ACCOUNTING THOUGHT: ITS EVOLUTION AND DEVELOPMENT AROUND THE WORLD

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ABSTRACT

The indispensability of history to policy-making and settling of standards cannot be overemphasized. Thus, the history of accounting thoughts familiarizes accountants with the persons, concepts, researches, and teachings that establish our heritage. It was on this premise that this study examined accounting thought: its evolution and development around the world. It was a qualitative research and secondary sources from internet materials, textbooks, journals, and oral accounts have been adopted. It was discovered that accounting thoughts have developed as a response to the changes in the sociological, technological, political and economic environment. In the same vein, it has also advanced along geographical lines to meet the diverse needs of national values, finances and partisan systems. Many nations have followed the lead of the more advanced countries of the world. but there is increasing evidence that no single nation or group of nations has a monopoly on the development of accounting thought and accounting research.

KEYWORDS: Accounting, Evolution of Accounting, Accounting Development, Accounting Thought

1.1 INTRODUCTION

World Over, the indispensability of accounting to the effective and efficient running of organizations cannot be overemphasized. It fosters the course of every organization. Accounting is generally termed as the language of all forms of businesses throughout the universe (Balogun, Okoye & Prince, 2015). The language is the means of communication of ideas, thoughts or feelings by the use of conventionalized signs, marks, gestures and articulated vocal sound. Accounting is a highly integrated and organized discipline, the relevance of which has been found in various areas of socio-economic activities. Accounting is instrumental to the survival of any business engagement, given that it aids organizations in the same way models assist an Architect to construct buildings.

The development of accounting seems to have birthed numerous controversies in noticeable areas such as accounting concepts, accounting policies and principles and conventions. These controversies are rooted in the history of the profession and therefore give the impetus for this study to examine the history of accounting thought. It is a fact that history allows us to understand the genesis of things (past), appreciates our present and controls the future. Historical research has the potency to increase our knowledge to make decisions on a wider and more informed basis. Thought is an arrangement of ideas to come up with a logical and coherent explanation. Thus, Accounting thoughts mean guesses and theories arising from pragmatic and empirical examinations of accounting which have become a body of knowledge (principles or axioms) approved for the guidance of the practice of accountancy.

Several studies (Gari, Lee, Edward, 1990; Obara, 2004; Salvador, Mahmoud & Fernando, 2004; Farcas, 2013; Balogun, Okoye & Prince, 2015; Onuoha & Enyi, 2019) have been carried out in this context. However, none of these studies take into consideration the development of accounting in different continents of the world. Hence, the history of accounting as related to different continents is the focus of this study. Specifically, the study examines the evolution of accounting, the development of accounting in various continents of the universe, the contributions from various civilizations to the field of accounting, the perspectives of various contributors to theories of accounting and the development of accounting framework.

The justification of this study is found on the eagerness of the researcher to relate the historical state of accounting to the positive state and then the normative state. That is, to relate the genesis of accounting to its current state and what it ought to be. This is imperative because knowledge is a continuum and it is not limited by environmental isolation. In the same vein, the indispensability of history to policy-making and settling of standards cannot be overemphasized. Thus, the history of accounting thoughts familiarizes accountants with the persons, concepts, researches, and teachings that establish our heritage. It enlightens us on the development of accounting through which we have reached a present-day convention. Accounting history also inspires considerate scholars to ponder on the interdisciplinary views of accounting and its environmental context.

In professions, historical linkages have been found to be an inevitable way to improve on the conduct and performances of practitioners, accountancy is not an exception. It is important to understand and appreciate the present and future practices of accounting as well as the institutional structure of the discipline. The changing roles of accounting and accountants in the face of growing threats from application and misapplication of technology, globalization, ecological and environmental concerns expressed through climate change adaptation and or mitigation and such like. These issues and the possibility of enhancing this growing field of specialization in accounting training are the core drivers for this appraisal.

2.0 LITERATURE REVIEW

According to the Committee of Terminology of American Institute of Certified Public Accountant (AICPA) cited in Balogun, Okoye and Prince (2015), accounting is defined as the process of identifying, classifying, measuring, analyzing, summarizing, recording and communicating financial information in a significant manner to its users which could either be internal or external for quick decision making. The internal users are the individuals or groups who run, manage and operate the day to day activities within an organization. Some of them include owners, stockholders, directors, managers, officers, internal departments, employees and internal auditors among others. While the external users are those people who take interest in the account information of an organization but they are not part of the organization's administration process. Also, they have a direct/indirect interest in accounting information. Some of them include the creditors, debtors, investors, government, trading partners, regulatory agencies, journalists, consumers/customers, suppliers, and competitors among others (Onuoha & Enyi, 2019).

According to Onuoha and Enyi (2019), accounting is the language of all forms of business. accounting language serves as a means to communicate matters relating to various aspects of business operations. As the individual business enterprises keep their accounting records separately, the offer to communicate is fundamental from an enterprise to the various individuals, groups, bodies and institutions that developed interests in the operations of that enterprise. Frank, Gary and Miklos (2018) viewed accounting as the process of identifying, measuring, recording and communicating of financial data and information. Base on the foregoing, accounting is the process of identifying, recording, analyzing, grouping, summarizing and reporting required financial information relating to the economic events of a business enterprise of the interested users for making the right decision.

The roles of accounting can hardly be exaggerated in the sense that accounting has developed over the years to serve an economic system that has become increasingly complex. Accounting provides vital information upon which the economic decision is not a far-fetched idea, though its best application is found in the microeconomic units of the economy for day to day decisions. However, the principal beneficiary of accounting information is the management of the business which produces accounting These definitions have itemized the key phases involved in accounting and its end-purpose. Accounting is, simply put, a service activity that is expected to provide quantitative financial information for making informed economic decisions with verifiable facts about the future.

Thought means patterns in one's mindset that is subject to change and fall within the reality of things. In the view of Agbi, Friday and Sanusi (2017), thoughts encompass an aim-oriented flow of ideas and associations that can lead to a reality-oriented conclusion. In the opinion of Frank et al (2018), thoughts underlie many human actions and interactions, understanding its physical and meta physical origins and its effects has been a longstanding goal of many academic disciplines such as philosophy, psychology, accounting, linguistic, neuroscience, biology, artificial intelligence, sociology and cognitive science among others.

In the context of accounting, thoughts represent the coherent set of principles, ideas, decisions which have become a body of knowledge (principles or axioms) approved for the guidance of the practice and learning of accountancy and accounting. Excavations carried out by archaeologists invariably discovered evidence that accounting thought is a feature of early civilization in the universe (Onuoha&Enyi 2019). Accounting thoughts or ideas in different parts of the world begin in a crude, rudimentary and nebulous fashion. The use of clay tablets, notches on sticks, marks on the wall, counters in calabashes was used as their financial and business reporting parameters. The rudimentary system engaged in different nations appeared similar to one another. However, Luca Paciolo's 1494 book of double-entry developed the accounting thoughts in the universe by changing the system of record-keeping and introduced what is known today as modern accounting systems. Thus, as a result of the steady improvement /development of accounting thus, different accounting bodies were established in different nations. The formation of accounting bodies tremendously engenders better accounting practice and training to date.

2.1 Evolution of Accounting

The review of the evolution of accounting can be classified into ancient accounting system, accounting in Prehistoric Egypt, Greece, China and Rome and Accounting System in the Medieval Era. Concerning the chronicles of the ancient accounting history, it was gathered that 5000 years before the advent of the double-entry accounting system, the Chaldaean, Babylonian, Assyrian and Sumerian societies were thriving in the Mesopotamian Valley, which produces some of the primogenital records of commerce (Lee, 1977). Between the Euphrates Rivers and Tigris, now known as the border of Iraq, intermittent flooding made the valley rich for agricultural purposes. As farmers prospered, both the small industries and service businesses became developed in the Mesopotamian Valley and its environs. Hence, the cities of Nineyah and Babylon became the center for country trading and commerce while the Babylonian became the business language all over the Near East.

During this epoch, the rulers of Sumerian societies held most animals and land in belief for their ancestors, giving spur to the ancient record-keeping system. Angus (2014) opined that the legal code that advanced castigated the failure to memorize transactions. However, it is believed that most business transactions were subscribed and recorded by the parties during this period. The scribe was the Mesopotamian corresponding of today's accountant. Though, his duties and responsibilities were similar, but more extensive. Weston (2014) asserted that in addition to transaction write-up, he certified the agreements conformed with the code requirements details for the commercial transactions. During this era, private firms, palaces and temples, employed the service of an associate of scribes. Thus, it was acknowledged as a prestigious profession.

The humid soil was molded into different adequate sizes and shapes to comprehend the agreement terms and conditions. Bisman (2011) added that with the usage of a timber rod with a triangular end, the scribe documented the particulars of the contracting parties, money and items exchanged and any other set of promises and agreements made. After which, the parties signed their names by pressing their respective seals on the tablet. During the ages of mass illiteracy, individuals carried their signatures inform of engraved stone amulets with wearer's mark around their necks. Habitually, the seals comprised the owner's full name and religious symbols. After the imprint, the scribe would dry the tablet in the sun for crucial transactions which needed an eternal record. However, government businesses were conducted from Mesopotamia to ancient Egypt, Greece, China and Roman majorly by the scribes.

The ancient accounting system in ancient Egypt was parallel to Mesopotamia (Carmona, 2004). Though, the practice of papyrus alternatively than soil (clay) tablets permitted more comprehensive records to be easily made. Thus, extensive records were kept. The Egyptian storekeepers allied with each storehouse kept scrupulous records, which were checked by an intricate internal verification system. According to Carmona (2007), the ancient Egyptian accounting system never advanced beyond simple list-making in its existence for thousands of years. Possibly additional factors, lack of coinage system and illiteracy seemed to have thwarted its growth and development. Also, the inability to describe all items and services in terms of a single estimation, summation and cumulation affected the process.

Basically, ancient China used the ancient accounting system predominantly as a skill for appraising the efficiency and effectiveness of the government plans and public officers who administered them. ……… asserted that a level of complexity was attained during the Chao Dynasty (1122 - 256 B.C.), which wasn't exceeded in China not until after the double-entry introduction in the 19th century. Furthermore, the most imperative contribution of Greece to accounting was the invention of coined money around 600 B.C. (Carnegie & Napier, 2012). In the 5th century B.C., Greece used public accountants to control government finances. The widespread usage of the coinage system impacted the development of the accounting system. Thus, the ancient Greece banking system seems to have developed than in the preceding societies. However, the bankers loaned and changed money, kept account books and arranged for transfers for citizens through the associate banks in distance cities.

In ancient Rome, the government and bank accounts evolved from the records kept traditionally by the heads of each family, whereby day-to-day entry of household payments and receipts were recorded in a daybook called an adversaria and scheduled postings were made to the cashbook known as codex acceptietexpensi. These records were used as the basis for taxation and determination of civil rights. Among Roman accounting, revolutions were the use of an annual budgeting system, which attempted to harmonize the inadequate expenditures to the estimated revenues, kingdom's diverse financial enterprise and the levied taxes taking into consideration the citizens' capability to pay.

Thousands of years in between the fall of the Roman territory and invention of Luca Pacioli's Summa were extensively considerably seen as the duration of accounting stagnation in the universe and the feudal practices outside ancient Italy are often overlooked in historical summaries. Vokshi, Ahmeti, Dermaku, and Ujkani, (2013) observed that the medieval agency accounting placed the basics for the dogmas of conservatism and stewardship, and this era navigated the need for rapid growth in accounting science that passed off during the Renaissance. The dominant function of accounting during this era was to permit the property owners or government to monitor those in the lower portions of the socio-economic pyramid. The medieval bookkeeping system was confined and placed on the specialized institutions of the feudal manor, while the oldest existing accounting records in English is the Great Roll or Pipe Roll of the Exchequer, which offers a yearly description of fines, rents and taxes due to the King of England, from 1130 A.D. through 1830.

In the opinion of Vokshi and Nimani (2011), the advanced Italians of the Renaissance (14th - 16th century) are widely accredited to be the fathers of modern accounting. He added that they preeminent trade and commerce to higher levels and dynamically hunted for better and advanced methods of determining their profitability levels. However, Arabic numerals had been acquainted with long before, but it was once for the duration of this period that the Italians grew to be the first to use them frequently in monitoring commercial enterprise accounts. Also, they kept wide commercial enterprise records, as the use of credit and capital on large scale developed. Thus, the evolution of accounting drifts towards double-entry bookkeeping.

2.2 Double Entry Accounting System

In the 14th century, it was believed that economic records started in Italy parallel to commerce and trade developments (Bisman, 2012). Also, in 1491, Frater Luca BartolomesPacioli, an Italian mathematician and Franciscan published a mathematical book titled, “Summa de Arithmetica, Geometria, Proportioni et Proportionalita” which means “Everything About Arithmetic, Geometry and Proportion” in Venice. The book is the first published accounting book in which the book-keeping regulations were discussed in a section. Carmona (2007) asserted that the bookkeeping regulations were based on Venetian Method. Double-entry system serves as the basis of financial records for all forms of businesses and organizations to date.

Luca Pacioli was a factual Renaissance man, with literature, mathematics, art, sciences and business knowledge at a time when only a few could read and write. He was born in 1445 at Borgo San Sepulcro in Tuscany. He accepted the popular belief in the interrelatedness of the widely varying knowledge he had, such as accounting and mathematics which proclaim balance and harmony. However, Pacioli has never claimed to have created the double-entry bookkeeping/accounting system. Although, 36 years before his enormous dissertation on the theme, Benedetto Cotrugli wrote a book titled, "Delia Mercaturaet del Mercante Perfetto" meaning "Of Trading and the Perfect Trader" added a brief section relating the features of the double-entry accounting system. This work was not published for more than a century. Pacioli became acquainted with the text and ascribed Cotrugli with instigating a double-entry system of accounting. Nonetheless in the accounting field, Luca is a forerunner. Thus, he is known as the father of Accounting.

2.3 Civilization and Accounting Development

At the conception of civilization in the universe, accountants in general were present, sustained their significance throughout the olden times till date and proved indispensable at the various stages of cultural growth and development starting from the most primitive record keeping system together with the invention of writing skills, to double entry bookkeeping system, cost accounting of multifaceted manufacturing firms, the growth and development of professional accounting and management which went hand-in-hand, through the amazing ICT of the information ages. In brief, civilization cannot be in existence without the sophisticated accountants together with their dynamic creativities and inventions.

The evolution of bookkeeping/accounting on information is gathered, analyzed and interpreted is as old as mankind and unequivocally crucial to civilization (Angus, 2014). Since the commencement of businesses and trade, civilization has inferred the need for an accurate record-keeping system. Thus, in light of the new facts, views and opinions were reversed. Bookkeeping and Accounting, as it is practiced today, advanced gradually over the years and one cannot pinpoint the exact time of the primary accounting system in the universe.

Accounting evolved to satisfy people's desires for information (Balogun, Okoye& Prince, 2015). Members of the ancient tribes certainly adopted some elementary accounting rules to maintain orderliness in the society. To support this, Barry (2019) added that accounting system is needed to preserve the track of trading activities among different tribes. As time advanced, in terms of business activities, accounting became a necessity to provide information about commerce and other trading ventures.

However, with the industrial evolution (civilization) in the universe, the upsurge in corporate businesses and the initiation of income taxes, more financial records (information) were called for. Any conclusion may be tentative as additional information may lead to different interpretations. Balogun et al. (2015) asserted that the accounting practices and concepts were revised to meet up with the prospect of times. Though, it is an evolution process that seems to be in existence till the end of the universe. The discovery of historical events became difficult, but finding out the ins and outs were even more demanding. Hence, the table below depicts the evolution of civilized accounting world:

Table 1: Civilization and Accounting Development

Time	Civilization Events	Accounting Development
8000 BC	Invention of Tokens for inventory	Establishment of stone age culture
3100 BC	Development of Cuneiform writing for complex commerce and trade.	Establishment of papyrus scrolls in the ancient Egypt.
2200 BC	Introduction of metal medium of exchange.	Metal turn out to be a medium of exchange in the Middle East while the ancient Egypt accounting system was adopted.
1292 BC	Practice of international trade	Letter to Ramses II, first record of international trade (selling iron to Egypt)
650 BC	Invention of the first gold coins in Lydia, i.e. the first government mint	Laws of Solon in Athens, birth of democracy. Also, paper was invested in China by CaiLun in China, but later passed to Arabs in the 9th century and sooner to Europe
1100	Piscan Document demonstrates systematic but primitive bookkeeping	Italian merchants expand trade from Europe to the Far East
1275	Tariffs introduced in England on exports and imports.	Development of bookkeeping system by Italian merchants
1300	Trade fairs at many European cities; mechanical clocks are found in Europe.	Accounting records of Giovanni Farolfi& Co. validate a complete double entry bookkeeping system in place.
1494	Portugal and Spain split the New	Luca Pacioli's Summa codifies the

	World in-between them in the Treaty of Tordessillas	double entry bookkeeping system; then, the Medici accounts switched from the Roman to Arabic numerals
1581	The Dutch Republic was founded	College of Accountants in Venice formed the earliest association of accountants.
1750	In England, the industrial revolution started where the factory system substitutes the handicraft products	Innovation of Cost accounting system.
1782	Establishment of the first commercial bank in United State, Bank of North America.	Introduction of balance sheet by East India Co
1789	Washington inaugurated as the first president	Establishment of federal accounting system
1831	Commercial railroads running in Britain and the U.S.	Bankruptcy Act of Britain, first official recognition of accountants
1844	Telegraph provides instant communication among financial centers, dozens of railroads on New York Stock Exchange.	Audit becomes compulsory under British Companies Act
1862	Issuance of the first federal banknotes, "greenbacks"	Creation of the Internal Revenue Service
1882	Edison designs the first hydroelectric plant	Establishment of the Institute of Chartered Accountants in England and Wales
1887	Establishment of the Interstate Commerce Act to control the	Formation of the American Association of Public Accountants

	construction of railroads	(AAPA)
1905	Motor buses was first used in London	AAPA develops the first ethical rules
1908	Production of first Ford Model T.	Establishment of direct and standard costing accounting system.
1910	Mexican Revolution	Invention of Return on investment (ROI) at DuPont
1913	Invention of electric refrigerators	Establishment of First in first out (FIFO) accounting system.
1923	Invention of Bulldozers and acquisition of the rights for a cellophane.	The modern cost accounting system was in place at General Motors
1936	Completion of Boulder Dam.	Establishment of the Committee on Accounting Procedure (CAP) and the Generally Accepted Accounting Principles (GAAP) was first used in AIA committee report
1950	Development of computer system, beginning with the IBM 702.	Introduction of the first credit cards for transaction
1959	Development of the integrated circuits	Replacement of CAP with Accounting Principles Board (APB)
1969		Establishment of the Accounting Standards Steering Committee in England and Wales to issue a Statement of Standard Accounting Practice (SSAP)
1973	Development of International	Formation of International

	Accounting Standard Committee (IASC) through an agreement of accountancy bodies in ten different countries.	Accounting Standards Committee (IASC) in London
1977		Organization of the international professional activities of the accountancy bodies under the International Federation of Accountants (IFAC)
1981		Merging of IASC and IFAC to form International Accounting Standard
1989	Congress reforms savings & loan industry, creating the Resolution Trust Corp.	The big six issues the white paper critical of accounting education; Creation of Accounting Education Change Commission Deloitte &Touche and Ernst & Young mergers reduce Big 8 to Big 6
2001 till date.		Restructuring of IASC to International Accounting Standards (IAS) now known as International Financial Reporting Standards (IFRS)

Authors Compilation, 2019

2.4 Influence of Recent Developments on the Growth of Accounting Thoughts.

Recent developments such as globalisation, cybercrime, technology, cultural transformation and vagaries of economic changes all exert tremendous pressures on accounting and accountancy. Many fundamental theories, axioms and principles are challenged by rapidly industrialised economies and constantly growing complexity and advancement in technology. Society is demanding for a fair involvement of businesses in conservation such that issues of global warming and consequent climate change phenomenon, biodiversity loss and eco-efficiency of production systems, natural resource accountability for remediation of fast disappearing or degraded natural resources and the insistence on disclosure of environmental activities as well as steps taken to decommission unsuitable technologies.

Today, we question the value of the trial balance as a tool for accounting control in the face of computer software; ditto the double entry principles; concerns of standardising management accounting reports to facilitate performance measurement across industries and nations. The challenge posed by cyber fraud puts the accountancy profession to task to evolve both forensic and other forms of tools for tracking transactions that have no apparent audit trail. The development of global standards to cater for reporting needs of stakeholders and regulators are quite demanding for researchers to catch up with and surpass the pace of changes.

3 Development of Accounting in different Continents

3.1 Africa

The development of accounting seems to have taken different routes in each continents of the universe. The evolution of African system of accounting can be periodized into 3 phases which include: the colonial period, early post-colonial era (1967-1998) and the globalization era (1998 onwards). The expansion of accounting in Africa, like other continents, began with very rudimentary methods. The practice of drawing lines on the wall and indentations on sticks were typical of the African approach. Also, counters were commonly used, involving farm products such as palm kernel, grains, and other items like cowries and pebbles. Financial records were nebulous and unsystematic (Barry, 2019). Language barriers and cultural differences could not help matters at all. During the colonial period, the African accounting systems were fundamentally those of the grand powers who colonized and partitioned the continent.

According to PranKrishansing (2003), the ancient African system of accounting can be broadly classified into two categories: the Anglo-American or Anglo-Saxon that is, the judgmental accounting approach and the Franco-German which is the uniform accounting model. Also, most of the African countries modified one of the stated dominant models, whichever one was communicated through commerce and overseas direct investment by transnational firms imposed throughout the colonial era. Nevertheless, Illiteracy has had a serious bearing in the early development of accounting in Africa. Until Pacioli's first publication in 1494, the universe was in a period of dark ages. In Africa, Nigeria in particular, people lacked knowledge of how to read and write. The development of various accounting bodies and the increased knowledge in the 21st century eased the initial complications associated with the accounting development in Africa. There are knowledgeable accountants today than four centuries ago (Rahman, Perera, & Ganesh, 2002).

3.2 Australia

Australian accountancy takes an exclusive interest of accounting scholars, not solely because of its active academic impact upon the improvement of accounting thoughts, but also for its identifiable variations compared to that of the USA and UK (Sandra, 2014).Accounting in Australia was influenced by the British accountancy until 1970 and by the American thereafter. Ahrens and Chapman (2002) gathered that Australia has been categorized by some advanced efforts to advance accounting reporting system. Hence, Australian accounting system has been a universe front-runner in accounting theory and thoughts contributions, mostly since the 1960s. The early development of the accounting used to be fragmented by state.

According Sandra (2014), each state and territory of the Australian Commonwealth had its own way to deal with incorporated companies and their external financial reporting not until 1981. Various accounting professional bodies in Australia include Institute of Chartered Accountants in Australia (ICAA) and Australian Society of Accountants (ASA). Prior the drive towards the integration of both the practicing firms and professional organizations, the upsurge and descent of many professional bodies was a unique phenomenon (Englund, Gerdin& Burns, 2011).

3.3 Europe

Historically, during the rule of Louis XIV in the 17th century the French administration was ruled by an influential person named Jean Baptiste Colbert who relates directly to the king.

One of his major tasks was to propose the organization and establishment of trade rules, taxes and companies. Also, he was abetted by the ambitious and young Jacques Savary who was successful in the clarification and interpretation of the Italian trade practices as well as in the perilous analysis of French trade. Toth (2010) proclaimed that Savary prepared the Commercial Act while the king disseminated it in 1673.

Savary believed that good trade law should grasp the provisions related to financial statements accounting. Thus, this French law turned to a model example of how to rule the European economy and was interpreted in Netherlands, Germany, Italy and England (Caria, & Rodrigues, 2014). The Law became beneficial for exemplifying a large number of cases of bankruptcies and frauds in France as well as the methods of solving such difficulties. For that reason, some European nations directly acknowledged the Savary Law as their own (Netherland and Belgium), and others such as Germany and Sweden used it as the foundation for establishing their laws.

Fundamentally, from 1673 the French Law was not acknowledged by the United Kingdom as the utmost developed industrial nation in the 17th century. Moreover, the United Kingdom followed a track different from the continental model. According to Coppolaro and Lains (2013) the historical evolution of the accounting regulations, being the professional body governing the accounting thoughts, goes back to 17th century France. Cordery (2012) added that in 1809, Napoleon's Code de Commerce was implemented. The law was the base for the trade laws in the other European countries (Netherlands, Belgium, Sweden, Germany, and lots more).

Real contributions to accounting history literature started in the 19th century and were dominated by Germans and Italians. The growth and development of modern information technologies and financial markets are bringing globalization to the European economy (Modell, 2012). Globalization is accompanied by the harmonization of the accounting rules and regulations. Also, the harmonization is in line with the direction of the application of IAS or US GAAP standards. Variances among these standards are falling. Date back to history, the harmonization processes took place in three-phases which include Directive Phase (EC, EEC, EU from 1978), Napolean's Law Phase (From 1807) and the US GAAP Phase (from the 1980s) and IAS (from 1995).The accounting rules and regulations of the European countries are chiefly comprehended by the company's law (commercial law).Conrad (2005) acknowledged the synchronicity of different accounting systems has extended the compliance charges and has decreased the complexity to examine firms' performance among different nations and within each nation, between the listed and unlisted groups (Alexander &Jernakowicz, 2006).

3.4 North America

With the founding of the first English colonies in America, bookkeeping/accounting once played a crucial role in the growth and development of American trade and commerce (Bisman, 2012). Historically, for businesses and individuals, accounting records in North America had been very elementary. Most financial records relied solely on the single-entry approach and were in narrative forms. As elementary as they were, this financial information was very important because the American economy was once generally a barter system with a considerable credit facility. Financial records were frequently the sole reliable information of such historic transactions.

At the beginning of 1820, the total number of corporations hastily raised with the construction and extension of the railroads. For a successful operation, the railroads needed production and cost reports, operating ratios and financial statements that were more multifaceted than the simple recording practices could provide. Unegbu, (2014) noted the influence of the railroad construction on the expansion of the accounting system in North America. Without direct knowledge of a business, both foreign and local investors had to solely rely on the financial statements for reliable information and the creation of such statements, more elaborate accounting systems were required. Therefore, Also, the accountant's roles and responsibilities extended outside the identification, classification, analysis and interpretation of financial statements.

Throughout the evolution of accounting, professional bodies have made some basic contributions to the expansion of the profession. According to Sandra (2014), the foremost national body for accounting educators (American Association of University Instructors in Accounting - AAUIP), was established in 1916. Furthermore, the AAUIP was restructured as the American Accounting Association in the long run. The national public accounting body that is,American Association of Public Accountants (AAPA), was unified in 1887. Later on, the AAPA was restructured as the American Institute of Accountants (AIA). According to Kickert (2011), the accounting field of the 21st century is quite different from what occurred based on the 20th century. In disparity to a bookkeeper's manual recording system in a large volume, the civilized accountants are now accountable for information concerning all the facets of a business enterprise.

3.5 South America

The expansion of financial reporting in South America has been influenced by social, political and economic evolution. In South America, accounting practices have continuously had its historic views tied to government interest. As it happened in Asia, it appeared that besides the economic, social and political factors, external factors have influenced the expansion of accounting in south America (Chatfield & Vangermeersch, 1996). In the first few years of the 20th century, while European accounting was persuasive primarily via the Italian school of accounting with an upsurge in commerce between Brazil and USA, in the 1950s the South American system of accounting became dominant. The departure between the pragmatists (American school) and the scholars (Italian school) has fashioned two distinct sets in Brazil; the supporters of the American standard concepts which are most of the Brazilian accountants and other supporters of the equity theory of the Italian school of account (King, Case & Senecker, 2017).

Lúcia, Paulo, José and Pedro (2011) asserted that the Italian school of account thought has been traded by the American pragmatic rule-based accounting system. Discontent with the prevailing theoretical framework led to the introduction of a new school of thought. This was because the Italian School was entrenched over the decades, hence, it is still likely to find resistance (Sharm, 2016). Recently, considering the growing global economic and financial integration of Brazil, the merging of national IFRS with GAAP was considered as the highest status to expand the economic reporting of South America. The principle-based accounting of the IASB appears to be more suitable in the new economic context of globalization of the South America (Brazil) economy. However, it is predictable that the receipt of the new accounting model takes time, as its assimilation required the renovation and modernization of preceding theories and the reappraisal of preceding facts.

4.Relevant Theories for Accounting Thoughts.

Institutional theory, stakeholder theory, agency theory and legitimacy theory provide the theoretical frame for this study.

4.1 Institutional Theory

The works, studies and research of Meyer and Rowan (1977), Zucker (1977), DiMaggio and Powell (1983), Meyer and Scott (1983) and Zucker (1987) are generally recognized to be the foundations of the institutional theorywhich were carried out from 1977 to 1983. Consequently, this theory spans across a very broadscope of disciplines and fields. Jean-Claude (2011) researched environmental and social accounting from the perspective of institutional theory. He asserted that in institutional theory, organizational behaviour is controlled by expectations derived from the institutional environment. Institutional theory involves the examination and explanation of how institutionalized pressures and norms affect social change among organizations (Nnamani, Onyekwelu&Ugwu, 2017).

This theory is advancing slowly but progressively as a recognized and beneficial academic theory. In association with the environmental consequences of the performance of an organization and its behavior, the institutional theory framework highlights the significance and importance of instruction, and the cognitive elements that influence the results of companies to implement a detailed organizational practice (Ibrahim, 2017). Jean-Claude (2011) debated that the theory provides a vital paradigm of research in organizational sociology. Institutional theory depicts that organizations are supposed to adhere to the rules and regulations of the institution they are under. Institutions should not be mixed-up with organizations. Health and medical science could be an institution, while a particular hospital would be an organization under the institution. This study draws on institutional theory to analyze the perennial institutional isomorphism that underpins the development of accounting and accounting standards.

Despite its clarifications and worthy applications, this theory has been heavily criticized based on the fact that it has deficiently defined concepts, numerous meanings of institutions, and a field with almost no limits (Johan, 2017). There is no universally accepted definition of the term "institution". This has made the theory to be criticized because it means that its applicability cannot be specialized. Also, the theory is composite because its scope spans across a lot of disciplines and fields; consequentially, most assumptions about it cannot be genuinely validated (Ibrahim, 2017). Also, with incessant technological change and advancements, some of its conventions can easily be nullified, making it undependable.

4.2 The Stakeholders' Theory

The stakeholders' theory was established by Richard Edward Freeman in the 1980s. The approach encompasses groups,I ndividuals, government and other organizations that have a sort of interest in the procedures and results of the firm, and upon whom the firm is influenced for the achievement of its goals (Bergsteiner & Avery, 2010). In addition to its establishment, Freeman (1984) is accredited with spreading the stakeholder theory and its concepts. The stakeholders' theory can best be looked upon as the motivation to carry out certain actions or activities because of the pressures coming from stakeholders. No matter the size of an organization, it would have stakeholders who influence its activities, and whom they want to please.

The stakeholders' theory has been developed and validated in management literature and studies based on its instrumental power, descriptive accuracy and normative validity.Samuel and Franklin (2017)asserted that the research on stakeholder theory has advanced along three routes. The first route involves descriptive accuracy and it depicts the interface between the managers, organizations and stakeholders. The second routebrings in the instrumental stakeholder theory, connected to instrumental power, and highlights that if managers want to optimize the objective performance of their firms, they must take stakeholders' interests into account. The third route describes the normative validity, it depicts what managers ought to do.

Joyce (2014) portrayed stakeholders of an organization as “groups or individuals who can impact, or are impacted by the achievement of the organization’s objectives.” The stakeholder theory is an efficient way to look at the role of sustainability ina lot of industries, as the pronouncements of these stakeholders can influence the success of an event through endorsement, sponsorship and capital. Stakeholder theory encourages an efficient, practical, ethical and effective way to manage and supervise events in a highly complex and unpredictable environment (Freeman, 1984; Jenelle & Noëlle, 2015). It is a practical theory because all sorts of organizations would have to manage their stakeholders; though whether they have the ability to do that is another case entirely.

Despite its clarity and explanations, the stakeholders’ theory has been known to have some limitations. Freeman’s definition of stakeholder seems to be too large, and therefore its practical implementation is quite impossible(Joyce, 2014). Also, the stakeholders’ theory remains very unclear regarding its foundations because it connects a relational representation of the organization based on complete contracts, which assume that the conflicts of interests can be solved by assuring a maximization of each group interests and on the other hand, the stakeholders’ theory constructs a condensed representation of the social and environmental responsibility of the company.

4.3 Agency Theory

Agency theory, developed by Jensen and Meckling (1976), has been used over time to evaluate organizational performance and managerial decision making. Agency theory is very applicable to conditions in which there is an allocation of work by one entity (the principal) to another entity (the agent), who carried out the work. It is generally acknowledged that the establishment of this theory was a result of the principal-agent problem and its resolution.

The theory asserted that a problem exists whenever authority is delegated to an agent by the principal to carry out certain activities on his behalf, for a specified period, and with some agreed benefits. The history of agency problems can be traced to the time when human civilization operated and performed business transactions and tried to maximize their interest (Brahmadev & Leepsa, 2017). It occurs when one person or entity (the agent), is able to make decisions and/or take actions on behalf of, or that impact, another person or entity, the principal. Problems arise when agents are motivated to act in their own best interests, which are contrary to those of their principals, and is an example of moral hazard.

The significance of agency theory cut across many sectors but it has been critiqued. Perrow (1986) stated that part of the theory scholars (positivist agency researchers)only approached the problem from the agent view of the "principal and agent problem", adding that the challenge could also arise from the side of the principal. His arguments persisted and held much weight, which led to the establishment of another theory, the stewardship theory. Other scholars and academics like Sanders and Carpenter (2003), Wiseman and Gomez-mejia (1998) and Pepper and Gore (2012) criticized the agency theory on various grounds such as the terms and concepts of "who is a principal" and "who is an agent", this also led to the establishment of another theory called behavioural agency theory.

4.4 Legitimacy Theory

Legitimacy theory was derived from the notion of organizational legitimacy, which was defined by Dowling and Pfeffer (1975). The theory of legitimacy provides a perspective that the interconnectivity between an organization and its related social potentials is simply a consequence of social life (Beata, 2018). The theory focused on the presupposition, that an organization must preserve its social role by reacting to the needs of the society and giving to the society, what it demands of them (Sands & Lee, 2015).

Gehan and Naser(2015) asserted that legitimacy theory is one of the most recognized theories used in explaining the concepts of voluntary social and environmental disclosures in corporate relationship. According to this theory, the survival and establishment of any organization is influenced highly by both market forces and the expectations of the community. Therefore, a comprehension of the broader trepidations of society articulated in community expectations become a compulsory precondition for the survival of the organization (Beata, 2018). Legitimacy theory is used to explain disclosures concerning the environmental and social behaviour of companies (Sands & Lee, 2015). The theory majorly highlights the relationship between an organization and the physical environment of where they operate.

Despite the significance of legitimacy theory, it was critiqued by O'Donovan (2002). The scholar established that most of the studies conducted to affirm legitimacy motives for social disclosures used ex-post content analysis of annual reports and/or other published data. The result might be misleading because there was no interaction between the society with the organization. Also, the theory failed to provide explanation or clarification as to why it is only the company that would have to strive hard to align with the regulations and values of the society.

5. CONCLUSION

The genesis of accounting thoughts offers hints and clarifications for most of the significant events that shape the development of modern accounting. The development of accounting is as old as mankind, and its development phases explain the civilization stages of the universe. Undoubtedly, the development of accounting thoughts started in an unpolished and elementary way. The expansion of accounting in Africa, like other continents, embraced of drawing lines on the wall and indentations on sticks were typical of the African approach. Also, counters were commonly used, involving farm products such as palm kernel, grains, and other items like cowries and pebbles. It was noted that Illiteracy has had a serious bearing in the early development of accounting, especially in Africa.

Also, the historic concept of accounting offers explanations and clues for most of the imperative events that form the growth and development of modern accounting. Universally, accounting thoughts have developed as a response to the changes in the sociological and, technological, political and economic environment. In the same vein, it has also advanced along geographical lines to meet the diverse needs of national values and finances and partisan systems. Many nations have followed the lead of the more advanced countries of the world. but there is increasing evidence that no single nation or group of nations has a monopoly on the development of accounting thought and accounting research.

Summarily, the recent developments of accounting in terms of the framework such as IFRS are necessary to keep up with the changing economic institutions. IFRS was established to make a common accounting language so that businesses and their financial statements can be consistent and reliable from an organization to another and from one country to another.

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