

## REVIEW

by Dissertation Council member Professor Alan Sangster  
on the thesis submitted by  
Bagdasaryan Ripsime Arturovna

EVOLUTION OF DOUBLE-ENTRY BOOKKEEPING IN THE FIRST CENTURY OF ITS APPLICATION (based  
on real accounting books of medieval companies)  
Specialization 08.00.12 – Accounting, statistics Research is submitted  
For the degree of candidate of science in Economics

Having read the doctoral dissertation of Bagdasaryan Ripsime Arturovna in the English-language version, pages 242-476, I am now ready to offer a series of observations and draw conclusions concerning the academic quality of the said work. The stated subject of the research is “the study of literary sources and archival scripts of medieval accounting, in which companies that use double-entry bookkeeping stand out, in particular the Second Company of Datini in Pisa, as well as to consider and identify general regularities and specific features for the development of accounting procedures, along with approbation methods for the main elements of the double-entry bookkeeping method.” (page 246).

The dissertation consists of an Introduction, three chapters, a Conclusion and 30 pages of archival sources and references used. There is also a 38 page appendix containing additional figures and tables to those that were included in the main text. These appendix items were referenced in the main text.

The dissertation addresses an interesting and under-researched period of accounting history. It uses the literature well, covering the salient Russian literature and comparing and contrasting it with the Italian and English language literature on this topic. In places, the analysis is particularly insightful. For example, the discussion of the relevance of periodicity to sole proprietors on page 292 is refreshingly blunt and to the point, in addressing a topic that accounting historians generally neither understand nor wish to understand, because they view it as ridiculous that periodicity should not have been important to everyone. It is good to see someone being realistic about this topic for a change.

Coincidentally, on the same page (292), another interesting and enlightening discussion is opened on the subject of the impossibility of accurately identifying overall profit from unadjusted accounts when merchandise accounting is being used. This theme underlies much of the dissertation, which has a focus primarily on merchandise accounts and the manner in which they were used, not just to identify profit or loss on individual lots of goods but, also, to identify the overall profit of a company. Many interesting sub-topics are presented, including how unclarified profits at the cessation of one company were only defined in the company to which all the assets of the closed company were transferred (page 302); the use of bankers to avoid the use of cash (pages 311, 335-360); estimating the cost of closing inventory to achieve a realistic figure for profit or loss (page 369); and the extensive coverage of adjusting entries at the end of a period on pages 383-401.

One major feature of this research is that many consider the source materials to be too difficult to read (because of the form of handwriting and widespread use of abbreviations) and too difficult to understand (because they are written in 14<sup>th</sup> century Tuscan dialect) and, consequently, not worth the effort to research. It is also assumed that they have already been analysed in detail. This dissertation demonstrates very clearly that those who hold those views are incorrect. That alone makes the contribution of this dissertation beyond dispute. A second major contribution is the use of analytical modelling, to present the path data took through the double entry system, clarifying it in a manner impossible in words alone. In addition, in the detail, as indicated above, many topics are covered that make significant contributions to knowledge and understanding of the medieval history of accounting.

Overall, therefore, I have no doubt that this dissertation makes a major contribution to our knowledge and understanding of the history of accounting through a highly detailed case from the late 14<sup>th</sup> century concerning how a double entry bookkeeping system was perfected in a Tuscan business with many branches. For that time period, the subject materials are uniquely extant, making this clearly an incomparable exemplar of the issues bookkeepers had to deal with at that time.

There are, however, some minor weaknesses in the dissertation that should be mentioned. One is obviously an unfortunate oversight: the description of the reports produced by Datini's companies as examples of a *Summa Summarum* on pages 250 and 405 – in several places in the dissertation, it is clear that it is understood very clearly by the candidate that it is a *bilancio*, a trial balance listing all the debit and credit account balances. Another weakness may be due to some poor translation into English of the section (3.1) on bills of exchange, on pages 335-360: I found parts of this material impossible to understand; and the conclusion to that section, that there was no financial advantage resulted from bills of exchange (page 360) would be better phrased as Datini not appearing to have speculated in bills of exchange but, instead, used them primarily as a means of moving funds from one place to another. This finding would make an interesting contrast with the views on this topic of Raymond de Roover, and it is something I hope the candidate may explore in future studies.

The dissertation meets the basic requirements established by Order No. 6821/1 of 1 September 2016, "On the Procedure for Awarding Academic Degrees at Saint Petersburg State University," candidate Bagdasaryan Ripsime Arturovna deserves the award of the scientific degree Candidate of science in Economics in the Specialization 08.00.12 – Accounting, statistics Research. Clause 11 of the aforementioned Order by the author of the thesis is not broken.

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