

**THEORY OF ACCOUNTS
FOR ACCOUNTANT
STUDENTS**

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Theory of accounts for accountant students by Edward Malcolm Hyans

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EDWARD MALCOLM HYANS

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BY

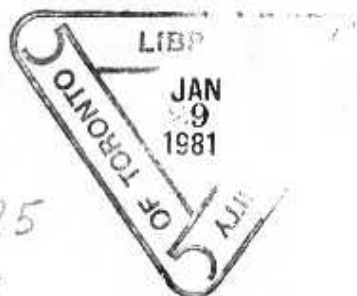
EDWARD M. HYANS, C.P.A.



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PREFACE.

The distinct purpose kept constantly in mind while writing this work on the theory of accounts has been to meet fully the special needs of students who, intending ultimately to become Certified Public Accountants, desire particular and thorough preparation in the higher field of accountancy, as well as for those, who desire a broader knowledge of accounts, without necessarily preparing themselves for professional practice.

The theory, forms and definitions which follow combine the opinions of the highest authorities; tempered by the author's personal views matured by his many years' practical experience in accounting. The extent to which the author has availed himself of the works of well-known authorities will be apparent to those who are familiar with their productions.

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Member Institute of Accounts, New York.

Fellow American Association of Public Accountants.

Honorary Member Universal Society of Accountants.

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INTRODUCTION.

Business records in some form were doubtless employed far back in the history of trade and credit, but of bookkeeping's early forms we know almost nothing. From Leonardo of Pisa's works it seems certain that the merchants of Italy, Spain, and France had been practicing systematic bookkeeping for a considerable time prior to the thirteenth century. To the enterprising merchants of Genoa, Florence, and Venice we are mainly indebted for the system of bookkeeping which is the most advanced at the present time. In 1495 A. D., Luca Pacioli or Luca di Burgo, a Tuscan friar, published a work containing a treatise on the double entry system, the first satisfactory treatment of the subject of which existing records have been discovered. That system spread to England by way of the Netherlands, and from England gradually to all parts of the world. It is quite worthy of notice that the more complete system of double entry was highly developed and had come into general use long before the system of single entry.