and closes all accounts having debit and credit balances. As seen in that journal entry, assets are credited, and liabilities/equity are debited. Yamey (1994, p. 250) argues that the first layout or format of the balance sheet appeared as the *closing entry of the permanent accounts* at the end of the accounting period.

On the other hand, many accounting textbooks nowadays do not have a closing entry for permanent accounts. After preparing the post-closing trial balance, existing permanent accounts are transferred to the new ledger as opening entries. Referring to the study of Pilla (1974, p. 271), Yamey (1994, p. 252) states that in the early sixteenth-century ledger of the Venetian Alvise Pisani dal Banco, account balances were transferred directly from the old ledger to the new.

AN ABANDONED ATTEMPT FOR BALANCE SHEET FORMAT

More than a decade ago, a *Discussion Paper* (October 2008) was developed and published as a joint project of the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB). That document proposed an extreme makeover of the balance sheet format as the statement of financial position. The proposed format of the statement was different from the traditional format of Total Assets = Total Liabilities + Total Equity. The proposed statement was structured mainly by an activity-based approach (Discussion Paper, 2008, S4) and divided into five major parts, with each group of assets and liabilities netted against each other in a subtotal. The general framework of the proposed statement of financial position follows (Discussion Paper, 2008, S5). In the proposed format, it is not possible to see total assets or total liabilities. Nor is the basic accounting equation Total Assets = Total Liabilities + Total Equity. So, the proposed format does not balance assets with equities. In the detailed format (see Figure 7) of the proposal, the only balance that can be seen is net assets equal to total equity. An expanded version is shown in Appendix 14.

**FIGURE 7
PROPOSED BALANCE SHEET FORMAT**

BUSINESS ACTIVITIES Operating Assets and Liabilities Investing Assets and Liabilities
FINANCING ACTIVITIES Financing Assets Financing Liabilities
INCOME TAXES
DISCONTINUED OPERATIONS
EQUITY

The proposed model of the format of the statement of financial position raised two significant questions (Leone & Reason, 2009):

- Does separating “business (operating and investing) activities from financing activities provide more decision-useful information?
- Does information on income taxes and discontinued operations merit separate categories?

The FASB and IASB had worked together to get answers to these and other questions that had been raised about the new proposed model. The FASB received more than 200 comment letters. Someone could argue that standard setters could not get sufficient support since the proposal has not gone forward. Otherwise, adopting the new proposed model would undoubtedly be a dramatic change. Thus, presumably, there has been no theory/conceptual basis for what the balance sheet should convey.

As an upcoming balance sheet format, the proposal was added to the primary textbooks in financial accounting courses used in higher education institutions. For example, Kieso et al. (2016, p. 200-201) added the new proposed model in the 16th edition of the Intermediate Accounting textbook, which has been one of the leading textbooks for decades, not only in the U.S. but also throughout the world. However, in the 17th Edition of the same textbook (Kieso et al., 2019), there is nothing about this proposed model of the activity-based format of the statement of financial position. There is no mention of the proposed model of financial reporting disseminated in the Discussion Paper. Where do the standard setters want to go from here? Perhaps a way forward would be to explore how different balance sheet formats over time are related to consistency with the different users and their different needs.

Two decades ago, the FASB and IASB had a joint meeting in Norwalk, Connecticut, USA, on September 18, 2002; each acknowledged their commitment to developing high-quality, compatible accounting standards that could be used for domestic and cross-border financial reporting. At that meeting, both the FASB and IASB pledged to use their best efforts to (a) make their existing financial reporting standards fully compatible as soon as is practicable and (b) to coordinate their future work programs to ensure that once achieved, compatibility will be maintained (FASB, 2002). Since then, they have progressed in many areas toward the ultimate target of the agreement. However, as an output of the accounting process, the balance sheet format or layout has remained entirely different in terms of listing items assets, liabilities, and stockholders' equity (See Appendix 1 and 2). In addition, the convergence agreement was abandoned later.

LIMITATIONS OF THE PAPER

This paper has certain limitations. Only accessible secondary sources in English are scanned, examined, and interpreted by accounting historians for the paper. There could be more excessive sources in English and other languages worldwide. Findings and arguments in the study might need more discussed and conceptualized by expert accounting historians from other nations who could contribute to the study.

Reasons for placing, listing, and classifying balance sheet items could be further studied into different dimensions. For instance, valuation-based classification has not been covered in this study. The paper could also be divided into two different environments such as legal law jurisdictions and common law jurisdictions. In this study, the authors did not identify the impacts of jurisdictional types of developments and changes as evolutions on the subjects. There have been many countries that have been regulating financial reporting requirements based on their legal legislation. Some others have been following global standard setters. Neither has any discussion of the wording used in the balance sheet. For example, Nobes has pointed out that the word "capital" has appeared over the years on both sides of the balance sheet and could mean assets, liabilities, or owners' equity (Nobes, 2015, p. 413-414).

SUMMARY AND CONCLUSIONS

This paper attempts to address the motivating questions for the study. There is no direct answer to the question "*Why are assets reported on the left-hand side of the account format balance sheets in many countries in today's financial reporting environment?*" The paper could not find direct answers to the question. However, it could be argued that such reporting could not be arbitrary; there should be some rational reasons to do so. On the other hand, no direct answer to the second motivating question, "*While assets were being reported on the right-hand side of the account format balance sheets in the United Kingdom during the 19th century, then what happened to make a major change?*" Questions raised in the paper are still on the table so that someone can continue seeking historical evidence.

As a vital piece of background, readers should remember how a balance sheet arrived at. It is NOT part of the double-entry system. The profit and loss ACCOUNT is indeed an account. The rent charge reaches it by double entry: debit profit & loss while crediting the rent expense account. So, if debits are agreed as on the left ("the side by the window.") then rent expense in the profit & loss must be a debit on the left. However, a balance sheet is an ad hoc statement. It is 'the back of an envelope.' After the income statement

is fully prepared, it is a list of the remaining balances within the double-entry books. It is an ad hoc statement with no rules and, therefore, infinitely flexible (unlike the income statement), so accountants use this freedom to be helpful to users. (But do they really? Perhaps a good research question?) One reviewer of this paper noted, “When I was a young student (decades ago...), a common suggestion for the then UK habit of putting the balance sheet either way round was precisely to emphasize to the ignorant user that the balance sheet is NOT a double-entry account.”

For the study, secondary sources in the literature that are accessible in the English language were scanned and examined. The study’s findings are provided by periods from the Pacioli era to today’s financial reporting environment. The paper could conclude that placing, listing, and classifying items of assets, liabilities, and owner’s equity on the balance sheet have been based on information users’ and stakeholders’ needs and expectations at different times. This is a logical conclusion since, as mentioned above, the balance sheet is a “back of the envelope” writing. User needs are the only reason to follow a specific format without guidelines. Thus, this paper identifies some bases for placing, listing, and classifying balance sheet items, such as activity basis, productivity basis, effective basis, liquidity basis, valuation basis, etc. The paper could contribute to the literature about what happened, when, and why on the subjects covered. One could argue that each faculty member or instructor teaching accounting courses in higher education institutions should have some knowledge about financial reporting developments in history.

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Note: The opinions expressed in the paper are those of the authors.

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APPENDIX 1

THE COCA-COLA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
 (UNAUDITED)
 (In millions except par value)

	October 1, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 11,301	\$ 6,795
Short-term investments	1,844	1,771
Total Cash, Cash Equivalents and Short-Term Investments	13,145	8,566
Marketable securities	1,724	2,348
Trade accounts receivable, less allowances of \$534 and \$526, respectively	3,889	3,144
Inventories	3,182	3,266
Prepaid expenses and other assets	2,300	1,916
Total Current Assets	24,240	19,240
Equity method investments	18,284	19,273
Other investments	897	812
Other assets	6,490	6,184
Deferred income tax assets	2,237	2,460
Property, plant and equipment, less accumulated depreciation of \$9,153 and \$8,923, respectively	10,058	10,777
Trademarks with indefinite lives	10,449	10,395
Goodwill	17,455	17,506
Other intangible assets	496	649
Total Assets	\$ 90,606	\$ 87,296
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	\$ 12,830	\$ 11,145
Loans and notes payable	1,866	2,183
Current maturities of long-term debt	448	485
Accrued income taxes	846	788
Total Current Liabilities	15,990	14,601
Long-term debt	39,394	40,125
Other liabilities	8,401	9,453
Deferred income tax liabilities	2,688	1,833
The Coca-Cola Company Shareowners' Equity		
Common stock, \$0.25 par value; authorized — 11,200 shares; issued — 7,040 shares	1,760	1,760
Capital surplus	17,929	17,601
Reinvested earnings	68,494	66,555
Accumulated other comprehensive income (loss)	(14,250)	(14,601)
Treasury stock, at cost — 2,721 and 2,738 shares, respectively	(51,754)	(52,016)
Equity Attributable to Shareowners of The Coca-Cola Company	22,179	19,299
Equity attributable to noncontrolling interests	1,954	1,985
Total Equity	24,133	21,284
Total Liabilities and Equity	\$ 90,606	\$ 87,296

Refer to Notes to Condensed Consolidated Financial Statements.

APPENDIX 2: PHILIPS BALANCE SHEETS 12/31/2019 AND 2020

10.6 Consolidated balance sheets

Philips Group
Consolidated balance sheets in millions of EUR unless otherwise stated
As of December 31

	2019	2020	2019	2020
Non-current assets				
3-11 Property, plant and equipment	2,866	2,682		
3-12 Goodwill	8,654	8,014		
3-13 Intangible assets excluding goodwill	3,466	2,997		
17 Non-current receivables	178	230		
6 Investments in associates	233	240		
14 Other non-current financial assets	248	430		
29 Non-current derivative financial assets	1	6		
9 Deferred tax assets	1,865	1,820		
15 Other non-current assets	47	66		
Total non-current assets	17,557	16,486		
Current assets				
16 Inventories	2,773	2,993		
14 Other current financial assets	1	-		
15 Other current assets	476	424		
29 Current derivative financial assets	38	105		
9 Income tax receivable	177	150		
17-25 Current receivables	4,554	4,156		
4 Assets classified as held for sale	13	173		
30 Cash and cash equivalents	1,425	3,226		
Total current assets	9,459	11,227		
Total assets	27,016	27,713		
Equity				
Equity			12,597	11,870
Common shares			179	182
Reserves			652	(340)
Other			11,766	12,028
18 Non-controlling interests			28	31
Group equity			12,625	11,901
Non-current liabilities				
19 Long-term debt			4,939	5,705
29 Non-current derivative financial liabilities			124	86
20-21 Long-term provisions			1,603	1,458
9 Deferred tax liabilities			143	59
23 Non-current contract liabilities			348	403
9 Non-current tax liabilities			186	291
23 Other non-current liabilities			71	74
Total non-current liabilities			7,413	8,077
Current liabilities				
19 Short-term debt			508	1,229
29 Current derivative financial liabilities			67	77
9 Income tax payable			100	57
26 Accounts payable			2,089	2,119
22 Accrued liabilities			1,632	1,678
23 Current contract liabilities			1,170	1,239
20-21 Short-term provisions			556	522
4 Liabilities directly associated with assets held for sale			-	30
23 Other current liabilities			856	785
Total current liabilities			6,978	7,735
Total liabilities and group equity			27,016	27,713

Amounts may not add up due to rounding.

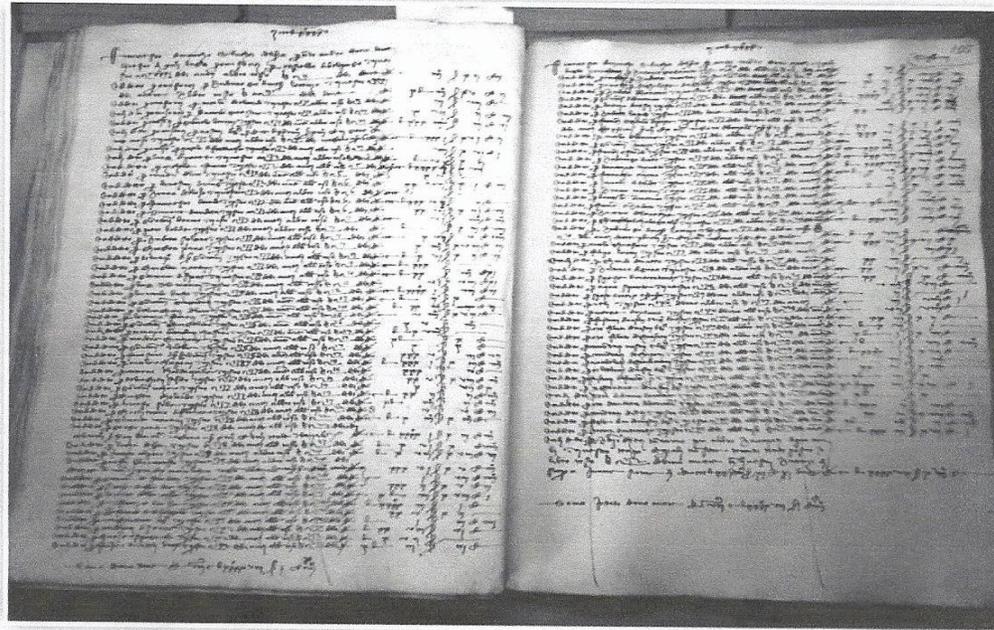
APPENDIX 3: MEDICI BANK – BALANCE SHEET – 1427

TABLE 31. STATEMENT OF ASSETS AND LIABILITIES OF THE WOOLSHOP MANAGED BY TADDEO DI FILIPPO ACCORDING TO THE CATASTO REPORT OF 1427				
<i>Assets</i>				
	f.	s.	d.	aff.
<i>Accounts Receivable According to the Libro Nero</i>				
Cosimo and Lorenzo de' Medici in Florence (6 items)	2,411	00	8	
The Medici branch in Rome	1,529	5	4	
Sundry debtors (11 items)	443	5	9	
Florentine mercantile and banking companies (6 items)	635	1	6	
Drapers and other retailers (5 items)	376	26	11	
Customers in Pisa and Perugia (2 items)	151	0	6	
Private customers (5 items)	903	14	3	
Filippo di Lionardo da Bisticci, <i>stamaiuolo</i> (subcontractor)	86	17	0	
Total	<u>5,837</u>	<u>6</u>	<u>11</u>	
<i>Accounts Receivable According to Quaderno di Cassa</i>				
Advances to workers	8	4	0	
Medici Bank in Florence (3 items)	680	22	7	
Medici Bank in Rome (3 items)	632	20	4	
Florentine banking companies (9 items)	1,388	27	4	
Sundry debtors (18 items)	935	17	9	
Draper (one item)	92	0	0	
Customers in Prato, Cortona, Viterbo	392	10	5	
Total	<u>9,067</u>	<u>22</u>	<u>5</u>	
Advances to wage earners	£68	17s.	6d.	<i>pic.</i>
Raw materials and supplies on hand, goods in process, and finished goods in stock	Not recorded			
<i>Liabilities</i>				
	f.	s.	d.	aff.
Accounts payable (13 items)	477	17	7	
Cosimo and Lorenzo de' Medici, Florence	1,707	26	0	
Banking companies in Florence (2 items)	509	4	0	
Accrued wages (4 items)	70	0	0	
Grain venture	94	17	6	
Total liabilities	<u>2,859</u>	<u>7</u>	<u>1</u>	
florins s. d.				
<i>Capital</i>				
Medici Bank	3,800	0	0	
Taddeo di Filippo di Taddeo	700	0	0	4,500 0 0
<i>Surplus</i>				
Lionardo d'Agnolo Baglioni	540	6	7	
Taddeo di Filippo	62	24	9	
Medici Bank	830	25	4	1,533 07 8
Total liabilities and net worth	<u>8,893</u>	<u>5</u>	<u>9</u>	
Excess of assets over liabilities and net worth	1,074	16	8	
Total	<u>9,967</u>	<u>22</u>	<u>5</u>	
<i>Sources: ASF, Catasto No. 51 (Gonf. Leon d'Oro, 1427), fols. 1170-1171.</i>				

Source: De Roover, 1966, p.183

APPENDIX 4

FIGURE 2
Trial Balance (1493–1495)
Prepared According to *Bilancio Del Libro* Principle



Source: Photo of Prato (1393–95) AS, D. No. 799, c. 142V–143R.

Source: Kuter et al., 2017, p. 23

APPENDIX 5: FIRST PAGE OF MERCHANT'S ACCOUNTING TEXTBOOK OF KRIKOR KÖMÜRÇÜYAN (1926: 1)

استاد بولسا باغچه قیودده ۱۷ نومبر اولو بکر صحتی اقتدی تجارخانه سنت یومیه دفتری

		مطرب		زمت	
		مخارج	سایه	مخارج	سایه
۱	۸ آبان ۱۹۲۶	قلم		۱۵۰۰۰۰	✓
۲	سرمایه	۱۵۰۰۰۰	✓		
		نقد بویونور - رایه			
۳	۱۰ مه	مطابق معرفت		۲۵۰۰	✓
۱	قاصد	۲۵۰۰	✓		
		رد کار کیرالم و آلی آلی کیراسی			
		نقد بویونور			
۳	۱۲ مه				
۲	۱	اصد		۳۲۵۰۰	✓
۱	قاصد	۳۲۵۰۰	✓		
		فکریت المین ۱ نومبر اولو طارومور			
		بویونور بیل اولاری اشرا بیلیم			
		مال بیل			
۵	۱۳ مه				
۱	۱	اعتبار علی		۱۰۰۰۰۰	✓
۱	قاصد	۱۰۰۰۰۰	✓		
		سایه جاری آیدر بویونور رایه بویونور			
۵	۱۳ مه				
۶	۱	مویونور		۶۵۰۰	✓
۱	قاصد	۶۵۰۰	✓		
		دکان بویونور ۲ بویونور بویونور بویونور			
		آدم بویونور بویونور بویونور			
		مال اولو بیل بویونور			
		۲۹۶۵۰۰		۲۹۶۵۰۰	

۱۹۲۶ ع. ۱۷ نومبر اولو بکر صحتی اقتدی تجارخانه سنت یومیه دفتری

APPENDIX 6A: PAGE (37) OF MERCHANT'S ACCOUNTING TEXTBOOK OF KRİKOR KÖMÜRÇÜYAN (1926) IN ARABIC LETTERS

بوكيه دفتري

۷۳	قال اوليش زيكون	۲۷۱۷۵۷۰	۷۴	۲۷۱۷۵۷۰	۷۵
	۲۵۷ --- ۲۰ --- ۲۰ --- ۲۵۷				
۱۲	فكر وضمره			۲۷۱۷۰۲	۷۶
۲	مصرفه	۲۷۱۷۰۲	۷۷		
	بقاى مقدارى اولوب ...				
	بقاى ميزان زيكون	۲۷۸۱۹۷۲		۲۷۸۱۹۷۲	
	۲۵۸ --- ۲۰ --- ۲۰ --- ۲۵۸				
۳	مصرفه			۷۱۰۴۷۷	۵۰
۴	مصرفه			۷۲۰۰۰	
۱۱	مصرفه			۲۷۸۱	
۱۵	مصرفه			۷۲۳۲	
۲۱	مصرفه			۲۰۰۰	
۲۹	مصرفه			۷۴۸	
۳۰	مصرفه			۷۲۰۰۰	
۳۱	مصرفه	۳۰۱۸۵	۷۸		
۳۲	مصرفه	۲۴۳۸۵			
۵	مصرفه	۱۰۶۳۲۳	۷۹		
۶	مصرفه	۱۱۸۵۰			
۸	مصرفه	۱۷۲۵۲			
۱۰	مصرفه	۲۰۰۰۰			
۱۲	مصرفه	۱۰۰۰۰			
۱۶	مصرفه	۶۶۵۰			
۲۵	مصرفه	۸۰۰۰			
۲۶	مصرفه	۲۷۹۶۵۲			
		۲۷۸۱۹۷۲		۲۷۸۱۹۷۲	

APPENDIX 6B: PAGE (37) OF MERCHANT'S ACCOUNTING TEXTBOOK OF KRİKOR KÖMÜRÇÜYAN (1926) IN ROMAN LETTERS

37		Yerimyye Defteri			
		Maliye		Zimmet	
		Gurup	Santim	Gurup	Santim
	naki olunmuş yekin	2747570	75	2747570	75
<i>20 Teyrin-i Sani - 247</i>					
12	Kar ve Zarar			34403	25
2	Sermiyye	34403	25		
<i>Temdedi ulfi miktarı olup sermiyye zammı idimigdir</i>					
	ikinci Mizan-i yekini	2781974	--	2781974	--
<i>Mifidi - 248</i>					
	Zirdekilere	Zirdekiler			
<i>Hesablar kapatılması için (Bilanço müvevver)</i>					
2	Sermiye			310477	50
9	Deyn senedi			152000	--
11	İzzet Beğ			24810	--
15	Nezih Beğ			12420	--
21	Nuriye Hanım			20000	--
29	Mirhad Beğ			7380	--
30	Süleyman Sını Beğ			150000	--
31	Kasrya	30185	75		
32	Emti'aya	64385	--		
5	İ'tibar'ı Millî Bankası'na	106321	75		
9	Mobiliyye	11850	--		
8	Eshâm-ı tahvilât	172540	--		
15	Tahsil senedine	40500	--		
14	Fâ'ik efendiye	10000	--		
16	Eshem Beğ	6650	--		
25	Sermed Efendi'ye	5000	--		
26	Emlâke	220655	--		
		3458061	50	3458061	50

APPENDIX 8A: BRITISH COMPANY ACT – BALANCE SHEET

FORM of BALANCE SHEET referred to in TABLE B.

<p>Dr. BALANCE SHEET of the</p> <p style="text-align: center;">CAPITAL AND LIABILITIES</p> <p>I. CAPITAL - Showing:</p> <p>1. The total Amount received from the Shareholders; showing also:</p> <p>(a) The Number of Shares</p> <p>(b) The Amount paid per Share</p> <p>(c) If any Arrears of Calls, the Nature of the Arrear, and the Names of the Defaulters</p> <p>Any Arrears due from any Director or Officer of the Company to be separately stated.</p> <p>(d) The Particulars of any forfeited Shares.</p> <p>II. DEBTS AND LIABILITIES of the Company - Showing:</p> <p>2. The Amount of Loans on Mortgage or Debenture Bonds.</p> <p>3. The Amount of Debts owing by the Company, distinguishing—</p> <p>(a) Debts for which Acceptances have been given.</p> <p>(b) Debts to Tradesmen for Supplies of Stock in Trade or other Articles.</p> <p>(c) Debt for Law Expenses.</p> <p>(d) Debts for Interest on Debentures or other Loans.</p> <p>(e) Unclaimed Dividends.</p> <p>(f) Debts not enumerated above.</p> <p>VI. RESERVE FUND - Showing:</p> <p>The Amount set aside from Profits to meet Contingencies.</p> <p>VII. PROFIT AND LOSS - Showing:</p> <p>The disposable Balance for Payment of Dividend, &c.</p> <p>CONTINGENT LIABILITIES - Claims against the Company not acknowledged as Debts. Monies for which the Company is contingently liable.</p>	<p style="text-align: right;">Co. made up to 18 Cr.</p> <p style="text-align: center;">PROPERTY AND ASSETS</p> <p>III. PROPERTY - Showing:</p> <p>held by the Company - 4. Immoveable Property, distinguishing</p> <p>(a) Freehold Land</p> <p>(b) " Buildings -</p> <p>(c) Leasehold "</p> <p>5. Moveable Property, distinguishing</p> <p>(d) Stock in Trade</p> <p>(e) Plant</p> <p style="text-align: center;">The Cost to be stated with Deductions for Deterioration in Value as charged to the Reserve Fund or Profit and Loss.</p> <p>IV. DEBTS - Showing:</p> <p>owing to the Company - 6. Debts considered good for which the Company hold Bills or other Securities.</p> <p>7. Debts considered good for which the Company hold no Security.</p> <p>8. Debts considered doubtful and bad</p> <p style="text-align: center;">Any Debt due from a Director or other Officer of the Company to be separately stated.</p> <p>V. CASH AND INVESTMENTS - Showing:</p> <p>9. The Nature of Investment and Rate of Interest.</p> <p>10. The Amount of Cash, where lodged, and if bearing Interest.</p>
--	--

C.47. 19th & 20th VICTORIA. Joint Stock Companies. (Table B.) A.D. 1856. 365

Source: Edey & Panitpakdi, 1956, p. 365

APPENDIX 8B

BALANCE SHEET OF THE CO., 31st DEC. 18..				CR.					
DR. (Registered Co. form.)									
<i>Capital and Liabilities.</i>		£	s	d	<i>Property and Assets.</i>		£	s	d
Capital, showing No. of shares					Property held by the Company, viz:				
Amount paid per share.					Freehold, Land & Buildings,				
Calls in arrears, Forfeited shares, etc.					Leasehold.				
Debts and Liabilities, viz:					Stock in Trade,				
Mortgages and Debentures,					Plant at cost, less depreciation,				
Debts on Acceptances,					Debts owing to the Company, viz:				
Trade Debts,					Secured.				
Law Expense, owing,					Unsecured.				
Interest on Debentures,					Bad or Doubtful.				
Unclaimed Dividends,					Debt, if any, due from Director or Officer of Company.				
Other Debts,					Cash and Investments, viz:				
Reserve Fund,					Nature of Investment, and rate of Interest,				
Profit and Loss,					Cash, where lodged, and if bearing interest,				
Contingent Liabilities.									

Source: Broaker, 1896, p. 107

APPENDIX 8C

LEDGER				LEDGER					
BALANCE				PER CONTRA					
Dr.	P	l.	s.	d.	Cr.	P	l.	s.	d.
To Cash, remaining in my hands	66	53	7	6	By Peter Allen, due to him	7	21	10	4
To Red Port, remaining one pipe	3	25	16	0	By John Hatfield, due to him	7	21	10	4
To Tobacco, remaining 2 hhds. at 22l. 1s. per hhd.	5	25	10	0	By Peter Reeves, due to him	8	80	8	0
To Colchester Raisin, remain two pieces, at 7l. 7s. per piece	3	15	4	0	By Moses Guide, due to him	8	8	0	0
To Broad Cloth, remaining 2 pieces, at 15l. per piece	4	30	0	0	By William Blake, due to him	10	261	0	0
To Holland, remain 11 pieces, at 7l. 5s. per piece, and 6 pieces, at 6l. 10s.	4	136	15	0	By Thomas Griffiths, due to him	10	7	0	0
To Brandy, remain 4 hhds. at 20l. per hhd.	4	120	0	0	By Peter Moren's acct. current, due to him	14	98	16	9
To Logwood, remaining 8 tons, at 3l. p. ton	3	24	0	0	By Thomas Tildesley's acct. current, due to him	15	34	7	11
To South-Sea Stock, remaining 400, at 2 1/2	5	488	13	4	By Thomas Gary, due to him	15	3	0	0
To Ram, remain one hhd. at 20l. 10s. per hhd. and 13 hhds. at 29l.	5	406	10	0	By John Horton, due to him	16	66	5	0
To Ship Neptune, for one third part	6	800	0	0	By William Marsh, due to him	17	13	15	0
To Charles Snow, due to me	6	31	19	0	By Dealwell's acct. co. due at time, for 1/4 of 4 hhds. Tobacco to Francis Clarke	20	32	16	0
To Roger Romney	6	3	5	0	By George Parsons his account current, due to him	21	129	9	4
To Sugar, remain two hhds. at 24l. two at 24l. ex. and one at 25l. per hhd.	9	123	10	0	By J. Lane's acct. cur. due to him	21	129	9	4
To Richard Hale, due to me	10	199	15	0	By Peter Dealwell's acct. current, due to him	22	24	10	0
To Claret, remaining 4 hhds. at 20l. 5s. p. hhd.	11	121	0	0	By James Dalrymple, due to him	23	129	0	0
To John Eaden, due to me	11	50	0	0	By John Shelly, due to him	26	30	0	0
To Lisbon Wine, remain five pipes, at 25l. 10s. per pipe	13	127	10	0	By Peter Desbrostes, due to him	28	117	0	0
To Francis Clarke, due to me	14	65	12	0	By Stock, for the neat of my estate	1	8771	14	11
To Tamarines, remaining one hhd.	15	56	0	0					
To John Milburn, due to me	16	34	0	0					
To Thomas Freeman, due to me	17	33	0	0					
To Rob. Moore's acct. current, due to me	18	40	19	1					
To Rob. Coleman's acct. cur. due to me	19	25	0	0					
To Muslin in the hands of R. Moore, remaining my half of three bales	19	36	17	6					
To Canary in co. with Dealwell, for two pipes, at 27l. 10s. per pipe	26	55	0	0					
To Claret in co. with Blake and Clay, for one hhd. as my share	27	30	10	0					
To Adventure to Amsterdam in co. with Parsons and Lane, my third part	27	146	10	0					
To Lisbon Wine in co. with Coleman, for one pipe as my share	28	25	0	0					
To Holland in co. with Peter Allen, for 25 pieces, value	28	378	5	0					
To Sherry, remaining 2 pipes, at 27l. p. pipe	29	54	0	0					
		£	10361	2	7				

Figure 3.2 'Balance' account of Solomon Traffick at 31 October 1763

Source: Cooke 1764, ledger B, p. 30, ©The British Library Board, General Reference Collection DRT Digital Store 8504.

Source: Edwards, 2019, p. 45

APPENDIX 9B

RAILWAY COMPANY.			
Receipts and Expenditure on Capital Account.		CR.	
DR.	(Double Account form, Parliamentary Co.)	Amount expended to.....	Amount received in the year.
To Expenditure:		Total.	Total.
	Or Lin t, open fo T af c.		
	Or Lin t, in cours o c nstruc		
	W rkir ; Stock,		
	Su bscri tion to ot er Ri lw		
	De : ka, oafs and, th r s ec tem ,		
	" Ba anc , carried to General Balance Sheet,		
By Receipts:			
	Shares and St ck per account,		
	Loans, " " " "		
	Debenture St ck " "		
	Sundries (in d tail " "		
GENERAL BALANCE SHEET.			
DR.	Liabilities.	Assets.	CR.
	To a ital Account, b anc a credit thereof,	By Cash at Bankers, Current Account,	
	" " e Revenue A cou t, " " " "	" Cash on Deposit at Interest,	
	" " n ald Divide ds a d I ter st,	" Consuls and Government Securities,	
	" (u rntes a r y iden s a d I terest payabl	" Shares of other Companies not charged as Capital Expendi- ture,	
	" i mporar I haus, and other Obligations not inc uded in Loan Cap- ital Sta er ent,	" General Stores, Stock of materials in hand,	
	" Balance d e o Bankers	" Traffic Account due to the Company,	
	" Debit due o other Com an es,	" Amounts due by other Companies,	
	" Amount d e o Clearing H isc,	" " " Clearing House,	
	" Sundry Ot s unding Ac o ts,	" " " Post Office,	
	" Fire Insur n a fund on ta on Works and Buildings,	" Sundry Outstanding Accounts,	
	" Insurance u d on Stea b its,	" Suspense Accounts, if any, to be enumerated,	
	" Special It n	" Special Items,	
GENERAL BALANCE SHEET.			

Not — The Capital Account states the Items of Debit and Credit on the same sides as they appear on in the Ledger. The General Journal also reverses them in the Ledger. Credits on the credit side and Debit credits on the debit side.

Source: Broaker, 1896, p. 107

APPENDIX 10: AN EXAMPLE OF BALANCE SHEET – THE U.S. 1873

Issues in Accounting Education, November 2003

EXHIBIT 2 - STATEMENT A.					
CONDENSED BALANCE SHEET of the Mobile and Ohio Railroad Company December 31 st , 1873					
DR			CR		
1873	To CONSTRUCTION-		1873	By CAPITAL STOCK-	
December	Cost of Road and Branches, (507 miles) Equipment:		December	Active 53,200 Shares	\$5,320,600.00
31	Machine Shops, Depots, &c., to 31 st December, 1871	\$17,303,101.50	31	CONVERTIBLE RESERVE—	
"	DONATED LANDS-			40,000 Shares	\$4,000,000.00
	Original assessed value of Lands	\$2,024,153.11		Less par value of Convertible Bonds issued (in part of 1,000,000 authorized issue) to December 31 st , 1873	847,975.00
	Less proceeds of Sales prior to 31 st December, 1805	228,000.00		Contingent Liability	3,152,025.00
"	IMPROVEMENT ACCOUNT-		" FUNDED DEBT-		
	Additions to Rolling Stock, Machinery, &c.,	682,880.63		1 st Mortgage (see Statement C)	\$9,719,120.00
"	REAL ESTATE-			2 nd Mortgage. (see Statement C)	1,453,858.47
	Acquired since 1867	93,918.91		Special, Gainesville Branch	53,000.00
"	CAIRO EXTENSION-			Convertible 8 per cent Bonds	847,975.00
	Cost of Property, Surveys, &c	53,362.14	"	FLOATING DEBT-	
"	OKTIBBEHA BRANCH-			Bills Payable, Maturing 1874-75	\$1,018,882.45
	Advances, secured by Collaterals	39,689.34		Auditor's Warrants	\$156,080.15
"	RAILROAD SUPPLIES-			Pay Roll Warrants	129,272.77
	Stock of Shop and Repair Materials on hand Dec. 31 st	493,078.82		Call Loans, New York and Mobile	147,4112.40
"	BONDS AND STOCK-		"	LAND BUREAU-	
	Railroad and County Bonds	\$308,255.11		Current Sales of Donated Lands	\$84,166.00
	Convertible Bonds	605,375.00		Current Sales of Station Lots	8,800.40
	Railroad Stock	288,232.44		TRANSPORTATION DEPARTMENT-	
"	SINKING FUND—First Mortgage Sterling Bonds-			Earnings 1873, (see Table No. 1)	\$2,801,127.88
	61 Sterling and 8 Interest Bonds-\$69,000.00 retired by this Fund and cancelled	82,634.90		Less Operating Expenses (see Table No. 2)	1,896,264.89
"	SINKING FUND—Tennessee Substitution Bonds-			Net Revenue	904,862.99
	Represented by 17 Bonds purchased and cancelled	17,249.18	"	PROFIT AND LOSS	25,262.89
"	CITY OF ABERDEEN-				
	Advanced to Aberdeen Branch	21,901.11			
"	COUPON INTEREST-				
	Coupons of First Mortgage Bonds paid in 1873	\$710,666.50			
	Coupons of Second Mortgage Bonds paid in 1873	125,383.09			
"	INTEREST-				
	Paid on Floating Debt	117,527.98			
"	U.S. Quartermaster's Department-In part of Transportation dues	132,044.07			
"	BILLS RECEIVABLE – Secured by Collaterals	59,875.58			
"	INDIVIDUAL BALANCES	19,905.76			
"	UNCOLLECTED EARNINGS, 1873				
	Due by Connecting Roads and Agents	\$74,520.43			
"	U.S. Post Office Department	15,353.76			
"	UNCURRENT FUNDS—Mississippi Notes				
		80,874.19			
		4,700.00			
		25,500.22			
"	CASH BALANCE	23,021,378.58			
					23,021,378.58

Students: "Funded" debt refers to debt that is evidenced by securities that have a maturity date that is in the future (Gerstenberg 1924, 163). "Floating debt" refers to current liabilities (Gerstenberg 1924, 633).

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Samson, Flesher, and Previts

Source: Samson, Flesher, and Previts, 2003, p. 350

APPENDIX 11: THE FRENCH BALANCE SHEET EXAMPLE - JOURNAL OFFICIEL DE LA REPUBLIQUE FRANCE 8 DECEMBER 1878

10 Décembre 1878		JOURNAL OFFICIEL DE LA RÉPUBLIQUE FRANÇAISE	
RÉCLAMES & ANNONCES		SOCIÉTÉ GÉNÉRALE DE	
REÇUES		CRÉDIT INDUSTRIEL & COMMERCIAL	
Chez MM. FAUCHEY LAFFITE et C ^e		Situation au 30 novembre 1878.	
8, place de la Bourse			
SOCIÉTÉ GÉNÉRALE			
POUR FAVORISER LE DÉVELOPPEMENT DU COMMERCE ET DE L'INDUSTRIE EN FRANCE			
Bilan au 30 novembre 1878.			
Actif.		Actif.	
Caisse et banque	24,667,007 »	Caisse { Esp. à la Banque	2,198,495 27
Portefeuille	126,561,996 32)	— en caisse	2,481,473 36
Effets à l'encaissement	4,366,867 43)	Effets remis à la caisse	1,322,356 77
Reports	37,059,825 42	Portefeuille { Paris et div. places	92,890,893 48
Coupons à encaisser	1,096,581 33	— Etranger	752,074 77
Rentes et actions, bons et obligations	41,322,159 23	Comptes courants	17,988,526 01
Avances sur garanties	15,775,403 88	Reports et comptes d'ordre	12,984,314 60
Participations industrielles et commerciales	3,680,549 89	Agents de change, ventes et achats pour le compte de tiers	313,504 35
Participations financières	56,630,800 03	Immeuble social	3,094,961 77
Immeubles	3,567,561 17	FRAIS GÉNÉRAUX { Anciens	» »
Comptes de banque à l'étranger et comptes courants divers	49,992,704 79	— Nouveaux	285,058 24
Appels différés sur actions	60,000,000 »	Versement non appelé	45,000,000 »
Intérêts sur actions (coupon au 1 ^{er} octobre 1878)	1,500,000 »		
	426,221,456 49		179,311,658 62
Passif.		Passif.	
Capital	120,000,000 »	Capital émis	60,000,000 »
Réserve statutaire	8,970,545 28)	Réserve statutaire	3,000,000 »
Réserve extraordin.	3,500,000 »)	— supplémentaire	3,000,000 »
Comptes de chèques :		— immobilière	1,000,000 »
Paris	69,312,569 05)	Comptes de dépôts p. chèques 1 0/0	38,052,733 54
Agences	65,401,075 21)	Comptes courants, escomptes et espèces	54,226,625 43
Dépôts à échéances fixes	116,844,200 »	Comptes d'ordre	3,630,064 03
Comptes à disponibilité	6,285,541 86	Acceptations et effets divers à payer	14,687,701 53
Effets à payer	11,193,148 52	Agents de change, ventes et achats pour le compte de tiers	» »
Comptes de banque à l'étranger et comptes courants divers	21,137,773 23	Intérêts et dividendes à payer, solde des semestres antérieurs	19,713 17
Intérêts et dividendes	162,957 50	Idem solde du 1 ^{er} semestre 1878	92,528 72
Solde du dernier exercice	10,449 17	Récompte du dernier semestre	148,823 26
Profits et pertes (frais généraux déduits)	3,403,196 67	PROFITS et { Anciens	82,235 70
	426,221,456 49	— Nouveaux	1,371,233 24
			179,311,658 62
Effets en circulation avec l'endos de la Société :		Effets à échoir en portefeuille	93,642,968 25
Administration centrale	5,698,244 »	Effets en circulation avec l'endossement de la société	4,062,602 90
Agences de province	2,974,362 42		97,705,571 15
	8,672,836 42	Certifié conforme aux écritures :	
		Le président, H. DURRIEU.	
Certifié conforme aux écritures :		Daphnis et Chloé, édition nouvelle avec entête en couleur, genre étrusque. (A. Quantin, imprimeur-éditeur, 7, rue Saint-Benoit, Paris.)	
Le directeur, E. HUARD.		Il n'y a pas dans toute la littérature ancienne de fable plus attrayante que cette simple idylle, née un jour au rivage de Milet ou de Lesbos, et qui a traversé les siècles sans rien perdre de sa fraîcheur.	

Source: Patrice, 2018, p. 210

APPENDIX 12: CLASSIFIED BALANCE SHEET FIRST REGULATED BY THE TURKISH CAPITAL MARKET BOARD IN 1983

EK: 9		SERMAYE PİYASASI KANUNUNA TABİ ANONİM ORTAKLIKLARIN (ARACI KURUMLAR DAHİL) HÂNLARINDA KULLANACAKLARI TİP BİLANÇO (1.000— TL)	
A. Ş.'nin ...../...../198... TARİHİNDEKİ BİLANÇOSU		PASİF	
AKTİF		PASİF	
I — DÖNEN VARLIKLAR	.....	I — KISA VADELİ YABANCI KAYNAKLAR	.....
A — Hazır Değerler	.....	A — Uzun Vadeli Bdrç Takatleri	.....
B — Menkul Kıymetler	.....	B — Banka Kredileri	.....
C — Kısa Vadeli Alacaklar (Net)	.....	C — Diğer Kısa Vadeli Yabancı Kaynaklar (Net)	.....
D — Stoklar	.....	II — ORTA VE UZUN VADELİ YABANCI KAYNAKLAR	.....
1 — İlk Madde ve Malzeme	.....	A — Tedavüldeki Tahviller	.....
2 — Yarı Mamuller	.....	B — Diğer Orta ve Uzun Vadeli Yabancı Kay. (Net)	.....
3 — Mamuller veya Emtesa	.....	III — ÖZ KAYNAKLAR	.....
4 — Diğer	.....	A — Çıkarılmış veya Odenmiş Sermaye	.....
E — Diğer Dönen Varlıklar	.....	B — Yedek Akçalar	.....
II — DURAN VARLIKLAR	.....	C — Karşılıklar	.....
A — Uzun Vadeli Alacaklar ve Fonlar (Net)	.....	1 — Yatırım İndirimi	.....
B — Bağlı Menkul Kıymetler	.....	2 — Yenileme Fonu	.....
C — İştirakler (Net)	.....	3 — Diğer Karşılıklar ve Özel Fonlar	.....
D — Yapılmakta Olan Yatırımlar	.....	D — Yeniden Değerleme Değer Artış Fonu	.....
E — Sahit Değerler	.....	E — İştiraklerde Değer Artış Karşılığı	.....
(—) Birikmiş Amortismanlar, Tükenme ve İtfâ Payları	(.....)	F — Dağıtılmamış Karlar	.....
F — Diğer Duran Varlıklar	.....	G — Dönem Karı	.....
III — DİĞER VARLIKLAR	.....	H — (—) Zararlar	(.....)
		1 — Geçmiş Yıllar Zararları	(.....)
		2 — Dönem Zararı	(.....)
		IV — DİĞER KAYNAKLAR	.....
AKTİF TOPLAMI	.....	PASİF TOPLAMI	.....
NAZİM HESAPLAR	.....	NAZİM HESAPLAR	.....
AKTİF GENEL TOPLAM	.....	PASİF GENEL TOPLAMI	.....

Bilanço Dip Notları :

- 1 — Kayıtlı sermaye sistemini kabul etmiş bulunan ortaklıklarda kayıtlı sermaye tavanı,
- 2 — Stok değerlendirme yöntemleri, envanter ve amortisman yöntemlerine ilişkin açıklayıcı notlar,
- 3 — Aktif değerler üzerinde mevcut bulunan toplam ipotek veya teminat tutarları,
- 4 — Aktif değerlerin toplam sigorta tutarı,
- 5 — Alacaklar için alınmış olan ipotek ve diğer teminatların toplam tutarı,
- 6 — Pasifte yer almayan taahhütlerin toplam tutarı.

Source: Resmi Gazete 13 Şubat 1983, p. 41

13 Şubat 1983 — Sayı : 17068 RESMİ GAZETE

Sayfa : 41

APPENDIX 13: BALANCE SHEET OF UŞAK TERAKKI-I ZIRAAT, INC. 31 DECEMBER 1926 (UŞAK TERAKKI-I ZIRAAT TÜRK ANONİM ŞİRKETİNİN 1926 SENESİ BİLÂNÇOSUDUR)

Nev-i Matlubat

Fabrika	1.654.849,35 Lira
Demirbaş Eşya ve Mefruşat	3.980,20
Faal Ziraat Makineleri	44.481,92
Alet ve Levazım-ı Ziraiye Emtia Malzeme Ambarı	153.704,45
Muhtelif Borçlular	181.086,30
Sanayi ve Maadin Bankası Borçlu Hesap Carisi	40.910,90
Malup Senedat ve Kıymetli Evrak Cüzdanı	46.313,58
Hesabat-ı Muallâka	31.398,84
Taahhüt Edilip Henüz Tahsil Edilmemiş Hisse Senedatı	280.966
Hesabat-ı Nazıme (Hesap-muhesebe ücreti)	151.968
Uşak Ziraat Bankası Şubesi Tevdiat Hesabı	1.255,95
Kasa Mevcudu	5.669,64
Kar ve Zarar Bakiyesi	137.441,89
Yekûn	2.733.927,08

Nev-i Duyun

Sermaye	1.200.000 Lira
Muhtelif Alacaklılar	79.735,08
İzmir İş Bankası Alacaklı Hesap Carisi	17.474,52
Türkiye Sanayi ve Maden Bankası Açık Hesap Carisi	1.093.183,66
Skoda Fabrikası	32.832,35
Tediye Senedatı	122.879,43
Hesabat-ı Muallâka	34.354,04
Hesabat-ı Nazıme	153.468
Yekûn	2.733.927,08

Source: <http://www.mehmetseker.com.tr/seker-fabrikasinin-oykusu/seker-fabrikasi-1926-3> [Retrieved 4/30/2023]

APPENDIX 14

STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2010	2009
BUSINESS		
Operating		
Accounts receivable, trade	945,678	541,375
Less allowance for doubtful accounts	(23,642)	(13,534)
Accounts receivable, net	922,036	527,841
Inventory	679,474	767,102
Prepaid advertising	80,000	75,000
Foreign exchange contracts—cash flow hedge	6,552	3,150
<i>Total short-term assets</i>	<i>1,688,062</i>	<i>1,373,092</i>
Property, plant and equipment	5,112,700	5,088,500
Less accumulated depreciation	(2,267,620)	(2,023,500)
Property, plant and equipment, net	2,845,080	3,065,000
Investment in associate A	261,600	240,000
Goodwill	154,967	154,967
Other intangible assets	35,000	35,000
<i>Total long-term assets</i>	<i>3,296,647</i>	<i>3,494,967</i>
Accounts payable, trade	(612,556)	(505,000)
Advances from customers	(182,000)	(425,000)
Wages payable	(173,000)	(200,000)
Share-based remuneration liability	(39,586)	(21,165)
Current portion of lease liability	(35,175)	(33,500)
Interest payable on lease liability	(14,825)	(16,500)
<i>Total short-term liabilities</i>	<i>(1,057,142)</i>	<i>(1,201,165)</i>
Accrued pension liability	(293,250)	(529,500)
Lease liability (excluding current portion)	(261,325)	(296,500)
Other long-term liabilities	(33,488)	(16,100)
<i>Total long-term liabilities</i>	<i>(588,063)</i>	<i>(842,100)</i>
Net operating assets	3,339,504	2,824,795
Investing		
Available-for-sale financial assets (short-term)	473,600	485,000
Investment in associate B (long-term)	46,750	39,250
Total investing assets	520,350	524,250
NET BUSINESS ASSETS	3,859,854	3,349,045
FINANCING		
Financing assets		
Cash	1,174,102	861,941
Total financing assets	1,174,102	861,941
Financing liabilities		
Short-term borrowings	(562,000)	(400,000)
Interest payable	(140,401)	(112,563)
Dividends payable	(20,000)	(20,000)
<i>Total short-term financing liabilities</i>	<i>(722,401)</i>	<i>(532,563)</i>
Long-term borrowings	(2,050,000)	(2,050,000)
Total financing liabilities	(2,772,401)	(2,582,563)
NET FINANCING LIABILITIES	(1,598,299)	(1,720,621)
DISCONTINUED OPERATIONS		
Assets held for sale	856,832	876,650
Liabilities related to assets held for sale	(400,000)	(400,000)
NET ASSETS HELD FOR SALE	456,832	476,650
INCOME TAXES		
Short-term		
Deferred tax asset	4,426	8,907
Income taxes payable	(72,514)	(63,679)
Long-term		
Deferred tax asset	39,833	80,160
NET INCOME TAX ASSET (LIABILITY)	(28,255)	25,388
NET ASSETS	2,690,132	2,130,462
EQUITY		
Share capital	(1,427,240)	(1,343,000)
Retained earnings	(1,100,358)	(648,289)
Accumulated other comprehensive income, net	(162,534)	(139,173)
TOTAL EQUITY	(2,690,132)	(2,130,462)
Total short-term assets	4,197,021	3,605,591
Total long-term assets	3,383,231	3,614,377
Total assets	7,580,252	7,219,968
Total short-term liabilities	(2,252,057)	(2,197,406)
Total long-term liabilities	(2,638,063)	(2,892,100)
Total liabilities	(4,890,120)	(5,089,506)

Source: FASB/IASB Discussion Paper (October 2008, p. 72). Preliminary views on financial statement presentation, FASB and IASB